

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



White Settlement, Texas

Prepared by the Business Services Department

Kim Alexander – Director of Business

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OF
WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT
White Settlement, Texas
FOR THE FISCAL YEAR ENDED
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INTRODUCTORY SECTION

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Finance & Operations • 401 S. Cherry Lane • White Settlement, TX 76108
www.wsisd.com

October 12, 2022

Ben Davis
Board of Trustees
White Settlement Independent School District
401 S Cherry Lane
White Settlement ISD

Dear Mr. Ben Davis and members of the Board:

The Annual Comprehensive Financial Report (ACFR) of the White Settlement Independent School District (“WSISD” or “District”) for fiscal year ended June 30, 2022, is hereby submitted. The report includes the unqualified opinion of our independent auditors, Pattillo, Brown, & Hill, LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operation of the various funds of WSISD. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included. The ACFR for the year ended June 30, 2022, is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board (“GASB”) in their Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June 1999. The ACFR also adheres to guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officers Association (ASBO).

Generally Accepted Accounting Principles (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). MD&A is intended to give the reader an easy-to-understand overview of the school district’s financial position and results of operations for the year. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found on page 34 of the Financial Section.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Federal Awards. The Introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The management’s discussion and analysis in the Financial section provides an overview of the financial position and results of operations for the year. The Financial section also includes the auditor’s report, the basic financial statements, including the Government Wide Financial Statements and the Governmental Fund Financial Statements, the combining schedules and required

supplementary information. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Federal Awards section includes the schedule of federal awards, auditor's reports, and the schedule of findings for both 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. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's assets from loss, theft, or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of the district's financial statements in conformity with 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 assurance rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Pattillo, Brown and Hill, L.L.P., a firm of licensed certified public accountants. 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 concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

The remainder of this transmittal highlights the governance structure, the mission, economic conditions and outlook, and the financial activities of the District.

This report includes all funds of WSISD. The district's financial policies address accounting and fiscal operations of the district, with an emphasis on asset, procurement, and budget management. All activities over which the WSISD Board of Trustees exercises authority and/or oversight responsibilities are included.

Governing Body

White Settlement ISD was established in 1950. The District is governed by a seven-member Board of Trustees (the Board) serving staggered three-year terms with elections held in May of each year. All candidates must be qualified voters and residents of the District. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may meet to 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, the courts, and the will of its citizenry as expressed in elections. The Board's responsibilities are generally: to set policy for the District, to ensure efficient operations, to select and evaluate the Superintendent of Schools, to adopt the annual budget and its supporting tax rate, and to foster good community relations and communications. The Board offers stability and leadership to the district and sets the tone for educational improvement.

The Board has final control over all school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on a majority vote of those present.

The Board of Trustees meets annually for strategic planning and set both long-term and short-term district goals in an effort to focus resources and efforts on specific areas, as well as set high standards for the students and staff of WSISD.

Motto

Think Big...Bears Do!

Mission

Fostering a culture of excellence and empowering Brewer Bears to be innovators and leaders of tomorrow by providing premier education.

Vision

Developing a passion to learn...discovering a purpose for tomorrow.

Core Beliefs

We believe:

- All students are our top priority
- Every student has value and purpose
- Our students deserve a passionate teacher in every classroom every day
 - A safe secure and enriched environment enhances learning
- Learning is a shared responsibility that requires active involvement by students, staff, families, and the community

District Goals

- Maximize student achievement through high standards across all disciplines, which incorporate critical thinking, creativity, collaboration, high quality, instructional strategies and innovative teaching.
- Cultivate a safe, nurturing and collaborative environment that promotes active involvement by parents, students, and community members.
- Sustain an effective and efficient organization by utilizing a flexible, responsive and consistent process for financial and operational management.
- Design professional learning opportunities that lead to effective teaching practices, instructional leadership, and improved student results.
 - The District will recruit, develop, and retain qualified, certified and effective personnel

General Information

White Settlement ISD was established in 1950. White Settlement ISD, home of the Fightin' Brewer Bears, offers a hometown, community atmosphere with all the benefits of city living. WSISD is a growing suburban school district that serves more than 7,100 students. The geographical boundaries of the District include a portion of the City of Fort Worth. The District accepts students from outside the geographical boundaries through open enrollment.

The District is comprised of eight schools and has more than 900 employees. Conveniently located west of downtown Fort Worth, and just minutes from Lockheed Martin and the Naval Air Station Joint Reserve Base, WSISD is located in the Dallas/Fort Worth Metroplex. WSISD is just minutes from Fort Worth's Culture Arts District which offers a science and history museum, two world-renown art museums, and numerous performing arts facilities.

The District provides a full program of public education from pre-kindergarten through grade twelve, and all schools within the District are fully accredited by the Texas Education Agency. The District is serving students by providing regular, special education, Career and Technology, gifted & talented, dual language, and bilingual/ESL curriculums.

The District philosophy is to foster a culture of excellence in which all students are empowered to be innovators and leaders of tomorrow through engaging, hands-on instruction; the latest technology; and extra-curricular programs that meet the needs and interests of every student. Every White Settlement school implements innovative and creative learning opportunities for students through technology, project-based learning, classroom transformations and more!

Economic Conditions and Outlook

The financial statement is best understood when it is considered within the perspective of the environment in which the District operates.

WSISD encompasses 24 square miles in Tarrant County, and students reside in the City of White Settlement and the western portion of the City of Fort Worth. WSISD is located in the mid-western boundary of Tarrant County, one of the largest manufacturing counties in the United States. Oil and gas production in Tarrant County accounts for 6.43 percent of total state production.

The Dallas/Fort Worth Area (DFW) is expected to grow by over 500,000 people in the next 4 years (an increase of 6.8% from 2020). The Dallas-Fort Worth- Arlington area is experiencing a record migration from other states and countries. Five of the top ten largest gaining counties in 2021 were located in Texas.

The area has almost completely recovered from the pre-pandemic levels for employment and unemployment rates. Although the United States is still at a -.68% in recovery of employment, Texas employment is up by 1.98%. The state recovered 126,600 jobs from the pre-pandemic numbers and added 141,200 jobs in new growth. The largest industry to gain jobs was the Professional & Business (9.9%) and the Leisure & Hospitality (15%). The DFW unemployment rate for March 2022 was 3.4% compared to the United States rate of 3.8%.

Several nearby colleges and universities are located in Fort Worth including Texas Christian University and Texas Wesleyan University. Fort Worth is home to the nation's only industrial airport – Alliance Airport. Alliance is the heart of a booming Alliance industrial corridor, with a FedEx sorting hub as one of the major airport tenants.

Enrollment Growth

WSISD enrollment increased from 6,701 in 2020-2021 to 7,036 in 2021-2022. According to the District's demographer, School District Strategies, White Settlement ISD's enrollment will continue to increase at a steady growth rate of 1.3 percent to 2.5 percent annually over the next 5 to 10 years due to several new housing developments (see housing section below). The growth is analyzed on a quarterly basis and maybe adjusted due to development. The District's growth is not expected to peak within the next 10 years.

White Settlement ISD total staff has increased slightly over the last several years partly due to growth in the number of special sub-population groups such as bilingual students and special education students. Enrollment provides the basis for staffing, however, the Average Daily Attendance is the basis for computing state aid. The correlation between the two is very important.

Housing

The District's housing market remains popular, but the pace of construction slowed some as builders wait for the lot supply to be replenished. The District had total annual resales of 645 in 2020-2021 and 661 in 2021-2022. The last two years were record resales in more than a decade. The annual starts is running slightly ahead of the 10-year average seen at the end of 2021. The number of new home starts decreased by 43% due to the deleted lot inventory; however, developers delivered a record 623 new lots in White Settlement ISD over the past four quarters to replenish the lot supply. As of spring 2022, there are a combined total of 6,192 total single-family lots in process/planned in White Settlement ISD. In addition to single-family residences, construction projects are underway on multi-family residences and a 505-acre industrial complex.

Builders are dealing with additional challenges including a shortage of workers and supply chain issues that continue to prolong construction cycle times. Many builders are seeing a minimum of 220 days to complete a house versus normal 140 days. Additionally, climbing lumber prices and fuel prices affected builders. In the last couple of months, the lumber prices have settled down.

The new builders are focusing on mid-price residences, ranging from \$250,000 to \$350,000 versus the surrounding areas that offer pricier homes. This is a strategy of the current builders to attract first-time home buyers to this market. Value driven move-up and entry-level homes are the key drivers of new home sales in the District. The median new home price was \$323,750 (increase of 11% from 2021) for White Settlement ISD, \$396,149 for greater Fort Worth's and \$406,203 for the Dallas Fort Worth Area.

Employment

The U.S. Bureau of Labor Statistics reported in May 2022 that total non-farm employment for the Dallas-Fort Worth (DFW) area increased by 294,700 jobs over the year. The job growth rate for DFW is 7.7% compared to the national job growth rate of 4.5%. Currently, the District does not have any new large employers that have committed to move into the area; however, it is anticipated that the new industrial complex will bring growth. White Settlement ISD's largest employer is Lockheed Martin, an American aerospace, defense, arms, security, and advanced technologies company.

Unemployment

Prior to COVID (April 2020), the state's unemployment rate had been at or below the national rate for eleven consecutive years, according to the Bureau of Labor Statistics. In June 2022, the unemployment rate in the DFW area declined by 1.4%, compared to June 2021. In June 2022, the unemployment rate for the DFW area was 3.6 % compared to the statewide rate of 4.2 %.

Education

White Settlement ISD empowers learners to be the innovators and leaders of tomorrow through engaging, hands-on instruction; the latest technology; and extra-curricular programs that meet the needs and interests of every student.

WSISD has earned a B accountability rating from the Texas Education Agency the past three years. The district is comprised of ten schools and 960 employees. The district offers four elementary campuses including the North Elementary STEAM Academy, a Fine Arts Academy, an Early Childhood Academy, an intermediate school (grades 5 and 6), a middle school (grades 7 and 8), a high school (grades 9 through 12), a Virtual Academy (grades K through 8), and an alternative campus.

Established in 2021, the WSISD Virtual Academy offers a more flexible academic environment for families in the District, as well as families outside the District. The Virtual Academy appeals to families who may desire a home-school atmosphere or need flexibility due to medical or other special considerations. Offering a full curriculum, including PE and fine arts, the Virtual Academy staff is dedicated to providing a rigorous, high-quality education, while building relationships to foster each student's independence and academic growth.

White Settlement ISD is a Dell EMC Model School District. The district's Dell EMC certified educators work with staff to integrate the best practices in technology applications, enhancing student collaboration, imagination and problem-solving that results in digital learners that are prepared for the 21st century.

The district's 1-1 technology initiative provides all students in grades 3 through 12 with Dell laptops and all pre-kindergarten through second graders with iPads. Touchscreen smart boards are also utilized in classrooms at every grade level.

The district's growing Career and Technical Education (CTE) program provides students with a variety of career avenues including Agriculture, Cosmetology, Culinary Arts, Engineering, Health Science, and more. White Settlement ISD is the only district in Texas to offer an Unmanned Aircraft Systems (drone) program that enables students to receive a Federal Aviation Administration certification. Brewer High School students can graduate with industry standard certifications through CTE classes, giving them the choice of entering into the workforce upon graduation.

WSISD offers rigorous, advanced curriculum options as early as the sixth grade, ensuring that students are ready for post-secondary success. Through partnerships with Tarrant County College and the University of Texas, the Dual Credit Academy at Brewer High School enables students to graduate high school with college credit hours.

WSISD offers one-way and two-way Dual Language immersion programs. The Dual Language program enables native Spanish and English speakers to develop proficiency and fluency in both English and Spanish. Beginning in Kindergarten, Dual Language students are on a pathway to earn the Seal of Biliteracy Award upon graduation.

Brewer Bears can participate in a variety of award-winning athletic and fine arts programs including band, color guard, choir, cross country, dance, theater, football, basketball, baseball, soccer, softball, tennis, track, volleyball, wrestling, powerlifting, and more. Students may also participate in a variety of clubs and organizations, many of which align with the District's CTE offerings. These include Law Enforcement, FCCLA, FFA, Audio Video, Robotics, and Animation. More than 300 Brewer High School students competed at regional and state competitions in 2021-2022.

Charter Schools

There is one Charter School within the boundaries of White Settlement ISD. High Point Academy opened prior to the 2016-2017 school year. During the 2021-2022 school year, 272 White Settlement ISD students attended High Point Academy and 185 White Settlement students attended Uplift Education. Since White Settlement ISD is an open enrollment district, the number of student transfers from other districts is offset by the number of students who transfer out. The District administration is conservative when estimating the number of students for funding and staffing purposes, allowing for the loss of students to charter schools.

District of Innovation

In January 2017, a District Planning Committee, consisting of teachers, administrators, and parents explored the possibility of becoming a “District of Innovation.” Created during the 84th Legislative Session in House Bill 1842, the designation allows school districts greater local control and flexibility regarding certain provision of the Texas Education Code in an effort to utilize the designation to better serve students. In September 2021, the District of Innovation Planning Committee met to discuss renewing the plan.

White Settlement ISD’s plan addresses the following areas: the first day of instruction, teacher certification, probationary contracts, class size waivers, the teacher and principal appraisal system, and Student Health Advisory Council.

The District of Innovation enables White Settlement ISD:

- To develop an academic calendar that better fits the needs of our community;
- To make decisions regarding certifications locally, allowing the District the flexibility to hire non-certified individuals who have industry experience in a CTE field, the LOTE educational field, or the Fine Arts educational field;
- To issue a probationary contract for up to two years for experienced teachers, counselors, or nurses to allow the district to better evaluate the teacher’s effectiveness in the classroom;
- To have the flexibility to exceed the 22:1 ratio in the classroom in the event of unforeseen enrollment growth. White Settlement ISD’s priority is to continue ensuring a 22:1 classroom ratio;
- To use a locally developed evaluation system to better meet the needs of teachers and administrators; and
- To seek an exemption from the meeting requirement as it relates to the Student Health Advisory Council, allowing for greater flexibility in regard to scheduling meetings which will allow the meetings to run more efficiently.

The Board of Trustees held a public meeting on March 30, 2017, regarding the plan and adopted the final plan on May 9, 2017. On January 24, 2022, the Board of Trustees adopted the Final District of Innovation Plan which took effect immediately and will continue through January 25, 2027.

Long Term Financial Planning

In May 2021, the Long-Range Facilities Planning Committee was re-established to update the District’s Long-Range Plan. The committee included members of the Board of Trustees, White Settlement ISD Leadership Team, teachers, parents, students, and community members. Over a three-month period, members studied demographic reports, enrollment projects, district finances, tax impact scenarios, and a comprehensive assessment of every campus and facility in White Settlement ISD. On May 27, 2021, the Long-Range Facilities Planning Committee presented its recommendations to the White Settlement ISD Board of Trustees during a Special Meeting.

In the November 2021 election, the Voter Approved Tax Ratification Election (VATRE) passed giving the District an additional \$4 million (additional 8 cents in tax rate) in state and local revenue. The primary objective for this funding is to improve the District's mental health program and increase staff salaries in an effort to attract and retain highly qualified teachers and staff.

On January 24, 2022, the Board of Trustees voted to call a \$115 million Bond Election. On May 7, 2022, voters approved the bond. The bonds were sold on August 18, 2022. As of the fiscal year-end only a small amount of bond money was spent.

Every student, school, teacher, and staff member in White Settlement ISD will be impacted by the projects in the proposed bond package. As part of the bond package, White Settlement ISD will undergo a grade level instructional realignment that will affect the elementary, intermediate, and middle school campuses. This change will increase the capacity at all elementary schools, strengthen the kindergarten through fifth grade curriculum alignment, and create a stronger foundation for students as they transition to middle school. The realignment is anticipated to begin in 3 to 5 years.

During the 2021-2022 fiscal year, the District reduced the debt portfolio by refinancing bonds at a lower interest rate and paying some bonds off early. The District has refinanced bonds several times in the last ten years and saved taxpayers millions of dollars by reducing the overall amount of outstanding debt. In July 2022, the District received an "A1" rating from Moody's Investors Services and maintained an A+ Fitch Rating. These exceptional ratings allow the District to sell bonds at a reduced interest rate, which in turn saves the taxpayers money.

Since the Texas Legislature meets every two years to approve education funding, school districts are unable to accurately predict what mandates or funding changes will be implemented over the long-term. White Settlement ISD has accumulated unassigned fund balance in excess of \$25 million in General Fund Balance to prepare for uncertainties in future student enrollment growth, property values, and funding reductions.

Relevant Financial Information

The District's management is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, and misuse. Additionally, management ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

Single Audit

As a recipient of federal, state, and local awards, the District is responsible for ensuring that adequate controls, including that portion related to financial award programs 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 internal controls over financial reporting or over compliance requirements applicable to each major program. In addition, the audit disclosed no material weaknesses of non-compliance with certain provision of laws, regulations, contracts, and grants and that the District complied with all material compliance requirements applicable to each major program.

Budgetary Controls

In addition to the above, 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 annual budget adopted by the 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). Each year the Board of Trustees legally adopts a budget for the General Fund, Debt Service Fund, and Child Nutrition Fund. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Funds are prepared on a project basis, dependent on grant regulations and/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 Texas Education Agency 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 unless specifically identified for rollover into the next fiscal year.

The financial statement format is prescribed by the Financial Accountability System Resource Guide (FASRG) established in Texas Administrative Code. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Fund Balance

The total General Fund balance is managed as an integral part of the subsequent year's budget adoption and tax rate setting process. The Board of Trustees adopted a fund balance policy that requires the District to maintain between two to three months total operating expenditures in the unassigned general fund balance. The Board of Trustees voted to set aside as a reservation, \$1.5 million of oil and gas revenue for future technology improvements and replacements. The District also assigned \$2.6 million for future construction projects and \$1.5 for ESSER personnel transition costs. The ESSER transition costs will be used to fund the positions added during COVID-19, if needed, from the general fund.

Independent Audit

State law and District policy require an annual audit by independent certified public accountants. Pattillo, Brown, & Hill, LLP performed the audit for fiscal year end June 30, 2022. In addition to meeting the requirements in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Uniform Guidance. The independent auditors' report on the basic financial statements is included in the financial section of this report. Also included in this report are the independent auditors' reports relating specifically to the single audit.

Report Information

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 generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards.

The Annual Comprehensive Financial Report 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).

Finance Awards

An important aspect of any budget is to ensure that dollars spent translate into intended results. Results can be measured by objective student achievements and major District accomplishments. The accomplishments listed in this section exemplify WSISD's steps toward excellence in attaining its District goals and objectives.

- GFOA Certificate of Achievement - White Settlement Independent School District received a Certificate of Achievement for the Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its AFCR for the fiscal year end June 30, 2021. The Certificate of Achievement requires the governmental unit to publish an easily readable and efficiently organized AFCR with contents that conform to program standards. The AFCR also needs to satisfy both the GAAP and applicable legal requirements. This Certificate of Achievement is valid for one year only. We believe that this current report will conform to the Certificate of Achievement Program requirements and is being submitted to the GFOA review.
- The district also received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year-end June 30, 2021. This award certifies that the AFCR for the fiscal year ended June 30, 2021, substantially conforms to the principals and standards of reporting as recommended and adopted by ASBO. We believe that our current report will also meet the Certificate of Excellence Program requirements and will be submitted to ASBO for review.
- White Settlement ISD received a rating of "B", Above Standard from the FIRST (Financial Accountability Rating System of Texas). This is the first year the District did not receive a superior rating since the FIRST system was started 19 years ago. Effective for the 2020-2021 rating, the system added five new indicators. The District lost all 14 points because of the new indicators related to its bond debt. One of the debt indicators measures the long-term liabilities to total assets to determine if the District has sufficient solvency. The other debt indicator measures to see if the assessed property value is sufficient to pay future debt payments. The 2003 bond included CAP (Capital Appreciation Bonds) which is a significant factor in the District not meeting the requirement to receive all the points on these two indicators. The financial accountability rating system for Texas School District's, was developed by the Texas Education Agency. The primary goal is to achieve quality performance in the management of school district financial resources.
- White Settlement ISD earned the Transparency Stars Award for its continued progress toward achieving financial transparency. The Texas Comptroller's Leadership Circle program recognizes local governments across Texas that strive to meet a high standard for financial transparency online. The District's efforts to provide citizens with clear, consistent information in a user-friendly format have paved the way for achieving greater financial transparency. WSISD earned the star for Traditional Finances and Debt Obligations Four consecutive years and the star for Contracts and Procurement the past Three years.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Business Services Department. We would like to express our sincere appreciation to all members of the departments and surrounding entities 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,



David Bitters
Assistant Superintendent of
Finance and Operations

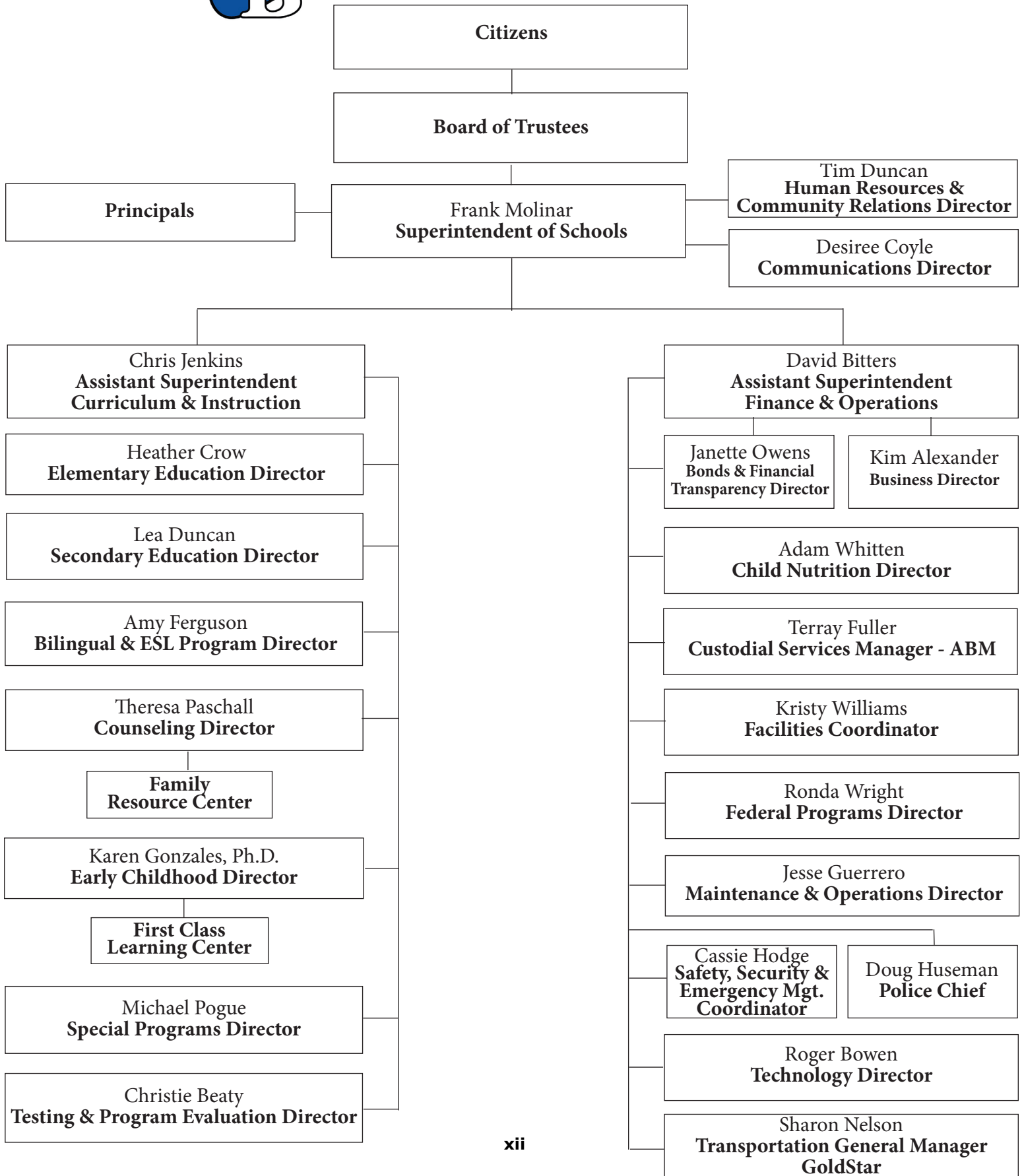


Kim Alexander
Director of Business



WHITE SETTLEMENT

INDEPENDENT SCHOOL DISTRICT



WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2022

Board of Trustees

Ben Davis, President

John Bradley, Vice President

Melissa Brown, Secretary

Amanda Sanchez

Dr. Jeremy Lelek

Glen Lowry

Raymond Patterson

District Leadership

Frank Molinar, Superintendent of Schools

David Bitters, Assistant Superintendent of Finance & Operations

Chris Jenkins, Assistant Superintendent of Curriculum, Instruction & Administrative Services

Tim Duncan, Human Resources & Community Relations Director

Desiree Coyle, Communications Director

Kim Alexander, Business Director

CERTIFICATE OF BOARD

White Settlement Independent School District
Name of School District

Tarrant
County

220920
Co.-Dist.Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2022, at a meeting of the Board of Trustees of such school district on the 17th day of October, 2022.



Signature of Board Secretary



Signature of Board President

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**White Settlement Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

White Settlement 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 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees of
White Settlement Independent School District
White Settlement, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of White Settlement Independent School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise White Settlement 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 White Settlement 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of White Settlement 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.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in fiscal year 2022 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's 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 the 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise White Settlement Independent School District's basic financial statements. The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, required TEA schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, 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 Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 12, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the White Settlement Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflow of resources at the close of the most recent period by \$87,946,286 (net position - deficit). This is an increase of \$8,999,345 in the current year, which is primarily due to a reduction in the District's long-term liabilities.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$46,778,475, an increase of \$5,307,317 from the prior year. Contributing to this change was the increase in revenue from property taxes and the foundation school program, which were partially offset by increases in expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,915,897 or 34% of total General Fund current year expenditures. Prior year unassigned fund balance for the General Fund was \$18,314,391, or 32% of total General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of 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.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows/inflows of resources, and liabilities, with the difference being reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information on how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

In the District's government-wide financial statements the functions of the District are being principally supported by taxes and intergovernmental revenues (governmental activities) The governmental activities of the District include instruction, school leadership, guidance, counseling and evaluation services, social work services, health services, student transportation, extracurricular activities, general administration, facilities maintenance and operations, security and monitoring services and community services.

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 District, like other statement and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 assessing a government's near-term financing requirements.

Because the focus of the 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 23 individual 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, which are considered to be major funds. Data from the remaining 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.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. The District maintains one type of proprietary fund. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for the management of its retained risks for worker's compensation, and for the operation of a print shop. The services have been included within *governmental activities* in the government-wide financial statements.

The internal service funds are included in a single column on the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The District maintains one type of fiduciary fund. The *Custodial fund* reports resources held by the District is a custodial capacity primarily for student groups.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's pension and OPEB plans.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$87,946,286 at the close of the most recent fiscal year.

	Governmental Activities		Change
	2022	2021	
Current and other assets	\$ 55,650,676	\$ 50,100,264	11.08%
Capital assets	<u>99,686,820</u>	<u>105,612,318</u>	-5.61%
Total assets	<u>155,337,496</u>	<u>155,712,582</u>	-0.24%
Deferred outflows of resources	<u>23,287,592</u>	<u>25,356,109</u>	-8.16%
Current liabilities	8,482,464	9,266,492	-8.46%
Long-term liabilities	<u>236,085,715</u>	<u>253,466,671</u>	-6.86%
Total liabilities	<u>244,568,179</u>	<u>262,733,163</u>	-6.91%
Deferred inflows of resources	<u>22,003,195</u>	<u>15,281,159</u>	43.99%
Net position:			
Net investment in capital assets	(87,671,659)	(81,020,497)	-8.21%
Restricted	18,376,055	17,574,558	4.56%
Unrestricted	<u>(18,650,682)</u>	<u>(33,499,692)</u>	44.33%
Total net position	<u>\$(87,946,286)</u>	<u>\$(96,945,631)</u>	9.28%

A large portion of the District's deficit net position, (\$87,671,659), reflects the District's net investment in capital assets (e.g., land, buildings, furniture and equipment, and accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. 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 is 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. The District's net investment in capital assets is a deficit primarily due to the long-term debt used to finance some of the District's capital assets maturing after capital assets are depreciated.

An additional portion of the District's net position, \$18,376,055, represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, (\$18,650,682), is a deficit. This is not an indication that the District has insufficient resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

At the end of the current fiscal year, the District did not report positive balances in net investment in capital assets and unrestricted net position, and the same held true for the prior fiscal year.

CHANGES IN NET POSITION

	Governmental Activities		
	2022	2021	Change
REVENUES			
Program revenues:			
Charges for services	\$ 1,967,089	\$ 1,634,803	20.33%
Operating grants and contributions	14,746,416	15,176,245	-2.83%
General revenues:			
Maintenance and operations taxes	26,284,881	23,612,919	11.32%
Debt service taxes	12,928,778	11,402,894	13.38%
Grants and contributions not restricted	35,831,056	31,008,614	15.55%
Investment earnings	96,243	38,379	150.77%
Miscellaneous	298,155	235,662	26.52%
Total revenues	<u>92,152,618</u>	<u>83,109,516</u>	10.88%
EXPENSES			
Instruction	39,935,402	43,122,732	-7.39%
Instructional resources and media services	373,872	395,083	-5.37%
Curriculum and instructional staff development	1,136,124	1,130,864	0.47%
Instructional leadership	1,696,792	1,557,034	8.98%
School leadership	4,500,360	4,725,377	-4.76%
Guidance, counseling and evaluation services	2,451,222	2,658,329	-7.79%
Social work services	93,951	104,639	-10.21%
Health services	701,656	766,314	-8.44%
Student (pupil) transportation	2,721,962	1,850,445	47.10%
Food services	4,389,460	3,597,537	22.01%
Co-curricular/extra curricular activities	3,085,373	3,095,258	-0.32%
General administration	2,535,112	3,766,738	-32.70%
Plant maintenance and operations	8,286,993	7,421,038	11.67%
Security and monitoring services	409,785	546,143	-24.97%
Data processing services	3,052,254	2,261,751	34.95%
Community services	631,657	690,350	-8.50%
Debt service - interest on long-term debt	6,963,551	5,466,247	27.39%
Payments related to shared services			
arrangements	53,500	58,500	-8.55%
Other intergovernmental changes	134,247	158,534	-15.32%
Total expenses	<u>83,153,273</u>	<u>83,372,913</u>	-0.26%
CHANGE IN NET POSITION	<u>8,999,345</u>	<u>(263,397)</u>	3516.65%
NET POSITION, BEGINNING	<u>(96,945,631)</u>	<u>(96,682,234)</u>	-0.27%
NET POSITION, ENDING	<u>\$(87,946,286)</u>	<u>\$(96,945,631)</u>	9.28%

The District's net position increased by \$8,999,345 from the prior fiscal year. This change is primarily due to an decrease in the District's total long-term liabilities, which included regular debt service payments as well as a reduction in the proportionate share of the District's net pension liability.

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and the balance of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board.

At year-end the District's governmental funds reported a combined ending fund balance of \$46,778,475, a net increase of \$5,307,317 from last year's combined fund balance. Unassigned fund balance is \$20,909,353, or 45% of total and is available for spending at the District's discretion. The remainder of fund balance is not available for discretionary spending because it is classified as non-spendable, restricted, committed, or assigned.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year the general fund's total fund balance was \$26,586,830, of which \$20,915,897, or 79% of total, is unassigned. The total fund balance increased by \$5,222,622 primarily due to an increase in revenue from property taxes and state foundation payments.

The Debt Service Fund ending fund balance was \$17,371,296, all of which is reserved for the payment of future debt service. The total fund balance decreased by \$993,987 in comparison to the prior year. This decrease resulted from increases in debt service payments which were partially offset by increased property tax revenue as a result of increases in net appraised property values in the District.

The Capital Projects Fund was created during the year ended June 30, 2022 to account for proceeds from the District's Unlimited Tax School Construction Bonds, Series 2022, which were issued after year end and will be used to fund multiple construction and capital improvement projects around the District. The fund had no fund balance as of June 30, 2022.

General Fund Budgetary Highlights

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories:

- Adjusting state revenue for updated average daily attendance projections.
- Amendment to reduce budgets for amounts not spent during the year.
- Other major amendments to the General Fund expenditures included a \$587,501 increase in Function 11 – Instruction for student technology and added personnel, a \$832,670 increase in Function 51 – Facilities Maintenance & Operations for improvement to facilities, an increase of \$438,661 in Function 34 – Transportation Services for added bus routes, and a \$362,716 increase in Function 53 – Data Processing Services for investments in new technology and related services.

The District's actual General Fund balance of \$26,586,830 differs from the General Fund's budgetary fund balance of \$22,791,349. The difference of \$3,795,481 is primarily due to greater than expected receipts from property taxes and state foundation payments.

Capital Assets and Debt Administration

Capital Assets. The District's investments in capital assets for its governmental activities at the end of this fiscal year amounts to \$99,686,820 (net of accumulated depreciation) for a net decrease of \$5,925,498 or 5.6% from last year. This investment in capital assets includes land, buildings and improvements, and furniture and equipment. The decrease was not due to the district disposing of significant assets, but rather due to depreciation accumulating in excess of additions.

Major additions for the current fiscal year included the purchase of multiple vans totaling \$75,412 and new servers for \$56,760.

District's Capital Assets

	2022	2021
Land	\$ 4,305,444	\$ 4,305,444
Building & improvements	206,127,367	205,874,164
Furniture & equipment	10,286,174	9,759,722
Right to use - equipment	217,027	-
Less depreciation	(121,249,192)	(114,327,012)
Totals	<u>\$ 99,686,820</u>	<u>\$ 105,612,318</u>

Additional information about the District's capital assets are presented in note II, section D of the notes to the financial statements.

Long-term Liability Administration. At year-end, the District had \$236,085,715 in long-term liabilities versus \$253,466,671 last year. The change in long-term liabilities is primarily attributable to payments made on capital appreciation bonds, which offset the District's savings on principal and accreted interest from the issuance of the 2022 refunding bonds.

District's Outstanding Debt

	2022	2021
Bonds payable	\$ 141,130,169	\$ 147,248,366
Financing arrangements	554,100	657,251
Leases	165,366	-
Accreted interest on CABs	8,404,987	7,721,983
Premium related to CABs	53,079,947	55,810,984
Premium on bonds	2,718,151	2,361,657
Maintenance tax note	3,115,000	3,655,000
Net Pension Liability (proportionate share)	8,927,965	18,307,147
Net OPEB Liability (proportionate share)	<u>17,990,030</u>	<u>17,704,283</u>
Totals	<u>\$ 236,085,715</u>	<u>\$ 253,466,671</u>

The State issues guidelines recommending that a government entity should limit the amount of general obligation debt to 10% of its total assessed valuation. The current debt limitation for the District is \$267,910,738. The District's current outstanding general obligation debt does not exceed this amount.

Additional information on the District's long-term liabilities can be found in note II, section F of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The District's 2022-2023 refined average daily attendance (ADA) is expected to be 6,592. The budget is based on an ADA of 6,592.
- The District continues to grow at a rate of 1%-1.5% per year. Several new housing additions support the projection of continued growth. The District passed a \$115 million bond for the purpose of updating the capacity of district facilities.
- The current amended budget is a negative \$710,977. The negative amount includes \$260,000 re-budgeted from FYE 6/22, \$241,729 for additional safety supplies and equipment, and \$95,184 for additional staffing.
- The District is continuing to work with its financial advisors and bond advisors to refinance bonded indebtedness to reduce debt amount. The District refinanced bonds and paid over \$2 million bonds off early.
- The District passed a Voter Approved Tax Ratification election in November 2022 to add \$0.08 to the maintenance and operations tax rate.

- The Districts reduced maintenance and operations tax rate for 2022-2023 to \$0.9374 from \$0.9803. The debt service tax rate remained \$0.48.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Office, at White Settlement I.S.D., 401 S. Cherry Lane, White Settlement, Texas 76108.

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BASIC FINANCIAL STATEMENTS

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WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2022

Data Control Codes		Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 4,533,930
1120	Current investments	38,503,786
1220	Property taxes receivable (delinquent)	1,703,967
1230	Allowance for uncollectible taxes	(643,161)
1240	Due from other governments	11,407,932
1290	Other receivables	25
1300	Inventories	13,090
1410	Prepaid items	131,107
	Capital assets:	
1510	Land	4,305,444
1520	Buildings and improvements, net	92,224,398
1530	Furniture and equipment, net	2,983,356
1550	Right to use equipment, net	173,622
1000	Total assets	<u>155,337,496</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred loss on bond refunding	13,404,254
1705	Deferred outflow related to pensions	5,462,926
1706	Deferred outflow related to other post-employment benefits	4,420,412
1700	Total deferred outflows of resources	<u>23,287,592</u>
	LIABILITIES	
2110	Accounts payable	555,341
2140	Interest payable	1,499,616
2160	Accrued wages payable	6,228,948
2180	Due to other governments	17,896
2300	Unearned revenue	180,663
	Noncurrent liabilities:	
	Due within one year:	
2501	Long-term debt	6,417,924
	Due in more than one year:	
2502	Long-term debt	202,749,796
2540	Net pension liability (proportionate share)	8,927,965
2545	Net other post-employment benefit liability (proportionate share)	17,990,030
2000	Total liabilities	<u>244,568,179</u>
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred inflow related to pensions	9,490,204
2606	Deferred inflow related to other post-employment benefits	12,512,991
2600	Total deferred inflows of resources	<u>22,003,195</u>
	NET POSITION	
3200	Net investment in capital assets	(87,671,659)
	Restricted for:	
3820	Federal and state programs	2,090,773
3850	Debt service	16,217,724
3890	GAP awards	67,558
3900	Unrestricted	(18,650,682)
3000	Total net position (deficit)	<u>\$ (87,946,286)</u>

The accompanying notes are an integral part of this financial statement.

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Functions/Programs	1	Program Revenues 3
		Expenses	Charges for Services
	Primary government:		
	Governmental activities:		
11	Instruction	\$ 39,935,402	\$ 442,619
12	Instructional resources and media services	373,872	-
13	Curriculum and staff development	1,136,124	-
21	Instructional leadership	1,696,792	-
23	School leadership	4,500,360	-
31	Guidance, counseling, and evaluation services	2,451,222	-
32	Social work services	93,951	-
33	Health services	701,656	-
34	Student transportation	2,721,962	-
35	Food service	4,389,460	333,563
36	Extracurricular activities	3,085,373	1,190,907
41	General administration	2,535,112	-
51	Facilities maintenance and operations	8,286,993	-
52	Security and monitoring services	409,785	-
53	Data processing services	3,052,254	-
61	Community services	631,657	-
72	Interest on long-term debt	6,963,551	-
93	Payments for shared services arrangements	53,500	-
99	Other intergovernmental changes	134,247	-
	[TP] Total primary government	\$ 83,153,273	\$ 1,967,089
	General revenues:		
	Taxes:		
MT	Property taxes, levied for general purposes		
DT	Property taxes, levied for debt service		
GC	Grants and contributions not restricted to specific programs		
IE	Investment earnings		
MI	Miscellaneous		
TR	Total general revenues		
CN	Change in net position		
NB	Net position, beginning		
NE	Net position, ending		

The accompanying notes are an integral part of this financial statement.

Program Revenues	Net (Expenses) Revenue and Changes in in Net Position
4	6
Operating Grants and Contributions	Primary Gov. Governmental Activities
\$ 4,980,541	\$(34,512,242)
4,331	(369,541)
660,298	(475,826)
44,527	(1,652,265)
294,593	(4,205,767)
989,425	(1,461,797)
(384)	(94,335)
53,073	(648,583)
245,602	(2,476,360)
4,914,865	858,968
(12,482)	(1,906,948)
79,471	(2,455,641)
870,845	(7,416,148)
828	(408,957)
1,107,165	(1,945,089)
48,595	(583,062)
404,544	(6,559,007)
60,579	7,079
-	(134,247)
<u>\$ 14,746,416</u>	<u>\$(66,439,768)</u>

26,284,881
12,928,778

35,831,056
96,243
298,155
75,439,113
8,999,345
(96,945,631)
\$(87,946,286)

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2022

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund
ASSETS				
1110	Cash and cash equivalents	\$ 2,336,058	\$ 188,071	\$ -
1120	Investments - current	20,104,864	17,201,120	-
1220	Property taxes - delinquent	1,149,056	554,911	-
1230	Allowance for uncollectible taxes (credit)	(434,295)	(208,866)	-
1240	Receivables from other governments	10,030,165	-	-
1260	Due from other funds	947,676	-	-
1290	Other receivables	25	-	-
1300	Inventories	-	-	-
1410	Prepaid items	21,597	-	109,510
1000	Total assets	<u>34,155,146</u>	<u>17,735,236</u>	<u>109,510</u>
LIABILITIES				
2110	Accounts payable	204,080	-	-
2160	Accrued wages payable	5,536,369	-	-
2170	Due to other funds	290,777	-	109,510
2180	Due to other governments	-	17,896	-
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>6,031,226</u>	<u>17,896</u>	<u>109,510</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue	<u>1,537,090</u>	<u>346,044</u>	<u>-</u>
2600	Total deferred inflows of resources	<u>1,537,090</u>	<u>346,044</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
3430	Prepaid items	21,597	-	-
Restricted:				
3450	Federal or state grant restrictions	-	-	-
3480	Retirement of long-term debt	-	17,371,296	-
3490	GAP awards	-	-	-
3545	Committed for campus activity	-	-	-
Assigned:				
3550	Construction	2,600,000	-	-
3590	Other assigned fund balance	3,049,336	-	-
3600	Unassigned	<u>20,915,897</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>26,586,830</u>	<u>17,371,296</u>	<u>-</u>
4000	Total liabilities, deferred inflows and fund balances	\$ <u>34,155,146</u>	\$ <u>17,735,236</u>	\$ <u>109,510</u>

The accompanying notes are an integral
part of this financial statement.

Other Funds	Total Governmental Funds
\$ 1,989,327	\$ 4,513,456
1,197,802	38,503,786
-	1,703,967
-	(643,161)
1,377,767	11,407,932
-	947,676
-	25
13,090	13,090
-	131,107
<u>4,577,986</u>	<u>56,577,878</u>
46,229	250,309
692,579	6,228,948
838,166	1,238,453
-	17,896
<u>180,663</u>	<u>180,663</u>
<u>1,757,637</u>	<u>7,916,269</u>
-	<u>1,883,134</u>
-	<u>1,883,134</u>
-	21,597
2,090,773	2,090,773
-	17,371,296
67,558	67,558
668,562	668,562
-	2,600,000
-	3,049,336
(6,544)	<u>20,909,353</u>
<u>2,820,349</u>	<u>46,778,475</u>
\$ <u>4,577,986</u>	\$ <u>56,577,878</u>

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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Total fund balances - governmental funds	\$ 46,778,475
Amounts reported for governmental activities in the statement of net position are different because:	
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	99,686,820
2 Some receivables are reported as deferred inflows of resources in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	
Property taxes	1,060,806
School health and related services (SHARS)	822,328
3 Net position of the internal service fund is shown as part of the proprietary funds, but is reported as part of governmental activities on the statement of net position.	6,219
4 Long-term liabilities, including bonds, accreted interest, leases, financing arrangements and tax notes, are not due and payable in the current period and therefore are not reported in the funds. Also, the losses on refunding of bonds and the premium on issuance of bonds payable are not reported on the balance sheet in the funds.	
General and certificates of obligation	(197,325,116)
Financing arrangements	(554,100)
Leases	(165,366)
Unamortized premium	(2,718,151)
Accreted interest	(8,404,987)
Deferred loss on refunding	13,404,254
5 Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(1,499,616)
6 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.	
Net pension liability - proportionate share	(8,927,965)
Deferred outflows related to pensions	5,462,926
Deferred inflows related to pensions	(9,490,204)
7 Included in the items related to debt is the recognition of the District's proportionate share of the net other post-employment benefit (OPEB) liability required by GASB 75.	
Net OPEB liability - proportionate share	(17,990,030)
Deferred outflows related to OPEB	4,420,412
Deferred inflows related to OPEB	<u>(12,512,991)</u>
Net position of governmental activities	\$ <u>(87,946,286)</u>

The accompanying notes are an integral part of this financial statement.

WHITE SETTLEMENT 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 Fund
REVENUES				
5700	Local and intermediate sources	\$ 27,196,667	\$ 12,783,667	\$ -
5800	State program	38,805,055	404,544	-
5900	Federal program	894,152	-	-
5020	Total revenues	<u>66,895,874</u>	<u>13,188,211</u>	<u>-</u>
EXPENDITURES				
	Current:			
0011	Instruction	34,951,723	-	-
0012	Instructional resources and media services	275,109	-	-
0013	Curriculum and instructional staff development	510,379	-	-
0021	Instructional leadership	1,726,164	-	-
0023	School leadership	4,189,721	-	-
0031	Guidance, counseling and evaluation services	1,642,934	-	-
0032	Social work services	82,204	-	-
0033	Health services	624,052	-	-
0034	Student (pupil) transportation	1,960,731	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	2,333,366	-	-
0041	General administration	2,247,422	-	-
0051	Facilities maintenance and operations	7,138,587	-	-
0052	Security and monitoring services	410,869	-	-
0053	Data processing services	2,154,850	-	-
0061	Community services	502,014	-	-
	Debt service:			
0071	Principal on long term debt	684,199	6,659,150	-
0072	Interest on long term debt	104,681	7,523,294	-
0073	Bond issuance costs and fees	-	130,323	-
	Intergovernmental:			
0093	Payments for SSA	-	-	-
0099	Other intergovernmental charges	134,247	-	-
6030	Total expenditures	<u>61,673,252</u>	<u>14,312,767</u>	<u>-</u>
1100	Excess (deficiency) of revenues over (under) expenditures	5,222,622	(1,124,556)	-
OTHER FINANCING SOURCES (USES)				
7901	Refunding bonds issued	-	4,596,880	-
7916	Premium on issuance of bonds	-	891,973	-
8940	Payment to bond escrow agent	-	(5,358,284)	-
7080	Total other financing sources (uses)	<u>-</u>	<u>130,569</u>	<u>-</u>
1200	Net change in fund balances	<u>5,222,622</u>	<u>(993,987)</u>	<u>-</u>
0100	Fund balance - July 1 (beginning)	<u>21,364,208</u>	<u>18,365,283</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 26,586,830</u>	<u>\$ 17,371,296</u>	<u>\$ -</u>

The accompanying notes are an integral
part of this financial statement.

Other Funds	Total Governmental Funds
\$ 1,453,269	\$ 41,433,603
308,186	39,517,785
<u>13,512,485</u>	<u>14,406,637</u>
<u>15,273,940</u>	<u>95,358,025</u>
4,601,839	39,553,562
8,150	283,259
666,739	1,177,118
17,146	1,743,310
352,258	4,541,979
845,067	2,488,001
1,019	83,223
60,987	685,039
159,219	2,119,950
4,164,996	4,164,996
1,070,275	3,403,641
99,376	2,346,798
894,252	8,032,839
7,127	417,996
1,129,799	3,284,649
63,509	565,523
-	7,343,349
-	7,627,975
-	130,323
53,500	53,500
-	<u>134,247</u>
<u>14,195,258</u>	<u>90,181,277</u>
1,078,682	5,176,748
-	4,596,880
-	891,973
-	(5,358,284)
-	<u>130,569</u>
<u>1,078,682</u>	<u>5,307,317</u>
<u>1,741,667</u>	<u>41,471,158</u>
\$ <u>2,820,349</u>	\$ <u>46,778,475</u>

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

Net change in fund balances - total governmental funds	\$ 5,307,317
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Purchases and disposals of capital assets	851,619
Depreciation on capital assets	(6,983,531)
Some receivables are not considered available revenues and are reported as deferred inflows in the governmental funds.	
Property taxes	271,204
School health and related services (SHARS)	208,075
The District uses an internal service fund to charge the cost of self-insurance and printing to the appropriate functions in other funds. The net income of the internal service fund is reported as a part of governmental activities which increases net position.	
	5,575
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repayment	10,184,885
Issuance of bonds	(4,596,880)
Premium on bond issuance	(891,973)
Payment to bond refunding escrow agent	5,358,284
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Amortization of premium and deferred loss on refunding of bonds payable	(940,661)
Accreted interest on capital appreciation bonds	(1,794,008)
Accrued interest payable	542,269
GASB 68 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,455,886. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,253,882. Finally, the proportionate share of pension expense on the plans as a whole had to be recorded. The net pension expense decreased the change in net position by \$497,182. The net result is an increase in the change in net position.	
	699,186
GASB 75 Required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$331,059. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$303,739. Finally, the proportionate share of OPEB expense on the plans as a whole had to be recorded. The net OPEB expense increased the change in net position by \$750,664. The net result is an increase in the change in net position.	
	777,984
Change in net position of governmental activities	\$ 8,999,345

The accompanying notes are an integral part of this financial statement.

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-1**STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2022

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 20,474
Due from other funds	<u>290,777</u>
Total current assets	<u>311,251</u>
 Total assets	 <u>311,251</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>305,032</u>
Total current liabilities	<u>305,032</u>
 Total liabilities	 <u>305,032</u>
NET POSITION - UNRESTRICTED	 \$ <u><u>6,219</u></u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT D-2**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES	
Local and intermediate sources	\$ <u>336,490</u>
Total operating revenues	<u>336,490</u>
OPERATING EXPENSES	
Professional and contracted services	<u>330,915</u>
Total operating expenses	<u>330,915</u>
OPERATING INCOME	5,575
NET POSITION, BEGINNING	<u>644</u>
NET POSITION, ENDING	\$ <u>6,219</u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from user charges	\$ 305,977
Payments for insurance claims	(300,657)
Payments for supplies	(2,805)
Net cash provided by operating activities	<u>2,515</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,515
CASH AND CASH EQUIVALENTS, BEGINNING	<u>17,959</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>20,474</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	5,575
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from other funds	(30,513)
Increase in accounts payable	<u>27,453</u>
Net cash provided by operating activities	<u>\$ 2,515</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1**

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

JUNE 30, 2022

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>45,212</u>
Total assets	<u>45,212</u>
NET POSITION	
Restricted for student groups	<u>45,212</u>
Total net position	\$ <u><u>45,212</u></u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-2**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Collections from student groups	\$ <u>79,440</u>
Total additions	<u>79,440</u>
DEDUCTIONS	
Payments on-behalf of student groups	<u>74,658</u>
Total deductions	<u>74,658</u>
NET INCREASE IN FIDUCIARY NET POSITION	4,782
NET POSITION, BEGINNING	<u>40,430</u>
NET POSITION, ENDING	\$ <u><u>45,212</u></u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

White Settlement Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and it complies with the requirements of the Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The Board of Trustees (the "Board") is elected by the public and it has the decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB"). There are no component units included within the reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, state foundation funds and intergovernmental revenue.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a given function or segment of the District, examples include tuition paid by students not residing in the District, school lunch charges, etc. and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a given function or segment, examples include grants under the Elementary and Secondary Education Act. Taxes and other items not properly included among program revenue are reported instead as general revenue.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary and fiduciary. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, similar to accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, state foundation funds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major funds:

General Fund – The General Fund is the District’s primary operating fund. It is used to account for all financial transactions except for those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the District except for costs accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt. Revenues include property taxes, state funding under the Instructional Facilities and Existing Debt Allotments and earned interest. The fund balance represents amounts that are available for retirement of future payments of principal, interest and fees.

Capital Projects Fund – The Capital Projects Fund accounts for proceeds from issuance of bonded debt for the purpose of making capital improvements in the District. The fund balance of the fund represents unspent proceeds available to fund capital projects in future years.

In addition, the District reports the following fund types:

Proprietary Funds - Internal Service Funds – These funds account for the District’s self-insurance for worker’s compensation, and copies and faxes of the District.

Fiduciary Fund – Custodial Fund – This Fund accounts for activities of student groups. This accounting reflects the District’s custodial relationship with student activity organizations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position/Fund Balance, Revenues and Expenditures/Expenses

Deposits and Investments

The District's cash and cash equivalents are considered as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

Investments for the District are reported at fair value, except for the position in investment pools. The District's investments in Pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. Interest earned on pooled cash and investments is allocated to the participating funds on a pro rata basis according to the fund's percentage of the total pooled cash or investments. Funds with discrete bank accounts retain all investment earnings.

TexPool, LoneStar and TexStar have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Property Taxes

Delinquent property tax receivables are prorated between the General Fund and Debt Service Fund based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables is based on historical experience in collecting property taxes. Management periodically reviews outstanding property taxes and establishes an allowance adequate to reflect the anticipated net collectible balance. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Property taxes are levied by October 1 and are due and payable at that time. The Board establishes the District's property tax rates annually. The authorized tax rates for property taxes assessed on January 1, 2021, were \$.9803 and \$0.4800 per \$100 for the General Fund and Debt Service Fund, respectively, based on a net assessed valuation of \$2,679,107,375.

The legally authorized tax rate limit for the District is \$1.17 per \$100 assessed valuation for maintenance and operations. On January 1 of each year, a tax lien attaches to property to secure the payment of penalties imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during the 60-day period after the close of the District's fiscal year.

Inventories and Prepaid Items

The District uses the consumption method 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. Inventories of food commodities used in the food service program are recorded at acquisition value. Although commodities are received at no cost, the acquisition value is recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenues are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets are tangible and intangible assets, which include land, buildings and improvements, furniture and equipment and construction in progress, are reported in the governmental-activities column in the government-wide financial statements. The cost of the infrastructure (e.g., roads, bridges, sidewalks, and similar items) was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed, except for intangible right-to-use lease assets, the measurement of which is discussed in the Leases note disclosure). Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital lease assets of the District are depreciated using the straight-line method over the following estimated lives:

Asset Classification	Useful Life
Buildings and improvements	20-50
Furniture and equipment	10-15
Right to use - equipment	5-10

Unearned Revenues

Unearned revenues represent revenues received by the District but not yet earned and are not available for use by the District to liquidate current year liabilities.

Long-term Obligations

General obligation bonds which have been issued to fund the District's capital projects are to be repaid from tax revenues of the District. 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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.

Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences

Upon retirement from the District, employees shall receive \$15 for each year of verifiable service to the District. In addition, retirees who have completed at least five years of consecutive District service shall be reimbursed for all unused personal and/or sick leave at the rate of \$10 per day. These benefits are recorded whenever the expenditure is incurred.

Defined-Benefit Pension Plan

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.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

Deferred Outflows/Inflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. It is deferred charge on refunding and deferred outflow related to TRS reported in the government-wide statement of net position. A deferred charge on refunding 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 item related to TRS represents the District's share of the unrecognized plan deferred outflow of resources which TRS uses in calculating the ending net pension liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows or resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of inflows, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes and school health and related services (SHARS). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also recognizes their share of the unrecognized TRS plan deferred inflows of resources which TRS uses in calculating the ending net pension liability.

Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance

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:

- **Non-spendable:** This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.
- **Restricted:** This classification includes the component of the spendable fund balance constrained to a specific purpose by a provider, such as a creditor. Grantor, contributor, or law or regulation of other governments. Restricted fund balance includes funds for federal/state grants, construction programs, debt service, and other restrictions.
- **Committed:** This classification includes the component of spendable fund balance constrained to a specific purpose by the Board. A Board resolution is required to establish, modify, or rescind fund balance commitment. Only the action that constitutes the most binding constraint of the Board can be considered a commitment for fund balance classification purposes. Committed fund balance includes campus activity funds.
- **Assigned:** This classification includes the component of the spendable fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Board of Trustees or by an official or body to which the Board of Trustees delegates. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type of the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is a specific purpose that is narrower than the general purposes of the District itself.

- **Unassigned:** This classification includes the residual classification of the General Fund and includes all amounts not contained in other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures. Only the General Fund will have unassigned amounts. By accounting for amounts in other funds, the District has implicitly assigned the funds for purposes of those particular funds.

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system in order to reserve a portion of the applicable appropriation, is employed in the governmental fund types on the governmental fund financial statements. Encumbrances are liquidated at year end.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimations and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The amount of state foundation revenue a district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as into the next fiscal year. It is at least reasonably possible that the foundation revenue for the fiscal year will ultimately change from the amount calculated as of June 30, 2022 because of the factors that TEA uses in its calculations.

Change in Accounting Principle

GASB Statement No. 87, *Leases*, was adopted effective July 1, 2021. The statement addresses accounting and financial reporting for lease contracts. Statement No. 87 establishes standards for recognizing and measuring assets, liabilities, deferred outflows of resources, deferred inflows of resources, and revenues and expenses related to leases in the basic financial statements, in addition to requiring more extensive note disclosures. The adoption of this standard did not result in a restatement of beginning fund balance or net position, but assets and liabilities were recognized, and more extensive note disclosures were required.

Data Control Codes

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

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

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

Cash and deposits of the District include all amounts deposited at the District's depository bank, including demand deposits and certificates of deposit. As of year-end the District's cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The following are investments held by the District at year-end:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
Tex Pool	\$ 8,814,317	22.9%	25
Tex Pool Prime	9,330,497	24.2%	23
TexStar	14,747,392	38.3%	35
Lone Star	<u>5,611,580</u>	<u>14.6%</u>	12
	<u>\$ 38,503,786</u>	<u>100.0%</u>	

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 returns, (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 and its agencies; (2) guaranteed or secured certificates of deposits issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality no less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or on nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. 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.

Additional policies and contractual provision governing investments for the District are specified below:

Credit Risk – This is the risk that a security issuer may default on an interest or principal payment. State law limits investment in local government pools to those that are rated AAA or equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO). The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by agencies such as Standard and Poor's (S&P) or Moody's Investors Service, or by investing in public fund investment pools rated no lower than AAA or AAAM.

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 possession of an outside party. The District's investment in TexPool, Lone Star and TexStar are not exposed to custodial risk. External investment pools are not subject to custodial risk because investments are not evidenced by securities that exist in physical or book entry form. State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of June 30, 2022, the District's investments in TexPool, Lone Star and TexStar are rated AAAM.

Concentration of Credit Risk – To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investments risks to be significantly greater in the governmental activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government.

Interest Rate Risk – The risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits the weighted average maturity of its portfolio. Management considers interest rate risk to be minimal due to the diversity and liquidity requirements imposed on the external investment pools.

B. Interfund Receivables and Payables

The following is a summary of amounts due to and due from other funds:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental	\$ 838,166
	Capital Projects Fund	109,510
Internal Service Fund	General fund	290,777
	Total	\$ 1,238,453

Interfund receivables and payables generally arise from short-term cash advances between different funds with balances being repaid generally within one year.

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,305,444	\$ -	\$ -	\$ 4,305,444
Total capital assets, not being depreciated	4,305,444	-	-	4,305,444
Capital assets, being depreciated:				
Buildings and improvements	205,874,164	307,403	54,200	206,127,367
Furniture and equipment	9,759,722	526,452	-	10,286,174
Right to use - equipment	217,027	-	-	217,027
Total capital assets, being depreciated	215,850,913	833,855	54,200	216,630,568
Less accumulated depreciation for:				
Buildings and improvements	107,694,793	6,238,381	30,205	113,902,969
Furniture and equipment	6,632,219	701,745	31,146	7,302,818
Right to use - equipment	-	43,405	-	43,405
Total accumulated depreciation	114,327,012	6,983,531	61,351	121,249,192
Total governmental activities				
capital assets, net	\$ 105,829,345	\$ (6,149,676)	\$ (7,151)	\$ 99,686,820

Depreciation expense was charged to governmental functions of the District as follows:

Governmental activities:	
Instruction	\$ 3,773,384
Instruction Resources & Media Services	115,354
Curriculum & Instructional Staff Development	43,733
Instructional Leadership	98,875
School Leadership	398,034
Guidance, Counseling & Evaluation Services	184,439
Social Work Services	19,648
Health Services	74,156
Student (Pupil) Transportation	602,012
Food Services	350,498
Extracurricular Activities	161,622
General Administration	218,665
Plant Maintenance & Operations	772,616
Security & Monitoring Services	30,423
Data Processing Services	22,183
Community Services	<u>117,889</u>
Total depreciation expense	<u>\$ 6,983,531</u>

D. Deferred Inflows of Resources

At June 30, 2022, the District reported the following deferred inflows of resources in the governmental funds:

	General	Debt Service	Total
Unavailable revenue - property taxes	\$ 714,762	\$ 346,044	\$ 1,060,806
Unavailable revenue - SHARS cost settlement	<u>822,328</u>	<u>-</u>	<u>822,328</u>
Totals	<u>\$ 1,537,090</u>	<u>\$ 346,044</u>	<u>\$ 1,883,134</u>

E. Long-Term Debt

Changes in the District's long-term liabilities for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable	\$ 147,248,366	\$ 4,596,880	\$ 10,715,077	\$ 141,130,169	\$ 2,659,398
Financing arrangements	657,251	-	103,151	554,100	105,627
Accreted interest on CABs	7,721,983	1,794,008	1,111,004	8,404,987	964,952
Premium related to CABs	55,810,984	286,564	3,017,601	53,079,947	2,095,650
Premium on bonds	2,361,657	605,409	248,915	2,718,151	-
Leases	206,414	-	41,048	165,366	42,297
Maintenance tax notes	<u>3,655,000</u>	<u>-</u>	<u>540,000</u>	<u>3,115,000</u>	<u>550,000</u>
Total	<u>\$ 217,661,655</u>	<u>\$ 7,282,861</u>	<u>\$ 15,776,796</u>	<u>\$ 209,167,720</u>	<u>\$ 6,417,924</u>

Maintenance Tax Notes

The District has issued maintenance tax notes pursuant to Chapter 45, Texas Education Code, as amended and as authorized by duly qualified electors. Local Maintenance tax levies are used to retire this current year maintenance tax note and prior years maintenance tax note obligations payable from the General Fund.

Issue/Maturity Dates	Interest Rate	Original Amount	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
Series 2013							
2013/28	2.38%	\$ 4,610,000	\$ 2,315,000	\$ -	\$ 320,000	\$ 1,995,000	\$ 325,000
Series 2015							
2016/25	2.49%	1,400,000	740,000	-	140,000	600,000	145,000
Series 2017							
2017/27	2.34%	<u>825,000</u>	<u>600,000</u>	<u>-</u>	<u>80,000</u>	<u>520,000</u>	<u>80,000</u>
		<u>\$ 6,835,000</u>	<u>\$ 3,655,000</u>	<u>\$ -</u>	<u>\$ 540,000</u>	<u>\$ 3,115,000</u>	<u>\$ 550,000</u>

The following is a summary of the District's future annual debt service requirements to maturity for the maintenance tax notes.

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 550,000	\$ 71,849	\$ 621,849
2024	565,000	58,510	623,510
2025	560,000	44,932	604,932
2026	575,000	31,352	606,352
2027	430,000	19,462	449,462
2028	<u>435,000</u>	<u>9,264</u>	<u>444,264</u>
Totals	<u>\$ 3,115,000</u>	<u>\$ 235,368</u>	<u>\$ 3,350,368</u>

The District paid \$84,884 in interest expense during the year.

Financing Arrangement

The financing arrangement outstanding at June 30, 2022, was issued for the purpose of installing high-efficiency lighting in district buildings. The arrangement is secured by the purchased equipment. The original principal amount totaling \$758,034 is payable in annual installments with an interest rate of 2.4%. Final maturity of the arrangement is August 15, 2026.

The annual debt service requirements to maturity for the financing arrangement is as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 105,627	\$ 12,031	\$ 117,658
2024	108,162	9,465	117,627
2025	110,757	6,838	117,595
2026	113,416	4,148	117,564
2027	<u>116,138</u>	<u>1,394</u>	<u>117,532</u>
Totals	<u>\$ 554,100</u>	<u>\$ 33,876</u>	<u>\$ 587,976</u>

Bonds Payable

Debt service requirements for general obligation bonds are payable from fund balance and future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, state funding, and interest earnings.

A summary of changes in general obligation bonds for the year ended June 30, 2022, are as follows:

Issue/ Maturity Date	Interest Rates Payable	Amounts Original Issue	Beginning Balance	Issued	Retired/ Refunded	Ending Balance	Amounts Due Within One Year
Series 2003 ULB Bonds/2033	3.125%/	\$ 20,883,645	\$ 2,669,134	\$ -	\$ -	\$ 2,669,134	\$ -
Series 2011 UTR Bonds/2034	3.54%/	8,328,990	70,000	-	70,000	-	-
Series 2012 UTR Bonds/2031	6.00%	30,574,884	1,102,475	-	599,025	503,450	503,450
Series 2013 UTR Bonds/2045	0.3%/	40,160,142	1,700,000	-	535,000	1,165,000	570,000
Series 2014 UTR Bonds/2045	3.61%	49,374,874	772,000	-	706,052	65,948	65,948
Series 2015A UTR Bonds/2037	2.00%	16,155,000	12,490,000	-	550,000	11,940,000	320,000
Series 2015B UTR Bonds/2041	5.00%	7,268,826	6,983,826	-	5,220,000	1,763,826	-
Series 2016 UTR Bonds/2032	2.00%	2,115,000	1,150,000	-	235,000	915,000	230,000
Series 2020 UTR Bonds/2032	3.00%	7,661,645	7,661,645	-	-	7,661,645	-
Series 2020A UTR Bonds/2032	1.35%/	112,649,286	112,649,286	-	2,800,000	109,849,286	970,000
Series 2022 UTR Bonds/2045	1.49%	4,596,880	-	4,596,880	-	4,596,880	-
Totals	5.00%		\$ 147,248,366	\$ 4,596,880	\$ 10,715,077	\$ 141,130,169	\$ 2,659,398

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 5,720,000	\$ 4,152,357	\$ 9,872,357
2024	6,020,000	4,124,440	10,144,440
2025	6,370,000	6,868,815	13,238,815
2026	6,250,000	4,055,265	10,305,265
2027	6,375,000	4,033,377	10,408,377
2028-2032	37,980,000	19,617,288	57,597,288
2033-2037	42,840,000	20,777,815	63,617,815
2038-2042	55,585,000	15,600,846	71,185,846
2043-2046	53,140,000	3,189,185	56,329,185
Totals	\$ 220,280,000	\$ 82,419,387	\$ 302,699,387

Less:

Premium on CABs	(53,079,947)
Current accreted interest on CABs	(8,404,987)
Future accreted interest on CABs	(17,664,897)
Total bonds payable, at year end	\$ 141,130,169

There are numerous limitations and restrictions contained in the various general obligation bond indentures. The District has complied with all significant limitations and restrictions as of June 30, 2022.

Current Refunding of Long-Term Debt

In March 2022, the District issued Unlimited Tax Refunding Bonds, Series 2022 in the amount of \$4,596,880, for the purpose of refunding a portion of existing bonds at a present value savings. The issuance includes \$4,420,000 of current interest bonds with interest rates ranging from 4% to 5% and \$176,880 of capital appreciation bonds (CABs) with a maturity value of \$470,000. Beginning in fiscal year 2023, the CABs accrete interest annually to the final maturity value, to be redeemed in 2024. The proceeds were used to refund \$1,420,000 of Unlimited Tax Refunding Bonds, Series 2014, and \$3,970,000 of Unlimited Tax Refunding Bonds, Series 2015B, which were called on the refunding date and are now extinguished. The refunding transaction reduced the District's total debt service payments by \$735,080 and provided an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$490,187. The reacquisition price exceeded the net carrying amount of the old debt by \$15,288. This insignificant amount was expensed in the current year instead of amortizing over the remaining life of the refunded debt.

Defeased Debt

As of June 30, 2022, the total amount of defeased bonds still outstanding is \$143,795,000 and will be callable in fiscal years 2024 and 2025.

The District's outstanding bonds payable contain a provision that, in an event of default, outstanding amounts will be paid from the corpus of the Texas Permanent School Fund. The District's outstanding tax notes contain a provision that, in an event of default, outstanding amounts become immediately due.

Leases

The District had the following leases outstanding for right to use equipment as of June 30, 2022:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 06/30/22	Amounts Due Within One Year
Right to Use:						
Copiers	3.00%	2021	\$ 217,027	\$ 5,631	\$ 165,366	\$ 42,297

Principal and interest requirements to maturity are as follows:

Year Ending	Total		
June 30,	Principal	Interest	Requirements
2023	\$ 42,297	\$ 4,383	\$ 46,680
2024	43,583	3,097	46,680
2025	44,909	1,771	46,680
2026	<u>34,577</u>	<u>434</u>	<u>35,011</u>
Totals	\$ <u>165,366</u>	\$ <u>9,685</u>	\$ <u>175,051</u>

F. Deficit Net Position/Fund Balance

At year-end net position was a deficit of \$87,946,286. A large portion of this deficit is related to the corresponding deferred outflows/inflows and liabilities of the District's proportionate share of the TRS pension and OPEB liabilities. These items reduce net position by \$8,927,965 (pension) and \$17,990,030 (OPEB). Additionally, the District's capital assets are being depreciated faster than the long-term liabilities are being paid off that were to fund the purchase of these capital assets.

Also, as of June 30, 2022, the Public School Child Care Services Fund, a nonmajor special revenue fund, reported a deficit fund balance of \$6,544. This deficit resulted from program costs incurred before the related revenues were available, and is expected to be funded by future local revenues.

G. Other Assigned Fund Balance

At year-end, other assigned fund balance in the General Fund consisted of \$1,549,336 for future technology purchases and \$1,500,000 for ESSER transition expenditures.

H. Defined Benefit Pension Plan

Plan Description - The 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). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload 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 - Detail 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://www.trs.texas.gov/Pages/about/publications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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

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.

	Contribution Rates	
	2021	2022
Member	7.7%	8.0%
Non-employer contributing entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
Current fiscal year employer contributions		\$ 1,698,352
Current fiscal year member contributions		3,561,674
2021 measurement year NECE on-behalf contributions		2,360,884

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

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

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

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

- All public schools, charter schools, and regional educational service centers 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, 2020 actuarial valuation was rolled forward to August 31, 2021 and was determined using the following actuarial assumptions:

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%
Inflation	2.3%
Salary Increases Including Inflation	3.05% to 9.05%
Payroll Growth Rate	3.0%
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 percent. 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 System's target asset allocation as of August 31, 2021 (see page 53 of the TRS ACFR) are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

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%)
District's proportionate share of net pension liability	\$ 19,509,021	\$ 8,927,965	\$ 343,517

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the District reported a liability of \$8,927,965 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 8,927,965
State's proportionate share that is associated with the District	<u>14,088,743</u>
Total	<u>\$ 23,016,708</u>

The net pension liability was measured as of August 31, 2021, and the total pension liability used in the measurement was rolled forward from an actuarial valuation as of August 31, 2020. 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 through August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.0350577383% which was an increase of 0.0008758027% from its proportion measured as of August 31, 2020.

For the year ended June 30, 2022, the District's pension expense was \$813,025 and revenue of \$56,325 for support provided by the State.

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 pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 14,941	\$ 628,536
Changes in actuarial assumptions	3,155,861	1,375,685
Difference between projected and actual investment earnings	-	7,485,983
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	836,238	-
Contributions paid to TRS subsequent to the measurement date	<u>1,455,886</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 5,462,926</u>	<u>\$ 9,490,204</u>

\$1,455,886 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	Pension Expense
2023	\$(823,801)
2024	(918,009)
2025	(1,611,484)
2026	(2,142,787)
2027	10,080
Thereafter	2,837

I. Defined Other Post-Employment Benefit Plan

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.

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/about_publications.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 Premium Rates	
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

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

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% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2021	2022
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%
Current fiscal year employer contributions		\$ 391,662
Current fiscal year member contributions		291,181
2021 measurement year NECE on-behalf contributions		488,137

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 employers hire a TRS retiree, they 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 protections 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 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.

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%
Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	3.00%
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.25% to 8.50%
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at 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 .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 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%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
Proportionate share of net OPEB liability	\$21,700,121	\$17,990,030	\$15,070,067

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed rate used.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$14,571,328	\$17,990,030	\$22,577,078

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2022, the District reported a liability of \$17,990,030 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	\$	17,990,030
State's proportionate share that is associated with the District		<u>24,102,631</u>
Total	\$	<u>42,092,661</u>

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

At August 31, 2021 the employer's proportion of the collective Net OPEB Liability was 0.0466371422%, which was an increase of 0.0000647133% from its proportion measured as of August 31, 2020.

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.

For the year ended June 30, 2022, the District recognized OPEB expense of \$(1,336,496) and revenue of \$(889,571) for support provided by the State.

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 actuarial experiences	\$ 774,556	\$ 8,708,433
Changes in actuarial assumptions	1,992,607	3,804,558
Differences between projected and actual investment earnings	19,532	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,302,658	-
Contributions paid to OPEB subsequent to the measurement date	<u>331,059</u>	<u>-</u>
Total as of fiscal year-end	<u>\$ 4,420,412</u>	<u>\$ 12,512,991</u>

\$331,059 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows resources will be recognized in OPEB expense as follows:

For the Year Ended June 30,	OPEB Expense
2023	\$(1,681,105)
2024	(1,681,545)
2025	(1,681,425)
2026	(1,207,883)
2027	(566,781)
Thereafter	(1,604,899)

J. Negative Operating Grants and Contributions – Statement of Activities

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in actuarial assumptions within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in a decrease to revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded:

	Operating Grants and Contributions	Negative On-Behalf Accruals	Operating Grants and Contributions (excluding on- behalf accruals)
11-Instruction	\$ 4,980,541	\$(597,017)	\$ 5,577,558
12-Instructional resources and media services	4,331	(4,898)	9,229
13-Curriculum and staff development	660,298	(8,262)	668,560
21-Instructional leadership	44,527	(24,035)	68,562
23-School leadership	294,593	(79,510)	374,103
31-Guidance, counseling, and evaluation services	989,425	(28,564)	1,017,989
32-Social work services	(384)	(1,800)	1,416
33-Health services	53,073	(10,152)	63,225
34-Student transportation	245,602	-	245,602
35-Food service	4,914,865	(5,118)	4,919,983
36-Extracurricular activities	(12,482)	(25,650)	13,168
41-General administration	79,471	(25,534)	105,005
51-Facilities maintenance and operations	870,845	(31,181)	902,026
52-Security and monitoring services	828	(8,080)	8,908
53-Data processing services	1,107,165	(29,033)	1,136,198
61-Community services	48,595	(10,737)	59,332
72-Interest on long-term debt	404,544	-	404,544
93-Payments for shared services arrangements	60,579	-	60,579
	<u>\$ 14,746,416</u>	<u>\$(889,571)</u>	<u>\$ 15,635,987</u>

K. Medicare Part D – On-behalf Payments

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 those provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$142,619, \$211,655 and \$179,797 were recognized for the years ended June 30, 2022, 2021 and 2020, respectively, as equal revenues and expenditures.

L. Active Employee Health Care Coverage

The District participates in TRS Active Care sponsored by the Teacher Retirement System of Texas and administered through Aetna and Caremark (pharmacy). TRS Active Care provides health care coverage to employees (and their dependents) of participating public education entities. Optional life and long-term care insurance are also provided to active members and retirees. The plan is authorized by the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579 and by the Texas Administrative Code, Title 34, Part 3, Chapter 41. The District contributed approximately \$330 per month per participant to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS Active Care. That report may be obtained by visiting the TRS Website at www.trs.state.tx.us, by writing the Communications Department of the Texas Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling (800) 223-8778.

M. Self-insured Workers' Compensation

The District has a self-funded workers' compensation program with the Texas Educational Insurance Association with claims being administered by Claims Administrative Services, Inc. The District does not purchase aggregate excess insurance. The worker's compensation internal service fund is funded by charges to the District's other funds and is based primarily upon the contributing funds' claims experience. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted estimate of the actuary at the mean funding level.

Changes in the workers' compensation claims liability amounts are represented below:

Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Payments	Ending Balance
2019	\$ 355,421	\$ 199,438	\$ 194,137	\$ 360,722
2020	360,722	48,809	53,081	356,450
2021	356,450	183,592	262,463	277,579
2022	277,579	355,563	328,110	305,032

N. Commitments and Contingencies

State and Federal Grants

Minimum foundation funding received from TEA is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to TEA. Federal funding for the child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported TEA. Federal and state funding received under various grant programs are based upon reimbursable expenditures made under program guidelines.

These 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.

Purchase of Building

In June 2022, the District exercised a purchase option on a cancelable building lease. Management expects to renovate the building using a portion of bond proceeds issued after year-end for the purpose of creating a new administration facility. As of June 30, 2022, the District has paid earnest money of \$109,510, which has been recorded as a prepaid item in the Capital Projects Fund. The lease contract stipulates a purchase price of \$2,100,000, which is expected to be completed in fiscal year 2023. See Note P for information on the bonds issued subsequent to year-end.

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

P. Subsequent Event

In August 2022, the District issued Unlimited Tax School Building Bonds, Series 2022 in the amount of \$112,435,000. These bonds have interest rates ranging from 4.062% and 5.000% and will mature in August 2055. These bonds will be used to fund multiple construction and capital improvement projects throughout the District and are secured by the District's ad valorem tax revenue.

Q. New Accounting Standards

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the District include the following:

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 24,023,034	\$ 26,393,072	\$ 27,196,667	\$ 803,595
5800	State program	34,838,237	37,966,347	38,805,055	838,708
5900	Federal program	498,781	791,775	894,152	102,377
5020	Total revenues	59,360,052	65,151,194	66,895,874	1,744,680
EXPENDITURES					
	Current:				
0011	Instruction	35,472,696	36,060,197	34,951,723	1,108,474
0012	Instructional resources and media services	282,094	303,139	275,109	28,030
0013	Curriculum and instructional staff development	591,676	604,123	510,379	93,744
0021	Instructional leadership	1,446,698	1,726,627	1,726,164	463
0023	School leadership	4,517,993	4,235,163	4,189,721	45,442
0031	Guidance, counseling and evaluation services	1,747,250	1,643,017	1,642,934	83
0032	Social work services	86,901	87,979	82,204	5,775
0033	Health services	669,490	694,698	624,052	70,646
0034	Student (pupil) transportation	1,652,812	2,091,473	1,960,731	130,742
0036	Extracurricular activities	2,087,714	2,379,192	2,333,366	45,826
0041	General administration	2,104,372	2,383,088	2,247,422	135,666
0051	Facilities maintenance and operations	6,345,667	7,178,337	7,138,587	39,750
0052	Security and monitoring services	413,836	420,977	410,869	10,108
0053	Data processing services	2,016,105	2,378,821	2,154,850	223,971
0061	Community services	549,148	545,342	502,014	43,328
	Debt Service:				
0071	Principal on long term debt	684,199	684,199	684,199	-
0072	Interest on long term debt	107,481	107,481	104,681	2,800
	Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Prg.	25,000	25,000	-	25,000
0099	Other intergovernmental charges	170,000	175,200	134,247	40,953
6030	Total expenditures	60,971,132	63,724,053	61,673,252	2,050,801
1200	Net change in fund balances	(1,611,080)	1,427,141	5,222,622	3,795,481
0100	Fund balance - July 1 (beginning)	21,364,208	21,364,208	21,364,208	-
3000	Fund balance - June 30 (ending)	\$ 19,753,128	\$ 22,791,349	\$ 26,586,830	\$ 3,795,481

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED BUDGETARY SCHEDULE

JUNE 30, 2022

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Board of Trustees adopts an "appropriated budget" for the General Fund, Child Nutrition Program and the Debt Service Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. A legally appropriated budget is not adopted for any other special revenue or capital projects funds. The District compares the final amended budget to actual revenues and expenditures. The general fund budget schedule appears in Exhibit G-1 "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund" and the other two schedules are at Exhibit J-5 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National Breakfast and Lunch Program Fund" and J-6 "Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Debt Service Fund".

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

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing these items.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notices of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; mid-year adjustment of operating costs; and year-end adjustments to expenditures based on the latest information concerning operating cost. All budget appropriations lapse at year-end.

Major amendments to the General Fund expenditures included a \$587,501 increase in Function 11 – Instruction for student technology and added personnel, a \$832,670 increase in Function 51 – Facilities Maintenance & Operations for improvement to facilities, an increase of \$438,661 in Function 34 – Transportation Services for added bus routes, and a \$362,716 increase in Function 53 – Data Processing Services for investments in new technology and related services. The amended budget increased state revenue by \$3,128,110 for foundation school revenue for the 2021-2022 school year, increased local revenue by \$2,370,038 for additional tax collections and interest earned on investments, and increased federal revenue by \$292,994 for school health and related services (SHARS) revenue.

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Measurement Year Ended August 31,</u>	
	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0350577%	0.0341819%
District's proportionate share of net pension liability (asset)	\$ 8,927,965	\$ 18,307,147
States proportionate share of the net pension liability (asset) associated with the District	<u>14,088,743</u>	<u>29,233,114</u>
Total	<u>\$ 23,016,708</u>	<u>\$ 47,540,261</u>
District's covered payroll	\$ 44,001,645	\$ 42,227,604
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.29%	43.35%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2014 is not available.

Measurement Year Ended August 31,					
2019	2018	2017	2016	2015	2014
0.0339323%	0.0328636%	0.0326942%	0.0310672%	0.0314931%	0.0213237%
\$ 17,639,050	\$ 18,088,914	\$ 10,453,833	\$ 11,739,850	\$ 11,132,392	\$ 5,695,856
<u>27,523,076</u>	<u>30,529,514</u>	<u>17,646,524</u>	<u>20,957,985</u>	<u>20,172,521</u>	<u>18,279,451</u>
\$ <u>45,162,126</u>	\$ <u>48,618,428</u>	\$ <u>28,100,357</u>	\$ <u>32,697,835</u>	\$ <u>31,304,913</u>	\$ <u>23,975,307</u>
\$ 38,487,929	\$ 37,504,122	\$ 35,862,709	\$ 33,877,660	\$ 32,515,707	\$ 32,967,207
45.83%	48.23%	29.15%	34.65%	34.24%	17.28%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM**

FOR THE YEAR ENDED JUNE 30, 2022

	Fiscal Year Ended June 30,	
	2022	2021
Contractually required contribution	\$ 1,698,352	\$ 1,468,918
Contribution in relation to the contractually required contribution	(1,698,352)	(1,468,918)
Contribution deficiency (excess)	\$ -	\$ -
District's covered payroll	\$ 44,798,330	\$ 43,651,590
Contributions as a percentage of covered payroll	3.79%	3.37%

Note: This schedule is required to have 10 years of information, but the information prior to fiscal year 2015 is not available.

Note: For 2020, the District changed its fiscal year-end from August 31 to June 30. Therefore, all years preceding 2020 are presented for the fiscal year ended August 31.

Fiscal Year Ended August 31,					
2020	2019	2018	2017	2016	2015
\$ 1,390,616	\$ 1,180,867	\$ 1,107,915	\$ 1,069,196	\$ 987,085	\$ 963,149
(1,390,616)	(1,180,867)	(1,107,915)	(1,069,196)	(987,085)	(963,149)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 41,855,215	\$ 38,487,929	\$ 37,504,122	\$ 35,862,709	\$ 33,877,660	\$ 32,515,707
3.32%	3.07%	2.95%	2.98%	2.91%	2.96%

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2022

	Measurement Year Ended August 31,	
	2021	2020
District's proportion of the net OPEB liability (asset)	0.0466371%	0.0465724%
District's proportionate share of net OPEB liability (asset)	\$ 17,990,030	\$ 17,704,283
States proportionate share of the net OPEB liability (asset) associated with the District	<u>24,102,631</u>	<u>23,790,313</u>
Total	\$ <u>42,092,661</u>	\$ <u>41,494,596</u>
District's covered payroll	\$ 44,001,645	\$ 42,227,604
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	40.88%	41.93%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%

Note: This schedule is required to have 10 years of information, but the information prior to measurement year 2017 is not available.

Measurement Year Ended August 31,		
2019	2018	2017
0.0454167%	0.0449190%	0.0434796%
\$ 21,478,123	\$ 22,428,475	\$ 18,907,653
<u>28,539,622</u>	<u>31,916,485</u>	<u>27,969,102</u>
\$ <u>50,017,745</u>	\$ <u>54,344,960</u>	\$ <u>46,876,755</u>
\$ 38,487,929	\$ 37,504,122	\$ 35,862,709
55.80%	59.80%	52.72%
2.66%	1.57%	0.91%

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM****FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Fiscal Year Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 391,662	\$ 372,058
Contribution in relation to the contractually required contribution	(391,662)	(372,058)
Contribution deficiency (excess)	\$ -	\$ -
District's covered payroll	\$ 44,798,330	\$ 43,651,590
Contributions as a percentage of covered payroll	0.87%	0.85%

Note: This schedule is required to have 10 years of information, but the information prior to fiscal year 2018 is not available.

Note: For 2020, the District changed its fiscal year-end from August 31 to June 30. Therefore, all years preceding 2020 are presented for the fiscal year ended August 31.

Fiscal Year Ended August 31,		
2020	2019	2018
\$ 340,226	\$ 321,439	\$ 318,742
(340,226)	(321,439)	(318,742)
\$ -	\$ -	\$ -
\$ 41,855,215	\$ 38,487,929	\$ 37,504,122
0.81%	0.84%	0.85%

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

ESEA, Title I, Part A – Improving Basic Programs – Provide opportunities for children served to acquire the knowledge and skills to meet the challenging State performance standards.

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

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

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

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

ESEA II, A, Training and Recruiting – Provide programs for improvement for school principals and recruiting teachers.

Title III, Part A – English Language Acquisition – Improve the education of children with limited English proficiency, by assisting the children to learn English.

ESSER II Grant - Funds granted to LEAs through the CRRSA Act to support LEAs' ability to operate and instruct their students during the COVID-19 pandemic.

ESSER III Grant - Funds granted to LEAs through the ARP Act to support LEAs' ability to operate and instruct their students during the COVID-19 pandemic.

IDEA – Part B, Formula, ARP Act – Supplemental IDEA-Part B funding provided by the ARP Act.

Emergency Connectivity Fund – Funds remote learning following the COVID-19 pandemic.

Other Federal Special Revenue - This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.

Visually Impaired SSVI – Funding for programs provided to children with visual impairments.

Advanced Placement Incentives – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

State Textbook Fund – This fund accounts for the purchase of instructional materials, technological equipment, and technology-related services through the TEA requisition system.

Public School Child Care Services – This fund is used to account for local revenues related to school child care services.

Other State Special Revenue Funds – This fund classification is used to account for various state special revenue funds. Included are funds awarded to recognize those students, teachers and schools that demonstrate success in achieving the state's advanced academic standards.

Campus Activity Funds - Accounts for transactions related to a principal's activity fund if the monies generated are not subject to recall by the District's board of trustees into the General Fund.

Liberty After School Program – This fund is used to account for local revenues related to the Liberty After School Program.

Foundation GAP Awards – This fund is used to account for local revenues related to various foundation grants awarded by the District.

INTERNAL SERVICE FUNDS

Workers' Compensation – Account for the receipts and payments related to the District's self-insurance workers' compensation plan.

Bear Prints – Account for the provision of copy and fax services to the District's departments.

WHITE SETTLEMENT 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
	ASSETS			
1110	Cash and cash equivalents	\$ 25,090	\$ -	\$ -
1120	Investments - current	-	-	-
1240	Receivables from other governments	66,690	153,556	6,202
1300	Inventories	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total assets	<u>91,780</u>	<u>153,556</u>	<u>6,202</u>
	LIABILITIES			
2110	Accounts payable	-	186	-
2160	Accrued wages payable	91,780	144,088	5,917
2170	Due to other funds	-	9,282	285
2300	Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
2000	Total liabilities	<u>91,780</u>	<u>153,556</u>	<u>6,202</u>
	FUND BALANCES			
	Restricted:			
3450	Federal or state grant restriction	-	-	-
3490	GAP awards	-	-	-
	Committed:			
3545	Campus activity	-	-	-
3600	Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	\$ <u>91,780</u>	\$ <u>153,556</u>	\$ <u>6,202</u>

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 ESSER II Grant, CRRSA Act	282 ESSER III Grant, ARP Act
\$ 1,720,046	\$ -	\$ 797	\$ -	\$ -	\$ -
548,607	-	-	-	-	-
25,497	4,943	9,153	8,115	4,778	275,221
13,090	-	-	-	-	-
<u>2,307,240</u>	<u>4,943</u>	<u>9,950</u>	<u>8,115</u>	<u>4,778</u>	<u>275,221</u>
-	320	758	-	-	28,678
183,327	-	6,246	4,955	3,746	232,815
-	4,623	2,149	3,160	1,032	13,728
33,140	-	797	-	-	-
<u>216,467</u>	<u>4,943</u>	<u>9,950</u>	<u>8,115</u>	<u>4,778</u>	<u>275,221</u>
2,090,773	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,090,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>2,307,240</u>	\$ <u>4,943</u>	\$ <u>9,950</u>	\$ <u>8,115</u>	\$ <u>4,778</u>	\$ <u>275,221</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

Data Control Codes		284 IDEA Part B Formula, ARP Act	288 Emergency Connectivity Fund	289 Other Federal Special Revenue Funds
	ASSETS			
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1120	Investments - current	-	-	-
1240	Receivables from other governments	20,696	799,900	568
1300	Inventories	-	-	-
1000	Total assets	<u>20,696</u>	<u>799,900</u>	<u>568</u>
	LIABILITIES			
2110	Accounts payable	-	-	-
2160	Accrued wages payable	19,705	-	-
2170	Due to other funds	991	799,900	568
2300	Unearned revenues	-	-	-
2000	Total liabilities	<u>20,696</u>	<u>799,900</u>	<u>568</u>
	FUND BALANCES			
	Restricted:			
3450	Federal or state grant restriction	-	-	-
3490	GAP awards	-	-	-
	Committed:			
3545	Campus activity	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 20,696</u>	<u>\$ 799,900</u>	<u>\$ 568</u>

EXHIBIT H-1

385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Textbook Fund	412 Public School Child Care Services	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ 1,732	\$ 137,901	\$ 9,743	\$ 800	\$ 19,367
-	-	-	-	-	649,195
2,448	-	-	-	-	-
-	-	-	-	-	-
<u>2,448</u>	<u>1,732</u>	<u>137,901</u>	<u>9,743</u>	<u>800</u>	<u>668,562</u>
-	-	-	16,287	-	-
-	-	-	-	-	-
2,448	-	-	-	-	-
-	<u>1,732</u>	<u>137,901</u>	-	<u>800</u>	-
<u>2,448</u>	<u>1,732</u>	<u>137,901</u>	<u>16,287</u>	<u>800</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	668,562
-	-	-	(6,544)	-	-
-	-	-	(6,544)	-	668,562
<u>\$ 2,448</u>	<u>\$ 1,732</u>	<u>\$ 137,901</u>	<u>\$ 9,743</u>	<u>\$ 800</u>	<u>\$ 668,562</u>

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WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

Data Control Codes		482 Liberty After School Program	486 Foundation GAP Awards	Total Nonmajor Governmental Funds
	ASSETS			
1110	Cash and cash equivalents	\$ 6,293	\$ 67,558	\$ 1,989,327
1120	Investments - current	-	-	1,197,802
1240	Receivables from other governments	-	-	1,377,767
1300	Inventories	-	-	13,090
1000	Total assets	6,293	67,558	4,577,986
	LIABILITIES			
2110	Accounts payable	-	-	46,229
2160	Accrued wages payable	-	-	692,579
2170	Due to other funds	-	-	838,166
2300	Unearned revenues	6,293	-	180,663
2000	Total liabilities	6,293	-	1,757,637
	FUND BALANCES			
	Restricted:			
3450	Federal or state grant restriction	-	-	2,090,773
3490	GAP awards	-	67,558	67,558
	Committed:			
3545	Campus activity	-	-	668,562
3600	Unassigned	-	-	(6,544)
3000	Total fund balances	-	67,558	2,820,349
4000	Total liabilities and fund balances	\$ 6,293	\$ 67,558	\$ 4,577,986

WHITE SETTLEMENT 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
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program	-	-	-
5900	Federal program	<u>900,950</u>	<u>1,332,149</u>	<u>39,572</u>
5020	Total revenues	<u>900,950</u>	<u>1,332,149</u>	<u>39,572</u>
EXPENDITURES				
	Current:			
0011	Instruction	464,412	633,063	39,572
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	436,538	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	645,586	-
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	-	-	-
0061	Community services	-	-	-
	Intergovernmental:			
0093	Payments for SSA	<u>-</u>	<u>53,500</u>	<u>-</u>
6030	Total expenditures	<u>900,950</u>	<u>1,332,149</u>	<u>39,572</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	281 ESSER II Grant, CRRSA Act	282 ESSER III Grant, ARP Act
\$ 334,639	\$ -	\$ -	\$ -	\$ -	\$ -
29,486	-	-	-	-	-
<u>4,836,354</u>	<u>68,744</u>	<u>172,712</u>	<u>74,744</u>	<u>1,050,835</u>	<u>4,080,586</u>
<u>5,200,479</u>	<u>68,744</u>	<u>172,712</u>	<u>74,744</u>	<u>1,050,835</u>	<u>4,080,586</u>
-	68,660	37,910	74,744	570,579	1,519,804
-	-	-	-	8,150	-
-	-	134,802	-	11,204	84,195
-	-	-	-	16,801	-
-	-	-	-	68,892	283,366
-	84	-	-	48,456	71,114
-	-	-	-	1,019	-
-	-	-	-	60,987	-
-	-	-	-	44,233	114,986
4,094,773	-	-	-	70,223	-
-	-	-	-	7,514	-
-	-	-	-	18,328	81,048
-	-	-	-	82,707	811,545
-	-	-	-	7,127	-
-	-	-	-	15,271	1,114,528
-	-	-	-	19,344	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,094,773</u>	<u>68,744</u>	<u>172,712</u>	<u>74,744</u>	<u>1,050,835</u>	<u>4,080,586</u>
<u>1,105,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>985,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,090,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WHITE SETTLEMENT 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 Part B Formula, ARP Act	288 Emergency Connectivity Fund	289 Other Federal Special Revenue Funds
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program	-	-	-
5900	Federal program	<u>76,112</u>	<u>799,900</u>	<u>79,827</u>
5020	Total revenues	<u>76,112</u>	<u>799,900</u>	<u>79,827</u>
EXPENDITURES				
Current:				
0011	Instruction	76,112	799,900	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	79,827
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	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments for SSA	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total expenditures	<u>76,112</u>	<u>799,900</u>	<u>79,827</u>
1200	Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Textbook Fund	412 Public School Child Care Services	429 Other State Special Revenue Funds	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ 37,621	\$ -	\$ 988,969
2,448	-	276,252	-	-	-
-	-	-	-	-	-
2,448	-	276,252	37,621	-	988,969
2,448	-	275,907	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	345	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,062,761
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	44,165	-	-
-	-	-	-	-	-
2,448	-	276,252	44,165	-	1,062,761
-	-	-	(6,544)	-	(73,792)
-	-	-	-	-	742,354
\$ -	\$ -	\$ -	\$ (6,544)	\$ -	\$ 668,562

WHITE SETTLEMENT 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		482 Liberty After School Program	486 Foundation GAP Awards	Total Nonmajor Governmental Funds
REVENUES				
5700	Local and intermediate sources	\$ -	\$ 92,040	\$ 1,453,269
5800	State program	-	-	308,186
5900	Federal program	-	-	13,512,485
5020	Total revenues	-	92,040	15,273,940
EXPENDITURES				
Current:				
0011	Instruction	-	38,728	4,601,839
0012	Instructional resources and media services	-	-	8,150
0013	Curriculum and instructional staff development	-	-	666,739
0021	Instructional leadership	-	-	17,146
0023	School leadership	-	-	352,258
0031	Guidance, counseling and evaluation services	-	-	845,067
0032	Social work services	-	-	1,019
0033	Health services	-	-	60,987
0034	Student (pupil) transportation	-	-	159,219
0035	Food services	-	-	4,164,996
0036	Extracurricular activities	-	-	1,070,275
0041	General administration	-	-	99,376
0051	Facilities maintenance and operations	-	-	894,252
0052	Security and Monitoring Services	-	-	7,127
0053	Data processing	-	-	1,129,799
0061	Community services	-	-	63,509
Intergovernmental:				
0093	Payments for SSA	-	-	53,500
6030	Total expenditures	-	38,728	14,195,258
1200	Net change in fund balances	-	53,312	1,078,682
0100	Fund balance - July 1 (beginning)	-	14,246	1,741,667
3000	Fund balance - June 30 (ending)	\$ -	\$ 67,558	\$ 2,820,349

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-3**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2022

	<u>711 Workers' Compensation</u>	<u>752 Bear Prints</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,255	\$ 6,219	\$ 20,474
Due from other funds	<u>290,777</u>	<u>-</u>	<u>290,777</u>
Total current assets	<u>305,032</u>	<u>6,219</u>	<u>311,251</u>
 Total assets	 <u>305,032</u>	 <u>6,219</u>	 <u>311,251</u>
LIABILITIES			
Current liabilities:			
Accounts payable	<u>305,032</u>	<u>-</u>	<u>305,032</u>
Total current liabilities	<u>305,032</u>	<u>-</u>	<u>305,032</u>
 Total liabilities	 <u>305,032</u>	 <u>-</u>	 <u>305,032</u>
 NET POSITION - UNRESTRICTED	 \$ <u>-</u>	 \$ <u>6,219</u>	 \$ <u>6,219</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT H-4****COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2022

	<u>711 Workers' Compensation</u>	<u>752 Bear Prints</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Local and intermediate sources	\$ <u>328,110</u>	\$ <u>8,380</u>	\$ <u>336,490</u>
Total operating revenues	<u>328,110</u>	<u>8,380</u>	<u>336,490</u>
OPERATING EXPENSES			
Professional and contracted services	<u>328,110</u>	<u>2,805</u>	<u>330,915</u>
Total operating expenses	<u>328,110</u>	<u>2,805</u>	<u>330,915</u>
OPERATING INCOME (LOSS)	-	5,575	5,575
NET POSITION, BEGINNING	<u>-</u>	<u>644</u>	<u>644</u>
NET POSITION, ENDING	\$ <u>-</u>	\$ <u>6,219</u>	\$ <u>6,219</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	711 Workers' Compensation	752 Bear Prints	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from user charges	\$ 297,597	\$ 8,380	\$ 305,977
Payments for insurance claims	(300,657)	-	(300,657)
Payments for supplies	-	(2,805)	(2,805)
Net cash provided (used) by operating activities	(3,060)	5,575	2,515
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,060)	5,575	2,515
CASH AND CASH EQUIVALENTS, BEGINNING	17,315	644	17,959
CASH AND CASH EQUIVALENTS, ENDING	14,255	6,219	20,474
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	-	5,575	5,575
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase in due from other funds	(30,513)	-	(30,513)
Increase in accounts payable	27,453	-	27,453
Net cash provided (used) by operating activities	\$(3,060)	\$ 5,575	\$ 2,515

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REQUIRED TEA SCHEDULES

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DELIQUENT TAXES RECEIVABLE****FOR THE YEAR ENDED JUNE 30, 2022**

For The Year Ended June 30, 2022	1	2	3	10
	Tax Rates		Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 7/1/2021
	Maintenance	Debt Service		
2013 and prior years	1.040000	0.500000	\$ 2,960,867,468	\$ 440,010
2014	1.040000	0.500000	1,654,544,805	43,835
2015	1.040000	0.500000	1,475,635,974	25,802
2016	1.040000	0.500000	1,581,388,247	45,276
2017	1.040000	0.500000	1,465,946,753	36,047
2018	1.040000	0.500000	1,598,911,104	32,220
2019	1.040000	0.500000	1,946,152,961	62,411
2020	0.970000	0.480000	2,278,262,138	126,582
2021	0.961600	0.454300	2,471,212,233	593,472
2022	0.980300	0.480000	2,679,107,375	-
1000 Totals				\$ <u>1,405,655</u>

EXHIBIT J-1

20	31	32	40	50
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2022
\$ -	\$ 4,816	\$ 2,316	\$ (60,029)	\$ 372,849
-	450	216	5,206	48,375
-	204	98	-	25,500
-	3,470	1,668	-	40,138
-	1,921	924	(1,360)	31,842
-	2,848	1,369	319	28,322
-	17,451	8,390	14,592	51,162
-	(16,223)	(8,028)	(16,037)	134,796
-	195,923	92,562	(173,011)	131,976
<u>39,123,005</u>	<u>25,700,064</u>	<u>12,583,934</u>	<u>-</u>	<u>839,007</u>
\$ <u>39,123,005</u>	\$ <u>25,910,924</u>	\$ <u>12,683,449</u>	\$ <u>(230,320)</u>	\$ <u>1,703,967</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
NATIONAL BREAKFAST AND LUNCH PROGRAM FUND

FOR THE YEAR ENDED JUNE 30, 2022

		Budgeted Amounts		Actual	Variance with
		Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES					
5700	Local and intermediate sources	\$ 510,000	\$ 347,400	\$ 334,639	\$(12,761)
5800	State program	67,000	67,000	29,486	(37,514)
5900	Federal program	<u>3,045,000</u>	<u>4,280,797</u>	<u>4,836,354</u>	<u>555,557</u>
5020	Total revenues	<u>3,622,000</u>	<u>4,695,197</u>	<u>5,200,479</u>	<u>505,282</u>
EXPENDITURES					
Current:					
0035	Food service	<u>3,622,000</u>	<u>4,694,995</u>	<u>4,094,773</u>	<u>600,222</u>
6030	Total expenditures	<u>3,622,000</u>	<u>4,694,995</u>	<u>4,094,773</u>	<u>600,222</u>
1200	Net change in fund balances	<u>-</u>	<u>202</u>	<u>1,105,706</u>	<u>1,105,504</u>
0100	Fund balance -				
	July 1 (beginning)	<u>985,067</u>	<u>985,067</u>	<u>985,067</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ 985,067</u>	<u>\$ 985,269</u>	<u>\$ 2,090,773</u>	<u>\$ 1,105,504</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

**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	Variance with Final Budget
		Original	Final		Positive
					(Negative)
REVENUES					
5700	Local and intermediate sources	\$ 12,307,200	\$ 12,603,000	\$ 12,783,667	\$ 180,667
5800	State program	-	136,519	404,544	268,025
5020	Total revenues	12,307,200	12,739,519	13,188,211	448,692
EXPENDITURES					
	Debt service:				
0071	Principal on long-term debt	4,789,025	6,659,150	6,659,150	-
0072	Interest on long-term debt	7,342,733	7,523,308	7,523,294	14
0073	Bond issuance costs and fees	10,000	140,570	130,323	10,247
6030	Total expenditures	12,141,758	14,323,028	14,312,767	10,261
1100	Excess (deficiency) of revenues over (under) expenditures	165,442	(1,583,509)	(1,124,556)	458,953
OTHER FINANCING SOURCES (USES)					
7901	Refunding bonds issued	-	4,596,880	4,596,880	-
7916	Premium on issuance of bonds	-	891,973	891,973	-
8940	Payment to bond escrow agent	-	(5,358,284)	(5,358,284)	-
7080	Total other financing sources	-	130,569	130,569	-
1200	Net change in fund balances	165,442	(1,452,940)	(993,987)	458,953
0100	Fund balance - July 1 (beginning)	18,365,283	18,365,283	18,365,283	-
3000	Fund balance - June 30 (ending)	\$ 18,530,725	\$ 16,912,343	\$ 17,371,296	\$ 458,953

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-4****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.	\$ 5,875,803
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 3,967,719

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.	\$ 733,266
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 474,491

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section includes a number of schedules that fall within the following categories:

<u>Contents</u>	<u>Page</u>
Financial Trend Data These schedules contain trend information on how the District's financial performance and well-being have changed over time.	78-85
Revenue Capacity Data These schedules contain information on the District's most significant local revenue source, the property tax.	86-92
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.	93-99
Demographic and Economic Information These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.	100-102
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 service the District provides and the activities it performs.	103-109

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$(21,040,752)	\$(28,820,934)	\$(31,374,479)	\$(32,915,116)
Restricted	6,459,416	7,368,973	6,726,533	5,252,812
Unrestricted	(28,540,302)	(30,311,386)	(34,884,708)	(35,703,820)
Total primary government net position	<u>\$(43,121,638)</u>	<u>\$(51,763,347)</u>	<u>\$(59,532,654)</u>	<u>\$(63,366,124)</u>

(1) The District changed the fiscal year end in 2020 from August 31st to June 30th. Fiscal year-end 2020 is for 10 months only.

(2) In 2018, the District implemented Governmental Accounting Standards Board Statement 75, causing unrestricted net position to decrease substantially.

Source of Information: White Settlement Independent School District Financial Statements

TABLE 1

Fiscal Year					
2017	2018 (2)	2019	2020 (1)	2021	2022
\$(69,016,747)	\$(70,737,319)	\$(72,589,440)	\$(76,463,248)	\$(81,020,497)	\$(87,671,659)
5,654,395	6,549,146	8,347,025	13,850,799	17,574,558	18,376,055
(1,448,023)	(28,210,045)	(30,107,064)	(34,069,785)	(33,499,692)	(18,650,682)
<u>\$(64,810,375)</u>	<u>\$(92,398,218)</u>	<u>\$(94,349,479)</u>	<u>\$(96,682,234)</u>	<u>\$(96,945,631)</u>	<u>\$(87,946,286)</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

CHANGE IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
Instruction	\$ 31,109,527	\$ 32,791,312	\$ 33,385,844	\$ 35,689,134
Instruction resources and media services	452,212	413,959	415,540	439,109
Curriculum and staff development	590,002	840,234	964,060	1,143,571
Instructional leadership	636,468	616,297	603,509	777,660
School leadership	3,329,506	3,591,504	3,751,520	4,146,928
Guidance, counseling and evaluation services	1,470,954	1,567,655	1,556,950	1,691,124
Social work services	95,427	123,717	127,897	140,351
Health services	553,775	602,555	643,589	602,841
Student transportation	1,243,228	1,195,909	1,216,737	1,209,605
Food service	3,607,666	3,614,021	3,699,429	3,889,507
Extracurricular activities	2,095,015	2,313,685	2,229,485	2,384,228
General administration	2,702,338	2,641,894	2,327,820	2,298,106
Plant maintenance and operations	5,672,010	5,831,251	6,029,101	6,804,069
Security and monitoring services	348,180	340,769	374,356	383,939
Data processing services	4,729,765	2,438,889	1,395,154	1,485,885
Community services	544,097	554,367	560,264	617,985
Debt Service - Interest on long-term debt	13,503,478	8,276,252	7,756,231	8,476,004
Facilities acquisition and construction	3,683,870	1,994,373	-	-
Payments related to shared services arrangements	83,246	94,820	117,336	129,004
Payments to Juvenile Justice Alternative Ed. Program	-	-	-	-
Other intergovernmental charges	153,723	145,623	147,071	131,968
Total primary government expenses	76,604,487	69,989,086	67,301,893	72,441,018
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	482,967	497,131	545,914	529,813
Transportation	-	1,123	-	-
Food services	1,167,980	1,142,365	1,141,371	1,224,412
Cocurricular/extracurricular activities	905,919	317,048	201,178	1,001,227
Plant maintenance and operations	85,932	64,435	87,757	151,756
Operating grants and contributions	6,998,488	8,003,986	7,610,559	8,532,853
Total primary government program revenues	9,641,286	10,026,088	9,586,779	11,440,061
Net (Expense)/Revenue	(66,963,201)	(59,962,998)	(57,715,114)	(61,000,957)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 17,570,012	\$ 15,528,433	\$ 16,387,518	\$ 16,401,775
Property taxes, levied for debt service	8,449,183	7,465,592	7,878,614	7,885,468
Grants and contributions not restricted	26,009,873	26,540,466	30,547,575	32,466,146
Investment earnings	35,868	23,595	23,136	65,231
Gas lease/mineral rights	264,686	439,747	186,490	76,663
Miscellaneous	3,187,007	1,171,083	1,052,896	572,204
Special/Extraordinary Items	(23,608)	152,373	23,005	-
Total government activities	55,493,021	51,321,289	56,099,234	57,467,487
Change in Net Position	\$(11,470,180)	\$(8,641,709)	\$(1,615,880)	\$(3,533,470)

(1) The District changed the fiscal year end in 2020 from August 31st to June 30th. Fiscal year-end 2020 is for 10 months only.

(2) During 2018, the District's non-employer contributing entity expense was neagtive due to changes in benefits within the TRS care plan. This created a negative operating grants and contributions revenue and reduced functional expenses for the year.

TABLE 2

Fiscal Year					
2017	2018 (2)	2019	2020 (1)	2021	2022
\$ 37,444,689	\$ 24,957,793	\$ 40,313,147	\$ 43,093,333	\$ 43,122,732	\$ 39,935,402
455,643	312,385	363,619	380,693	395,083	373,872
1,153,908	828,053	1,337,518	1,146,010	1,130,864	1,136,124
869,753	707,740	1,319,944	1,421,072	1,557,034	1,696,792
4,230,007	2,802,884	4,614,328	4,435,519	4,725,377	4,500,360
1,685,480	1,254,578	2,334,050	2,556,297	2,658,329	2,451,222
165,107	111,771	175,227	100,023	104,639	93,951
627,609	403,201	713,321	747,656	766,314	701,656
1,279,729	1,277,002	1,616,818	1,649,302	1,850,445	2,721,962
3,664,080	3,278,888	4,267,345	4,130,023	3,597,537	4,389,460
2,544,694	2,223,112	3,179,266	3,148,021	3,095,258	3,085,373
2,184,060	1,645,478	2,426,557	2,050,229	3,766,738	2,535,112
6,393,693	6,199,058	7,928,218	7,247,731	7,421,038	8,286,993
363,021	243,439	400,459	427,636	546,143	409,785
1,722,806	1,273,751	1,777,604	1,878,927	2,261,751	3,052,254
597,010	440,707	633,626	679,265	690,350	631,657
7,652,755	8,432,716	8,345,544	7,545,093	5,466,247	6,963,551
-	-	-	-	-	-
104,265	102,758	122,977	22,620	58,500	53,500
-	10,578	7,095	-	-	-
138,615	146,472	155,949	165,548	158,534	134,247
<u>73,276,924</u>	<u>56,652,364</u>	<u>82,032,612</u>	<u>82,824,998</u>	<u>83,372,913</u>	<u>83,153,273</u>
468,423	438,676	468,986	438,226	467,938	442,619
-	-	-	-	-	-
1,183,943	1,153,925	1,145,903	838,796	281,617	333,563
1,228,111	1,221,073	1,579,654	1,015,531	885,248	1,190,907
-	-	-	-	-	-
<u>11,716,361</u>	<u>(136,716)</u>	<u>14,068,651</u>	<u>13,545,729</u>	<u>15,176,245</u>	<u>14,746,416</u>
<u>14,596,838</u>	<u>2,676,958</u>	<u>17,263,194</u>	<u>15,838,282</u>	<u>16,811,048</u>	<u>16,713,505</u>
<u>(58,680,086)</u>	<u>(53,975,406)</u>	<u>(64,769,418)</u>	<u>(66,986,716)</u>	<u>(66,561,865)</u>	<u>(66,439,768)</u>
\$ 17,310,681	\$ 18,844,514	\$ 20,909,747	\$ 22,969,632	\$ 23,612,919	\$ 26,284,881
8,268,456	9,015,016	9,649,284	10,980,958	11,402,894	12,928,778
31,238,273	30,891,919	31,252,016	30,151,552	31,008,614	35,831,056
232,874	458,467	733,427	354,771	38,379	96,243
185,551	343,152	273,683	197,048	235,662	298,155
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,235,835</u>	<u>59,553,068</u>	<u>62,818,157</u>	<u>64,653,961</u>	<u>66,298,468</u>	<u>75,439,113</u>
<u>\$ (1,444,251)</u>	<u>\$ 5,577,662</u>	<u>\$ (1,951,261)</u>	<u>\$ (2,332,755)</u>	<u>\$ (263,397)</u>	<u>\$ 8,999,345</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 108,464	\$ -	\$ -	\$ 1,729
Assigned	149,528	974,866	1,086,653	1,061,546
Unassigned	<u>15,068,905</u>	<u>10,997,270</u>	<u>12,912,102</u>	<u>13,888,282</u>
Total general fund	<u>15,326,897</u>	<u>11,972,136</u>	<u>13,998,755</u>	<u>14,951,557</u>
All Other Governmental Funds				
Committed (Campus Activity)	393,175	406,851	407,223	404,237
Restricted:				
Grant funds	863,976	972,979	908,065	803,665
Debt service funds	5,272,414	5,298,929	5,386,357	4,338,267
GAP Awards	-	-	-	-
Assigned:				
Other Assigned Fund Balance	28,658	8,044	17,867	21,801
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>6,558,223</u>	<u>6,686,803</u>	<u>6,719,512</u>	<u>5,567,970</u>
Total Governmental Funds	<u>\$ 21,885,120</u>	<u>\$ 18,658,939</u>	<u>\$ 20,718,267</u>	<u>\$ 20,519,527</u>

(1) The District changed the fiscal year end in 2020 from August 31st to June 30th. Fiscal year-end 2020 is for 10 months only.

Source of Information: White Settlement Independent School District Financial Statements.

TABLE 3

Fiscal Year					
2017	2018	2019	2020 (1)	2021	2022
\$ 1,257	\$ 190	\$ 1,465	\$ 2,907	\$ 252	\$ 21,597
-	1,250,733	1,344,082	1,971,268	3,049,565	5,649,336
<u>15,575,395</u>	<u>14,369,615</u>	<u>16,358,781</u>	<u>17,901,231</u>	<u>18,314,391</u>	<u>20,915,897</u>
<u>15,576,652</u>	<u>15,620,538</u>	<u>17,704,328</u>	<u>19,875,406</u>	<u>21,364,208</u>	<u>26,586,830</u>
418,234	548,716	589,703	737,534	742,354	668,562
991,802	1,265,879	1,297,670	980,911	985,067	2,090,773
4,512,797	5,026,032	6,669,148	14,846,976	18,365,283	17,371,296
8,353	21,526	15,026	32,875	14,246	67,558
-	-	-	-	-	-
-	-	-	-	-	(6,544)
<u>5,931,186</u>	<u>6,862,153</u>	<u>8,571,547</u>	<u>16,598,296</u>	<u>20,106,950</u>	<u>20,191,645</u>
\$ <u>21,507,838</u>	\$ <u>22,482,691</u>	\$ <u>26,275,875</u>	\$ <u>36,473,702</u>	\$ <u>41,471,158</u>	\$ <u>46,778,475</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
Local and intermediate sources	\$ 31,754,351	\$ 26,425,688	\$ 27,327,672	\$ 27,745,613
State programs revenues	28,290,511	29,736,056	33,263,638	34,864,997
Federal programs revenues	<u>4,716,692</u>	<u>4,807,785</u>	<u>4,861,480</u>	<u>4,997,082</u>
Total Revenues	<u>64,761,554</u>	<u>60,969,529</u>	<u>65,452,790</u>	<u>67,607,692</u>
Expenditures by Function				
Instruction	\$ 27,224,211	\$ 28,939,220	\$ 29,890,060	\$ 30,807,817
Instruction resources and media services	331,714	294,829	297,903	308,418
Curriculum and staff development	544,319	795,069	936,913	1,048,559
Instructional leadership	533,184	514,185	511,410	644,703
School leadership	2,913,720	3,180,440	3,380,449	3,568,019
Guidance, counseling and evaluation services	1,278,289	1,377,178	1,390,662	1,426,127
Social work services	74,903	103,426	107,860	116,298
Health services	476,312	525,971	572,316	503,350
Student transportation	1,201,360	1,004,901	1,194,915	1,126,218
Food service	3,466,082	3,302,129	3,410,278	3,734,871
Extracurricular activities	1,926,185	2,146,772	2,073,382	2,179,984
General administration	1,850,434	1,784,127	1,719,976	1,860,282
Facilities maintenance and operations	5,051,746	5,307,687	5,168,066	5,665,910
Security and monitoring services	374,864	347,845	343,316	363,874
Data processing services	4,706,592	2,448,564	1,372,532	1,459,445
Community services	420,950	432,619	444,393	476,794
Debt service - principal on long-term debt	4,066,617	3,285,155	3,099,097	2,886,292
Debt service - interest on long-term debt	4,943,558	6,394,418	7,362,819	7,759,205
Debt service - bond issuance cost and fees	623,487	633,496	397,920	127,165
Facilities acquisition and construction	4,357,092	2,359,393	88,078	2,173,123
Payments related to shared services arrangements	83,246	94,820	117,336	129,004
Payments related to Juvenile Justice Alternative Ed Program	-	-	-	-
Other intergovernmental charges	<u>153,723</u>	<u>145,623</u>	<u>147,071</u>	<u>131,968</u>
Total Expenditures by Function	<u>66,602,588</u>	<u>65,417,867</u>	<u>64,026,752</u>	<u>68,497,426</u>
Other Financing Sources (Uses)				
Refunding bonds issued	40,160,142	49,374,874	23,423,826	2,115,000
Capital leases	64,850	-	-	-
Sale of assets	-	-	40,000	-
Loan proceeds	4,610,000	-	-	1,400,000
Premium/discount on issuance of bond	12,262,647	16,143,544	3,633,492	149,723
Transfers in	96	-	-	99,460
Transfers out	(96)	-	-	-
Payment to bond refunding escrow agent	(51,838,095)	(64,888,380)	(26,662,522)	(3,160,852)
Total Other Financing Sources (Uses)	<u>5,259,544</u>	<u>630,038</u>	<u>434,796</u>	<u>603,331</u>
Specia/Extraordinary Items				
Gas Lease/Mineral Interests	\$ 264,686	\$ 439,747	\$ 186,490	\$ 76,663
Sale of Metlife Stock	(23,608)	-	-	-
Other	-	152,373	23,005	-
Total Special Items	<u>\$ 241,078</u>	<u>\$ 592,120</u>	<u>\$ 209,495</u>	<u>\$ 76,663</u>
Net change in fund balances	<u>\$ 3,659,588</u>	<u>\$ (3,226,180)</u>	<u>\$ 2,070,329</u>	<u>\$ (209,740)</u>
Debt Service as a Percentage of Noncapital Expenditures	14.75%	15.95%	17.00%	16.32%

(1) The District changed the fiscal year end in 2020 from August 31st to June 30th. Fiscal year-end 2020 is for 10 months only.

(2) This table includes all governmental fund types of the White Settlement Independent School District.

(3) Revenue classifications are in accordance with those prescribed by the Texas Education Agency.

Source of Information: White Settlement Independent School District Financial Statements

TABLE 4

Fiscal Year					
2017	2018	2019	2020 (1)	2021	2022
\$ 28,837,357	\$ 31,618,786	\$ 34,681,145	\$ 36,512,489	\$ 37,174,303	\$ 41,433,603
36,167,442	35,565,006	37,042,105	34,744,795	34,754,183	39,517,785
<u>5,623,790</u>	<u>5,461,933</u>	<u>6,689,241</u>	<u>5,937,968</u>	<u>10,940,956</u>	<u>14,406,637</u>
<u>70,628,589</u>	<u>72,645,725</u>	<u>78,412,491</u>	<u>77,195,252</u>	<u>82,869,442</u>	<u>95,358,025</u>
\$ 32,941,435	\$ 32,533,479	\$ 34,343,672	\$ 35,288,286	\$ 38,143,261	\$ 39,553,562
330,661	270,283	239,274	242,028	267,414	283,259
1,073,252	1,193,931	1,100,374	955,765	1,048,370	1,177,118
746,637	911,974	1,115,657	1,194,789	1,413,113	1,743,310
3,722,673	3,819,571	3,968,888	3,763,256	4,183,587	4,541,979
1,446,556	1,685,315	1,882,721	2,037,814	2,371,846	2,488,001
140,708	144,996	143,628	69,901	81,361	83,223
537,786	502,891	580,967	591,038	664,657	685,039
2,351,992	1,140,338	1,548,036	1,494,930	1,849,460	2,119,950
3,466,541	3,429,058	3,832,517	3,571,799	3,177,582	4,164,996
2,357,553	2,743,823	3,124,088	2,853,106	2,878,359	3,403,641
1,896,577	1,971,228	2,070,101	1,688,266	2,100,542	2,346,798
5,651,481	7,343,395	7,220,290	6,855,346	6,693,239	8,032,839
324,697	363,493	365,658	416,891	568,625	417,996
1,686,449	1,839,775	1,818,254	1,819,809	2,460,667	3,284,649
465,983	485,162	498,553	525,736	553,041	565,523
2,470,102	3,201,232	2,555,697	305,000	5,265,783	7,343,349
8,400,855	7,916,608	8,610,230	3,130,380	3,779,740	7,627,975
21,997	6,807	6,807	5,117	1,384,301	130,323
218,041	10,350	65,908	-	151,000	-
104,265	102,758	122,977	22,620	58,500	53,500
-	10,578	7,095	-	-	-
<u>138,615</u>	<u>146,472</u>	<u>155,949</u>	<u>165,548</u>	<u>158,534</u>	<u>134,247</u>
<u>70,494,856</u>	<u>71,773,517</u>	<u>75,377,341</u>	<u>66,997,425</u>	<u>79,252,982</u>	<u>90,181,277</u>
-	-	-	-	120,310,931	4,596,880
-	-	-	-	-	-
29,578	102,645	-	-	-	-
825,000	-	758,034	-	-	-
-	-	-	-	49,504,076	891,973
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(168,434,011)	(5,358,284)
<u>854,578</u>	<u>102,645</u>	<u>758,034</u>	<u>-</u>	<u>1,380,996</u>	<u>130,569</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ <u>988,311</u>	\$ <u>974,853</u>	\$ <u>3,793,184</u>	\$ <u>10,197,827</u>	\$ <u>4,997,456</u>	\$ <u>5,307,317</u>
15.80%	16.00%	15.05%	5.19%	13.30%	16.90%

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TOTAL ASSESSED AND NET TAXABLE VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS**

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Exemptions and Freeze	Net Taxable Value
2013	1,411,722,849	600,464,664	2,012,187,513	328,719,734	1,683,467,779
2014	1,462,213,134	370,706,884	1,832,920,018	329,083,722	1,503,836,296
2015	1,563,536,036	311,257,948	1,874,793,984	324,766,103	1,550,027,881
2016	1,638,152,609	328,146,691	1,966,299,300	384,911,053	1,581,388,247
2017	1,947,420,821	236,123,756	2,183,544,577	717,597,824	1,465,946,753
2018	2,181,061,763	229,115,281	2,410,177,044	811,265,940	1,598,911,104
2019	2,397,426,050	258,078,667	2,655,504,717	709,351,756	1,946,152,961
2020	2,636,232,957	303,706,035	2,939,938,992	661,676,854	2,278,262,138
2021	2,967,183,300	299,654,780	3,266,838,080	795,625,847	2,471,212,233
2022	3,203,027,988	331,562,277	3,534,590,265	795,519,176	2,679,107,375

(1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.

(2) Tax Rates are per \$100 of assessed value.

(3) The District's direct rates are limited by state statute to \$1.04 for maintenance and operations and \$.50 for debt service.

Source of Information: Tarrant Central Appraisal District

TABLE 5

Maintenance and Operations Rate	Interest and Sinking Rate	Total Direct Rate
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
1.0400	0.5000	1.5400
0.9700	0.4800	1.4500
0.9616	0.4543	1.4159
0.9803	0.4800	1.4603

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX RATES - DIRECT OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	White Settlement Independent School District M/O	White Settlement Independent School District I & S	White Settlement Independent School District Total	City of Fort Worth	City of White Settlement
2013	\$ 1.04000	\$ 0.50000	\$ 1.54000	\$ 0.85500	\$ 0.61470
2014	1.04000	0.50000	1.54000	0.85500	0.67000
2015	1.04000	0.50000	1.54000	0.85500	0.69000
2016	1.04000	0.50000	1.54000	0.85500	0.73300
2017	1.04000	0.50000	1.54000	0.83500	0.75500
2018	1.04000	0.50000	1.54000	0.80500	0.76200
2019	1.04000	0.50000	1.52000	0.75500	0.76200
2020	0.97000	0.48000	1.45000	0.74750	0.73225
2021	0.96160	0.45430	1.41590	0.74750	0.74620
2022	0.98030	0.48000	1.46030	0.77300	0.74200

(1) Tax Rates are per \$100 of assessed value.

(2) The District's direct rates are limited by state statute to \$1.04 for maintenance and operations and \$.50 for debt service.

Source of Information: Tarrant County Tax Office

TABLE 6

City of Westworth Village	Tarrant County	Town of Lakeside	Tarrant Co Hosp Dist (JPS Health Network)	Live Oak Creek MUD #1
\$ 0.49200	\$ 0.26400	\$ 0.37925	\$ 0.22790	\$ 0.35000
0.49200	0.26400	0.37926	0.22790	0.99000
0.49200	0.26400	0.37900	0.22790	0.99000
0.50000	0.26400	0.36000	0.22790	0.99000
0.50000	0.26400	0.36000	0.22790	0.99000
0.50000	0.25400	0.37500	0.22443	0.99000
0.48500	0.24400	0.37900	0.22443	1.00000
0.48500	0.23400	0.40630	0.22443	1.00000
0.47500	0.23400	0.40630	0.22443	1.00000
0.47500	0.22900	0.40600	-	-

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT PERIOD AND NINE YEARS AGO

		2022		
Principal Taxpayers	Type of Property	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
DCP Gold Creek LLC	Real Estate	\$ 65,605,000	1	2.45%
Oxford Villas No 2 LLC	Apartments	50,000,000	2	1.87%
SPM Flow Control Inc.	Oil Field Equip Manuf Plant	42,664,285	3	1.59%
Constellation/Upland LLC ETAL	Apartments	40,400,000	4	1.51%
Oncor Electric Delivery CO LLC	Utility	34,298,211	5	1.28%
SPI Westpoint 264 LLC	Commercial	32,000,000	6	1.19%
A V Brickell Pointe LTD/AV Beacon LLC	Real Estate	23,770,000	7	-
Ashbury Ft. Worth LLC	Auto Dealer	22,075,266	8	-
AEP Charter High Point DT W LLC	Charter School	19,206,139	9	0.72%
Wal-mart Stores Tex	Retail Store	18,685,269	10	0.70%
WG NLA LLC	Real Estate	-		-
Chesapeake Operating	Land/ Improvements	-		-
Devon Energy Production	Utility	-		-
Fortress Properties, LTD.	Contractor	-		-
Westpoint DFW Apartments	Apartments	-		-
Lockheed Martin Aeronautics Co	Aeronautics	-		-
Total		<u>\$ 348,704,170</u>		<u>8.86%</u>
Total Net Taxable Value		<u>\$ 2,679,107,375</u>		<u>100.00%</u>

Source of Information: Tarrant County Appraisal District

TABLE 7

2013		
Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
\$ -		-
12,560,000	9	0.81%
256,250,204	1	16.54%
24,600,000	4	1.59%
17,280,602	8	1.12%
-		-
-		-
-		-
-		0.00%
23,104,032	5	1.49%
-		-
34,478,710	3	2.22%
60,183,150	2	3.88%
22,000,000	6	1.42%
21,425,000	7	1.38%
12,500,000	10	0.81%
<u>\$ 484,381,698</u>		<u>31.26%</u>
<u>\$ 1,549,622,187</u>		<u>100.00%</u>

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WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 8****PROPERTY TAX LEVIES AND COLLECTIONS****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Levy Year Tax Collections</u>	<u>Percent of Levy Collected in Levy Year</u>	<u>Tax Collections in Subsequent Years</u>	<u>Total Tax Collections to Date 2022</u>	<u>Total Collections to Date as Percent of Levy</u>
2013	25,779,475	25,561,290	99.15%	174,649	25,735,939	99.83%
2014 (1)	22,933,815	22,706,840	99.01%	177,934	22,884,774	99.79%
2015	24,374,231	24,069,790	98.75%	278,640	24,348,430	99.89%
2016	24,373,826	24,147,979	99.07%	180,571	24,328,550	99.81%
2017	25,394,615	25,110,848	98.88%	247,719	25,358,567	99.86%
2018	27,629,174	27,399,273	99.17%	197,681	27,596,954	99.88%
2019	30,711,935	30,313,610	98.70%	335,914	30,649,524	99.80%
2020	33,914,993	33,131,700	97.69%	656,710	33,788,410	99.63%
2021	34,989,894	34,421,955	98.38%	435,964	34,857,919	99.62%
2022(2)	39,123,005	38,283,998	97.86%	-	38,283,998	97.86%

(1) The reduction in value in 2014 is due to a major taxpayer removing a significant amount of property from the District.

(2) No subsequent collections for FYE 2022 until following year.

Source of Information: White Settlement Independent School District; Tarrant County Tax Office

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**OUTSTANDING DEBT BY TYPE****LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Financing Arrangements	Total Primary Government
	Bonds Payable	Maintenance Tax Notes	Leases		
2013	232,589,684	4,610,000	43,233	-	237,242,917
2014	243,896,928	4,365,000	21,616	-	248,283,544
2015	243,336,529	4,095,000	-	-	247,431,529
2016	239,208,388	5,080,000	-	-	244,288,388
2017	198,445,579	5,495,000	-	-	203,940,579
2018	204,784,489	4,995,000	-	-	209,779,489
2019	202,267,844	4,485,000	-	758,034	207,510,878
2020	204,180,610	4,180,000	-	758,034	209,118,644
2021	213,142,990	3,655,000	-	657,251	217,455,241
2022	205,333,254	3,115,000	165,366	554,100	209,167,720

(1) Bonds Payable includes Accreted Interest (from Capital Appreciation Bonds) and Premium (Discount) on Bonds.

(2) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(3) Population is from Municipal Advisory Council of Texas

(4) The percentage of Personal Income is the mean salary times the population divided by the Total Primary Government Debt.

Source of Information: White Settlement Independent School District and Municipal Advisory Council of Texas

TABLE 9

Percentage of Personal Income	Estimated Population	Per Capita
15.48%	32,127	7,385
15.64%	33,348	7,445
16.71%	33,555	7,374
15.63%	34,105	7,163
11.15%	34,474	5,916
10.89%	34,788	6,030
10.40%	34,861	5,953
9.81%	34,859	5,999
10.45%	33,951	6,405
9.28%	34,908	5,992

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

**RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUATION
AND NET BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>Assessment Ratio</u>	<u>Gross Bonded Debt Outstanding at Year-end</u>	<u>Reserve for Retirement of Bonded Debt</u>
2013	\$ 1,683,467,779	100%	\$ 232,589,684	\$ 5,481,047
2014	1,503,836,296	100%	243,896,928	5,298,929
2015	1,550,027,881	100%	243,336,529	5,386,357
2016	1,651,789,520	100%	239,208,388	4,338,367
2017	1,706,036,079	100%	198,445,579	4,512,797
2018	1,833,123,068	100%	204,784,489	5,026,032
2019	2,052,594,935	100%	202,267,844	6,669,148
2020	2,278,262,138	100%	204,180,610	14,846,976
2021	2,471,212,233	100%	213,142,990	16,575,245
2022	2,679,107,375	100%	205,333,255	16,217,724

(1) The Reserve for Retirement of Bonded Debt is the Net Position Restricted for Debt Service at fiscal year-end.

(2) One million dollars of fund balance was used to pay down the bonds refinanced in 2016.

(3) Population is from Municipal Advisory Council of Texas

Source of Information: Tarrant Central Appraisal District and District Debt Schedules and Municipal Advisory Council of Texas

TABLE 10

	Net Bonded Debt Outstanding at Year-end	Ratio Net Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt per Capita	Taxable Assessed Valuation per Capita
\$	227,108,637	9.65%	32,127	7,069	52,400
	238,597,999	9.30%	33,348	7,155	45,095
	237,950,172	8.73%	33,555	7,091	46,194
	234,870,021	8.13%	34,105	6,887	48,432
	193,932,782	11.37%	34,474	5,625	49,488
	199,758,457	10.90%	34,788	5,742	52,694
	195,598,696	9.53%	34,861	5,611	58,879
	189,333,634	8.31%	34,859	5,431	65,356
	196,567,745	7.95%	33,169	5,926	74,504
	189,115,531	7.06%	34,908	5,418	78,465

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**LEGAL DEBT LIMIT INFORMATION****LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxable Assessed Value</u>	<u>Debt Service Tax Rate</u>	<u>Debt Service Tax Levy</u>	<u>Statutory Maximum Debt Service Tax Rate</u>
2013	1,683,467,779	0.500000	8,417,339	0.500000
2014	1,503,836,296	0.500000	7,519,181	0.500000
2015	1,550,027,881	0.500000	7,750,139	0.500000
2016	1,651,789,520	0.500000	8,258,948	0.500000
2017	1,706,036,079	0.500000	8,530,180	0.500000
2018	1,833,123,068	0.500000	9,165,615	0.500000
2019	2,052,594,935	0.500000	10,262,975	0.500000
2020	2,278,262,138	0.480000	10,935,658	0.500000
2021	2,471,212,233	0.454300	11,226,717	0.500000
2022	2,679,107,375	0.480000	12,859,715	0.500000

(1) The State of Texas does not impose a legal limit on the amount of long-term debt outstanding for school districts. However, Texas school districts are limited by statute to a debt service tax rate of \$.50 per \$100 of assessed valuation. Therefore, the District considers it most useful to compare the amount of property tax revenue collected for debt service to debt service expenditures in a given year.

Source: White Settlement Independent School District and Tarrant County Appraisal District

TABLE 11

Maximum Possible Debt Service Revenue	Debt Service Revenue Margin	Debt Service Expenditures
8,417,339	-	14,971,324
7,519,181	-	9,045,523
7,750,139	-	3,435,380
8,258,948	-	11,165,927
8,530,180	-	11,117,840
9,165,615	-	10,870,957
10,262,975	-	10,645,497
11,391,311	455,652	10,461,916
12,356,061	1,129,344	9,679,573
13,395,537	535,821	9,010,175

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT
ESTIMATED GENERAL OBLIGATION OVERLAPPING DEBT STATEMENT
FISCAL YEAR 2022

TABLE 12

<u>Taxing Body</u>	<u>Gross Dollar Amount</u>	<u>Percent Overlapping</u>	<u>Dollar Overlap</u>
City of Fort Worth	\$ 908,665,000	1.53%	\$ 13,902,575
Town of Lakeside	1,780,000	6.43%	114,454
Live Oak Creek MUD#	21,924,987	100.00%	21,924,987
Tarrant County	404,360,000	1.19%	4,811,884
Tarrant County College District	264,175,000	1.19%	3,143,683
Tarrant County Hospital District	12,825,000	1.19%	152,618
City of Westworth Village	7,866,000	2.10%	165,186
City of White Settlement	10,586,661	96.61%	<u>10,227,773</u>
Subtotal, overlapping debt			\$ <u>54,443,160</u>
White Settlement Independent School District direct debt			\$ <u>209,167,720</u>
Total direct and overlapping debt			\$ <u>263,610,880</u>

(1) Overlapping governments are those that coincide at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of White Settlement Independent School District. This process recognizes that, when considering the District's ability to issue and the repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into the account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 13**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (1)</u>	<u>Per Capita Median Wage</u>	<u>Unemployment Rate</u>
2013	32,127	1,532,618,535	47,705	6.00%
2014	33,348	1,587,798,324	47,613	5.00%
2015	33,555	1,480,345,935	44,117	4.00%
2016	34,105	1,562,725,205	45,821	4.10%
2017	34,474	1,828,397,538	53,037	3.40%
2018	34,788	1,925,585,376	55,352	3.40%
2019	34,861	1,994,990,447	57,227	3.10%
2020	34,859	2,132,499,325	61,175	3.00%
2021	33,169	2,081,686,440	62,760	6.20%
2022	34,908	2,253,904,836	64,567	3.80%

(1) Personal income is the product of district population and mean wage.

(2) Median wage is for Fort Worth.

(3) Unemployment rate is for Tarrant County.

Source: Municipal Advisory Council of Texas and Texas Workforce Commission

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO

Employer	Type of Business	2022	
		Estimated Range of Employees	Percentage of Total
Lockheed Martin Aeronautics Company	Manufacturing	15,200	60%
White Settlement ISD	School District	850	5%
Weir SPM	Manufacturing	575	2%
Walmart Supercenter	Retail Trade	270	1%
PDX, Inc.	Service	200	1%
West Side Campus of Care	Health Care & Social Assistance	190	1%
Region 11 Education Service Center	Public Administration	190	1%
City of White Settlement	Educational Services	135	1%
Home Depot	Retail Trade	130	0%
David McDavid Ford	Retail Trade	111	0%
Co-operative Industries Aerospace & Defense	Manufacturing	110	0%
Albertson's	Retail Trade	<u>105</u>	0%
Totals		18,066	71%
Total Employment		25,300	

(1) Employment data is for the City of White Settlement and is not seasonally adjusted.

Source: North Central Council of Governments and the Municipal Advisory Council of Texas and Workforce Solutions for Tarrant County.

TABLE 14

2013	
Estimated Range of Employees	Percentage of Total
14,902	53%
613	4%
414	1%
250	1%
175	1%
150	1%
153	1%
100	0%
100	0%
100	<u>0%</u>
<u>100</u>	<u>0%</u>
17,057	63%
27,915	

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WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 15****FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE****LAST TEN FISCAL YEARS**

Fiscal Year	Teachers	Professional Support	Campus Administration	Central Administration	Educational Aides	Auxiliary Staff	Total FTEs
2013	392.4	46.4	28.6	7.9	89.0	170.4	734.7
2014	400.2	54.5	26.2	9.0	88.8	177.3	756.0
2015	401.3	60.4	28.3	9.0	91.5	126.2	716.7
2016	414.6	58.2	27.9	10.0	95.4	121.0	727.1
2017	425.5	55.3	28.3	10.0	96.9	123.0	739.0
2018	430.8	74.6	27.6	10.0	103.2	140.1	786.3
2019	423.5	82.8	28.6	10.0	93.6	144.2	782.7
2020	432.5	84.3	31.6	10.0	107.3	148.0	813.7
2021	441.1	87.0	30.5	11.0	106.8	149.7	826.1
2022	444.5	96.3	33.2	11.7	114.2	154.8	854.7

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency and District PEIMS reports.

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TEACHER DATA****LAST TEN FISCAL YEARS**

	Fiscal Year			
	2013	2014	2015	2016
Total Number of Teachers	392.4	400.2	401.3	414.6
Teachers by Highest Degree Held				
No Degree	2.9	0.5	0.3	4.8
Bachelors	341.7	342.0	335.2	337.6
Masters	47.5	57.4	365.8	72.2
Doctorate	0.3	0.3	-	-
Teachers by Years of Experience				
Beginning Teachers	21.1	20.0	13.5	25.4
1-5 Years Experience	125.7	119.3	116.3	123.1
6-10 Years Experiences	81.3	97.7	105.7	94.8
11-20 Years Experience	101.7	98.5	100.4	108.6
Over 20 Years Experience	62.5	64.8	65.5	62.7
Average Salary by Years Experience				
Beginning Teachers	44,424	45,025	44,690	43,994
1-5 Years Experience	43,834	46,232	45,564	47,001
6-10 Years Experiences	44,687	47,179	47,355	47,695
11-20 Years Experience	49,144	49,655	50,192	50,244
Over 20 Years Experience	56,261	56,950	56,164	57,109
Overall Average Years with District	7.6	7.4	7.5	7.1
Overall Average Years Experience	10.9	10.8	11.2	10.7
Overall Average Teacher Salary	47,400	48,980	48,894	49,355
Turnover Rate for Teachers	13.1%	16.6%	15.5%	19.1%

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency and TSDS Reports.

TABLE 16

Fiscal Year					
2017	2018	2019	2020	2021	2022
425.5	430.8	423.5	432.5	441.1	444.5
3.0	2.3	1.9	2.0	7.0	5.0
355.6	346.4	347.4	350.2	344.5	343.2
66.9	82.1	74.1	80.4	89.6	96.3
-	-	-	-	-	-
28.1	17.4	28.3	14.4	15.5	15.8
126.0	143.8	132.2	136.2	135.0	134.0
100.0	95.7	87.8	99.3	92.7	100.6
111.6	107.9	111.9	120.9	131.0	127.0
59.8	65.9	63.3	61.7	66.9	67.1
44,320	46,435	48,374	54,907	56,479	57,944
48,246	48,889	50,177	53,757	56,582	56,123
49,386	50,394	50,396	55,045	56,974	57,586
52,366	53,730	55,081	58,409	60,009	60,599
59,713	60,417	61,171	64,479	66,848	68,520
6.5	6.5	6.3	6.1	6.3	6.1
10.2	10.5	10.6	10.8	11.0	11.0
50,947	52,100	53,041	56,917	58,925	59,668
16.8%	16.5%	25.6%	19.5%	12.6%	15.8%

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 17**

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30: (1)	District		Region Average Salary	Statewide Average Salary
	Minimum Salary	Maximum Salary		
2013	45,000	58,900	51,130	48,821
2014	45,000	58,900	52,208	49,692
2015	45,000	58,900	53,291	45,570
2016	45,500	59,400	54,379	46,450
2017	47,000	60,900	55,194	52,525
2018	47,800	61,700	56,144	47,883
2019	48,500	62,400	56,985	54,122
2020	52,500	66,400	59,339	57,091
2021	53,800	67,700	60,028	57,641
2022	54,600	68,500	N/A	N/A

(1) Salary amount does not include stipends.

(2) Current year information is not yet available.

Source: Texas Academic Performance Report (TAPR) Report published by the Texas Education Agency and

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 18****EXPENDITURES, ENROLLMENT AND PER PUPIL COST****LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Governmental Funds Expenditures</u>	<u>Cost per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Students Receiving Free/ Reduced Lunch</u>
2013	6,514	44,195,961	6,785	51,208,683	7,861	392	16.6	53.3%
2014	6,551	43,977,435	6,713	51,569,263	7,872	400	16.4	53.5%
2015	6,647	44,870,295	6,750	52,300,583	7,868	401	16.6	53.2%
2016	6,697	46,696,903	6,973	52,947,488	7,906	415	16.2	53.8%
2017	6,794	49,881,866	7,342	57,301,371	8,434	426	16.0	55.2%
2018	6,842	50,399,255	7,366	57,363,055	8,384	431	15.9	55.1%
2019	6,836	52,906,515	7,739	61,415,833	8,984	424	16.1	57.3%
2020	6,842	55,043,669	8,045	66,997,425	9,792	433	16.1	58.5%
2021	6,701	57,177,292	8,533	79,252,982	11,827	441	16.1	58.5%
2022	7,036	60,750,125	8,634	90,181,277	12,817	445	15.8	58.5%

(1) Operating expenditures include only the General Fund and include total expenditures less debt service, capital outlay, and intergovernmental charges.

Source: White Settlement Independent School District and Texas Education Agency (TAPR) Report

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT**TABLE 19**TOTAL EXPENSES OF GOVERNMENTAL ACTIVITIES,
ENROLLMENT AND PER PUPIL COST

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Government- Wide Expenses</u>	<u>Cost Per Pupil</u>
2013	6,514	52,458,111	8,053
2014	6,551	52,599,782	8,029
2015	6,647	52,931,767	7,963
2016	6,697	55,419,673	8,275
2017	6,794	60,492,048	8,904
2018	6,842	56,652,364	8,280
2019	6,836	82,032,612	12,000
2020	6,842	82,824,998	12,105
2021	6,701	83,372,913	12,442
2022	7,036	83,153,273	11,818

Source: White Settlement Independent School District and Texas Education Agency

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

TABLE 20

SCHOOL BUILDING INFORMATION

CURRENT YEAR

	<u>Year Built</u>	<u>Grades Served</u>	<u>Building Capacity</u>	<u>Enrollment</u>	<u>Percent of Capacity Used</u>
HIGH SCHOOL					
Brewer High School	2006	9-12	2,543	2,162	86.1%
MIDDLE SCHOOL					
Brewer Middle School	1957/2006	7-8	1,242	1,043	89.5%
INTERMEDIATE SCHOOL					
Tannahill Intermediate School	2000	5-6	1,020	879	85.2%
ELEMENTARY SCHOOLS					
Liberty Elementary School	1975	K-4	770	581	80.0%
North Elementary School	2004	K-4	944	722	75.2%
West Elementary & Pre-k School	1953/2006	EE-4	638	538	56.4%
Blue Haze Elementary School	1988/2006	K-4	1,010	614	68.0%
Fine Arts Academy	2005	K-6	340	306	86.2%
OTHER PROGRAMS					
Disciplinary Alternative Education Program	2019	3-12	-	N/A	

(1) Enrollment as of October 29, 2021

(2) Building capacity does not include portable buildings.

(3) The second date listed is the date major renovations were done to the campus.

(4) The DAEP campus was acquired during the 2018-2019 school year when the Head Start Program decided to no longer provide services at this location. The building was renovated and converted to the DAEP Campus.

(5) The enrollment numbers above not include the 191 students that were enrolled in the virtual academy. The building used to house the administration staff and teachers was leased by the district for one year.

Source of Information: White Settlement Independent School District

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FEDERAL AWARDS SECTION

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

Board of Trustees of
White Settlement Independent School District
White Settlement, 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 White Settlement Independent School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise White Settlement Independent School District's basic financial statements, and have issued our report thereon dated October 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered White Settlement Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 White Settlement Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of White Settlement Independent School District's internal control.

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 12, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Trustees of
White Settlement Independent School District
White Settlement, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited White Settlement Independent School District's (the "District") 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 White Settlement Independent School District's major federal programs for the year ended June 30, 2022. The 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, the District complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the 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 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 the District's federal Programs.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

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

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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 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 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
October 12, 2022

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
<u>U . S. DEPARTMENT OF AGRICULTURE</u>				
Passed through the Texas Education Agency:				
School Breakfast Program (SBP)	10.553	71402101	\$ 122,628	\$ -
School Breakfast Program (SBP)	10.553	71402201	602,402	-
Total Assistance Listing Number 10.553			<u>725,030</u>	<u>-</u>
National School Lunch Program (NSLP)	10.555	71302101	613,197	-
National School Lunch Program (NSLP)	10.555	71302201	2,877,219	-
Total Passed through the Texas Education Agency			<u>4,215,446</u>	<u>-</u>
Passed through the Texas Department of Agriculture:				
NSLP - Commodities - Non-cash assistance	10.555	01032 CE	386,333	-
Supply Chain Assistance Program	10.555	01032 CE	123,747	-
NSLP - Commodity Storage	10.555	01032 CE	3,131	-
Total Assistance Listing Number 10.555			<u>4,003,627</u>	<u>-</u>
Total Child Nutrition Cluster			<u>4,728,657</u>	<u>-</u>
Pandemic EBT Admin Expense Reimbursement	10.542	01032 CE	3,063	-
Child and Adult Care Food Program	10.558	01032 CE	96,491	-
COVID-19 - CACFP EOC Reimbursement	10.558	01032 CE	8,143	-
Total Assistance Listing Number 10.558			<u>104,634</u>	<u>-</u>
Total Passed through the Texas Department of Agriculture			<u>620,908</u>	<u>-</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>4,836,354</u>	<u>-</u>
<u>U . S. FEDERAL COMMUNICATIONS COMMISSION</u>				
Direct Programs:				
COVID-19 - Emergency Connectivity Fund	32.009		799,900	-
Total Direct Programs			<u>799,900</u>	<u>-</u>
TOTAL U. S. FEDERAL COMMUNICATIONS COMMISSION			<u>799,900</u>	<u>-</u>
<u>U . S. DEPARTMENT OF EDUCATION</u>				
Passed through the Texas Education Agency:				
Title I, Part A - Grants to Local Education Agencies	84.010	21610123220920	122,854	-
Title I, Part A - Grants to Local Education Agencies	84.010	22610123220920	778,096	-
Total Assistance Listing Number 84.010			<u>900,950</u>	<u>-</u>
IDEA B Formula - Special Education Grants to States	84.027	216600012209206000	159,139	-
IDEA B Formula - Special Education Grants to States	84.027	226600012209206000	1,173,010	-
COVID-19 - IDEA B Formula - Special Education Grants to States	84.027	225350012209205000	76,112	-
Total Assistance Listing Number 84.027			<u>1,408,261</u>	<u>-</u>
IDEA Preschool - Special Education Preschool Grants	84.173	216610012209206000	3,820	-
IDEA Preschool - Special Education Preschool Grants	84.173	226610012209206000	35,752	-
Total Assistance Listing Number 84.173			<u>39,572</u>	<u>-</u>
Total Special Education (IDEA) Cluster			<u>1,447,833</u>	<u>-</u>
Perkins IV - Career and Technical Education	84.048A	21420006220920	4,834	-
Perkins IV - Career and Technical Education	84.048A	22420006220920	63,910	-
Total Assistance Listing Number 84.048A			<u>68,744</u>	<u>-</u>
Title III, Part A - English Language Acquisition	84.365A	21671001220920	9,678	-
Title III, Part A - English Language Acquisition	84.365A	22671001220920	65,066	-
Total Assistance Listing Number 84.365A			<u>74,744</u>	<u>-</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

EXHIBIT K-1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Assistance Listing Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures	(4) Pass-through Expenditures
<u>U . S. DEPARTMENT OF EDUCATION (Continued)</u>				
Passed through the Texas Education Agency (Continued):				
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	21694501220920	\$ 13,712	\$ -
Title II, Part A - Supporting Effective Instruction State Grants	84.367A	22694501220920	<u>159,000</u>	<u>-</u>
Total Assistance Listing Number 84.367A			<u>172,712</u>	<u>-</u>
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	216801012200920	19,649	-
Title IV, Part A - Student Support Academic Enrichment Grants	84.424A	226801012200920	<u>60,178</u>	<u>-</u>
Total Assistance Listing Number 84.424A			<u>79,827</u>	<u>-</u>
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	21521001220920	3,521,817	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425U	21528001220920	<u>4,080,586</u>	<u>-</u>
Total Assistance Listing Number 84.425			<u>7,602,403</u>	<u>-</u>
Total Passed through the Texas Education Agency			<u>10,347,213</u>	<u>-</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>10,347,213</u>	<u>-</u>
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Texas Health and Human Services Commission:				
Medicaid Cluster - Medicaid Administrative Claiming Program	93.778	529-09-0032-00046	<u>33,910</u>	<u>-</u>
Total Passed through Texas Health and Human Services Commission			<u>33,910</u>	<u>-</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>33,910</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>16,017,377</u>	\$ <u>-</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2022

1. GENERAL

The Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all applicable federal award programs of White Settlement Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the SEFA.

2. BASIS OF ACCOUNTING

The SEFA is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements. The SEFA is presented in accordance with the 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). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. INDIRECT COSTS

The District did not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

4. RECONCILIATION OF FEDERAL REVENUES AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following is the reconciliation of federal revenues and the Schedule of Expenditures of Federal Awards for the fiscal year:

Federal revenues on the Statement of Revenues, Expenditures and	
Changes in Fund Balance Governmental Funds (Exhibit C-3)	\$ 14,406,637
Elementary and Secondary School Emergency Relief - CRRSA Act	
(ESSER II) Funds recognized as revenue for financial statement	2,470,982
purposes in the prior year, but reported on SEFA due to grant	
award notification occurring subsequent to year-end.	
School health and related services revenue	(860,242)
Federal expenditures on the Schedule of Expenditures of	
Federal Awards (Exhibit K-1)	\$ <u>16,017,377</u>

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported
Material noncompliance to the financial statements noted?	None

Federal Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified, that were not considered a material weakness	None reported

Type of auditor's report on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None
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Identification of major programs:

Assistance Listing Numbers: 32.009 84.027 & 84.173 84.425D & 84.425U	Name of Federal Program or Cluster: COVID-19 - Emergency Connectivity Fund Special Education (IDEA) Cluster COVID-19 - Elementary and Secondary School Emergency Relief Fund
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Dollar threshold used to distinguish between type A and type B programs	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**Findings Relating to the Financial Statements Which are Required to be Reported in
Accordance With Generally Accepted Government Auditing Standards**

None

Findings and Questioned Costs for Federal Awards

None

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