



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

Midland ISD  
Office of Finance  
615 W. Missouri Ave.  
Midland, TX 79701

Darrell Dodds, CFO  
432-240-1018  
darrell.dodds@midlandisd.net  
midlandisd.net





Annual Comprehensive Financial Report of the  
**Midland Independent School District**  
Midland, Texas

For the Year Ended June 30, 2022

Prepared by the  
Finance Department of Midland Independent School District

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**Certificate of the Board**

Midland Independent School District  
Name of School District

Midland  
County

165-901  
County - District 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 21st day of November 2022.

Katie Joyner  
Signature of Board Secretary

Bryan Murry  
Signature of Board President

If the board of trustees disapproves of the auditors' report, the reason(s) for disapproving it is/are:  
(attach list if necessary)

## **INTRODUCTORY SECTION**



## OFFICE OF FINANCIAL SERVICES

Midland Independent School District  
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November 21, 2022

To the Board of Trustees and the Citizens of Midland Independent School District:

The Office of Financial Services is pleased to submit this annual comprehensive financial report of the Midland Independent School District (the “District”) for the fiscal year ended June 30, 2022. This report has been prepared to provide the Board of Trustees (the “Board”), citizens of the District, representatives of financial institutions and ratings agencies, and other interested parties information concerning the financial condition of the District.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. As a basis for making these representations, management of the District is responsible for designing, implementing, and maintaining adequate, efficient, and effective systems of internal control. These systems of control provide reasonable, but not absolute, assurance that: (1) District assets and critical records are safeguarded from loss, theft, or misuse; (2) authorized transactions are promptly and accurately recorded; (3) District resources are efficiently and economically employed; and (4) financial reports are prepared in conformity with GAAP. The concept of reasonable assurance recognizes the cost of implementing internal controls should not outweigh their benefits and that management makes estimates and judgments in the normal course of daily business. 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 present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

This report includes all funds of the District and any activities over which the Board has oversight responsibilities and/or authority to make decisions. The District is not a component unit but has one component unit, the Midland Education Foundation, Inc. A component unit is a legally separate organization that a primary government must include as part of its financial reporting entity for fair representation and conformity with GAAP.

The Texas Education Code requires an annual audit of the District’s financial statements by independent certified public accountants selected by the Board. The Board selected Eide Bailly, LLP, a firm of licensed certified public accountants to audit this year’s financial statements. The independent auditors’ report is presented as the first component of the financial section of this report.

### **DISTRICT PROFILE**

Midland Independent School District, located in Midland, TX, is one of approximately 1,200 school districts (both public and charter districts) in the State of Texas. The District encompasses approximately 765 square miles in Midland County. In the 2021-2022 school year, the district served 26,398 students from pre-kindergarten through grade 12. The District currently operates two high schools (grades 10-12), two

*Mission: All students will graduate prepared and ready for college or career*





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freshmen centers, one early college high school, two alternative education high schools, five junior high schools, and 27 elementary schools. The age and square footage of District facilities is included in Table 19 of the Statistical Section. The District's student enrollment has increased by 13% in the past ten years and expects to enroll more than 27,885 students in the 2022-2023 school year. Recent statistics indicate a student population that is approximately 65% Hispanic, 23% Caucasian, 7% African-American, 2% Asian, and 3% two or more races.

The District is governed by a seven member Board of Trustees elected by the registered voters of the District. Major responsibilities of the Board include selecting a superintendent of schools, approving personnel as recommended by the superintendent, adopting goals for the district, reviewing and acting on policies, adopting an annual budget and setting the tax rate, and communicating the district's progress to the public. As a policy-making body, the Board delegates day-to-day administration and operation of the District to the Superintendent.

The mission of Midland Independent School District is to graduate all students prepared and ready for college or career. A college-ready student is an academically prepared student who is ready for postsecondary education without the need for remediation. The District also recognizes that not all students will choose the college route. A career ready student is someone who possesses the academic skills, employability skills, and technical skills required for careers after graduation, such as critical thinking, adaptability, technology proficiency, responsibility, persistence, and teamwork. Students graduating college or career ready will be best prepared in a changing and increasingly complex future.

### FINANCIAL INFORMATION

The District takes pride in its commitment in providing responsible stewardship of financial resources needed to support students, educators, staff, parents, and community. The philosophy has generated a healthy fund balance over the years, and the District has established financial practices and parameters ensuring the focus remains on the education of students and that support the District's mission.

In April 2021, Moody's Investors Service reviewed school district ratings with the release of the US K-12 Public School Districts Methodology, which focuses on fundamental credit strength rather than hypothetical general obligations. Under the new methodology, only 9% of Texas school districts were reviewed for a potential upgrade, with 80% expected to see no change. As a result of the review, Moody's upgraded the District's previous rating of Aa2 to a rating of Aa1. The Aa1 rating reflects a stable and healthy financial profile. The District also has an AA bond rating from S&P Global.

### Budgetary Control

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The objective of budgetary controls is to ensure

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compliance with legal provisions embodied in the annual budget approved by the Board. The budget itself is prepared utilizing a detailed line-item approach for Governmental Fund types and is prepared in accordance with the budgeting requirements as outlined in the Financial Accountability System Resource Guide for Texas school districts.

It is the intent of the District that the budgetary process results in the most effective mix of the educational and financial resources available while attaining the goals and objectives of the District. The ultimate decision of the level of funding and the programs to be funded rests with the Board. After considering all factors, the Board sets an ad valorem tax rate that generates sufficient revenues to support the expenditure budget of the District.

The budget may be amended during the year to address unanticipated or changing needs of the District. A change to functional expenditure categories, revenue objects, or other sources and uses accounts requires Board approval. The District also maintains an encumbrance accounting system as a budgetary control.

### **ECONOMIC OUTLOOK**

#### **Local Economy**

Midland, TX, is located in the heart of the Permian Basin oil region, which is the second-largest oil and gas shale in the world. Home to large national companies, high-paying jobs, expanding family businesses, and entrepreneurs seeking growth opportunities, Midland's tax base grew 32% from 2021 to 2022. Tax year 2022 assessed values totaled \$45 billion compared to tax year 2021 assessed values of \$34 billion.

Signs show a return to expansion and more rapid gains for the economy. Data for Midland and the Permian Basin are trending well and indicate ongoing improvement from the prior year, particularly because of geopolitical factors that have raised the value of hydrocarbons. As of June 2022, the rig count was 344, compared to 235 in June 2021, and oil prices were over \$103/barrel on June 2022, compared to \$75/barrel in June 2021, encouraging further activity.

#### **Long-term Financial Planning**

The Board recognizes the significance of adopting balanced budgets, sustaining a healthy fund balance, and long-range financial planning. Management has adopted regulation that sets forth parameters for annual budget developments and targets the unassigned general operating fund balance at 25% of operating expenditures and targets the debt service fund balance at 20% of the current annual debt service requirement. Over the past four years, management has also actively reduced the District's debt, saving over \$28 million in future interest payments through advanced redemption as bonds become callable and advanced refunding as opportunities become available. The District annually reviews its long term debt service and considers accelerated redemption or restructuring when financially advantageous or beneficial.

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The 86<sup>th</sup> Texas Legislature passed House Bill 3 (HB3) on June 11, 2019. HB3 made significant changes to the state's funding formula and provided property tax relief through compression of school districts' Maintenance and Operations (M&O) property tax rate. Districts with property values growth more than 2.5% per year are required to compress maintenance and operations tax rate. Also, a transition provision, Equalized Wealth Transition Grant ("transition"), holds the district harmless in that it ensures the district will receive at least 3% more funding than if calculated under prior law. However, transition funds are only available for five years, ending in the 2023-24 school year. In addition, Congress passed various supplemental appropriations to prevent, prepare for, and respond to the coronavirus pandemic. The District has received supplemental federal funds that must be obligated by September 2022 (ESSER I), September 2023 (ESSER II), and September 2024 (ESSER III).

District's management has developed a strategic plan using the results of stakeholder engagement sessions and needs assessment conducted in the Spring of 2021. The plan includes short-, mid-, and long-term goals, commitment statements and action steps focused on improving student outcomes for all students. Future long-term financial planning is based on the strategic plan and the budget process will be aligned and coordinated to these goals.

### **District Initiatives**

The District began its transition from a Managed Instruction Theory of Action to an Earned Autonomy Theory of Action with the ultimate goal of having implemented a System of Great Schools (SGS) Theory of Action by 2027. SGS is the development of a collaborative vision between the community and the school district to innovate and support choice options to enable all families to ensure that all students are sitting in seats in high performing schools.

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Senate Bill 1882, passed by the Texas Legislature in 2017, provides incentives for districts to partner with open-enrollment charter schools, institutions of higher education, nonprofits, and government entities to provide educational services for the district. The District is one of a small number of Texas school districts to embrace this opportunity and was approved by TEA for eight partnerships. The following operating partnerships were authorized by the Board with the responsibility of managing day-to-day operations and accountability for achieving academic and operational targets outlined within each performance contract:

### **Implemented in the 2019-2020 School Year:**

- Midland Community College District — Operating Pre-K Academy at Midland College
- Young Women’s Preparatory Network — Operating Young Women’s Leadership Academy
- REACH Network — Operating Goddard Junior High School and Ralph Bunche Elementary School
- The Carver Center — Operating Carver Center
- Ben Milam International Academy — Operating Ben Milam International Academy

### **Implemented in the 2020-2021 School Year:**

- IDEA Public Schools — Operating IDEA Travis Academy
- Third Future Schools — Operating Sam Houston Collegiate Preparatory Elementary

In addition, the District launched Opportunity Culture (OC) with eight schools in Fall 2020 and an additional eight schools added in Fall 2021. OC is an innovative staffing model that assists schools in extending the reach of excellent teachers and their teams, for more pay, within recurring school budgets. At the cornerstone of the OC design are Multi-classroom leaders (MCLs) — teachers with a record of high-growth student learning who lead small, collaborative teams. Teachers gain time to plan and collaborate, and students get high-standard personalized instruction.

HB3 also established an initiative, the Teacher Incentive Allotment (TIA), to bring highly effective teachers in all schools, particularly in high need and rural schools. This program provides a pathway to financially reward top teachers and serves as a great opportunity to honor the hard work and success of District teaching staff. The District’s implementation started on 2021-2022 school year with a local designation system that incorporates teacher observation and student growth measures.

### **AWARDS AND ACKNOWLEDGMENTS**

The District was awarded an “A-Superior Achievement” under the Financial Integrity Rating System of Texas (FIRST), a financial accountability rating system for Texas school districts. The primary goal of FIRST is to achieve quality performance in the management of school districts financial resources. The superior achievement rating is the state’s highest, demonstrating the quality of the District’s financial management practices and the high level performance in the management of their financial resources.

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The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Midland Independent School District (MISD) for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Association of School Business Officials International (ASBO) recognized the District for excellence in budget presentation with the Pathway to the Meritorious Budget Award (MBA) for the 2020-2021 budget year. ASBO's MBA and Pathway to the MBA promote and recognize best budget presentation practices in school districts.

The preparation of this report on a timely basis would not have been possible without the dedicated efforts of the District's entire Financial Services staff. We appreciate all members who assisted and contributed to the preparation of this report. We would also like to acknowledge Eide Bailly, LLP, for their assistance in the production of the report. Finally, we would like to thank the Board of Trustees for their continued interest and leadership in support of the District's financial management.

Respectfully submitted,

*Arturo Valenzuela*

Arturo Valenzuela

Executive Director of Finance

Signed reports on file with the District

*Darrell Dodds*

Darrell Dodds

Chief Financial Officer

*Kellie Spencer*

Kellie Spencer

Superintendent

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Midland Independent School District  
District Officials, Staff and Consultants  
June 30, 2022

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**BOARD OF TRUSTEES**

<b>Name and Title</b>	<b>Elected</b>	<b>Term Expires</b>
Bryan Murry, President	2016	2024
John Trischitti, III, Vice President	2018	2022
Katie Joyner, Secretary	2020	2024
Tommy Bishop, Trustee	2006	2022
Michael Booker, Trustee	2020	2024
Rick Davis, Trustee	2008	2022
Robert Marquez, Trustee	2016	2024

**SELECTED ADMINISTRATIVE STAFF**

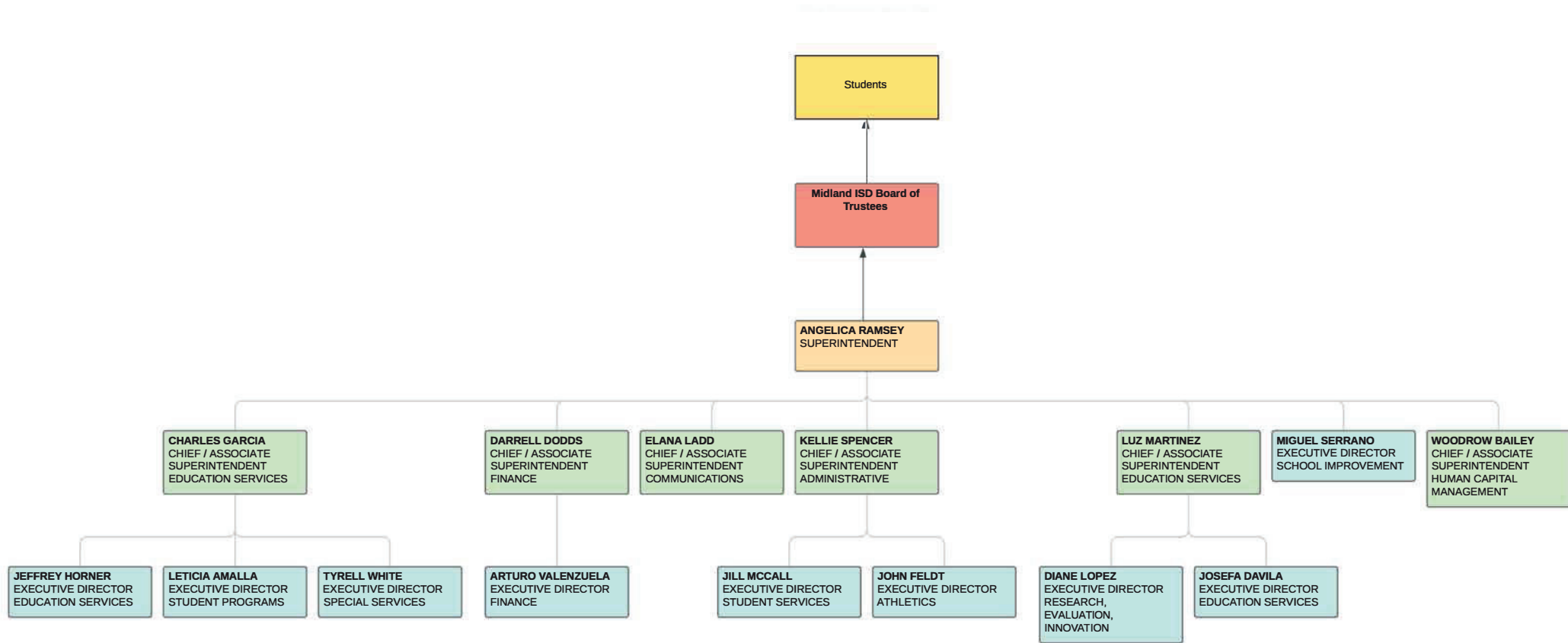
<b>Name</b>	<b>Position</b>	<b>Length of Service</b>
Dr. Angelica Ramsey	Superintendent of Schools	1 Year
Darrell Dodds	Chief Financial Officer	3 Years
Woodrow Bailey	Chief of Human Capital	21 Years
Elana Ladd	Chief Communications Officer	3 Years
Sid Pounds	General Counsel	3 Years
Arturo Valenzuela	Executive Director of Financial Services	5 Years

**CONSULTANTS AND ADVISORS**

Auditors	Eide Bailly, LLP	Abilene, Texas
Bond Counsel	Orrick, Herrington, & Sutcliffe LLP	Austin, Texas
Financial Advisor	Hilltop Securities, Inc.	Dallas, Texas



Midland Independent School District  
Executive Organizational Chart  
School Year 2021-2022  
(As of June 30, 2022)





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Midland Independent School District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Midland 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**



## Independent Auditor's Report

The Board of Trustees of  
Midland Independent School District  
Midland, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Midland 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 the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the 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 (*Government Auditing Standards*). 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 the 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.

### ***Adoption of New Accounting Standard***

As discussed in Note 16 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities' net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

### ***Auditor's Responsibilities 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 management’s discussion and analysis, pension plan schedules, OPEB plan schedules, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic 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 also have issued our report dated November 11, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned to the left of the typed text below.

Abilene, Texas  
November 11, 2022

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The management of Midland Independent School District ("the District") offer readers of the annual financial report this narrative discussion and analysis of the District's financial performance for the year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this analysis.

## FINANCIAL HIGHLIGHTS

- The 86<sup>th</sup> Texas Legislature passed House Bill 3 (HB 3) on June 11, 2019. The bill made significant changes to the state's funding formula, including the calculation of local property taxes and recapture, in addition the 87<sup>th</sup> legislature with House Bill 1525 made some additional changes to school finance:
  - The District's Maintenance and Operations (M&O) tax rate decreased to \$0.95340 per \$100 valuation for the 2021-22 school year from \$0.95640 per \$100 valuation in the 2020-21 school year.
  - A transition provision, Equalized Wealth Transition Grant ("transition"), holds the district harmless in that it ensures the district will get at least 3% more funding than if calculated under prior law. Transition funds are only available for five years, ending in 2023-24 school year.
- The Texas Education Agency (TEA) used the CRRSA Act to partially fund the state's foundation school program hold harmless for 2020-21 and as a result, the District recognized a reduction in state aid through increased recapture, net of \$13.2 million, in the 2020-21 school year. These funds were offset in the 2021-22 school year through dollars received through the Elementary and Secondary School Emergency Relief II Fund (ESSER II). In March 2021, the federal government passed the American Rescue Plan Act of 2021. This act included a provision for supplemental Elementary and Secondary Emergency Relief Fund, known as ESSER III. ESSER III funds are broken down in the following manner: \$15 million in learning acceleration initiatives, \$2.8 million in whole child initiatives and \$5.8 million in community engagement initiatives.
- At the close of the year ended June 30, 2022, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources. Net position was \$261 million.
- The government-wide statements reported total revenues of \$482 million, which exceeded total expenses of \$432 million and resulted in a net increase of net position of \$50 million.
- The governmental funds financial statements reported combined ending fund balance of \$239 million for the year ending June 30, 2022, an increase of \$25 million in comparison with the prior year. This balance consists of \$198 million in the General Fund, \$109 million of which is unassigned and available for spending at the District's discretion, and \$80 million assigned for future capital projects, technology projects, self-insurance, and coverage for anticipated future state aid reduction. Restricted fund balance totals \$34 million and is included in the General Fund, Debt Service Fund, and Non-Major Funds. Committed fund balance is \$14.8 million and consists of amounts held in campus activity funds and construction funds. Non-spendable fund balance is \$0.6 million.
- 2021-22 property values decreased by 5% from prior year, resulting in the following for the General Fund:
  - Local property tax revenue of \$319 million decreased by \$25 million, or 7%, from prior year
  - Recapture expense of \$124 million decreased by \$29 million, or 19%, from prior year
  - State revenue of \$88 million increased by \$.6 million, or less than 1%, from prior year.

- The General Fund had \$423 million in revenues, which primarily consisted of local property taxes and state aid. Expenditures of \$391 million, including \$124 million in recapture, resulted in an increase in fund balance by \$20 million for the year ended June 30, 2022.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the government, reporting the District’s operations in more detail than the government-wide statements.
  - The *governmental funds* statements tell how general government services were financed in the short term as well as what remains for future spending.
  - *Proprietary fund* statements offer short- and long-term financial information about the activities the government operates like businesses.
  - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Major features of the District’s *government-wide* and *fund financial statements* are summarized below:

Type of Statement	Government-Wide	Fund Financials		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire District’s government (except fiduciary funds)	The activities of the District that are not propriety or fiduciary	Activities the District operates similar to private business-health insurance and worker’s compensation	Instances in which the District is the trustee or agent for someone else’s resources
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of change in net position</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus



<b>Type of Asset/Liability Information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year-end, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during the year, regardless of when cash is received or paid.	Agency funds do not report revenue and expenditures.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the 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 company. These statements include:

**The Statement of Net Position.** The Statement of Net Position (Exhibit A-1) focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (net position). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in the District’s net position may serve as a useful indicator of whether the financial health is improving or deteriorating.

**The Statement of Activities.** The Statement of Activities (Exhibit B-1) presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing for when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

To assess the overall health of the District, additional nonfinancial factors should be considered, such as changes in the District’s property tax base, student enrollment, and facility conditions.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities—Most of the District’s basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

- **Component units**—The District includes another entity in its report. Although legally separate, “component units” are important because the District is financially accountable for them. Midland Education Foundation, Inc., a nonprofit organization that provides support to the District, teachers, and students, is included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, rather than the District as a whole. 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by State law and by bond covenants, while many other funds are established by the District to help manage resources for particular purposes and compliance with various grant provisions. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out of those funds and (2) the balances left at year-end that are available for spending in future periods. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's educational programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explain the relationship (or differences) between them.

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 and the Debt Service Fund, both of which are considered major funds. Data from the other governmental funds, including the National School Breakfast and Lunch Program, and a Local Capital Outlay Fund, are combined into a single aggregated presentation as nonmajor funds.

**Proprietary Funds.** Services for which the District charges users (other units of the District) a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The District uses internal service funds to report activities that provide supplies and services for the District's Print Shop, Self-insurance program, Employee Housing, and Employee Childcare.

**Fiduciary Funds.** The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, may be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are excluded from the District's government-wide financial statements because these resources are not available to finance District operations.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to 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 other supplementary information, including schedules required by the Texas Education Agency.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's combined net position increased \$50 million from the previous year as can be seen on the following table.

**Midland Independent School District's Net Position**

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 403,024,213	55	\$ 409,399,183	55	\$ (6,374,970)	(2)
Capital assets, net of accumulated depreciation	335,117,367	45	331,670,924	45	3,446,443	1
Total assets	738,141,580	100	741,070,107	100	(2,928,527)	(0)
Total deferred outflows of resources	49,148,314	100	41,329,329	100	7,818,985	0
Other liabilities	151,778,440	35	199,563,350	39	(47,784,910)	(24)
Long-term liabilities outstanding	276,010,787	65	306,204,961	61	(30,194,174)	(10)
Total liabilities	427,789,227	100	505,768,311	100	(77,979,084)	(15)
Total deferred inflows of resources	98,605,754	100	69,289,441	100	29,316,313	42
Net position:						
Net investment in capital assets	168,499,844	65	149,054,674	72	19,445,170	13
Restricted	32,514,570	12	26,339,652	13	6,174,918	23
Unrestricted	59,880,499	23	31,947,358	15	27,933,141	87
<b>Total net position</b>	<b>260,894,913</b>	<b>100</b>	<b>207,341,684</b>	<b>100</b>	<b>53,553,229</b>	<b>26</b>

The District's capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 45 percent of total assets. The remaining assets consist mainly of investments, cash, grants, property taxes receivable, state revenue receivable, and prepaid assets.

The District's long-term liabilities include repayment of general obligation bonds and net pension and OPEB liability. Other liabilities consist almost entirely of recapture and payables on accounts and salaries and benefits.

The District's net position includes its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are 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 (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the district's ongoing obligations to students, employees, and creditors.

The change in net position is attributed to the following:

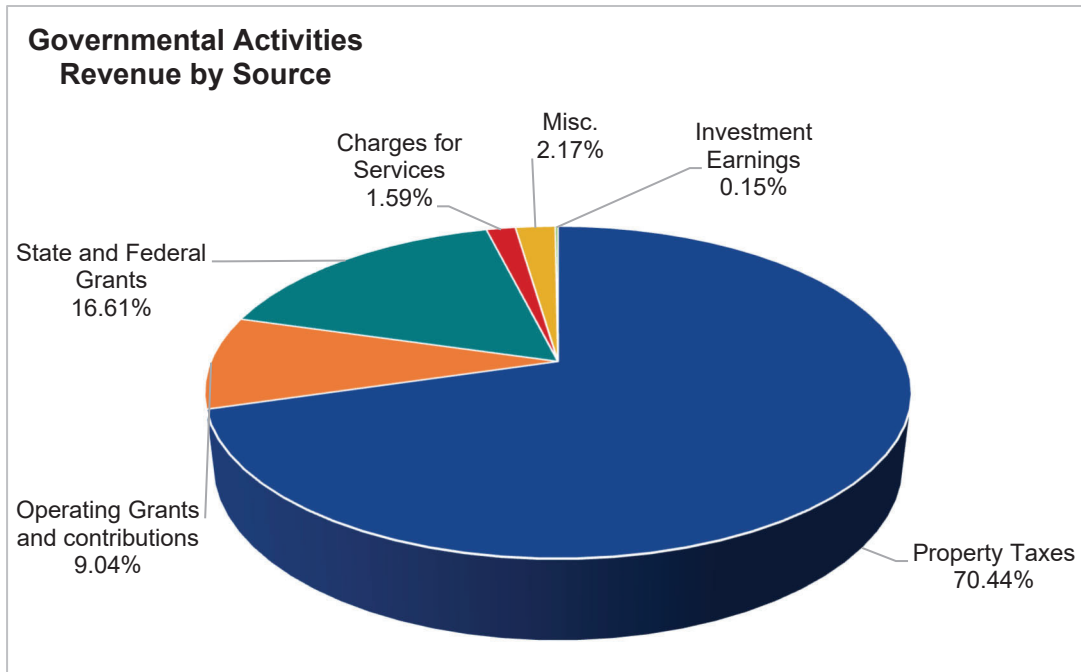
- Property values resulted in a 5% decrease in the property tax base which resulted in an decrease in current assets related to property taxes receivable from the levy. In addition, delinquent taxes collected decreased by 32%.
- As allowed by HB3, the District elected to make one recapture payment in August, after the end of the fiscal year, as opposed to monthly payments starting in February. As a result, investments had a higher ending balance than prior year, especially since the Chapter 49 recapture payable to the State also increased.
- Significant capital asset acquisitions were conducted during the fiscal year, which have added \$3 million of capital net asset value.
- Net liability decreased by \$42 million, primarily from a decrease in net pension liability and payment of general obligation bonds.

#### **Governmental Activities**

Funding for government-wide activities is by the specific program revenue or through general revenues such as property taxes and investment earnings. Revenues for the District's governmental activities decreased \$33 million while total expenses decreased by \$21 million, this still resulted in a net increase of net position of \$50 million.

**Revenues**

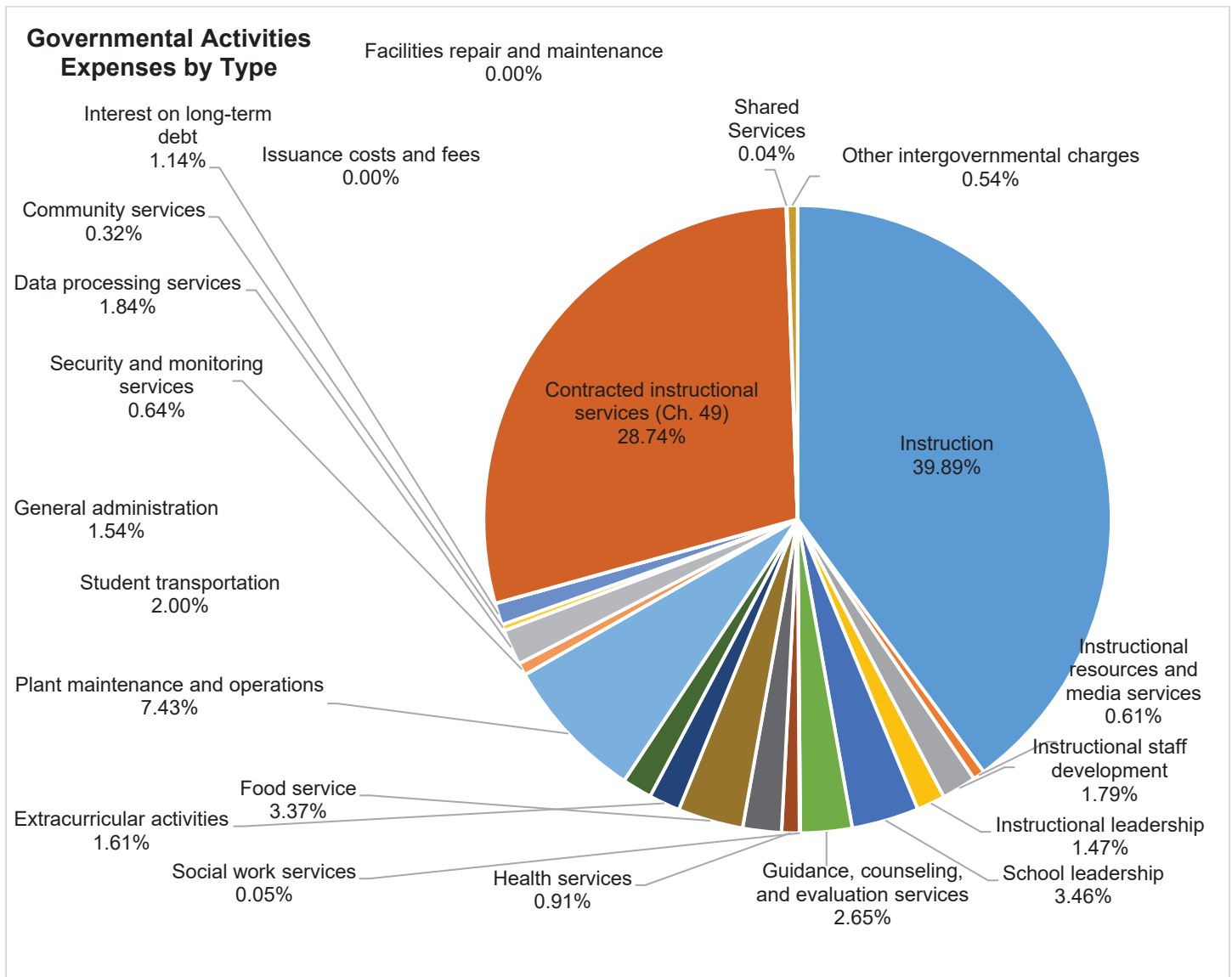
The District's total revenues were \$482 million, representing an decrease of \$33 million from the previous year. The majority of this decrease is due to a 5% decrease in the District's assessed valuations which resulted in increases in property tax revenue and state transition funds. As seen below, approximately 71% of the District's revenue comes from local property taxes, 17% from state and federal sources, and 9% from other grants and contributions.



**Expenses**

The District's total expenses were \$432 million, representing a decrease of \$21 million from the previous year. The majority of this decrease is due to an decrease in the property values and decrease in Refined Average Daily Attendance (ADA) due to COVID. Both factors decreased the District's recapture payment – a decrease of \$29 million, or 19%, from prior year. The District's primary functional expenses are

- Instruction - \$172 million, or 40 percent of total expenses
- Recapture ("Contracted instructional service") - \$124 million, or 29 percent
- Plant maintenance and operations - \$32 million, or 7 percent



Midland Independent School District  
Management's Discussion and Analysis  
Year Ended June 30, 2022

In total, governmental activities increased the District's net position by \$50 million dollars. Key elements of this change are as follows:

**Midland Independent School District's Net Position**

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue:						
Program revenues:						
Charges for services	\$ 7,677,396	2	\$ 3,248,988	1	\$ 4,428,408	136
Operating grants and contributions	42,083,083	9	48,378,978	9	(6,295,895)	(13)
Capital grants and contributions	1,514,843	-	1,853,932	-	(339,089)	-
General revenues:						
Property taxes, levied for general purpose	316,487,053	66	344,384,055	67	(27,897,002)	(8)
Property taxes, levied for debt service	23,305,344	5	25,260,525	5	(1,955,181)	(8)
State Aid - Formula Grants	77,005,106	16	76,181,141	15	823,965	1
Grants and contributions not restricted to specific programs	3,117,893	1	1,233,772	-	1,884,121	153
Investment earnings	734,035	-	244,319	-	489,716	200
Miscellaneous	10,468,711	2	15,067,635	3	(4,598,924)	(31)
Total revenues	482,393,464	100	515,853,345	100	(33,459,881)	(6)
Expenses:						
Instruction	172,424,180	40	176,946,482	39	(4,522,302)	(3)
Instructional resources and media services	2,615,066	1	2,589,965	1	25,101	1
Curriculum and instructional staff development	7,722,197	2	5,455,794	1	2,266,403	42
Instructional leadership	6,341,258	1	4,565,224	1	1,776,034	-
School leadership	14,938,958	3	15,576,818	3	(637,860)	(4)
Guidance, counseling, and evaluation services	11,443,864	3	11,018,414	2	425,450	4
Social work services	208,057	-	250,330	-	(42,273)	(17)
Health services	3,933,311	1	3,450,263	1	483,048	-
Student transportation	8,627,102	2	7,704,040	2	923,062	12
Food service	14,558,354	3	10,106,078	2	4,452,276	44
Extracurricular activities	6,946,754	2	5,617,185	1	1,329,569	24
General administration	6,637,190	2	8,216,210	2	(1,579,020)	(19)
Plant maintenance and operations	32,120,498	7	27,869,467	6	4,251,031	15
Security and monitoring services	2,746,139	1	3,081,976	1	(335,837)	(11)
Data processing services	7,936,446	2	7,762,807	2	173,639	2
Community services	1,387,494	-	1,335,738	-	51,756	4
Interest on long-term debt	4,906,317	1	5,702,956	1	(796,639)	(14)
Issuance costs and fees	-	-	449,534	1	(449,534)	(100)
Facilities repair and maintenance	17,800	-	-	-	17,800	-
Contracted instructional services between schools	124,213,933	29	153,749,183	34	(29,535,250)	(19)
Payments related to shared services arrangement	185,200	-	142,813	-	42,387	30
Payments to juvenile justice alternative education programs	-	-	-	-	-	-
Other intergovernmental charges	2,323,593	1	2,241,283	-	82,310	4
Total expenses	432,233,711	100	453,832,560	100	(21,598,849)	(5)
Increase in net position before transfers	50,159,753		62,020,785		(11,861,032)	
Transfers	-		-		-	
Change in net position	50,159,753		62,020,785		(11,861,032)	
Net position - beginning	210,735,160		145,320,899		65,414,261	
<b>Net position - ending</b>	<b>\$ 260,894,913</b>		<b>\$ 207,341,684</b>		<b>\$ 53,553,229</b>	

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances 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 a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$239 million, an increase of \$25 million in comparison with the prior year. Approximately 45 percent of this total amount (\$109 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance is non-spendable, restricted, or assigned to indicate that it is not available for new spending because it has already been 1) used to purchase inventories and food services (\$.6 million), 2) restricted to pay debt service (\$17 million), 3) restricted by cooperative partnership agreements (\$8 million), or 4) assigned for future capital projects (\$30 million), future technology projects and replacements (\$10 million), self-insurance (\$2 million), and coverage for anticipated future state aid reduction (\$38 million). Assignments reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The District's committed fund balance consists of campus activity funds (\$1 million) and local capital construction funds (\$13.7 million).

**General Fund.** The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$109 million, while total fund balance reached \$198 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 51 percent of that same amount.

The fund balance of the District's General Fund increased by \$20 million during the current fiscal year. Key factors in this growth are as follows:

- Revenues totaled \$423 million which is a 4 percent decrease from previous year. Total property tax revenues decreased by \$25 million, or 7 percent.
- Expenditures totaled \$391 million which is a 5.51 percent decrease from previous year. This includes \$29 million, or 19 percent, decrease in the District's recapture expenditure as a result of reduced property values.

**Debt Service Fund.** The Debt Service Fund has a total fund balance of \$17 million, all of which is restricted for the payment of debt service. The net increase in fund balance was \$1 million. Revenues totaled \$23 million which is a 7 percent decrease from previous year. This is mostly due to a decrease in property values decreased by 5 percent, the District's I&S tax rate remained the same as compared to last year at a \$0.0702 per \$100 valuation. Expenditures totaled \$22 million, which is a 14 percent, or \$3 million, increase from previous year. The increase was due to a larger redemption of bond principal paid in advance as compared to previous year.

**Local Capital Projects Fund.** The local capital projects fund has a total fund balance of \$11,543,012, all of which is committed for capital acquisition and improvements.



### **Budgetary Highlights**

The District adopts an annual appropriated budget for the General Fund, the National School Breakfast and Lunch Program, and the Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with statutory requirements.

**General Fund.** The most significant fund for the District is the General Fund, funded primarily through local property tax revenue. The District's budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- ***Variances of original expenditure budget compared to amended budget.***

The amended expenditure budget increased \$34 million from the original budget. The original budget was adopted with lower property values provided at the time by the Midland Central Appraisal District. In addition, due to the current conditions of COVID, property tax revenue was also budgeted at a lower tax collection rate and tax rate reduction. These factors were considered in the original recapture calculation, which was lower than at the final recapture amount. The final amendment was based on the knowledge of the fiscal year.

- ***Variances of amended budget to actual expenditures.***

Expenditures were \$24 million less than final budgeted amounts. This was due to reduction in recapture of \$6 million and a reduction in spending throughout the budget, additionally the actual revenue collected on 21-22 is higher than the final amended revenue for the same year, this was mostly due to TPAR adjustment for ADA. This last component is a driver of budgeted expenditures as MISD has a balanced budget.

- ***Variances of original revenue budget compared to actual revenue***

Revenues exceeded the original budget by \$42 million. The original budget was adopted with lower property values provided at the time by the Midland Central Appraisal District, at a lower collection rate and tax rate. In addition, as mentioned above, the TPAR adjustment increased our revenue throughout the year and investment interest rates increased during the year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

At the end of 2022, the District had invested \$335 million in a broad range of capital assets, including land, buildings, and equipment. This amount represents a net increase of \$3 million, or 1 percent over last year. Major capital asset events conducted during the fiscal year included purchase of eleven additional school busses, purchase of vehicles, purchase of capital equipment, significant improvements to various athletic facilities, and building improvements. Additional information on the District's capital assets can be found in Note 5 of this report.

**Midland Independent School District's Capital Assets**  
(net of depreciation)

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 19,361,548	6	\$ 19,361,548	6	\$ -	0
Buildings and improvements	294,438,585	88	285,391,551	86	9,047,034	3
Furniture and equipment	11,855,155	4	9,938,621	3	1,916,534	19
Intangible asset - right to use leased asset, net	3,445,798	1			3,445,798	100
Construction in progress	6,016,281	2	16,979,204	5	(10,962,923)	(65)
<b>Totals</b>	<b>\$ 335,117,367</b>	<b>100</b>	<b>\$ 331,670,924</b>	<b>100</b>	<b>\$ 3,446,443</b>	<b>1</b>

**Long-Term Debt**

At the end of 2022, the District had \$263 million in long-term liabilities which include general obligation bonds, net pension liability, and net OPEB liability. The District's long-term liabilities decreased by \$42 million. Additional information on the District's long-term debt can be found in Note 6 of this report.

**Midland Independent School District's Long-term Liabilities Outstanding**

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 154,225,982	58	\$ 170,180,982	56	\$ (15,955,000)	(9)
Accretion on CAB, Series 2017	1,705,575	-	1,275,934	-	429,641	34
Other long-term debt	1,557,624	1	-	-	1,557,624	100
Net pension liability	37,156,529	14	70,809,956	23	(33,653,427)	(48)
Net OPEB liability	69,300,390	26	63,938,089	21	\$ 5,362,301	100
<b>Totals</b>	<b>\$ 263,946,100</b>	<b>100</b>	<b>\$ 306,204,961</b>	<b>100</b>	<b>\$ (42,258,861)</b>	<b>(14)</b>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The 2022-23 appraised property values, based on January 1, 2022, saw an 27% increase from the prior year. In addition, based on current enrollment and attendance experienced in 2021-22, the district is budgeting for a 1% increase in Refined ADA.

The Maintenance and Operations (M&O) tax rate decreased to \$0.8446 per \$100 valuation for the 2022-23 year. The Interest and Sinking (I&S) tax rate remained at \$0.0702 per \$100 valuation for the 2022-23 year. In addition, local property values have increased by 27%, resulting in General Fund property tax revenues to increase by \$34 million and state revenue budgeted to decrease by \$7 million.

General Fund expenditures are budgeted to increase by \$22 million over the prior year final expenditures. Major expenditure changes include decreased Chapter 49 recapture payment to state based on lower property values.

In the past, the oil and gas industry has experienced booms and busts. The production of oil in the region has increased as compared to last year and is expected to maintain high production levels, which are the main driver of immigration and economic activity in the Permian Basin region. The District has maintained a healthy fund balance which is budgeted to remain at the same level for next year.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Financial Services Department at 615 West Missouri Avenue, Midland, TX 79701.

Midland Independent School District

Statement of Net Position (Exhibit A-1)

June 30, 2022

Data Control Codes	1 Primary Government	Component Unit
	Governmental Activities	Midland I.S.D. Education Foundation
Assets		
1110	\$ 106,910,437	\$ 2,825,708
1120	257,232,871	720,592
1220	14,894,568	-
1230	(6,361,665)	-
1240	27,181,783	-
1250	47,990	-
1267	500	-
1290	243,877	-
1300	639,592	-
1410	149,173	-
1490	2,085,087	-
Capital assets		
1510	19,361,548	-
1520	294,438,585	-
1530	11,855,155	-
1550	3,445,798	-
1580	6,016,281	-
1000	<u>738,141,580</u>	<u>3,546,300</u>
Deferred outflows of resources		
1705	26,755,316	-
1706	18,857,300	-
1710	3,535,698	-
1700	<u>49,148,314</u>	<u>-</u>
Liabilities		
2110	3,644,183	-
2140	2,347,057	-
2150	1,877,406	-
2160	12,534,897	-
2180	124,280,628	-
2200	2,807,315	-
2300	4,286,954	-
Noncurrent liabilities		
2501	5,441,884	-
2502	164,111,984	-
2540	37,156,529	-
2545	69,300,390	-
2000	<u>427,789,227</u>	<u>-</u>

Midland Independent School District  
Statement of Net Position (Exhibit A-1) - continued  
June 30, 2022

<u>Data Control Codes</u>		<u>1 Primary Government Governmental Activities</u>	<u>Component Unit Midland I.S.D. Education Foundation</u>
	Deferred Inflows of Resources		
2605	Deferred inflows - pension	43,344,397	-
2606	Deferred inflows - OPEB	53,491,762	-
2610	Deferred gain on refunding	1,769,595	-
2600	Total deferred inflows of resources	<u>98,605,754</u>	<u>-</u>
	Net Position		
3200	Net investment in capital assets	168,499,844	-
3820	Restricted for grants	8,844,021	-
3850	Restricted for debt service	15,474,644	-
3890	Restricted for other purposes	8,195,905	3,546,300
3900	Unrestricted	59,880,499	-
3000	Total net position	<u>\$ 260,894,913</u>	<u>\$ 3,546,300</u>

Midland Independent School District  
Statement of Activities (Exhibit B-1)  
Year Ended June 30, 2022

1

Data Control Codes	Functions/Programs	Expenses
	Primary government	
	Governmental activities	
11	Instruction	\$ 172,424,180
12	Instructional resources and media services	2,615,066
13	Curriculum and instructional staff development	7,722,197
21	Instructional leadership	6,341,258
23	School leadership	14,938,958
31	Guidance, counseling, and evaluation services	11,443,864
32	Social work services	208,057
33	Health services	3,933,311
34	Student transportation	8,627,102
35	Food service	14,558,354
36	Extracurricular activities	6,946,754
41	General administration	6,638,113
51	Plant maintenance and operations	32,120,498
52	Security and monitoring services	2,746,139
53	Data processing services	7,936,446
61	Community services	1,386,571
72	Interest on long-term debt	4,906,317
81	Facilities repair and maintenance	17,800
91	Contracted instructional services between schools	124,213,933
93	Payments related to shared services arrangement	185,200
99	Other intergovernmental charges	2,323,593
TG	Total governmental activities	<u>432,233,711</u>
TP	Total primary government	<u>\$ 432,233,711</u>
IC	Component unit	<u>\$ 1,575,632</u>

Midland Independent School District  
Statement of Activities (Exhibit B-1) - continued  
Year Ended June 30, 2022

3	4 Program Revenues	5	Net (Expense) Revenue and Changes in Net Position	Component Unit
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Midland I.S.D. Education Foundation
\$ 2,935,451	\$ 16,275,661	\$ -	\$ (153,213,068)	
-	86,430	-	(2,528,636)	
-	3,204,141	-	(4,518,056)	
-	1,143,927	-	(5,197,331)	
-	807,628	-	(14,131,330)	
-	2,194,113	-	(9,249,751)	
-	(730)	-	(208,787)	
-	640,197	-	(3,293,114)	
-	258,226	-	(8,368,876)	
448,241	15,923,971	1,514,843	3,328,701	
1,374,241	150,502	-	(5,422,011)	
-	264,482	-	(6,373,631)	
2,919,463	321,812	-	(28,879,223)	
-	168,050	-	(2,578,089)	
-	103,204	-	(7,833,242)	
-	174,750	-	(1,211,821)	
-	158,497	-	(4,747,820)	
-	23,022	-	5,222	
-	-	-	(124,213,933)	
-	185,200	-	-	
-	-	-	(2,323,593)	
<u>7,677,396</u>	<u>42,083,083</u>	<u>1,514,843</u>	<u>(380,958,389)</u>	
<u>\$ 7,677,396</u>	<u>\$ 42,083,083</u>	<u>\$ 1,514,843</u>	<u>\$ (380,958,389)</u>	
<u>\$ -</u>	<u>\$ 1,980,091</u>	<u>\$ -</u>		\$ 404,459
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes		316,487,053	-
DT	Property taxes, levied for debt services		23,305,344	-
SF	State aid - Formula grants		77,005,106	-
GC	Grants and contributions not restricted to specific programs		3,117,893	-
IE	Investment earnings		734,035	30,991
MI	Miscellaneous		10,468,711	-
TR	Total general revenues		<u>431,118,142</u>	<u>30,991</u>
CN	Change in net position		50,159,753	435,450
NB	Net position - beginning		207,341,684	3,110,850
PA	Prior Period Adjustments		3,393,476	-
	Beginning Net Position, as restated		<u>210,735,160</u>	<u>3,110,850</u>
NE	Net position - ending		<u>\$ 260,894,913</u>	<u>\$ 3,546,300</u>

Midland Independent School District  
Balance Sheet – Governmental Funds (Exhibit C-1)  
June 30, 2022

Data Control Codes		199 <u>General Fund</u>	599 <u>Debt Service Fund</u>
<b>Assets</b>			
1110	Cash and cash equivalents	\$ 78,721,836	\$ 59,005
1120	Current investments	226,771,581	17,080,968
1220	Property taxes - delinquent	13,846,723	1,047,845
1230	Allowance for uncollectable taxes	(5,911,786)	(449,879)
1240	Due from other governments	19,760,748	84,262
1250	Accrued interest	47,990	-
1260	Due from other funds	7,041,704	-
1290	Other receivables	193,096	-
1300	Inventories	639,592	-
1490	Other current assets	2,085,087	-
1000	Total assets	<u>343,196,571</u>	<u>17,822,201</u>
1000a	Total assets and deferred outflows of resources	<u>\$ 343,196,571</u>	<u>\$ 17,822,201</u>
<b>Liabilities</b>			
2110	Accounts payable	\$ 2,538,526	\$ 500
2150	Payroll deductions and withholdings	1,656,640	-
2160	Accrued wages payable	11,124,519	-
2170	Due to other funds	118,946	-
2180	Due to other governments	124,201,931	-
2300	Unearned revenue	43,768	-
2000	Total liabilities	<u>139,684,330</u>	<u>500</u>
<b>Deferred inflows of resources</b>			
2600	Unavailable revenue - property taxes	5,223,429	397,284
	Total deferred inflows of resources	<u>5,223,429</u>	<u>397,284</u>
<b>Fund balances</b>			
3410	Nonspendable - inventories	639,592	-
3450	Restricted - grants	-	-
3480	Restricted - debt service	-	17,424,417
3490	Restricted - other	8,195,905	-
3510	Committed - construction	-	-
3545	Committed - other	-	-
3550	Assigned - construction	30,000,000	-
3570	Assigned - equipment capital expenditures	10,000,000	-
3580	Assigned - self-insurance	2,000,000	-
3590	Assigned - other	38,000,000	-
3600	Unassigned	109,453,315	-
3000	Total fund balances	<u>198,288,812</u>	<u>17,424,417</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 343,196,571</u>	<u>\$ 17,822,201</u>



Midland Independent School District  
Balance Sheet – Governmental Funds (Exhibit C-1) - continued  
June 30, 2022

Total Nonmajor Funds	98 Total Governmental Funds
\$ 20,957,294	\$ 99,738,135
9,344,953	253,197,502
-	14,894,568
-	(6,361,665)
7,336,773	27,181,783
-	47,990
26,728	7,068,432
9,139	202,235
-	639,592
-	2,085,087
37,674,887	398,693,659
\$ 37,674,887	\$ 398,693,659
\$ 1,004,832	\$ 3,543,858
220,766	1,877,406
1,410,378	12,534,897
7,034,740	7,153,686
78,697	124,280,628
4,243,186	4,286,954
13,992,599	153,677,429
-	5,620,713
-	5,620,713
-	639,592
8,844,021	8,844,021
-	17,424,417
-	8,195,905
13,785,964	13,785,964
1,052,303	1,052,303
-	30,000,000
-	10,000,000
-	2,000,000
-	38,000,000
-	109,453,315
23,682,288	239,395,517
\$ 37,674,887	\$ 398,693,659

See Notes to Financial Statements

Midland Independent School District

Reconciliation to the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit C-1r)  
June 30, 2022

Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 239,395,517
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and employee housing to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		14,126,169
Capital assets, net of accumulated depreciation, less assets held in internal service funds are not financial resources and therefore are not reported as assets in governmental funds.		329,567,798
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(154,225,982)	
Other long-term debt	(1,557,624)	
Deferred charge on refunding	3,535,698	
Deferred gain on refunding	(1,769,595)	
Unamortized premiums on bonds payable	(12,064,687)	
Accumulated accretion on capital appreciation bonds	<u>(1,705,575)</u>	(167,787,765)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(2,347,057)
Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:		
Deferred resource inflow for property taxes		5,620,713
The government-wide statements includes the District's proportionate share of the TRS net pension liabilities and TRS-Care net OPEB liabilities, as well as certain pension and OPEB related transactions accounted for as deferred inflows and outflows of resources:		
Net pension liability	(37,156,529)	
Deferred outflows of resources - TRS pension	26,755,316	
Deferred inflows of resources - TRS pension	(43,344,397)	
Net OPEB liability	(69,300,390)	
Deferred outflows of resources - TRS-Care OPEB	18,857,300	
Deferred inflows of resources - TRS-Care OPEB	<u>(53,491,762)</u>	<u>(157,680,462)</u>
Total Net Position - Governmental Activities (Exhibit A-1)		<u>\$ 260,894,913</u>

Midland Independent School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit C-2)  
Year Ended June 30, 2022

Data Control Codes	199
	General Fund
Revenues	
5700 Local and intermediate revenues	\$ 330,100,005
5800 State program revenues	88,143,185
5900 Federal program revenues	4,881,978
5020 Total revenues	423,125,168
Expenditures	
Current	
0011 Instruction	159,264,586
0012 Instructional resources and media services	2,660,163
0013 Curriculum and instructional staff development	4,943,643
0021 Instructional leadership	5,614,801
0023 School leadership	15,639,409
0031 Guidance, counseling, and evaluation services	10,255,912
0032 Social work services	222,036
0033 Health services	3,550,756
0034 Student transportation	8,470,485
0035 Food service	417,275
0036 Extracurricular activities	7,011,366
0041 General administration	6,877,727
0051 Plant maintenance and operations	29,340,887
0052 Security and monitoring services	1,459,793
0053 Data processing services	6,921,717
0061 Community services	1,191,336
Debt service	
0071 Principal on long-term debt	345,007
0072 Interest on long-term debt	49,718
Capital outlay	
0081 Facilities acquisition and construction	642,137
Intergovernmental	
0091 Contracted instructional services between schools	124,213,933
0093 Payments related to shared service arrangements	-
0099 Other intergovernmental charges	2,323,593
6030 Total expenditures	391,416,280
1100 Excess (deficiency) of revenues over (under) expenditures	31,708,888
Other financing sources (uses)	
7912 Sale of real and personal property	108,887
7914 Proceeds from loans	676,854
7915 Transfers in	-
8911 Transfers out	(12,220,664)
7080 Total other financing sources (uses)	(11,434,923)
1200 Net change in fund balances	20,273,965
0100 Fund balances, beginning	178,014,847
3000 Fund balances, ending	\$ 198,288,812

Midland Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit C-2) - continued

Year Ended June 30, 2022

599 Debt Service Fund	Total Nonmajor Funds	98 Total Governmental Funds
\$ 23,564,567	\$ 4,768,524	\$ 358,433,096
158,497	185,948	88,487,630
-	37,426,331	42,308,309
<u>23,723,064</u>	<u>42,380,803</u>	<u>489,229,035</u>
-	13,949,859	173,214,445
-	98,608	2,758,771
-	3,097,545	8,041,188
-	1,092,047	6,706,848
-	515,553	16,154,962
-	2,006,756	12,262,668
-	-	222,036
-	583,332	4,134,088
-	1,262,713	9,733,198
-	14,477,797	14,895,072
-	59,930	7,071,296
-	122,001	6,999,728
-	3,187,022	32,527,909
-	1,455,927	2,915,720
-	12,188	6,933,905
-	277,359	1,468,695
15,955,000	-	16,300,007
6,668,854	-	6,718,572
-	8,108,345	8,750,482
-	-	124,213,933
-	185,200	185,200
-	-	2,323,593
<u>22,623,854</u>	<u>50,492,182</u>	<u>464,532,316</u>
<u>1,099,210</u>	<u>(8,111,379)</u>	<u>24,696,719</u>
-	11,286	120,173
-	-	676,854
-	13,070,917	13,070,917
-	(850,253)	(13,070,917)
-	12,231,950	797,027
<u>1,099,210</u>	<u>4,120,571</u>	<u>25,493,746</u>
<u>16,325,207</u>	<u>19,561,717</u>	<u>213,901,771</u>
<u>\$ 17,424,417</u>	<u>\$ 23,682,288</u>	<u>\$ 239,395,517</u>

## Midland Independent School District

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit C-2r) Year Ended June 30, 2022

Total Net Changes in Fund Balances - Governmental Funds (Exhibit C-2)	\$ 25,493,746
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and employee housing, to appropriate functions to other funds. The change in net position of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	1,941,596
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. Net increase in accreted interest on capital appreciation bonds of \$429,641 decreases net position. The net effect of including the 2022 capital outlays of \$12,712,669, removing the remaining net book value of \$94,316, debt principal payments of \$15,955,000, amortization of deferred charges/gains on refunding of \$126,930, and other debt payments of \$344,139 is to increase net position.	28,360,921
Government funds report debt proceeds as financing sources when debt is first issued, whereas these are reported as long-term liabilities in the statement of net position. The net effect of reclassing debt proceeds of 676,854 is to decrease net position.	(676,854)
2022 depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation, less depreciation recorded in internal service funds, is to decrease net position.	(14,150,829)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing deferred tax revenue of \$5,620,713 as revenue and removing the prior year's tax collection of \$5,719,963.	(99,250)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the accrual is a decrease of \$106,080. The net effect is to increase net position.	106,080
Bond premiums are recorded as other financing sources when received in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	2,263,614
Changes in the deferred outflows of resources, deferred inflows of resources and net pension liability must be recorded as expenses. Changes in contributions made after the measurement date caused the change in net position to increase in the amount of \$221,218. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to increase in the amount of \$3,006,289. The net effect is an increase in net position.	3,227,507
Changes in the deferred outflows of resources, deferred inflows of resources and net OPEB liability must be recorded as expenses. Changes in contributions made after the measurement date caused the change in net position to decrease in the amount of \$22,845. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the OPEB expense must be recognized. These cause the change in net position to increase in the amount of \$3,716,067. The net effect is an increase in net position.	3,693,222
Change in Net Position for Governmental Activities (Exhibit B-1)	\$ 50,159,753

Midland Independent School District  
Statement of Net Position – Proprietary Funds (Exhibit D-1)  
June 30, 2022

<u>Data Control Codes</u>	<u>Governmental Activities Internal Service Funds</u>
Assets	
Current assets	
1110	Cash and cash equivalents \$ 7,172,302
1120	Current investments 4,035,369
1260	Due from other funds 85,754
1290	Other receivables 41,642
1410	Prepaid items 149,173
	<u>11,484,240</u>
	Total current assets
Noncurrent assets	
1520	Buildings and improvements, net <u>5,549,569</u>
	Total noncurrent assets <u>5,549,569</u>
1000	Total assets <u>17,033,809</u>
Liabilities	
Current liabilities	
2110	Accounts payable 100,325
2200	Accrued liabilities <u>2,807,315</u>
	Total current liabilities <u>2,907,640</u>
2000	Total liabilities <u>2,907,640</u>
Net Position	
3200	Investment in capital assets 5,549,569
3900	Unrestricted <u>8,576,600</u>
3000	Total net position <u>\$ 14,126,169</u>

Midland Independent School District  
Statement of Revenues, Expenditures, and Changes in Net Position– Proprietary Funds (Exhibit D-2)  
Year Ended June 30, 2022

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<u>Data Control Codes</u>	<u>Governmental Activities Internal Service Funds</u>
Operating revenues	
5700 Local and intermediate revenues	\$ 24,632,273
5020 Total revenues	<u>24,632,273</u>
Operating expenses	
6200 Professional and contracted services	965,228
6400 Other operating costs	<u>21,754,613</u>
6030 Total expenses	<u>22,719,841</u>
Operating income	<u>1,912,432</u>
Non-operating revenues	
7955 Earnings from temp. deposits and investments	<u>29,164</u>
8030 Total non-operating revenues	<u>29,164</u>
1300 Change in net position	1,941,596
0100 Net position, beginning	<u>12,184,573</u>
3300 Net position, ending	<u><u>\$ 14,126,169</u></u>

Midland Independent School District  
Statement of Cash Flows– Proprietary Funds (Exhibit D-3)  
Year Ended June 30, 2022

	Governmental Activities <u>Internal Service Funds</u>
Operating activities	
Cash received from quasi-external operating activities	\$ 24,546,661
Cash payments to suppliers for goods and benefits	<u>(22,461,461)</u>
Net cash provided by operating activities	<u>2,085,200</u>
Noncapital financing activities	
Transfers to other funds	<u>(76,073)</u>
Net cash used for noncapital financing activities	<u>(76,073)</u>
Capital and related financing activities	
Acquisition of capital assets	<u>(533,641)</u>
Net cash used for capital and related financing activities	<u>(533,641)</u>
Investing activities	
Interest and dividends received on investments	29,164
Sale of investments	<u>(8,881)</u>
Net cash provided by investing activities	<u>20,283</u>
Net change in cash and cash equivalents	1,495,769
Cash and cash equivalents, beginning of year	<u>5,676,533</u>
Cash and cash equivalents, end of the year	<u>\$ 7,172,302</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,912,432
Depreciation	173,108
Change in assets and liabilities	
(Increase) decrease in other receivables	4,768
(Increase) decrease in prepaid items	132,206
Increase (decrease) in accounts payable	(198,519)
Increase (decrease) in due to other governments	(20,284)
Increase (decrease) in unearned revenue	(82,866)
Increase (decrease) in payable from restricted assets	<u>164,355</u>
Net cash provided by operating activities	<u>\$ 2,085,200</u>



Midland Independent School District  
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit E-1)  
June 30, 2022

Data Control Codes	801 Private Purpose Trust Fund	800 Employee Benefits Trust Fund	865 Custodial Fund
Assets			
1110	\$ -	\$ -	\$ 510,428
1120	266,304	-	-
1290	-	610,767	789
1000	<u>266,304</u>	<u>610,767</u>	<u>511,217</u>
Liabilities			
2110	-	-	1,957
2170	500	-	-
2400	75,427	-	-
2000	<u>75,927</u>	<u>-</u>	<u>1,957</u>
Net Position			
3800	<u>190,377</u>	<u>610,767</u>	<u>509,260</u>
	<u>\$ 190,377</u>	<u>\$ 610,767</u>	<u>\$ 509,260</u>

Midland Independent School District  
Statement of Change in Fiduciary Net Position – Fiduciary Funds (Exhibit E-2)  
Year Ended June 30, 2022

	801 Private Purpose Trust Fund	800 Employee Benefits Trust Fund	865 Custodial Fund
Additions			
Contributions			
Donations	\$ -	\$ -	\$ 253,928
Benefits	-	95,222	-
Total contributions	-	95,222	253,928
Investment Earnings			
Temp. deposits and investments	13,043	-	-
Total investment earnings	13,043	-	-
Total additions	13,043	95,222	253,928
Deductions			
Scholarships awarded	6,846	-	-
Extracurricular activities	-	-	207,344
Total deductions	6,846	-	207,344
Change in net position	6,197	95,222	46,584
Net position, beginning	184,180	515,545	462,676
Net position, ending	\$ 190,377	\$ 610,767	\$ 509,260

**Note 1 - Summary of Significant Accounting Policies****Reporting Entity**

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the Midland Independent School District (the District). The public elects the members of the Board of Trustees. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the TEA or to the State Board of Education are reserved for the trustees, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. The Midland I.S.D. Education Foundation is a component unit of the District. The Foundation's purpose is to support teachers and students of the District in the advancement of their educational careers and to provide grants for great ideas to develop creative learning in the classroom. The District has financial accountability because it must approve the members of the board of directors and a financial benefit/burden relationship exists. It is discretely presented in a separate column on the government-wide financial statements (Exhibits A-1 and B-1) in order to emphasize that it is legally separate from the District.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

**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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given 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, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are 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 revenues 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

The Proprietary Fund Types and Fiduciary Funds are accounted for using the *economic resources measurement focus and the accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

The *General Fund* – is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Debt Service Fund* – a governmental fund type, is used to account for the District's current portion of voter approved debt and the Foundation School Program's facilities allotment for bonded indebtedness.

Additionally, the District reports the following nonmajor fund types:

*Special revenue funds* - a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

*Capital Projects Fund* – a governmental fund type, is used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

The *internal service funds*, a proprietary fund type. Revenues and expenses are related to services provided to organizations inside the District on a cost reimbursement basis. Internal service funds inherently create redundancy because their expenses are recorded a second time in the fund that are billed for the services they provide. Therefore, on the government-wide financial statements, the operations of the internal service funds are consolidated and interfund transactions are eliminated. The District has an internal service fund for health, dental and workers' compensation benefits, an internal service fund for employee housing, an internal service fund for the District's internal print shop and another internal service fund for childcare for employees.

The *fiduciary funds*, the District has the following:

*Private purpose trust funds* – Donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Fund is the scholarship fund.

*Employee benefit trust funds* – These funds are used to account for other employee benefit funds that are provided by the District.

*Custodial funds* – The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Fund is the student activity fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from *nonoperating items*. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transportation internal service fund are District contributions for the transportation fund. Operating expenses include depreciation and other operating expense and administrative expense for administering the transportation fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

### Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements and in the proprietary fund financial statements. The District defines capital assets 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 cost or estimated historical cost if purchased or constructed. 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.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives</u>
Buildings and improvements	40
Furniture and equipment	5-10

### Inventory

The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and revenue when received. When requisitioned, inventory is decreased and expenditures are charged for an equal amount.

**Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

**Deferred Outflows/Inflows of Resources**

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, unavailable revenue from property taxes, deferred gains on refunded debt, and for its proportionate share of TRS's deferred inflow related to pensions as described in Note 9 and its OPEB liability as described in Note 10. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for deferred charges on refunded debt, its proportionate share of TRS's deferred outflow related to pensions as described in Note 9, and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 10.

**Property Tax**

In the governmental fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions), upon which the levy for the June 30, 2022 fiscal year was based, was \$34,456,872,604. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended June 30, 2022 were 96% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General Fund are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2022, property taxes receivable, net of estimated uncollectible taxes, totaled \$8,532,903.

The tax rate to finance general governmental services was \$0.9534 per \$100 and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.0702 per \$100 for the year ended June 30, 2022.

**Fund Balance**

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions:

*Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At June 30, 2022, the District had nonspendable fund balance of \$639,592 for amounts held in inventory.

*Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2022, the District had restricted fund balance for grant funding of \$8,844,021, debt service of \$17,424,417 and amounts related to its partnerships with an institution of higher education, nonprofits, and open-enrollment charter schools operating and managing specific District campus locations of \$8,194,426.

*Committed* fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At June 30, 2022, the capital projects fund had a remaining fund balance of \$13,785,964 transferred from the General Fund for construction projects. At June 30, 2022, the District had \$1,052,303 committed for campus activity funds.

*Assigned* fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent or the Chief Financial Officer. At June 30, 2022, the District had \$30,000,000 assigned for future capital projects; \$10,000,000 assigned for future technology replacements and projects; \$2,000,000 assigned for the District's self-insurance fund; and \$38,000,000 assigned to cover anticipated revenue reduction due to capping and eventual expiration of certain state allotments.

*Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. The District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy.

### **Pensions**

The fiduciary net position of the Teacher Retirement System (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund is typically used to liquidate pension liabilities.

### **OPEB**

The fiduciary net position of the 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 relating to other-post employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account. The General Fund is typically used to liquidate OPEB liabilities.



### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

### Implementation of GASB Statement No. 87

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 16 and the additional disclosures required by this standard is included in Note 7.

### New Accounting Pronouncements

***GASB Statement No. 89: Accounting for Interest Cost Incurred Before the End of a Construction Period.***

Statement 89 was issued in June 2018. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement becomes effective for the District in fiscal year 2022. The implementation had no significant effect on the District's financial statements

***GASB Statement No. 91: Conduit Debt Obligations.*** Statement 91 was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

***GASB Statement No. 92: Omnibus 2020.*** Statement 92 was issued in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This standard becomes effective for the District in fiscal year 2022. The implementation had no significant effect on the District's financial statements.

***GASB Statement No. 93: Replacement of Interbank Offered Rates.*** Statement 93 was issued in March 2020. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This standard became effective for the District in fiscal year 2021. The implementation had no significant effect on the District's financial statements.

***GASB Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*** Statement 94 was issued in March 2020. 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. This standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

***GASB Statement No. 95: Postponement of Effective Dates of Certain Authoritative Guidance.*** Statement 95 was issued in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This standard became effective for the District in fiscal year 2020. The implementation had no significant effect on the District's financial statements.

***GASB Statement No. 96: Subscription-Based Information Technology Arrangements.*** Statement 96 was issued in May 2020. 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 standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

***GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*** Statement 97 was issued in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District in fiscal year 2022. The implementation had no significant effect on the District's financial statements.

**GASB Statement No. 98: The Annual Comprehensive Financial Report.** Statement 98 was issued in October 2021. This Statement establishes the term “annual comprehensive financial report” and its acronym “ACFR”. That new term and acronym replace instances of “comprehensive annual financial report” and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for “comprehensive annual financial report” sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness. This standard becomes effective for fiscal years ending after December 15, 2021. The District has implemented this statement.

**GASB Statement No. 99: Omnibus 2022.** Statement 99 was issued in April 2022. The objective of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement include the classification and reporting of derivative instruments within the scope of *Statement No. 53, Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument. Clarification of provisions in *Statement No. 87, Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Clarification of provisions in *Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset. Clarification of provisions in *Statement No. 96, Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP). Disclosures related to nonmonetary transactions. Pledges of future revenues when resources are not received by the pledging government. Clarification of provisions in *Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended, related to the focus of the government-wide financial statements. Terminology updates related to certain provisions of *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Terminology used in Statement 53 to refer to resource flows statements.

The requirements of Statement 99 that are related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has not yet determined the impact of this statement.

***GASB issued Statement No. 100, Accounting Changes and Error Corrections.*** Statement 100 was issued in June 2022 and is 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. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

***GASB issued Statement No. 101, Compensated Absences.*** Statement 101 was issued in June 2022. 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The District does not vest vacation and sick leave; therefore, as no liability exists for unused vacation and sick leave, this change is not applicable for the District.

## **Note 2 - Stewardship, Compliance and Accountability**

### **Budgetary Information**

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource (FAR) module and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 19 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the Child Nutrition Program. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

**Note 3 - Fair Value Measurements**

GASB Statement No. 72, *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

**Note 4 - Detailed Notes on All Funds****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 deposits for safekeeping and trust with the District's agent, bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) coverage. In order to maximize return on cash balances, the District uses consolidated bank accounts from which all disbursements are made, with cash in excess of the District's total daily requirement being invested for future needs.

At June 30, 2022, the bank balance of \$48,886,799 was on deposit with the contracted depository bank. District funds are insured up to \$250,000 for the combined amount of all time and savings accounts, and up to an additional \$250,000 for the combined total of all Demand Deposit Accounts (DDA's). Interest-bearing accounts were collateralized by pledged United States government securities with a fair value of \$68,279,822 at June 30, 2022, held by Wells Fargo. Because Wells Fargo holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law. All campus activity funds were centralized and were on deposit with the contracted depository.

### Investments

The Texas legislature passed the Public Funds Investment Act of 1995 ("Public Funds Investment Act") which authorizes the District to invest its excess funds in the following:

- Obligations of the United States or its agencies and instrumentalities,
- Obligations of the State of Texas or its agencies, and instrumentalities,
- Other obligations guaranteed by the United States or the State of Texas or their agencies and instrumentalities,
- Public funds investment pools,
- No load money market funds with a weighted average maturity of 90 days or less,
- Fully collateralized repurchase agreements,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A", or its equivalent, by a nationally recognized investment rating firm,
- Commercial paper having a stated maturity of 365 days or fewer from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or one nationally recognized credit agency and is fully secured by an irrevocable letter of credit,
- 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,
- Guaranteed or secured certificates of deposit, issued by state and national banks domiciled in Texas, and insured by federal depository insurance or secured by the obligations mentioned above,
- Bonds issued, assumed or guaranteed by the State of Israel, and
- Secured corporate bonds rated not lower than "AA—" or the equivalent.

The Public Funds Investment Act requires an annual review and approval of investment policies and practices. The review disclosed that in this area of investment practices, management reports and establishment of appropriate policies, the District materially adhered to the requirements of the Public Funds Investment Act. Additionally, investment practices of the District were in accordance with local policies, which are more restrictive than state statutes.

As of June 30, 2022, the following are the District’s cash equivalents and investments, with respective maturities and credit rating:

Type of Investment	Book Value	Percent	Fair Value	Percent	Maturity in Less Than 1 Year	Maturity in 1-10 Years	Credit Rating
Cash	\$ 110,246,573	29.9%	\$ 110,246,573	29.9%	\$110,246,573	\$ -	N/A
<b>Investment Pools</b>							
TexPool	12,953,534	3.5%	12,953,534	3.5%	12,953,534	-	AAAm
TexPool Prime	106,723,819	29.0%	106,723,819	29.0%	106,723,819	-	AAAm
Lonestar/First Public	549,814	0.1%	549,814	0.1%	549,814	-	AAAm
Texas Class	102,497,435	27.8%	102,497,435	27.8%	102,497,435	-	AAAm
Texas Term - TexasDAILY	35,495,165	9.6%	35,495,165	9.6%	35,495,165	-	AAAmmf
Total investment pools	<u>258,219,767</u>	<u>70.1%</u>	<u>258,219,767</u>	<u>70.1%</u>	<u>258,219,767</u>	<u>-</u>	
Total cash and investments	<u>\$ 368,466,340</u>	<u>100.0%</u>	<u>\$ 368,466,340</u>	<u>100.0%</u>	<u>\$368,466,340</u>	<u>\$ -</u>	

Investment Pools are measured at amortized cost or net asset value, i.e. fair value. As such, these investments are not required to be reported in the fair value hierarchy.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares. Audited financial statements of the pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor’s Office and by the Internal Auditor of the Comptroller’s Office.

Lone Star Investment Pool is governed by an 11-member board and is a AAA rated investment program tailored to the investment needs of local governments within the state of Texas. Lone Star Investment Pool assists governments across Texas make the most of taxpayer dollars. Local officials can improve the return on their invested balances by pooling their money with other entities to achieve economies of scale in a conservative fund in full compliance with the Texas Public Funds Investment Act. Lone Star Investment Pool is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. Lone Star uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Lone Star is the same as the value of Lone Star Shares. Lone Star is administered by First Public LLC, who also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares.

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. Texas CLASS carries a letter of credit that ensures the integrity of the fund, making it the only investment pool in Texas backed by a letter of credit. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management. Texas CLASS uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Texas CLASS is the same as the value of Texas CLASS Shares.

The TexasTERM Local Government Investment Pool was created by and for Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. TexasTERM portfolios seek to provide these investors with safety, flexibility and competitive yields. Shares are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC. The District currently utilizes Texas DAILY, a money market portfolio with daily liquidity that is rated AAAM by Standard & Poor's. TexasTERM uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexasTERM is the same as the value of TexasTERM Shares.

### **Interest Rate Risk**

In accordance with the District's investment policy, investments are made in a manner that ensures the ensure the safety of the principal, to maintain liquidity and to maximize financial returns within current market conditions. Investments shall be made in a manner to ensure the preservation of capital in the overall portfolio, and offsets during a twelve-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's investment strategy states that no individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

### **Credit Risk**

The District's investments in Local Government Investment Pools (LGIP's) include: TexPool, Lonestar, Texas Class, and Texas Term. These are public funds investment pools operating in full compliance with the Public Funds Investment Act. All are rated AAAM or AAAMmf by Standard and Poor's.

### **Concentration of Credit Risk**

The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity or specific issuer.



**Custodial Credit Risk – Deposits**

This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. All deposits not covered by FDIC insurance but held in the depository bank, Wells Fargo, were fully collateralized.

**Foreign Currency Risk**

As of June 30, 2022, there are no foreign currency investments in the District's portfolio.

**Due from Other Governments**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2022, are summarized below:

Governmental Activities	Local	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ 1,054,678	18,706,070	\$ -	\$ 19,760,748
Debt Service Fund	76,258	8,004	-	84,262
Nonmajor Governmental Funds	-	95,721	7,241,052	7,336,773
	\$ 1,130,936	\$ 18,809,795	\$ 7,241,052	\$ 27,181,783

**Interfund Receivables/Payable**

In the fund financial statements, interfund balances are the results of normal transactions between funds and will be liquidated in the subsequent fiscal year.

Midland Independent School District

Notes to Financial Statements

June 30, 2022

Interfund balances at June 30, 2022, resulting from payroll and accumulated fund charges, consisted of the following individual fund balances:

Due From/To Other Funds	Interfund Receivables	Interfund Payables
General Fund	\$ 7,041,704	\$ 118,946
Internal Service Funds	85,754	-
Private Purpose Trust Fund	-	500
Nonmajor governmental funds	26,728	7,034,740
Totals	\$ 7,154,186	\$ 7,154,186

Interfund transfers during the year ended June 30, 2022, consisted of the following individual balances:

Transfer Out	Transfers In	Amount
General Fund	Nonmajor governmental funds	\$ 12,220,664
Nonmajor governmental funds	Nonmajor governmental funds	850,253
Total		\$ 13,070,917

The interfund transfer between the General Fund and the nonmajor government funds is due to various capital asset projects funded through the capital projects fund.

**Note 5 - Capital Asset Activity**

Capital asset activity for the District for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land and improvements	\$ 19,361,548	\$ -	\$ -	\$ 19,361,548
Construction in progress	16,979,204	1,312,679	(12,275,602)	6,016,281
Total capital assets, not being depreciated	36,340,752	1,312,679	(12,275,602)	25,377,829
Capital assets, being depreciated				
Buildings and improvements	448,290,987	19,928,453	-	468,219,440
Furniture and equipment	35,583,776	4,280,781	(2,794,875)	37,069,682
Total capital assets, being depreciated	483,874,763	24,209,234	(2,794,875)	505,289,122
Less accumulated depreciation for				
Buildings and improvements	(162,899,436)	(10,881,419)	-	(173,780,855)
Furniture and equipment	(25,645,155)	(2,269,931)	2,700,559	(25,214,527)
Total accumulated depreciation	(188,544,591)	(13,151,350)	2,700,559	(198,995,382)
Total capital assets, being depreciated, net	295,330,172	11,057,884	(94,316)	306,293,740
Right-to-use leased assets being amortized				
Equipment	5,833,686	-	-	5,833,686
Total right-to-use leased assets, being amortized	5,833,686	-	-	5,833,686
Less accumulated amortization for				
Equipment	(1,215,301)	(1,172,587)	-	(2,387,888)
Total accumulated amortization	(1,215,301)	(1,172,587)	-	(2,387,888)
Net amortized assets	4,618,385	(1,172,587)	-	3,445,798
Governmental activities capital assets, net	\$ 336,289,309	\$ 11,197,976	\$ (12,369,918)	\$ 335,117,367

Estimated costs to complete construction in progress as of June 30, 2022 are \$3,851,397.

Depreciation expense was charged to the District's functions as follows:

Governmental Activities		
11	Instruction	\$ 9,849,823
12	Instructional resources and media services	4,275
23	School leadership	15,895
33	Health services	2,889
34	Student transportation	1,150,905
35	Food service	66,048
36	Extracurricular activities	224,038
41	General administration	38,744
51	Plant maintenance and operations	1,566,161
52	Security and monitoring services	82,797
53	Data processing services	149,775
		<hr/>
	Total depreciation expense-governmental activities	\$ 13,151,350
		<hr/> <hr/>

Amortization expense was charged to the District's functions as follows:

Governmental Activities		
11	Instruction	\$ 45,254
53	Data processing services	1,127,333
		<hr/>
	Total amortization expense-governmental activities	\$ 1,172,587
		<hr/> <hr/>

**Note 6 - Long-Term Debt**

The long-term indebtedness of the District pertains to the Governmental Activities of the District. Expenditures for the debt service requirements of the long-term debt are accounted for in the General Fund and Debt Service Fund.

As of June 30, 2022, the remaining outstanding principal of previously defeased bonds was \$90,555,000.

A summary of bond issuances and other general long-term debt original amounts issued, interest rates, and maturity dates as of June 30, 2022 is as follows:

Bond Issuances	Amounts Original Issued	Interest Rate Payable	Maturities
Unlimited Tax Refunding Bonds, Series 2012	\$ 22,835,000	3.00-5.00%	8.15.22 - 2.15.28
Unlimited Tax School Building and Refunding Bonds, Series 2013	70,175,000	1.00-5.00%	8.15.22 - 2.15.28
Unlimited Tax School Building Series, 2014	85,235,000	3.00-5.00%	8.15.22 - 2.15.23
Unlimited Tax Refunding Bonds, Series 2015	38,495,000	1.30-5.00%	8.15.22 - 2.15.32
Unlimited Tax Refunding Bonds, Series 2016	26,000,000	0.80-4.00%	8.15.22 - 2.15.38
Unlimited Tax Refunding Bonds, Series 2017	54,335,996	3.50-5.00%	8.15.22 - 2.15.35
Unlimited Tax Refunding Bonds, Series 2020	39,344,986	1.70-5.00%	8.15.22 - 2.15.40
<b>Other Long-Term Debt</b>			
Konica notes payable	\$ 676,854	3.12% - 5.76%	8.15.25
Enterprise leases payable	226,270	4.13%	4.30.26 - 6.24.26
United Networks leases payable	1,249,414	3.50%	6.29.25

Midland Independent School District  
Notes to Financial Statements  
June 30, 2022

A summary of changes in general long-term debt for the year ended June 30, 2022 is as follows:

Bond Series Name	Beginning Balance	Debt Issued	Principal Retired	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bonds, Series 2012	\$ 16,145,000	\$ -	\$ (9,665,000)	\$ 6,480,000	\$ 2,025,000
Unlimited Tax School Building and Refunding Bonds, Series 2013	3,720,000	-	(3,720,000)	-	-
Unlimited Tax School Building Series, 2014	2,645,000	-	(1,290,000)	1,355,000	1,355,000
Unlimited Tax Refunding Bonds, Series 2015	29,955,000	-	(1,000,000)	28,955,000	1,000,000
Unlimited Tax Refunding Bonds, Series 2016	25,575,000	-	(40,000)	25,535,000	40,000
Unlimited Tax Refunding Bonds, Series 2017	52,945,996	-	(90,000)	52,855,996	425,996
Unlimited Tax Refunding Bonds, Series 2020	39,194,986	-	(150,000)	39,044,986	155,000
<b>Total bonds payable</b>	<b>170,180,982</b>	<b>-</b>	<b>(15,955,000)</b>	<b>154,225,982</b>	<b>5,000,996</b>
<b>Other Long-Term Debt</b>					
Notes payable	-	676,854	(79,834)	597,020	158,688
Leases payable	1,224,909	-	(264,305)	960,604	282,200
<b>Total other long-term debt</b>	<b>1,224,909</b>	<b>676,854</b>	<b>(344,139)</b>	<b>1,557,624</b>	<b>440,888</b>
<b>Total general long-term debt</b>	<b>\$ 171,405,891</b>	<b>\$ 676,854</b>	<b>\$ (16,299,139)</b>	<b>\$ 155,783,606</b>	<b>\$ 5,441,884</b>

Debt service requirements for the District's bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 5,000,996	\$ 7,605,445	\$ 12,606,441
2024	7,015,000	5,652,240	12,667,240
2025	7,025,000	5,322,390	12,347,390
2026	4,930,000	4,985,440	9,915,440
2027	5,145,000	4,749,715	9,894,715
2028-2032	49,625,000	18,791,550	68,416,550
2033-2037	52,449,986	9,623,207	62,073,193
2038-2040	23,035,000	1,028,926	24,063,926
<b>Totals</b>	<b>\$ 154,225,982</b>	<b>\$ 57,758,913</b>	<b>\$ 211,984,895</b>

Payment requirements for the District's other long-term debt are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 440,888	\$ 58,981	\$ 499,869
2024	459,767	40,107	499,874
2025	520,780	20,298	541,078
2026	136,189	3,204	139,393
2027	-	-	-
Totals	<u>\$ 1,557,624</u>	<u>\$ 122,590</u>	<u>\$ 1,680,214</u>

A summary in changes of total bonds payable and other long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 170,180,982	\$ -	\$ (15,955,000)	\$ 154,225,982	\$ 5,000,996
Less deferred amounts					
For issuance premium/ discounts (CIB's)	14,328,301	-	(2,263,614)	12,064,687	-
Total bonds payable, net	184,509,283	-	(18,218,614)	166,290,669	5,000,996
Other long-term debt	1,224,909	676,854	(344,139)	1,557,624	440,888
Accretion on CAB	1,275,934	429,641	-	1,705,575	-
Governmental activities					
long-term liabilities	<u>\$ 187,010,126</u>	<u>\$ 1,106,495</u>	<u>\$ (18,562,753)</u>	<u>\$ 169,553,868</u>	<u>\$ 5,441,884</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions as of June 30, 2022.

**Note 7 - Leases**

The District entered a master lease agreement to lease vehicles for District-wide use beginning April 2021. Under the terms of the lease, the District pays a monthly fee of \$4,166. The lease terminates on April 30, 2026.

The District entered an agreement to lease dark fiber infrastructure beginning June 30, 2020. Under the terms of the lease, the District pays a monthly base fee of \$21,904 and paid an initial installation fee of \$4,358,000. The agreement can be extended upon mutual agreement by the District and the lessor; therefore, no additional periods are included as both parties must agree to extend the lease.

At June 30, 2022, the District has recognized a right to use asset of \$3,445,798 and a lease liability of \$960,604 related to these agreements. During the fiscal year, the District recorded \$1,172,587 in amortization expense and \$40,671 in interest expense. The District used a discount rate of 4.125% on the vehicle lease and 3.50% for the dark fiber lease. The discount rates were based on the risk-free rate published by the United States Treasury as the District has no comparable publicly traded debt. The rates are then adjusted for the specific terms of each lease and the rating of the entity.

Remaining obligations associated with these leases are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 282,200	\$ 30,638	\$ 312,838
2024	292,521	20,320	312,841
2025	344,447	9,628	354,075
2026	41,436	174	41,610
2027	-	-	-
Totals	<u>\$ 960,604</u>	<u>\$ 60,760</u>	<u>\$ 1,021,364</u>

**Note 8 - Contingencies**

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.



The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

## **Note 9 - Defined Benefit Pension Plan**

### **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**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_publications.aspx](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% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of

the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

### Contribution

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 86<sup>th</sup> 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	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.75%
	2021	2022
Member Contributions	\$ 12,437,573	\$ 13,296,483
NECE On-Behalf Contributions	8,159,073	8,537,404
Employer Contributions	6,128,100	6,412,396

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 part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, 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% of the member's salary beginning in fiscal year 2021, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the TRS the employer shall pay both the member contribution and State contribution as an employment after retirement surcharge.

### Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation rolled forward to August 31, 2021 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2021	1.95%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions 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% 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%. 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 8.5% of payroll in fiscal year 2020 gradually increasing to 9.55% 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 expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target allocation as of August 31, 2021 (see page 53 of the TRS ACFR) are summarized on the following page.

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return as of August 31, 2021**

Asset Class <sup>4</sup>	Target Allocation <sup>1</sup>	Long-Term Expected Arithmetic Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-0.2%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy and Natural Resources and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag <sup>3</sup>			0.95%
<b>Total</b>	<b>100%</b>		<b>6.90%</b>

<sup>1</sup>Target Allocation based on the FY2021 policy manual.

<sup>2</sup>Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

<sup>3</sup>The volatility drag results from the conversion between arithmetic and geometric mean returns.

<sup>4</sup>Absolute Return includes Credit Sensitive instruments.

**Discount Rate Sensitivity Analysis**

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase Discount Rate (8.25%)
Total TRS net pension liability	\$ 55,648,259,551	\$ 25,466,461,134	\$ 979,861,293
District's proportionate share of the net pension liability	\$ 81,192,913	\$ 37,156,529	\$ 1,429,655

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

At June 30, 2022, the District reported a liability of \$37,156,529 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	\$ 37,156,529
State's proportionate share that is associated with the District	49,285,748
Total	<u>\$ 86,442,277</u>

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

At August 31, 2021, the employer's proportion of the collective net pension liability was .1459037782% which was an increase of .0136919536% from its proportion measured as of August 31, 2020.

**Changes since the Prior Actuarial Valuation**

There were no changes in assumptions since the prior measurement date.

Midland Independent School District

Notes to Financial Statements

June 30, 2022

For the year ended June 30, 2022, the District recognized pension expense of \$3,227,507 and revenue of \$8,258,929 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
	<u>                    </u>	<u>                    </u>
Differences between expected and actuarial economic experience	\$ 62,180	\$ 2,615,849
Changes in actuarial assumptions	13,134,107	5,725,344
Difference between projected and actual investment earnings	-	31,155,268
Changes in proportion and differences between District contributions and the proportionate share of contributions	8,109,511	3,847,936
Contributions paid to TRS subsequent to the measurement date	<u>5,449,518</u>	<u>-</u>
Total	<u>\$ 26,755,316</u>	<u>\$ 43,344,397</u>

\$5,449,518 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 ended June 30, 2023.

The net amount of employee's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Pension Expense Amount</u>
2023	\$ (4,440,584)
2024	(4,234,463)
2025	(6,585,695)
2026	(7,972,179)
2027	953,140
Thereafter	<u>241,182</u>
Totals	<u>\$ (22,038,599)</u>

## Note 10 - Postemployment Health Benefits

### 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 that has 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 the 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

Detailed 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 [https://www.trs.texas.gov/Pages/about\\_publications.aspx](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-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-retirement 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 or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999



## 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 or charter school. 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:

Contributions 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%
	2021	2022
Employer Contributions	\$ 1,382,888	\$ 1,372,567
Member Contributions	1,049,918	1,087,000
NECE On-behalf Contributions	1,930,578	1,972,058

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

TRS-Care received supplemental appropriations authorized by Senate Bill 1264 of the 86<sup>th</sup> Legislature as the Non-Employer Contributing Entity in the amount of \$5.5 million 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 was determined using the following actuarial assumptions:

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. The demographic assumptions were developed in the experience study performed for the TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension plan actuarial valuation that was rolled forward to August 31, 2021:

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

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Rates. The rates were projected on a fully generational basis using the ultimate improvement rates from 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%
Single 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.
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.25% to 8.5% The initial medical trend rates were 8.50% for Medicare retirees and 7.1% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.5% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.
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 0.38% 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 Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index.”

### Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate (0.95%)</u>	<u>Discount Rate (1.95%)</u>	<u>1% Increase Discount Rate (2.95%)</u>
Total TRS net OPEB liability	\$ 46,529,697,637	\$ 38,574,468,613	\$ 32,313,444,468
District's proportionate share of the Net OPEB liability	\$ 83,592,239	\$ 69,300,390	\$ 58,052,240

**Healthcare Cost Trend Rate 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 health trend rates assumed:

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
Total TRS net OPEB liability	\$ 31,244,041,262	\$ 38,574,468,613	\$ 48,410,081,189
District's proportionate share of the Net OPEB liability	\$ 56,131,019	\$ 69,300,390	\$ 86,970,414

**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 \$69,300,390 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	\$ 69,300,390
State's proportionate share that is associated with the District	<u>92,847,079</u>
Total	<u><u>\$ 162,147,469</u></u>

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

At June 30, 2022, the District's proportion of the collective Net OPEB Liability was 0.1796535188% compared to .1681938793% as of June 30, 2021.

**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% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB liability.

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

The amount of OPEB expense recognized by the District for the year ended June 30, 2022 was \$3,693,222.

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 actuarial economic experience	\$ 2,983,710	\$ 33,546,237
Changes in actuarial assumptions	7,675,832	14,655,750
Difference between projected and actual investment earnings	75,238	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	6,968,991	5,289,775
Contributions paid to TRS subsequent to the measurement date	1,153,529	-
Totals	\$ 18,857,300	\$ 53,491,762

\$1,153,529 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 OPEB liability for the year ended June 30, 2023.

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>OPEB Expense Amount</u>
2023	\$ (7,300,276)
2024	(7,301,973)
2025	(7,301,508)
2026	(5,477,338)
2027	(3,007,731)
Thereafter	<u>(5,399,165)</u>
Totals	<u>\$ (35,787,991)</u>

#### Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from federal governments to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$514,049, \$779,807, and \$625,473 for the years ended June 30, 2022, 2021 and 2020, respectively.

#### Note 11 - Revenues from Local and Intermediate Sources

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Property taxes	\$ 316,574,364	\$ 23,317,283	\$ -	\$ 339,891,647
Penalties, interest, and other tax-related	3,300,360	198,328	-	3,498,688
Investment income	631,679	48,956	24,236	704,871
Food sales	-	-	445,697	445,697
Co-curricular/extra- curricular student activities	568,360	-	328,723	897,083
Gifts and bequests	815,752	-	19,857	835,609
Grants	-	-	1,514,843	1,514,843
Insurance recoveries	364,103	-	2,295,593	2,659,696
Oil and gas leases	6,562,234	-	-	6,562,234
Other	1,283,153	-	139,575	1,422,728
Total	<u>\$ 330,100,005</u>	<u>\$ 23,564,567</u>	<u>\$ 4,768,524</u>	<u>\$ 358,433,096</u>

**Note 12 - Employee Defined Contribution Plan**

The District sponsors a 401 (a) plan for the benefit of its employees. The plan provides for discretionary monthly contributions up to the maximum of 3.0%. The percentage contributed by the District is determined annually by the Board of Trustees. Participants begin to vest in benefits after 3 years and become fully vested after 5 years. Participants are 100% vested in their personal contributions at all times. The Board of Trustees did not authorize a discretionary contribution for the year ended June 30, 2022.

**Note 13 - General Fund Federal Source Revenues**

Revenues from federal sources, which are reported in the General Fund, consist of:

	CFDA	Amount
School of Health and Related Services	N/A	\$ 1,704,199
Air Force JROTC	12.000	59,888
Indirect costs:		
ESEA Title I, Part A	84.010A	128,485
Title I, Transformation Zone	84.010A	1,311
Title I, Priority & Focus	84.010A	19,298
Title IV, Part A	84.424A	9,085
IDEA - Part B	84.027A	258,200
IDEA - Part B Preschool	84.173A	5,869
Title III, Part A - Immigrant	84.365A	19,257
Career & Technical Basic	84.048A	14,681
ESEA Title II, Part A	84.367A	22,258
ELC Reopening Schools	93.323	22,451
Elementary and Secondary School Emergency Relief	84.425	1,067,814
National School Lunch Program	10.555	1,526,736
LEP Summer School	84.369A	22,446
		\$ 4,881,978



**Note 14 - Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**Worker's Compensation**

GASB 10 requires that state and local governmental entities other than public entity risk pools are required to report an estimated loss from a claim as an expenditure/expense and as a liability if both of these conditions are met: a) Information available before the financial statements are issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. It is implicit in this condition that it must be probable that one or more future events will also occur, confirming the fact of the loss. b) The amount of the loss can be reasonably estimated.

Beginning in 1997, the District changed from a self-funded worker's compensation plan to an outside provider for their worker's compensation coverage. The District remains liable for claims incurred prior to August 31, 1997 under the self-funded plan. These run-off claims are not significant and are included in the total accrued liabilities. The District remained fully-insured until March of 2001, at which time the District established its current self-funded program. The District has since maintained a self-insured retention of \$200,000 per occurrence. The District currently purchases excess coverage to statutory limits from the Texas Association of School Boards. The District does not purchase aggregate excess insurance. Claims administration is provided by the Texas Association of School Boards.

At June 30, 2022, the accrued liabilities for worker's compensation self-insurance of \$1,600,904 includes estimated incurred but not reported claims and is included in accrued expense liability.

	Year Ended June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 1,392,510
Incurred claims (including IBNR's and changes in provisions)	732,329
Claim payments	(523,935)
	<hr/>
Unpaid claims, end of fiscal year	<u>\$ 1,600,904</u>

### Health Care Coverage

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. Partial staff member contributions are required for personal coverage and total staff member contributions are required for coverage of dependents. The District obtained excess loss insurance, which limited annual claims paid from the Fund for the year ended June 30, 2022, to \$290,000 for any individual participant and an aggregate limit equal to \$2,000,000. Estimates of claims payable and of claims incurred, but not reported at June 30, 2022, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. The District does not provide any post-retirement health benefits to its employees. Unpaid claims are included in the internal service fund as accrued liabilities.

Changes in the balances of claims liabilities during the year are as follows:

	Year Ended June 30, 2022
Unpaid claims, beginning of fiscal year	\$ 1,250,450
Incurred claims (including IBNR's and changes in provisions)	18,318,530
Claim payments	<u>(18,362,569)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,206,411</u>

### Note 15 - Tax Abatements

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

**Note 16 - Adoption of New Standard**

As of July 1, 2021, the District adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

	Governmental Activities
Net position at July 1, 2021, as previously reported	\$ 207,341,684
Add right-to-use intangible asset, net of amortization under GASB Statement No. 87 at July 1, 2021	4,618,385
Add lease liability under GASB Statement No. 87 at July 1, 2021	(1,224,909)
Net position at July 1, 2021, as restated	\$ 210,735,160



Required Supplementary Information  
June 30, 2022

Midland Independent School District

Midland Independent School District  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund  
(Exhibit G-1)  
Year Ended June 30, 2022

Data Control Codes		Budgeted Amounts	
		Original	Final
Revenues			
5700	Local and intermediate revenues	\$ 296,739,451	\$ 326,520,551
5800	State program revenues	82,412,581	86,499,472
5900	Federal program revenues	1,685,000	2,135,000
5020	Total revenues	<u>380,837,032</u>	<u>415,155,023</u>
Expenditures			
Current			
0011	Instruction	158,993,235	163,099,870
0012	Instructional resources and media services	2,478,333	2,934,126
0013	Curriculum and instructional staff development	6,166,570	5,585,204
0021	Instructional leadership	3,836,423	6,013,664
0023	School leadership	15,236,668	15,771,083
0031	Guidance, counseling, and evaluation services	10,639,908	10,606,633
0032	Social work services	312,693	306,701
0033	Health services	3,164,015	3,816,532
0034	Student transportation	8,462,222	9,388,421
0035	Food service	-	605,206
0036	Extracurricular activities	7,196,861	7,423,562
0041	General administration	8,810,725	7,806,739
0051	Plant maintenance and operations	36,436,974	33,162,475
0052	Security and monitoring services	2,213,165	2,204,581
0053	Data processing services	11,218,942	7,671,027
0061	Community services	1,380,592	1,432,108
Debt service			
0071	Principal on long-term debt	-	2,000,000
0072	Interest on long-term debt	-	600,000
Capital outlay			
0081	Facilities acquisition and construction	-	1,503,979
Intergovernmental			
0091	Contracted instructional services between schools	101,869,206	130,562,612
0099	Other intergovernmental charges	2,420,500	2,660,500
6030	Total expenditures	<u>380,837,032</u>	<u>415,155,023</u>
1100	Excess of revenues over expenditures	-	-
Other financing sources (uses)			
7912	Sale of real and personal property	-	-
7914	Proceeds from loans	-	-
8911	Transfers out	-	(17,050,049)
7080	Total other financing sources (uses)	-	(17,050,049)
1200	Net change in fund balance	-	(17,050,049)
0100	Fund balance, beginning	178,014,847	178,014,847
3000	Fund balance, ending	<u>\$ 178,014,847</u>	<u>\$ 160,964,798</u>

See Notes to Required Supplementary Information

Midland Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund – continued

(Exhibit G-1)

Year Ended June 30, 2022

Actual	Variance with Final Budget Positive (Negative)
\$ 330,100,005	\$ 3,579,454
88,143,185	1,643,713
4,881,978	2,746,978
<u>423,125,168</u>	<u>7,970,145</u>
159,264,586	3,835,284
2,660,163	273,963
4,943,643	641,561
5,614,801	398,863
15,639,409	131,674
10,255,912	350,721
222,036	84,665
3,550,756	265,776
8,470,485	917,936
417,275	187,931
7,011,366	412,196
6,877,727	929,012
29,340,887	3,821,588
1,459,793	744,788
6,921,717	749,310
1,191,336	240,772
345,007	1,654,993
49,718	550,282
642,137	861,842
124,213,933	6,348,679
2,323,593	336,907
<u>391,416,280</u>	<u>23,738,743</u>
<u>31,708,888</u>	<u>31,708,888</u>
108,887	108,887
676,854	676,854
(12,220,664)	4,829,385
<u>(11,434,923)</u>	<u>5,615,126</u>
<u>20,273,965</u>	<u>37,324,014</u>
178,014,847	-
<u>\$ 198,288,812</u>	<u>\$ 37,324,014</u>

See Notes to Required Supplementary Information

Midland Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas (Exhibit G-2)  
Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.1459038%	0.1322118%	0.1230637%	0.1352974%	0.1401599%	0.1445504%	0.1589302%	0.1589302%
District's proportionate share of the net pension liability	\$ 37,156,529	\$ 70,809,956	\$ 63,972,376	\$ 74,470,954	\$ 44,815,570	\$ 54,623,985	\$ 56,179,170	\$ 56,179,170
State's proportionate share of the net pension liability associated with the District	49,285,748	97,064,071	97,630,445	116,759,846	64,433,639	81,609,959	78,651,973	78,651,973
<b>Totals</b>	<b>\$ 86,442,277</b>	<b>\$ 167,874,027</b>	<b>\$ 161,602,821</b>	<b>\$ 191,230,800</b>	<b>\$ 109,249,209</b>	<b>\$ 136,233,944</b>	<b>\$ 134,831,143</b>	<b>\$ 134,831,143</b>
District's covered payroll	\$ 163,600,274	\$ 147,650,606	\$ 135,684,814	\$ 145,785,950	\$ 136,693,306	\$ 142,659,151	\$ 141,859,865	\$ 125,267,279
District's proportionate share of the net pension liability as a percentage of its covered payroll	22.71%	47.96%	47.15%	51.08%	32.79%	38.29%	39.60%	44.85%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability which is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2015.

Midland Independent School District

Schedule of the District's Contributions to the Pension Plan – Teacher Retirement System of Texas (Exhibit G-3)  
Year Ended June 30, 2022

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>	<u>8/31/2015</u>
Contractually required contributions	\$ 6,412,396	\$ 6,128,100	\$ 5,256,763	\$ 4,105,064	\$ 3,865,452	\$ 4,593,622	\$ 4,592,732	\$ 4,705,992
Contributions in relation to the contractually required contributions	\$ (6,412,396)	\$ (6,128,100)	\$ (5,256,763)	\$ (4,105,064)	\$ (3,865,452)	(4,593,622)	(4,592,732)	(4,705,992)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 167,231,169	\$ 161,526,981	\$ 145,720,633	\$ 134,544,961	\$ 123,698,674	\$ 136,693,306	\$ 142,659,151	\$ 141,859,865
Contributions as a percentage of covered payroll	3.83%	3.79%	3.61%	3.05%	3.12%	3.36%	3.22%	3.32%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note 2: Plan information was unavailable prior to 2015.



Midland Independent School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability (Exhibit G-4)  
Year Ended June 30, 2022

	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.1796535%	0.1681939%	0.1674839%	0.1802089%	0.1792066%
District's proportionate share of the net OPEB liability	\$ 69,300,390	\$ 63,938,089	\$ 79,205,183	\$ 89,979,966	\$ 77,930,218
State's proportionate share of the net OPEB liability associated with the District	92,847,079	85,917,465	105,245,971	127,050,649	106,760,063
<b>Totals</b>	<b>\$ 162,147,469</b>	<b>\$ 149,855,554</b>	<b>\$ 184,451,154</b>	<b>\$ 217,030,615</b>	<b>\$ 184,690,281</b>
District's covered payroll	\$ 163,600,274	\$ 147,650,606	\$ 135,684,814	\$ 145,785,950	\$ 136,693,306
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.36%	43.30%	58.37%	61.72%	57.01%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%	0.91%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net OPEB liability which is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2018.

Midland Independent School District  
Schedule of the District's Contributions to the OPEB Plan (Exhibit G-5)  
Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 1,372,567	\$ 1,382,888	\$ 1,264,217	\$ 1,127,509	\$ 1,056,281
Contributions in relation to the contractually required contributions	\$ (1,372,567)	\$ (1,382,888)	\$ (1,264,217)	\$ (1,127,509)	\$ (1,056,281)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 167,231,169	\$ 161,526,981	\$ 145,720,633	\$ 134,544,961	\$ 123,698,674
Contributions as a percentage of covered payroll	0.82%	0.86%	0.87%	0.84%	0.85%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note 2: Plan information was unavailable prior to 2018.

## **Note 1 - Budget**

### **Budgetary Information**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than June 19 and adopted by June 30 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

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

1. Prior to June 19 of the preceding fiscal year, 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 them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

Transfers out represent transfers from the general fund to the capital projects fund and internal service fund.

## **Note 2 - Pension**

### **Changes of Benefit Terms**

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

### **Changes in the Size or Composition of the Population Covered by the Benefit Terms**

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

### **Changes of Assumptions**

There were no changes in assumptions since the prior measurement date.

### **Note 3 - OPEB**

#### **Changes of Benefit Terms**

There were minor benefit revisions that have been adopted since the prior measurement date. These changes are not expected to have a significant impact on plan costs.

#### **Changes in the Size or Composition of the Population Covered by the Benefit Terms**

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

#### **Changes of Assumptions**

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

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB liability.



Other Supplementary Information  
June 30, 2022

# Midland Independent School District

## **COMBINING AND OTHER STATEMENTS**

Included in this section are combining nonmajor governmental funds financial statements and combining internal service funds financial statements.

## **GOVERNMENTAL FUNDS**

Following is a description of the purposes of the governmental funds:

### **REPORTED AS MAJOR FUNDS IN THE BASIC FINANCIAL STATEMENTS**

General Fund is the District's primary operating fund. It is used to account for all financial resources not required to be reported in another fund. It is always a major fund.

Debt Service Fund is the District's fund to account for the accumulation of resources and payments of principal and interest on general obligation bonds. Resources are provided by an annual ad valorem levy and State of Texas Foundation Program revenues. Proceeds of refunding bond issues are also accounted for in this fund.

### **NONMAJOR GOVERNMENTAL FUNDS**

#### Special Revenue Funds

- Funds 200 through 296 are used to account for the receipt and expenditure of federally funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Funds 380 through 429 are used to account for the State of Texas funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Fund 460 through 499 are used to account for the receipt and expenditure of local and intermediate source funded programs.

Capital Projects Fund is the District's fund to account for the accumulation of resources and payments for construction of facilities. Resources are provided by transfers of resources based on action by the Board and issuances of school building bonds.

## **INTERNAL SERVICE FUNDS**

Funds 752 through 798 are used to account for revenues and expenses related to services provided by organizations inside the District on a cost reimbursement basis.

## **FIDUCIARY FUNDS**

Private Purpose Trust Fund is the District's fund to account for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Fund is the scholarship fund.

Employee Benefits Trust Fund is the District's fund to account for other employee benefit funds that are provided by the District.

Custodial Fund is the District's fund to account for resources held for others in a custodial capacity in custodial funds. The District's Custodial Fund is the student activity fund.

Midland Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1)  
June 30, 2022

Data Control Codes	211	224	225	
	ESEA Title I, Part A - Improving Basic Programs	IDEA-Part B Formula	IDEA-Part B Preschool	
<b>Assets</b>				
1110	Cash and cash equivalents	\$ 107,955	\$ 138,937	\$ 774
1120	Current investments	-	-	-
1240	Due from other governments	529,800	1,035,814	17,366
1260	Due from other funds	-	-	-
1290	Other receivables	-	254	-
1000	Total assets	<u>\$ 637,755</u>	<u>\$ 1,175,005</u>	<u>\$ 18,140</u>
<b>Liabilities</b>				
2110	Accounts payable	\$ 27,684	\$ 40,891	\$ -
2150	Payroll deductions and withholdings	14,178	65,569	642
2160	Accrued wages payable	71,060	379,399	4,873
2170	Due to other funds	524,833	689,146	12,625
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	<u>637,755</u>	<u>1,175,005</u>	<u>18,140</u>
<b>Fund Balances</b>				
3450	Restricted - grants	-	-	-
3510	Committed - construction	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
	Total liabilities and fund balances	<u>\$ 637,755</u>	<u>\$ 1,175,005</u>	<u>\$ 18,140</u>

Midland Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1) - continued

June 30, 2022

240	242	244	255	258
National School Breakfast/Lunch Program	Summer Feeding Program	Career & Technical Basic Grant	ESEA Title II, Part A; Teacher & Principal Training & Recruiting	Public Charter Schools
\$ 599,091	\$ 1,181,265	\$ 6,523	\$ 17	\$ 120
9,343,627	-	-	500	-
125,237	-	29,148	148,774	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 10,067,955</u>	<u>\$ 1,181,265</u>	<u>\$ 35,671</u>	<u>\$ 149,291</u>	<u>\$ 120</u>
\$ 1,706	\$ -	\$ -	\$ 13,000	\$ -
17,499	10	1,437	-	-
33,629	-	7,181	-	-
1,531,815	-	27,053	136,291	-
-	-	-	-	120
826,543	-	-	-	-
<u>2,411,192</u>	<u>10</u>	<u>35,671</u>	<u>149,291</u>	<u>120</u>
7,656,763	1,181,255	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,656,763</u>	<u>1,181,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,067,955</u>	<u>\$ 1,181,265</u>	<u>\$ 35,671</u>	<u>\$ 149,291</u>	<u>\$ 120</u>



Midland Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1) - continued

June 30, 2022

Data Control Codes		263	266	272
		Title III, Part A English Language Acquisition & Enhancement	Elementary and Secondary School Emergency Relief (CARES)	Medical Assistance Program
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ 2,835	\$ 79,388	\$ -
1120	Current investments	-	-	-
1240	Due from other governments	53,807	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	13	-	-
1000	Total assets	\$ 56,655	\$ 79,388	\$ -
	<b>Liabilities</b>			
2110	Accounts payable	\$ -	\$ -	\$ -
2150	Payroll deductions and withholdings	3,317	-	-
2160	Accrued wages payable	11,758	-	-
2170	Due to other funds	41,580	865	-
2180	Due to other governments	-	78,523	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	56,655	79,388	-
	<b>Fund Balances</b>			
3450	Restricted - grants	-	-	-
3510	Committed - construction	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	\$ 56,655	\$ 79,388	\$ -

Midland Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1) - continued

June 30, 2022

281	282	284	285	289	296
CRRSA ESSER II	ARPA ESSER III	IDEA-B Formula ARPA	IDEA-B Preschool ARPA	Other Federal Special Revenue Funds	Title I, Priority & Focus
\$ -	\$ -	\$ -	\$ -	\$ 471,245	\$ 62,773
-	-	-	-	-	-
2,257,493	2,316,835	78,067	19,519	323,376	305,816
-	-	9,794	-	-	-
-	-	-	-	-	-
<u>\$ 2,257,493</u>	<u>\$ 2,316,835</u>	<u>\$ 87,861</u>	<u>\$ 19,519</u>	<u>\$ 794,621</u>	<u>\$ 368,589</u>
\$ -	\$ 209,626	\$ 27,386	\$ 27	\$ 35,958	\$ 17,736
-	117,318	658	33	99	2
-	873,444	16,676	799	11,559	-
2,257,493	1,116,447	43,141	18,660	262,624	350,851
-	-	-	-	54	-
-	-	-	-	484,327	-
<u>2,257,493</u>	<u>2,316,835</u>	<u>87,861</u>	<u>19,519</u>	<u>794,621</u>	<u>368,589</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,257,493</u>	<u>\$ 2,316,835</u>	<u>\$ 87,861</u>	<u>\$ 19,519</u>	<u>\$ 794,621</u>	<u>\$ 368,589</u>

Midland Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1) - continued

June 30, 2022

Data Control Codes	396	410	429	
	Advanced Placement Testing	State Textbook Fund	Other State Funded Special Revenue Funds	
Assets				
1110	Cash and cash equivalents	\$ 38,158	\$ -	\$ 102,335
1120	Current investments	826	-	-
1240	Due from other governments	-	20,948	74,773
1260	Due from other funds	-	-	7,520
1290	Other receivables	-	-	-
1000	Total assets	\$ 38,984	\$ 20,948	\$ 184,628
Liabilities				
2110	Accounts payable	\$ 4,415	\$ -	\$ 74,741
2150	Payroll deductions and withholdings	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	-	20,948	368
2180	Due to other governments	-	-	-
2300	Unearned revenue	34,569	-	109,519
2000	Total liabilities	38,984	20,948	184,628
Fund Balances				
3450	Restricted - grants	-	-	-
3510	Committed - construction	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	\$ 38,984	\$ 20,948	\$ 184,628

Midland Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1) - continued

June 30, 2022

<u>461</u>	<u>499</u>		<u>699</u>	Total Nonmajor Governmental Funds (See Exhibit C-1)
Campus Activity Fund	Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	
\$ 1,060,552	\$ 2,786,239	\$ 6,638,207	\$ 14,319,087	\$ 20,957,294
-	-	9,344,953	-	9,344,953
-	-	7,336,773	-	7,336,773
30	9,384	26,728	-	26,728
700	5,962	6,929	2,210	9,139
<u>\$ 1,061,282</u>	<u>\$ 2,801,585</u>	<u>\$ 23,353,590</u>	<u>\$ 14,321,297</u>	<u>\$ 37,674,887</u>
\$ 8,979	\$ 7,350	\$ 469,499	\$ 535,333	\$ 1,004,832
-	4	220,766	-	220,766
-	-	1,410,378	-	1,410,378
-	-	7,034,740	-	7,034,740
-	-	78,697	-	78,697
-	2,788,228	4,243,186	-	4,243,186
<u>8,979</u>	<u>2,795,582</u>	<u>13,457,266</u>	<u>535,333</u>	<u>13,992,599</u>
-	6,003	8,844,021	-	8,844,021
-	-	-	13,785,964	13,785,964
1,052,303	-	1,052,303	-	1,052,303
<u>1,052,303</u>	<u>6,003</u>	<u>9,896,324</u>	<u>13,785,964</u>	<u>23,682,288</u>
<u>\$ 1,061,282</u>	<u>\$ 2,801,585</u>	<u>\$ 23,353,590</u>	<u>\$ 14,321,297</u>	<u>\$ 37,674,887</u>

Midland Independent School District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental  
Funds – Special Revenue Funds (Exhibit H-2)  
Year Ended June 30, 2022

Data Control Codes	211	224	225
	ESEA Title I, Part A - Improving Basic Programs	IDEA-Part B Formula	IDEA-Part B Preschool
<b>Revenues</b>			
5700	Local and intermediate revenues	\$ -	\$ -
5800	State program revenues	-	-
5900	Federal program revenues	2,744,230	106,698
5020	Total revenues	2,744,230	106,698
<b>Expenditures</b>			
<b>Current</b>			
0011	Instruction	1,673,778	2,876,978
0012	Instructional resources and media services	44,347	-
0013	Curriculum and instructional staff development	677,149	449,629
0021	Instructional leadership	44,534	553,075
0023	School leadership	74,308	45
0031	Guidance, counseling, and evaluation services	89,130	1,341,580
0033	Health services	-	-
0034	Student transportation	1,672	70,586
0035	Food service	-	-
0036	Extracurricular activities	-	7,279
0041	General administration	-	-
0051	Plant maintenance and operations	-	1,395
0052	Security and monitoring services	-	-
0053	Data processing services	-	-
0061	Community services	139,312	-
0081	Facilities acquisition and construction	-	23,022
0093	Payments related to shared service arrangements	-	185,200
6030	Total expenditures	2,744,230	5,508,789
1100	Excess (deficiency) of revenues over (under) expenditures	-	-
<b>Other financing sources (uses)</b>			
7912	Sale of real and personal property	-	-
7915	Transfers in	-	-
8911	Transfers out	-	-
7080	Total other financing sources (uses)	-	-
1200	Net change in fund balances	-	-
0100	Fund balances, beginning	-	-
3000	Fund balances, ending	\$ -	\$ -

Midland Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds –  
Special Revenue Funds (Exhibit H-2) - continued  
Year Ended June 30, 2022

240	242	244	255	258
National School Breakfast/Lunch Program	Summer Feeding Program	Career & Technical Basic Grant	ESEA Title II, Part A; Teacher & Principal Training & Recruiting	Public Charter Schools
\$ 463,100	\$ 144	\$ -	\$ -	\$ -
33,344	-	-	-	-
15,814,825	16,131	313,557	595,142	-
16,311,269	16,275	313,557	595,142	-
-	-	162,101	-	-
-	-	-	-	-
-	-	-	377,946	-
-	-	40,255	13,340	-
-	-	-	83,501	-
-	-	103,389	-	-
-	-	-	-	-
-	-	-	-	-
14,401,362	76,149	-	-	-
-	-	-	-	-
-	-	-	120,355	-
-	-	-	-	-
-	-	-	-	-
-	-	7,812	-	-
-	-	-	-	-
-	-	-	-	-
14,401,362	76,149	313,557	595,142	-
1,909,907	(59,874)	-	-	-
11,286	-	-	-	-
844,653	-	-	-	-
-	(844,653)	-	-	-
855,939	(844,653)	-	-	-
2,765,846	(904,527)	-	-	-
4,890,917	2,085,782	-	-	-
\$ 7,656,763	\$ 1,181,255	\$ -	\$ -	\$ -

Midland Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds –  
Special Revenue Funds (Exhibit H-2) - continued  
Year Ended June 30, 2022

Data Control Codes		263	266	272
		Title III, Part A English Language Acquisition & Enhancement	Elementary and Secondary School Emergency Relief (CARES)	Medical Assistance Program
Revenues				
5700	Local and intermediate revenues	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	411,304	2,265,511	44,755
5020	Total revenues	411,304	2,265,511	44,755
Expenditures				
Current				
0011	Instruction	210,150	2,228,387	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	201,154	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0033	Health services	-	37,124	44,755
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
0081	Facilities acquisition and construction	-	-	-
0093	Payments related to shared service arrangements	-	-	-
6030	Total expenditures	411,304	2,265,511	44,755
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses)				
7912	Sale of real and personal property	-	-	-
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	Fund balances, ending	\$ -	\$ -	\$ -





Midland Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds –  
 Special Revenue Funds (Exhibit H-2) - continued  
 Year Ended June 30, 2022

Data Control Codes	396	410	429
	Advanced Placement Testing	State Textbook Fund	Other State Funded Special Revenue Funds
Revenues			
5700	\$ -	\$ -	\$ -
5800	5,156	20,948	125,695
5900	-	-	-
5020	5,156	20,948	125,695
Expenditures			
Current			
0011	-	20,948	-
0012	-	-	31
0013	5,156	-	4,300
0021	-	-	-
0023	-	-	-
0031	-	-	681
0033	-	-	-
0034	-	-	-
0035	-	-	-
0036	-	-	-
0041	-	-	-
0051	-	-	-
0052	-	-	110,886
0053	-	-	-
0061	-	-	9,797
0081	-	-	-
0093	-	-	-
6030	5,156	20,948	125,695
1100	-	-	-
Other financing sources (uses)			
7912	-	-	-
7915	-	-	-
8911	-	-	-
7080	-	-	-
1200	-	-	-
0100	-	-	-
3000	\$ -	\$ -	\$ -

Midland Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds –  
Special Revenue Funds (Exhibit H-2) - continued  
Year Ended June 30, 2022

461	499		699	Total Nonmajor Governmental Funds (See Exhibit C-2)
Campus Activity Funds	Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	
\$ 348,580	\$ 1,655,786	\$ 2,467,610	\$ 2,300,914	\$ 4,768,524
-	805	185,948	-	185,948
-	-	37,426,331	-	37,426,331
<u>348,580</u>	<u>1,656,591</u>	<u>40,079,889</u>	<u>2,300,914</u>	<u>42,380,803</u>
184,233	-	13,949,859	-	13,949,859
54,230	-	98,608	-	98,608
4,945	-	3,097,545	-	3,097,545
56	68,409	1,092,047	-	1,092,047
2,444	-	515,553	-	515,553
8,272	-	2,006,756	-	2,006,756
-	-	583,332	-	583,332
-	-	72,258	1,190,455	1,262,713
286	-	14,477,797	-	14,477,797
52,651	-	59,930	-	59,930
-	1,014	122,001	-	122,001
3,624	247,772	256,161	2,930,861	3,187,022
-	1,271,788	1,382,674	73,253	1,455,927
-	-	-	12,188	12,188
70	75,623	277,359	-	277,359
9,930	-	32,952	8,075,393	8,108,345
-	-	185,200	-	185,200
<u>320,741</u>	<u>1,664,606</u>	<u>38,210,032</u>	<u>12,282,150</u>	<u>50,492,182</u>
<u>27,839</u>	<u>(8,015)</u>	<u>1,869,857</u>	<u>(9,981,236)</u>	<u>(8,111,379)</u>
-	-	11,286	-	11,286
2,076	-	846,729	12,224,188	13,070,917
(5,600)	-	(850,253)	-	(850,253)
<u>(3,524)</u>	<u>-</u>	<u>7,762</u>	<u>12,224,188</u>	<u>12,231,950</u>
24,315	(8,015)	1,877,619	2,242,952	4,120,571
1,027,988	14,018	8,018,705	11,543,012	19,561,717
<u>\$ 1,052,303</u>	<u>\$ 6,003</u>	<u>\$ 9,896,324</u>	<u>\$ 13,785,964</u>	<u>\$ 23,682,288</u>

Midland Independent School District  
Combining Statement of Net Position – Internal Service Funds (Exhibit I-1)  
June 30, 2022

Data Control Codes		753 Self Insurance Fund	771 Employee Housing Fund	Total Internal Service Funds
Assets				
Current assets				
1110	Cash and cash equivalents	\$ 5,941,138	\$ 1,231,164	\$ 7,172,302
1120	Current investments	4,035,369	-	4,035,369
1260	Due from other funds	9,483	76,271	85,754
1290	Other receivables	-	41,642	41,642
1410	Prepaid items	93,593	55,580	149,173
	Total current assets	<u>10,079,583</u>	<u>1,404,657</u>	<u>11,484,240</u>
Noncurrent assets				
1520	Buildings and improvements, net	-	5,549,569	5,549,569
	Total noncurrent assets	<u>-</u>	<u>5,549,569</u>	<u>5,549,569</u>
1000	Total assets	<u>10,079,583</u>	<u>6,954,226</u>	<u>17,033,809</u>
Liabilities				
Current liabilities				
2110	Accounts payable	100,325	-	100,325
2200	Accrued liabilities	2,807,315	-	2,807,315
	Total current liabilities	<u>2,907,640</u>	<u>-</u>	<u>2,907,640</u>
2000	Total liabilities	<u>2,907,640</u>	<u>-</u>	<u>2,907,640</u>
Net Position				
3200	Investment in capital assets	-	5,549,569	5,549,569
3900	Unrestricted	7,171,943	1,404,657	8,576,600
3000	Total net position	<u>\$ 7,171,943</u>	<u>\$ 6,954,226</u>	<u>\$ 14,126,169</u>

Midland Independent School District  
Combining Statement of Revenues, Expenditures, and Changes in Net Position – Internal Service Funds  
(Exhibit I-2)  
Year Ended June 30, 2022

Data Control Codes	753 Self Insurance Fund	771 Employee Housing Fund	Total Internal Service Funds
Operating revenues			
5700	\$ 24,283,784	\$ 348,489	\$ 24,632,273
5020	24,283,784	348,489	24,632,273
Operating expenses			
6200	494,703	470,525	965,228
6400	21,526,385	228,228	21,754,613
6030	22,021,088	698,753	22,719,841
	2,262,696	(350,264)	1,912,432
Non-operating revenues			
7955	8,880	20,284	29,164
8030	8,880	20,284	29,164
1300	2,271,576	(329,980)	1,941,596
0100	4,900,367	7,284,206	12,184,573
3300	\$ 7,171,943	\$ 6,954,226	\$ 14,126,169

Midland Independent School District  
Combining Statement of Cash Flows – Internal Service Funds (Exhibit I-3)  
Year Ended June 30, 2022

	753 Self Insurance Fund	771 Employee Housing Fund	Total Internal Service Funds
Operating activities			
Cash received from quasi-external operating activities	\$ 24,283,784	\$ 262,877	\$ 24,546,661
Cash payments to suppliers for goods and benefits	(22,009,530)	(451,931)	(22,461,461)
Net cash (used for) provided by operating activities	<u>2,274,254</u>	<u>(189,054)</u>	<u>2,085,200</u>
Noncapital financing activities			
Transfers (to) from other funds	198	(76,271)	(76,073)
Net cash (used for) provided by noncapital financing activities	<u>198</u>	<u>(76,271)</u>	<u>(76,073)</u>
Capital and related financing activities			
Acquisition of capital assets	-	(533,641)	(533,641)
Net cash used for capital and related financing activities	<u>-</u>	<u>(533,641)</u>	<u>(533,641)</u>
Investing activities			
Interest and dividends received on investments	8,880	20,284	29,164
Sale of investments	(8,881)	-	(8,881)
Net cash (used for) provided by investing activities	<u>(1)</u>	<u>20,284</u>	<u>20,283</u>
Net change in cash and cash equivalents	2,274,451	(778,682)	1,495,769
Cash and cash equivalents, beginning of year	<u>3,666,687</u>	<u>2,009,846</u>	<u>5,676,533</u>
Cash and cash equivalents, end of the year	<u>\$ 5,941,138</u>	<u>\$ 1,231,164</u>	<u>\$ 7,172,302</u>
Reconciliation of operating income (loss) to net cash (used for) provided by operating activities			
Operating income (loss)	\$ 2,262,696	\$ (350,264)	\$ 1,912,432
Depreciation	-	173,108	173,108
Change in assets and liabilities			
(Increase) decrease in other receivables	7,514	(2,746)	4,768
(Increase) decrease in prepaid items	17,717	114,489	132,206
Increase (decrease) in accounts payable	(178,028)	(20,491)	(198,519)
Increase (decrease) in due to other governments	-	(20,284)	(20,284)
Increase (decrease) in unearned revenue	-	(82,866)	(82,866)
Increase (decrease) in payable from restricted assets	164,355	-	164,355
Net cash (used for) provided by operating activities	<u>\$ 2,274,254</u>	<u>\$ (189,054)</u>	<u>\$ 2,085,200</u>



Required TEA Schedules  
June 30, 2022

# Midland Independent School District

Midland Independent School District  
 Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
 Year Ended June 30, 2022

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Year Ended June 30,	1		2	3
	Tax Rates			Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service		
2013 and prior years	\$ Various	\$ Various		\$ Various
2014	1.04005	0.0900		14,782,675,318
2015	1.04005	0.1000		19,292,108,478
2016	1.04005	0.1000		20,127,433,487
2017	1.04005	0.0800		18,996,101,877
2018	1.04005	0.0875		21,003,947,494
2019	1.04005	0.0800		25,295,797,904
2020	0.97005	0.0800		35,081,271,008
2021	0.95640	0.0702		36,269,821,064
2022 (school year under audit)	0.95340	0.0702		34,456,872,604
1000 Totals				

Midland Independent School District  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Year Ended June 30, 2022

10 Beginning Balance July 01, 2021	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance June 30, 2022
\$ 300,955	\$ -	\$ 651	\$ 48	\$ (129,220)	\$ 171,036
90,276	-	1,455	107	(4,951)	83,763
170,406	-	9,319	686	(6,499)	153,902
264,703	-	14,243	1,049	(7,616)	241,795
625,413	-	138,379	10,192	147,980	624,822
407,600	-	87,779	6,465	3,013	316,369
539,728	-	121,976	8,984	23,511	432,279
2,560,506	-	1,007,684	74,218	(374,344)	1,104,260
13,068,778	-	8,183,060	602,703	(1,334,559)	2,948,456
-	346,467,315	308,950,472	22,757,505	(5,941,452)	8,817,886
<u>\$ 18,028,365</u>	<u>\$ 346,467,315</u>	<u>\$ 318,515,018</u>	<u>\$ 23,461,957</u>	<u>\$ (7,624,137)</u>	<u>\$ 14,894,568</u>



Midland Independent School District  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School  
Breakfast and Lunch (Exhibit J-2)  
Year Ended June 30, 2022

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Revenues					
5700	Local and intermediate revenues	\$ 4,167,624	\$ 4,167,624	\$ 463,100	\$(3,704,524)
5800	State program revenues	58,905	58,905	33,344	(25,561)
5900	Federal program revenues	9,671,218	9,671,218	15,814,825	6,143,607
5020	Total revenues	13,897,747	13,897,747	16,311,269	2,413,522
Expenditures					
Current					
0035	Support services - student (pupil) Food service	15,897,747	15,897,747	14,401,362	1,496,385
	Total support services - student (pupil)	15,897,747	15,897,747	14,401,362	1,496,385
6030	Total expenditures	15,897,747	15,897,747	14,401,362	1,496,385
1100	(Deficiency) excess of revenues (under) over expenditures	(2,000,000)	(2,000,000)	1,909,907	3,909,907
Other financing sources (uses)					
7912	Sale of real and personal property	-	-	11,286	11,286
7915	Transfers in	-	-	844,653	844,653
7080	Total other financing sources (uses)	-	-	855,939	855,939
1200	Net change in fund balance	(2,000,000)	(2,000,000)	2,765,846	4,765,846
0100	Fund balance, beginning	4,890,917	4,890,917	4,890,917	-
3000	Fund balance, ending	\$ 2,890,917	\$ 2,890,917	\$ 7,656,763	\$ 4,765,846

Midland Independent School District  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund  
(Exhibit J-3)  
Year Ended June 30, 2022

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate revenues	\$21,588,629	\$23,766,248	\$23,564,567	\$ (201,681)
5800	State program revenues	-	-	158,497	158,497
5020	Total revenues	<u>21,588,629</u>	<u>23,766,248</u>	<u>23,723,064</u>	<u>(43,184)</u>
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	14,985,000	17,090,969	15,955,000	1,135,969
0072	Interest on long-term debt	<u>6,603,629</u>	<u>6,675,279</u>	<u>6,668,854</u>	<u>6,425</u>
	Total debt service	<u>21,588,629</u>	<u>23,766,248</u>	<u>22,623,854</u>	<u>1,142,394</u>
6030	Total expenditures	<u>21,588,629</u>	<u>23,766,248</u>	<u>22,623,854</u>	<u>1,142,394</u>
1100	Excess of revenues over expenditures	-	-	1,099,210	1,099,210
1200	Net change in fund balance	-	-	1,099,210	1,099,210
0100	Fund balance, beginning	<u>16,325,207</u>	<u>16,325,207</u>	<u>16,325,207</u>	-
3000	Fund balance, ending	<u>\$16,325,207</u>	<u>\$16,325,207</u>	<u>\$17,424,417</u>	<u>\$ 1,099,210</u>

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the LEA'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 LEA's fiscal year.	\$ 19,964,245
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)	\$ 11,639,248
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 2,404,382
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 1,636,398

## **STATISTICAL SECTION**

# STATISTICAL SECTION

## (UNAUDITED - for Analytical Purposes Only)

This part of Midland Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

TABLE	CONTENTS
	<b>Financial Trends</b>
	<i>These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>
	Entity-wide Information:
1	Net position by component, last ten fiscal years
2	Changes in net position, last ten fiscal years
	Governmental Funds Information:
3	Fund balances of governmental funds, last ten fiscal years
4	Changes in fund balances of governmental funds, last ten fiscal years
	<b>Revenue Capacity</b>
	<i>These tables contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>
5	Assessed value and actual value of taxable property, last ten tax years
6	Allocation of property tax rates and tax levies, last ten fiscal years
7	Property tax rates – Direct and overlapping governments, last ten fiscal years
8	Principal property taxpayers, current year and nine years ago
9	Property tax levies and collections, last ten fiscal years
	<b>Debt Capacity</b>
	<i>These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>
10	Outstanding debt by type, last ten fiscal years
11	Ratios of net general obligation bonded debt outstanding, last ten fiscal years
12	Direct and overlapping governmental activities debt as of June 30, 2021
13	Legal debt margin information, last ten fiscal years
	<b>Demographic and Economic Information</b>
	<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</i>
14	Demographic and economic statistics, last ten fiscal years
15	Principal employers, current year and nine years ago
	<b>Operating Information</b>
	<i>These tables contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and activities it performs.</i>
16	Full-time equivalent district employees by function, last ten fiscal years
17	Operating statistics, last ten fiscal years
18	Teacher base salaries, last ten fiscal years
19	School building information, last ten fiscal years

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED - accrual basis of accounting)*

**Table 1**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 168,499,844	\$ 149,054,674	\$ 113,812,106	\$ 82,482,099	\$ 78,043,129	\$ 73,869,878	\$ 76,403,516	\$ 86,379,978	\$ 89,182,395	\$ 78,739,422
Restricted	32,514,570	26,339,652	14,832,124	13,226,650	12,301,504	4,808,346	5,997,348	8,489,512	8,973,757	11,360,546
Unrestricted	<u>59,880,449</u>	<u>31,947,358</u>	<u>16,676,669</u>	<u>(34,570,618)</u>	<u>(67,437,188)</u>	<u>(1,209,555)</u>	<u>3,785,768</u>	<u>10,370,668</u>	<u>44,309,476</u>	<u>52,138,590</u>
<b>Total Governmental Activities Net Position</b>	<b><u>260,894,863</u></b>	<b><u>207,341,684</u></b>	<b><u>145,320,899</u></b>	<b><u>61,138,131</u></b>	<b><u>22,907,445</u></b>	<b><u>77,468,669</u></b>	<b><u>86,186,632</u></b>	<b><u>105,240,158</u></b>	<b><u>142,465,628</u></b>	<b><u>142,238,558</u></b>
<b>Business-Type Activities:</b>										
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Business-Type Activities Net Position</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Primary Government:</b>										
Net Investment in										
Capital Assets	168,499,844	149,054,674	113,812,106	82,482,099	78,043,129	73,869,878	76,403,516	86,379,978	89,182,395	78,739,422
Restricted	32,514,570	26,339,652	14,832,124	13,226,650	12,301,504	4,808,346	5,997,348	8,489,512	8,973,757	11,360,546
Unrestricted	<u>59,880,449</u>	<u>31,947,358</u>	<u>16,676,669</u>	<u>(34,570,618)</u>	<u>(67,437,188)</u>	<u>(1,209,555)</u>	<u>3,785,768</u>	<u>10,370,668</u>	<u>44,309,476</u>	<u>52,138,590</u>
<b>Total Primary Government Activities Net Position</b>	<b>\$ <u>260,894,863</u></b>	<b>\$ <u>207,341,684</u></b>	<b>\$ <u>145,320,899</u></b>	<b>\$ <u>61,138,131</u></b>	<b>\$ <u>22,907,445</u></b>	<b>\$ <u>77,468,669</u></b>	<b>\$ <u>86,186,632</u></b>	<b>\$ <u>105,240,158</u></b>	<b>\$ <u>142,465,628</u></b>	<b>\$ <u>142,238,558</u></b>

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED - Accrual Basis of Accounting)**

**Table 2**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 172,424,180	\$ 176,946,482	\$ 162,597,018	\$ 142,365,350	\$ 117,835,802	\$ 128,425,519	\$ 136,326,250	\$ 131,695,251	\$ 127,175,213	\$ 110,739,155
Instructional Resources and Media Services	2,615,066	2,589,965	2,305,866	2,282,284	2,153,150	2,415,389	2,848,659	2,831,949	2,640,307	2,540,634
Curriculum and Instructional Staff Development	7,722,197	5,455,794	5,536,355	4,969,528	3,247,982	6,507,647	7,758,833	7,320,584	5,780,805	4,621,870
Instructional Leadership	6,341,258	4,565,224	4,681,789	4,696,852	3,045,218	3,639,042	3,928,579	3,918,741	3,459,098	2,814,152
School Leadership	14,938,958	15,576,818	16,138,210	14,252,358	12,554,028	12,329,298	13,427,836	12,331,114	11,443,520	10,342,605
Guidance, Counseling, and Evaluation Services	11,443,864	11,018,414	10,499,148	9,453,288	6,300,169	8,165,956	8,472,166	7,424,138	7,411,341	6,775,980
Social Work Services	208,057	250,330	245,761	223,832	(6,185)	265,257	349,969	277,634	272,818	186,295
Health Services	3,933,311	3,450,263	3,059,613	2,399,318	2,130,803	2,131,590	2,320,889	2,294,645	2,106,755	1,954,574
Student Transportation	8,627,102	7,704,040	6,431,096	7,114,644	6,149,964	7,037,593	8,064,366	8,080,453	7,138,920	7,110,291
Food Services	14,558,354	10,106,078	11,335,282	12,192,613	9,025,879	12,679,274	13,362,819	12,100,041	10,610,144	10,719,799
Extracurricular Activities	6,946,754	5,617,185	5,923,508	4,902,670	4,131,906	4,800,531	5,186,266	4,677,439	4,703,078	4,831,156
General Administration	6,638,113	8,216,210	6,463,183	5,873,147	4,663,275	7,875,522	6,567,443	6,535,471	6,027,092	5,550,889
Plant Maintenance and Operations	32,120,498	27,869,467	23,452,336	19,447,948	17,502,720	18,480,798	23,281,118	23,975,580	21,829,193	18,075,281
Security and Monitoring Services	2,746,139	3,081,976	2,232,659	1,921,626	1,290,287	1,374,708	1,689,942	1,493,188	1,195,273	906,808
Data Processing Services	7,936,446	7,762,807	6,225,613	4,305,380	4,543,498	4,320,536	5,325,762	4,633,829	3,850,322	3,469,347
Community Services	1,386,571	1,335,738	704,573	664,084	397,870	498,527	457,810	799,434	929,608	918,700
Interest on Long-term Debt	4,906,317	5,702,956	7,950,025	7,993,936	3,866,791	8,623,459	10,063,228	12,509,671	8,551,453	4,843,008
Bond Issuance Costs and Fees	-	449,534	20,595	36,438	527,320	320,778	-	-	727,966	4,800
Facilities Acquisition and Construction	17,800	-	418,540	68,114	1,393	2,357,197	-	-	-	-
Contracted Instructional services										
between schools	124,213,933	153,749,183	139,079,427	65,012,042	38,120,581	45,806,661	47,592,168	32,294,988	14,750,275	-
Payments to Shared Services Arrangements	185,200	142,813	135,390	109,431	153,947	156,500	35,353	67,507	95,445	73,115
Other Intergovernmental Charges	2,323,593	2,241,283	2,071,738	1,812,552	1,396,826	1,467,585	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<u>432,233,711</u>	<u>453,832,560</u>	<u>417,507,725</u>	<u>312,097,435</u>	<u>239,033,224</u>	<u>279,679,367</u>	<u>297,059,456</u>	<u>275,261,657</u>	<u>240,698,626</u>	<u>196,478,459</u>
Business-Type Activities:										
None										
<b>Total Business-Type Expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Expenses</b>	<u>\$ 432,233,711</u>	<u>\$ 453,832,560</u>	<u>\$ 417,507,725</u>	<u>\$ 312,097,435</u>	<u>\$ 239,033,224</u>	<u>\$ 279,679,367</u>	<u>\$ 297,059,456</u>	<u>\$ 275,261,657</u>	<u>\$ 240,698,626</u>	<u>\$ 196,478,459</u>

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED - Accrual Basis of Accounting)**

**Table 2 (continued)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:	\$ 7,677,396	\$ 3,248,988	\$ 5,389,316	\$ 8,728,914	\$ 6,474,421	\$ 6,436,802	\$ 4,124,595	\$ 4,099,173	\$ 3,848,281	\$ 3,810,196
Grants and Contributions	43,597,926	50,232,910	48,677,747	37,437,069	57,594,328	41,034,369	20,932,728	15,299,534	17,851,855	14,743,033
<b>Total Governmental Activities Program Revenues</b>	<u>51,275,322</u>	<u>53,481,898</u>	<u>54,067,063</u>	<u>46,165,983</u>	<u>64,068,749</u>	<u>47,471,171</u>	<u>25,057,323</u>	<u>19,398,707</u>	<u>21,700,136</u>	<u>18,553,229</u>
Business-Type Activities:										
None										
<b>Total Business-Type Activities Program Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government Revenues</b>	<u>51,275,322</u>	<u>53,481,898</u>	<u>54,067,063</u>	<u>46,165,983</u>	<u>64,068,749</u>	<u>47,471,171</u>	<u>25,057,323</u>	<u>19,398,707</u>	<u>21,700,136</u>	<u>18,553,229</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(380,958,389)	(400,350,662)	(363,440,662)	(265,931,452)	(174,964,475)	(232,208,196)	(272,002,133)	(255,862,950)	(218,998,490)	(177,925,230)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
<b>Total Primary Government Net Expense</b>	<u>(380,958,389)</u>	<u>(400,350,662)</u>	<u>(363,440,662)</u>	<u>(265,931,452)</u>	<u>(174,964,475)</u>	<u>(232,208,196)</u>	<u>(272,002,133)</u>	<u>(255,862,950)</u>	<u>(218,998,490)</u>	<u>(177,925,230)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes, Levied for General Purposes	316,487,053	344,384,055	337,225,720	261,042,434	220,762,931	192,120,690	203,910,534	196,882,016	173,564,289	152,252,474
Property Taxes, Levied for Debt Service	23,305,344	25,260,525	27,803,971	20,086,115	18,617,214	14,756,633	19,604,787	18,960,691	14,994,616	14,639,992
State-aid Formula Grants Not Restricted	77,005,106	76,181,141	68,010,443	18,416,261	11,349,415	-	-	-	-	-
Investment Earnings	734,035	244,319	2,277,130	2,919,486	1,239,892	579,321	376,552	210,691	199,347	143,203
Grants and Contributions Not Restricted to Specific Programs	3,117,893	1,233,772	1,159,220	795,233	670,894	14,375,721	23,249,755	26,684,764	27,312,689	35,436,721
Gain on Sale of Capital Assets					-	-	-	-	3,275,950	(170,397)
Miscellaneous	10,468,711	15,067,635	11,146,946	902,609	3,802,879	1,657,868	5,806,979	9,382,225	2,361,135	1,670,867
<b>Total Primary Government General Revenues</b>	<u>431,118,142</u>	<u>462,371,447</u>	<u>447,623,430</u>	<u>304,162,138</u>	<u>256,443,225</u>	<u>223,490,233</u>	<u>252,948,607</u>	<u>252,120,387</u>	<u>221,708,026</u>	<u>203,972,860</u>
<b>Change in Net Position - Total Primary Government</b>	<u>\$ 50,159,753</u>	<u>\$ 62,020,785</u>	<u>\$ 84,182,768</u>	<u>\$ 38,230,686</u>	<u>\$ 81,478,750</u>	<u>\$ (8,717,963)</u>	<u>\$ (19,053,526)</u>	<u>\$ (3,742,563)</u>	<u>\$ 2,709,536</u>	<u>\$ 26,047,630</u>

- (1) The District implemented GASB 65 which requires bond issuance costs and fees to be expensed in the current period rather than capitalized and amortized.  
(2) District changed the fiscal year from August 31st to June 30th, causing FY18 to be a ten month transition year.



**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED - Modified Accrual Basis of Accounting)**

**Table 3**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Fund</b>										
Non-Spendable	\$ 639,592	\$ 1,226,474	\$ 1,994,678	\$ 1,259,392	\$ 921,210	\$ 388,671	\$ 260,296	\$ 652,802	\$ 480,998	\$ 560,679
Restricted	8,195,905	5,912,295	4,003,902	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	80,000,000	65,000,000	43,000,000	-	-	-	-	-	-	12,370,000
Unassigned	109,453,315	105,876,078	109,863,904	99,919,463	79,544,432	42,388,148	41,645,389	50,540,602	51,357,231	44,566,407
Reserved										
Unreserved	-	-	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<u><u>198,288,812</u></u>	<u><u>178,014,847</u></u>	<u><u>158,862,484</u></u>	<u><u>101,178,855</u></u>	<u><u>80,465,642</u></u>	<u><u>42,776,819</u></u>	<u><u>41,905,685</u></u>	<u><u>51,193,404</u></u>	<u><u>51,838,229</u></u>	<u><u>57,497,086</u></u>
<b>All Other Governmental Funds</b>										
Non-spendable	-	844,653	843,473	706,851	769,891	-	1,064,594	1,066,076	1,050,843	1,101,217
Restricted	26,268,438	22,471,271	30,504,203	16,312,647	13,069,586	6,794,632	8,135,193	31,341,815	125,811,108	74,272,033
Committed	14,838,267	12,571,000	-	12,034,049	1,170,672	-	-	-	-	-
Reserved										
<b>Total All Other Governmental Funds</b>	<u><u>41,106,705</u></u>	<u><u>35,886,924</u></u>	<u><u>31,347,676</u></u>	<u><u>29,053,547</u></u>	<u><u>15,010,149</u></u>	<u><u>6,794,632</u></u>	<u><u>9,199,787</u></u>	<u><u>32,407,891</u></u>	<u><u>126,861,951</u></u>	<u><u>75,373,250</u></u>
<b>Total Governmental Funds</b>	<u><u>\$ 239,395,517</u></u>	<u><u>\$ 213,901,771</u></u>	<u><u>\$ 190,210,160</u></u>	<u><u>\$ 130,232,402</u></u>	<u><u>\$ 95,475,791</u></u>	<u><u>\$ 49,571,451</u></u>	<u><u>\$ 51,105,472</u></u>	<u><u>\$ 83,601,295</u></u>	<u><u>\$ 178,700,180</u></u>	<u><u>\$ 132,870,336</u></u>

- (1) Beginning with fiscal year 2011, GASB Statement No. 54 provides more clearly defined fund balance categories.  
(2) The District changed the fiscal year from August 31st to June 30th, causing FY18 to be a ten month transition year.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED - Modified Accrual Basis of Accounting)**

**Table 4**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>										
Local, Intermediate, and Out-of-State	\$ 358,433,096	\$ 385,342,885	\$ 383,745,244	\$ 290,986,398	\$ 247,082,439	\$ 227,162,757	\$ 232,705,068	\$ 231,058,737	\$ 195,604,378	\$ 172,474,869
State Programs	88,487,630	88,526,377	84,859,467	28,299,615	20,623,490	21,053,078	19,073,633	18,737,043	19,088,926	26,729,913
Federal Programs	42,308,309	36,063,282	23,359,637	24,183,803	18,685,939	21,215,787	20,326,884	22,460,877	22,460,379	23,228,029
Total Revenues	<u>489,229,035</u>	<u>509,932,544</u>	<u>491,964,348</u>	<u>343,469,816</u>	<u>286,391,868</u>	<u>269,431,622</u>	<u>272,105,585</u>	<u>272,256,657</u>	<u>237,153,683</u>	<u>222,432,811</u>
<b>EXPENDITURES</b>										
Current:										
Instruction	173,214,445	165,709,471	142,014,545	124,264,151	111,556,452	118,484,025	123,727,126	128,067,326	121,029,964	106,512,768
Instructional Resources and Media Services	2,758,771	2,564,805	2,149,278	2,170,129	2,039,138	2,201,422	2,535,397	2,677,299	2,446,571	2,381,465
Curriculum and Instructional Staff Development	8,041,188	5,422,435	5,302,131	4,793,940	3,395,378	6,236,129	7,416,140	7,343,131	5,645,660	4,601,235
Instructional Leadership	6,706,848	4,501,963	4,407,360	4,473,860	3,196,982	3,493,648	3,727,600	3,950,592	3,427,939	2,807,346
School Leadership	16,154,962	15,346,271	14,927,846	13,474,438	11,749,363	11,840,607	12,539,790	12,225,645	11,104,715	10,150,012
Guidance, Counseling, and Evaluation Services	12,262,668	10,877,714	9,652,505	8,936,341	7,481,290	7,675,215	7,889,897	7,508,564	7,315,032	6,762,936
Social Work Services	222,036	244,453	227,058	210,791	186,977	255,109	324,789	269,441	259,180	176,602
Health Services	4,134,088	3,407,097	2,827,838	2,253,575	1,989,289	2,079,715	2,192,420	2,289,051	2,056,336	1,935,143
Student Transportation	9,733,198	8,226,913	7,795,044	8,645,444	5,630,401	6,233,091	6,987,209	7,247,254	7,981,120	7,421,928
Food Services	14,895,072	9,937,974	10,933,930	11,843,011	10,749,129	11,818,288	12,666,506	11,679,603	10,301,852	10,495,732
Extracurricular Activities	7,071,296	5,487,989	5,570,113	4,681,638	4,080,673	3,911,366	4,061,485	3,885,925	3,930,366	4,090,148
General Administration	6,999,728	8,095,643	6,027,349	5,645,812	4,265,107	4,013,066	6,393,809	6,532,963	5,954,793	5,526,774
Plant Maintenance and Operations	32,527,909	28,018,111	22,735,192	19,550,441	17,100,448	20,239,382	21,110,197	22,018,327	20,910,539	17,610,254
Security and Monitoring Services	2,915,720	3,127,431	2,157,650	1,756,234	1,336,966	1,261,458	1,609,427	1,445,067	1,406,643	938,795
Data Processing Services	6,933,905	9,400,250	5,882,430	4,302,264	4,394,639	4,236,305	5,144,892	4,608,488	3,798,431	3,480,322
Community Services	1,468,695	1,312,121	631,801	625,914	382,090	476,088	440,055	806,028	910,786	917,579
Debt Service: (2)										
Principal on Long-term Debt	16,300,007	11,420,000	18,590,000	7,510,000	8,285,000	7,190,000	7,550,000	5,246,214	9,370,151	7,814,365
Interest on Long-term Debt	6,718,572	8,054,065	8,886,495	9,206,038	4,420,826	9,896,092	12,956,201	13,520,438	9,152,626	4,847,808
Capital Outlay:										
Facilities Acquisition and Construction (3)	8,750,482	23,523,916	16,341,914	3,525,195	48,345	2,327,206	19,843,230	93,671,691	44,081,063	14,923,310
Intergovernmental:										
Contracted instructional services between schools	124,213,933	153,749,183	139,079,427	64,924,677	38,120,581	45,806,661	47,592,168	32,294,988	14,750,275	-
Payments to Shared Services Arrangements	185,200	142,813	135,390	109,278	153,947	156,500	35,353	67,507	95,445	73,115
Other Intergovernmental Charges	2,323,593	2,241,283	2,071,738	1,810,034	1,396,826	1,467,585	-	-	-	-
Total Expenditures	<u>\$ 464,532,316</u>	<u>\$ 480,811,901</u>	<u>\$ 428,347,034</u>	<u>\$ 304,713,205</u>	<u>\$ 241,959,847</u>	<u>\$ 271,298,958</u>	<u>\$ 306,743,691</u>	<u>\$ 367,355,542</u>	<u>\$ 285,929,487</u>	<u>\$ 213,467,637</u>

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED - Modified Accrual Basis of Accounting)**

**Table 4 (continued)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>24,696,719</u>	\$ <u>29,120,643</u>	\$ <u>63,617,314</u>	\$ <u>38,756,611</u>	\$ <u>44,432,021</u>	\$ <u>(1,867,336)</u>	\$ <u>(34,638,106)</u>	\$ <u>(95,098,885)</u>	\$ <u>(48,775,804)</u>	\$ <u>8,965,174</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Capital-Related Bonds	-	-	-	-	-	-	38,495,000	-	85,235,000	-
Issuance of Refunding Bonds	-	39,344,986	-	-	54,335,996	26,000,000	-	-	-	6,810,000
Premium/Discount from Issuance of Bonds	-	1,233,090	-	-	8,280,087	1,564,732	3,519,627	-	8,696,812	70,175,000
Sale of Real and Personal Property	120,173	129,557	10,444	-	320,100	-	-	-	1,500,000	24,775
Other Resources	676,854	-	-	-	-	-	-	-	23,836	-
Transfers In	13,070,917	9,410,730	8,655,781	12,700,000	-	1,500,000	3,991,274	282,421	1,000,000	29,244
Transfers Out	(13,070,917)	(11,441,948)	(12,305,781)	(16,700,000)	-	(1,500,000)	(2,325,007)	(282,421)	(1,850,000)	-
Payment to Refunded Bond Escrow Agent	-	(44,105,447)	-	-	-	(27,231,417)	-	-	-	(6,985,000)
Other Uses	-	-	-	-	(62,074,057)	-	(41,538,611)	-	-	(29,244)
Total Other Financing Sources (Uses)	<u>797,027</u>	<u>(5,429,032)</u>	<u>(3,639,556)</u>	<u>(4,000,000)</u>	<u>862,126</u>	<u>333,315</u>	<u>2,142,283</u>	<u>-</u>	<u>94,605,648</u>	<u>70,024,775</u>
<b>Net Change in Fund Balances</b>	<b>\$ <u>25,493,746</u></b>	<b>\$ <u>23,691,611</u></b>	<b>\$ <u>59,977,758</u></b>	<b>\$ <u>34,756,611</u></b>	<b>\$ <u>45,294,147</u></b>	<b>\$ <u>(1,534,021)</u></b>	<b>\$ <u>(32,495,823)</u></b>	<b>\$ <u>(95,098,885)</u></b>	<b>\$ <u>45,829,844</u></b>	<b>\$ <u>78,989,949</u></b>
<b>Debt Service as a Percentage of Noncapital Expenditures (2)</b>	5.09%	4.26%	6.67%	6.52%	7.68%	7.50%	10.11%	6.92%	10.12%	9.46%

- (1) Expenditures for instruction have risen over the past ten years due to fast student growth.
- (2) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.
- (3) District changed the fiscal year from August 31st to June 30th, causing FY18 to be a ten month transition year.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS (in thousands of dollars)**  
**(UNAUDITED)**

**Table 5**

Fiscal Year Ended 6/30:	Assessed and Actual Value				Less: Exemptions	Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value	Personal Property Value	Mineral Value				
2022	\$ 19,332,733	\$ 8,331,685	\$ 10,265,502	\$ (3,473,048)	\$ 34,456,872	\$ 1.02360	
2021	18,877,061	8,340,330	12,365,252	(3,312,822)	36,269,821	1.02660	
2020	18,122,153	8,326,065	12,155,504	(3,522,451)	35,081,271	1.05005	
2019	15,602,169	6,523,695	6,227,978	(3,058,045)	25,295,797	1.12005	
2018	14,259,853	5,376,515	4,671,933	(2,830,872)	21,477,429	1.12755	
2017	13,840,552	5,302,986	2,625,419	(2,772,855)	18,996,102	1.12005	
2016	13,188,168	5,956,980	3,661,202	(2,723,421)	20,082,929	1.14005	
2015	11,682,852	5,045,866	4,903,315	(2,237,858)	19,394,175	1.14005	
2014	10,266,565	4,016,132	4,715,502	(2,020,972)	16,977,227	1.13005	
2013	8,721,682	3,299,732	4,539,011	(1,777,749)	14,782,676	1.14005	

Source: Midland Central Appraisal District

Source: Midland Central Appraisal District annually provides the District with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable value. Taxable value times the tax rate set by the District's Board of Trustees each fall equal the tax levy. Property is assessed at actual value; therefore, the assessed values are equal to the actual value. Tax rates are per \$100 of assessed value.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**ALLOCATION OF PROPERTY TAX RATES AND TAX LEVIES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 6**

Fiscal Year Ended 6/30:	District's Direct Tax Rates (Per \$100 of Assessed Value)			District's Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Total
2022	\$ 0.95340	\$ 0.07020	\$ 1.02360	\$ 322,706,067	\$ 23,761,248	\$ 346,467,315
2021	0.95640	0.07020	1.02660	341,794,504	25,087,817	366,882,321
2020	0.97005	0.08000	1.05005	334,995,173	27,627,025	362,622,198
2019	1.04005	0.08000	1.12005	257,746,269	19,825,688	277,571,957
2018	1.04005	0.08750	1.12755	218,441,864	18,377,644	236,819,508
2017	1.04005	0.08000	1.12005	192,762,976	14,827,212	207,590,188
2016	1.04005	0.10000	1.14005	204,557,920	19,668,097	224,226,017
2015	1.04005	0.10000	1.14005	197,228,168	18,963,347	216,191,515
2014	1.04005	0.09000	1.13005	172,615,109	14,937,129	187,552,238
2013	1.04005	0.10000	1.14005	150,141,862	14,436,032	164,577,894

Source: Midland Central Appraisal District

**MIDLAND INDEPENDENT SCHOOL DISTRICT**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS*

*LAST TEN FISCAL YEARS (PER \$100 OF ASSESSED VALUE)*

*(UNAUDITED)*

**Table 7**

<b>Taxing Authority</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b><u>Overlapping Rates:</u></b>										
Midland County	\$ 0.1416	\$ 0.1288	\$ 0.1280	\$ 0.1400	\$ 0.1400	\$ 0.1560	\$ 0.1560	\$ 0.1408	\$ 0.1265	\$ 0.1402
Midland County Hospital District	0.1086	0.0996	0.0991	0.1262	0.1262	0.1351	0.1351	0.1198	0.1183	0.1251
Midland College District	0.1012	0.9221	0.0912	0.1147	0.1147	0.1371	0.1259	0.1244	0.1332	0.1442
Midland, City of	0.3672	0.3589	0.3647	0.3922	0.4084	0.3997	0.3805	0.3939	0.4319	0.4611
Odessa, City of	0.4771	0.4771	0.4766	0.4766	0.4706	0.4706	0.4706	0.4758	0.5128	0.5128
<b>Total Other Entities</b>	<b>\$ 1.1957</b>	<b>\$ 1.9865</b>	<b>\$ 1.1596</b>	<b>\$ 1.2497</b>	<b>\$ 1.2599</b>	<b>\$ 1.2985</b>	<b>\$ 1.2681</b>	<b>\$ 1.2547</b>	<b>\$ 1.3227</b>	<b>\$ 1.3834</b>
<b><u>District Direct Rates (1):</u></b>										
Maintenance & Operations	\$ 0.95340	\$ 0.95640	\$ 0.97005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005
Debt Service	0.07020	0.07020	0.08000	0.08000	0.08750	0.08000	0.10000	0.10000	0.09000	0.10000
<b>Total District Direct Rates</b>	<b>\$ 1.02360</b>	<b>\$ 1.02660</b>	<b>\$ 1.05005</b>	<b>\$ 1.12005</b>	<b>\$ 1.12755</b>	<b>\$ 1.12005</b>	<b>\$ 1.14005</b>	<b>\$ 1.14005</b>	<b>\$ 1.13005</b>	<b>\$ 1.14005</b>

Source: Midland Central Appraisal District

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(UNAUDITED)**

**Table 8**

Taxpayer	2022			Taxpayer	2013		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value		Assessed Value	Rank	Percentage of Total Assessed Value (3)
PIONEER NATURAL RES -WI-	\$ 1,999,020,058	1	5.80%	PIONEER NATURAL RES -WI-	\$ 831,699,040	1	5.66%
ENDEAVOR ENERGY RESOURCES LP	990,049,059	2	2.87%	ENDEAVOR ENERGY RESOURCES LP	329,778,810	2	2.24%
CHEVRON USA INC	926,218,210	3	2.69%	CHEVRON USA INC	309,022,580	3	2.10%
XTO ENERGY INC	908,445,290	4	2.64%	BP AMERICA PRODUCTION	283,937,170	4	1.93%
POPERTRO SERVICES	787,913,210	5	2.29%	HENRY RESOURCES LLC	283,691,960	5	1.93%
COG OPERATING LLC	783,650,070	6	2.27%	FASKEN LAND & MATERIALS LTD	209,223,090	6	1.42%
DIAMONBACK E&P LLC	474,938,000	7	1.38%	COG OPERATING LLC	157,477,170	7	1.07%
APACHE CORP	248,334,030	8	0.72%	TRA MIDLAND PROPERTIES LLC	143,754,910	8	0.98%
OVINTIV USA INC	240,099,180	9	0.70%	TXU ELECTRIC DELIVERY	121,243,560	9	0.82%
ONCOR ELECTRIC	236,956,370	10	0.69%	MOBILE PRODUCING TX&NM	115,157,550	10	0.78%
<b>TOTALS</b>	<b>\$ 7,595,623,477</b>		<b>22.04%</b>	<b>TOTALS</b>	<b>\$ 2,784,985,840</b>		<b>18.95%</b>
<b>Total Assessed Value</b>	<b>\$ 34,456,872,604</b>			<b>Total Assessed Value</b>	<b>\$ 14,698,146,126</b>		

(1) Assessed (taxable) value equals appraised value after exemptions.

Source: Municipal Advisory Council of Texas

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 9**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (Original Levy)</u>			<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Amount</u>	<u>Percentage of Net Tax Levy</u>	<u>Amount</u>		<u>Percent of Total Tax Collections to Net Tax Levy</u>	
2022	\$ 346,467,315	\$ (6,499,638)	\$ 339,967,677	\$ 335,220,257	98.60%	\$ -	\$ 335,220,257	98.60%
2021	366,882,320	4,132,354	371,014,674	364,001,076	98.11%	4,114,433	368,115,509	99.22%
2020	362,622,198	3,600,209	366,222,407	362,002,727	98.85%	3,562,543	365,565,270	99.82%
2019	277,571,957	459,751	278,031,708	273,443,149	98.35%	2,376,241	275,819,390	99.20%
2018	236,819,508	1,414,385	238,233,893	235,544,997	98.87%	2,325,014	237,870,011	99.85%
2017	207,590,188	(1,092,019)	206,498,169	203,086,671	98.35%	2,484,702	205,571,373	99.55%
2016	224,226,017	215,257	224,441,274	221,624,418	98.74%	2,179,619	223,804,037	99.72%
2015	216,191,515	(1,003,872)	215,187,643	213,157,471	99.06%	1,663,651	214,821,122	99.83%
2014	187,552,238	(62,569)	187,489,669	185,316,839	98.84%	1,666,283	186,983,122	99.73%
2013	164,577,895	652,765	165,230,660	163,694,317	99.07%	873,203	164,567,520	99.60%

Source: Midland Central Appraisal District



**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 10**

Fiscal Year Ended 6/30:	Governmental Activities		Total Primary Government	Ratio of Debt to Personal Income (2)	Debt Per Capita (3)	(In thousands)	
	General Obligation Bonds (1)	Notes and Leases Payable (3)				From Table 14 Personal Income (in thousands) (2)	From Table 14 Total Population (2)
2022	\$ 166,290,669	\$ 1,557,624	\$ 167,848,293	*	\$ 1,048	\$ *	160,223
2021	184,509,283	-	184,509,283	0.81%	1,123	22,898,663	164,316
2020	181,600,996	-	181,600,996	0.77%	1,099	23,513,106	165,170
2019	200,190,996	-	200,190,996	1.29%	1,229	15,501,036	162,945
2018	207,700,996	-	207,700,996	1.68%	1,315	12,379,069	157,944
2017	215,990,000	-	215,990,000	1.24%	1,388	17,420,746	155,583
2016	248,822,488	-	248,822,488	1.43%	1,621	17,457,778	153,538
2015	256,784,624	-	256,784,624	1.68%	1,724	15,300,461	148,914
2014	263,298,300	-	263,298,300	1.94%	1,837	13,573,085	143,314
2013	179,870,936	-	179,870,936	1.43%	1,313	12,595,330	136,953

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

Outstanding debt includes unamortized premiums.

(2) See Table 14 for personal income and population data.

(3) The District implemented GASB 87, Leases during the year ended June 30, 2022.

\* Data not available. Calendar year 2021 is the most recent available information.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 11**

<b>Fiscal Year Ended 6/30:</b>	<b>Total Primary Debt (1)</b>	<b>Less Amounts Available in Debt Service Fund (2)</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value (3)</b>	<b>Net Bonded Debt Per Capita (4)</b>	<b>From Table 5 Taxable Assessed Value</b>	<b>From Table 14 Total Population (1)</b>
2022	\$ 167,848,293	\$ 15,474,644	\$ 152,373,649	0.44%	\$ 951	\$ 34,456,872	160,223
2021	184,509,283	16,325,207	168,184,076	0.46%	1,024	36,269,821	164,316
2020	181,600,996	13,791,731	167,809,265	0.48%	1,016	35,081,271	165,170
2019	200,190,996	13,040,957	187,150,039	0.74%	1,149	25,295,797	162,945
2018	207,700,996	9,168,987	198,532,009	1.39%	1,257	14,259,853	157,944
2017	215,990,000	2,577,310	213,412,690	1.54%	1,372	13,840,552	155,583
2016	248,822,488	4,190,832	244,631,656	1.85%	1,593	13,188,168	153,538
2015	256,784,624	4,282,175	252,502,449	2.16%	1,696	11,682,852	148,914
2014	263,298,300	4,025,729	259,272,571	2.53%	1,809	10,266,565	143,314
2013	179,870,936	6,741,455	173,129,481	1.99%	1,264	8,721,682	136,953

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt includes unamortized premiums.
- (2) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.
- (3) See Table 5 for assessed value data.
- (4) See Table 14 for population data.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)**  
**AS OF JUNE 30, 2022**  
**UNAUDITED)**

**Table 12**

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to School District</u>
<b><u>Overlapping:</u></b>			
Midland County	\$ 7,375,000	90.94%	\$ 6,706,825
Midland County Hospital District	149,935,000	90.94%	136,350,889
Midland College District	10,660,000	100.00%	10,660,000
Midland, City of	247,000,000	99.85%	246,629,500
Odessa, City of	229,295,000	11.11%	25,474,675
Total Overlapping Debt			425,821,889
<b><u>Direct:</u></b>			
Midland Independent School District (2)		100.0%	167,848,293
<b>TOTAL OVERLAPPING AND DIRECT DEBT</b>			<b>\$ 593,670,182</b>

Source: Midland Advisory Council of Texas

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.
- (2) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt includes unamortized premiums.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION (1)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 13**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit -										
10% of Assessed Valuation	\$ 3,445,687,200	\$ 3,626,982,100	\$ 3,508,127,100	\$ 2,529,579,700	\$ 2,147,742,900	\$ 1,899,610,200	\$ 2,008,292,900	\$ 1,939,417,500	\$ 1,697,722,700	\$ 1,478,267,600
Total Net Debt Applicable to Limit	<u>152,373,649</u>	<u>168,184,076</u>	<u>167,809,265</u>	<u>187,150,039</u>	<u>198,532,009</u>	<u>213,412,690</u>	<u>244,631,656</u>	<u>252,502,449</u>	<u>259,272,571</u>	<u>173,129,481</u>
Legal Debt Margin	<u>\$ 3,293,313,551</u>	<u>\$ 3,458,798,024</u>	<u>\$ 3,340,317,835</u>	<u>\$ 2,342,429,661</u>	<u>\$ 1,949,210,891</u>	<u>\$ 1,686,197,510</u>	<u>\$ 1,763,661,244</u>	<u>\$ 1,686,915,051</u>	<u>\$ 1,438,450,129</u>	<u>\$ 1,305,138,119</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.42%	4.64%	4.78%	7.40%	9.24%	11.23%	12.18%	13.02%	15.27%	11.71%

**Legal Debt Margin Calculation for Fiscal Year 2021:**

Assessed Value (2)	\$ 34,456,872,000
Debt Limit Percentage of Assessed Value	10%
Debt Limitation	<u>3,445,687,200</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 167,848,293
Less Restricted for Retirement of Bonded Debt (3)	<u>15,474,644</u>
Total Amount of Debt Applicable to Debt Limitation	<u>152,373,649</u>
	<u>\$ 3,293,313,551</u>

- (1) The District voted its maintenance tax under former Article 2784e-1, which provided that the net bonded indebtedness of the District shall not exceed 10% of all assessed real and personal property in the District.
- (2) See Table 5.
- (3) See Restricted for long-term debt at the fund level.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 14**

<b>Year</b>	<b>Population</b>	<b>Personal Income (in thousands of dollars) (4)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate (3)</b>
2021	160,223	\$ *	\$ *	31.8	26,398	5.7%
2020	164,316	22,898,663	124,667	31.4	25,579	5.3%
2019	165,170	23,513,106	128,766	31.5	26,432	2.1%
2018	162,945	15,501,036	110,041	31.4	26,183	1.9%
2017	157,944	12,379,069	75,002	33.5	25,716	2.3%
2016	155,583	17,420,746	103,517	33.5	24,692	2.9%
2015	153,538	17,457,778	104,714	33.5	24,555	4.5%
2014	148,914	15,300,461	115,473	33.1	24,369	3.3%
2013	143,314	13,573,085	111,256	33.1	23,560	2.6%
2012	136,953	12,595,330	105,502	33.6	23,319	3.5%

**Sources:** (1) Municipal Advisory Council of Texas  
(2) Bureau of Economic Analysis for the Midland, TX Metropolitan Statistical Area  
(3) Midland Development Corporation  
(4) Internal District Records  
(5) Bureau of Labor Statistics

**Note:** \* Data not available. Calendar year 2020 is the most recent available information.

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(UNAUDITED)**

**Table 15**

2022				2013			
Employer	Employees	Rank	Percentage of Total Employment (1)	Employer	Employees	Rank	Percentage of Total Employment (2)
Midland Independent School District	2,876	1	2.85%	Midland Independent School District	2,919	1	3.00%
Endevour Energy Resources	1,300	2	1.29%	Midland Memorial Hospital	1,670	2	1.72%
City of Midland	1,026	3	1.02%	Dawson Geophysical	1,244	3	1.28%
Midland County	1,000	4	0.99%	Wal-Mart Super Center	950	4	0.98%
Midland Memorial Hospital	950	5	0.94%	City of Midland	880	5	0.90%
ConocoPhillips	900	6	0.89%	Midland College	735	6	0.75%
Chevron	830	7	0.82%	Baker & Hughes	600	7	0.62%
H-E-B	700	8	0.69%	Warren-Cat	597	8	0.61%
Walmart	680	9	0.67%	Midland County	541	9	0.56%
XTO Energy, Inc.	400	10	0.40%	Concho Resources	509	10	0.52%
	<u>10,662</u>		<u>10.56%</u>		<u>10,645</u>		<u>10.94%</u>

(1) Total Employment for 2022: 100,845

(3) Total Employment for 2013: 97,372

Sources:

(1) Individual employers were contacted and some consider this proprietary information and may be estimated.

(2) Midland Development Corporation - The Perryman Group Economic Index Report

(3) City of Midland 2013 Annual Comprehensive Financial Report - estimated amount based on percentages provided

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 16**

<b>POSITION:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Administrator	13	16	16	9	13	7	7	6	7	7
Associate/Assistant Principal	66	68	59	62	58	53	56	58	57	57
Athletic Trainer	4	3	3	2	-	-	1	-	1	1
Auxiliary Staff	11	10	10	7	17	-	-	-	-	-
Counselor	67	63	57	54	58	61	60	56	55	55
Educational Aide	268	228	178	158	173	168	152	151	152	152
Educational Diagnostician	30	21	25	19	18	16	18	17	16	16
Librarian	20	19	19	20	20	20	23	23	23	23
Music Therapist	-	1	1			1				
Nurse	36	39	37	33	30	36	36	29	36	36
Occupational Therapist	2	2	2	2	2	2	2	2	1	1
Other Campus Prof. Personel	21	32	37	34	34	40	37	30	37	37
Other Non-Campus Prof. Personel	112	109	89	76	49	91	83	80	82	82
Orientation/Mobility Instructor	-	1	1	1						
Physical Therapist	2	2	2	2	2	1	2	2	1	1
Psychologist/LSSP	-	3	4	6	3	2	4	4	5	5
Principal	40	40	39	38	38	38	38	38	35	35
Social Worker	2	3	2	2	2	1	1	1	1	1
Speech Therapist/Speech Lang. Pathologist	21	27	19	23	23	23	22	20	19	19
Teacher	1,672	1,662	1,589	1,570	1,581	1,578	1,562	1,588	1,513	1,513
Teacher Facilitator	21	26	23	17	21	42	61	79	49	49
<b>Total Employees</b>	<b>2,408</b>	<b>2,375</b>	<b>2,211</b>	<b>2,134</b>	<b>2,142</b>	<b>2,179</b>	<b>2,165</b>	<b>2,185</b>	<b>2,090</b>	<b>2,090</b>

Source: Internal District records

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 17**

<b>Fiscal Year Ended 6/30: (3)</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures (1)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Government Wide Expenses</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
2022	26,398	\$ 304,587,135	\$ 11,538	1.03%	\$ 308,019,778	\$ 11,668	-0.54%	1,693	15.59	50.46%
2021	25,579	292,118,802	11,420	18.69%	300,083,377	11,732	11.37%	1,688	15.15	50.60%
2020	26,432	254,335,693	9,622	10.14%	278,428,298	10,534	11.62%	1,612	16.39	44.52%
2019	26,183	228,753,333	8,737	14.92%	247,085,393	9,437	20.79%	1,587	16.50	47.09%
2018	25,716	195,505,921	7,603	-13.08%	200,912,643	7,813	-17.51%	1,602	16.05	47.06%
2017	24,692	215,975,091	8,747	-7.33%	233,872,706	9,472	-6.77%	1,621	15.24	50.32%
2016	24,555	231,758,293	9,438	-2.60%	249,467,288	10,160	1.90%	1,623	15.13	46.30%
2015	24,369	236,142,649	9,690	4.86%	242,966,669	9,970	3.96%	1,667	14.62	42.23%
2014	23,560	217,727,998	9,241	12.99%	225,948,351	9,590	13.82%	1,562	15.08	46.33%
2013	23,319	190,729,962	8,179	5.13%	196,478,459	8,426	3.96%	1,562	14.92	46.58%

(1) Operating expenditures are total expenditures less recapture, debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.



**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**TEACHER BASE SALARIES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Table 18**

<u>Fiscal Year Ended 6/30:</u>	<u>District</u>		<u>Region * Average Salary (2)</u>	<u>Statewide Average Salary (2)</u>
	<u>Minimum Salary (1)</u>	<u>Maximum Salary (1)</u>		
2022	\$ 57,500	\$ 79,450	\$ 56,010	\$ 53,484
2021	56,500	78,450	56,158	57,091
2020	53,500	75,250	55,194	52,525
2019	50,000	70,750	51,287	46,450
2018	49,050	70,050	49,845	45,570
2017	49,050	69,450	52,208	49,692
2016	49,050	70,050	52,140	48,821
2015	48,000	69,430	51,953	48,375
2014	47,000	68,430	52,431	48,639
2013	45,000	66,430	51,826	48,263

(1) Source: District records.

(2) Source: Texas Education Agency Snapshot: School District Profiles

Note: \* Midland Independent School District is part of Region 18 - Midland

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Table 19  
**1 of 5**

<b>Building:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>HIGH SCHOOLS</b>										
<b>Midland Senior High School (1928)</b>										
Square Footage	364,264	364,264	364,264	364,264	364,264	358,871	358,871	358,871	358,871	358,871
Capacity	2,353	2,915	2,915	2,915	2,915	2,872	2,872	2,872	2,872	2,872
Enrollment	2,323	2,347	2,319	2,365	2,374	2,229	2,149	2,165	2,085	2,062
<b>Lee High School (1961)</b>										
Square Footage	382,343	382,343	382,343	382,343	382,343	382,343	382,343	382,343	382,343	382,343
Capacity	2,316	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758
Enrollment	2,339	2,348	2,281	2,288	2,209	2,229	2,221	2,145	2,137	2,205
<b>Coleman High School (1991)</b>										
Square Footage	31,348	31,348	26,620	26,620	26,620	26,620	26,620	26,620	26,620	26,620
Capacity	111	403	235	342	342	342	342	342	342	342
Enrollment	197	145	170	153	164	161	166	170	136	140
<b>Lee Freshman High School (1956)</b>										
Square Footage	138,365	138,365	138,365	138,365	138,365	138,365	138,365	138,365	138,365	138,365
Capacity	1,026	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212
Enrollment	939	826	843	853	805	777	804	786	785	769
<b>Midland Freshman High School (1966)</b>										
Square Footage	133,050	133,050	133,050	133,050	133,050	133,050	133,050	133,050	133,050	133,050
Capacity	1,000	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197
Enrollment	851	838	843	803	842	798	818	786	785	769
<b>Midland Alternative Program Center (1945)</b>										
Square Footage	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250	22,250
Capacity	263	359	359	359	359	359	359	359	359	359
Enrollment	18	8	8	18	12	19	19	36	26	16
<b>JUNIOR HIGH SCHOOLS</b>										
<b>Abell Jr. High School (1993)</b>										
Square Footage	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity	1,000	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Enrollment	1,109	1,111	1,095	1,077	1,036	986	984	1,012	823	911

Source: Internal District Records

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Table 19  
**2 of 5**

<b>Building:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Alamo Jr. High School (1957)</b>										
Square Footage	123,022	123,022	123,022	123,022	123,022	123,022	123,022	123,022	123,022	123,022
Capacity	1,000	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
Enrollment	851	797	814	841	732	731	732	791	815	764
<b>Goddard Jr. High School (1966)</b>										
Square Footage	114,952	114,952	114,952	114,952	114,952	114,952	114,952	114,952	114,952	114,952
Capacity	1,000	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Enrollment	1,059	1,024	1,009	1,046	1,212	1,063	1,047	1,051	1,001	929
<b>San Jacinto Jr. High School (1952)</b>										
Square Footage	122,288	122,288	122,288	122,288	122,288	122,288	122,288	122,288	122,288	122,288
Capacity	895	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Enrollment	804	866	902	882	698	765	735	709	1,001	929
<b>Young Women's Leadership Academy (2019)</b>										
Square Footage	27,904	27,904	14,848	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	316	42	280	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	330	285	148	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>ELEMENTARY SCHOOLS</b>										
<b>Bonham Elementary (1957)</b>										
Square Footage	65,303	65,303	65,303	65,303	65,303	65,303	65,303	59,422	59,422	59,422
Capacity	674	728	728	728	728	728	728	662	662	662
Enrollment	484	535	614	647	631	585	697	852	812	751
<b>Bowie Elementary (1954)</b>										
Square Footage	90,881	90,881	90,881	90,881	90,881	90,881	90,881	75,283	75,283	75,283
Capacity	526	636	636	636	636	636	636	527	527	527
Enrollment	489	484	501	507	518	499	467	474	476	507
<b>Bunche Elementary (2015)</b>										
Square Footage	92,770	94,306	92,770	92,770	92,770	92,770	92,770	92,770	N/A	N/A
Capacity	819	862	818	848	848	848	848	848	N/A	N/A
Enrollment	854	805	858	834	812	775	787	-	N/A	N/A
<b>Burnet Elementary (1958)</b>										
Square Footage	63,512	63,512	63,512	63,512	63,512	63,512	63,512	58,037	58,037	58,037
Capacity	642	597	597	597	597	597	597	546	546	546
Enrollment	460	462	581	511	553	545	627	659	623	588

Source: Internal District Records

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Table 19  
**3 of 5**

<b>Building:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Bush Elementary (1989)</b>										
Square Footage	60,752	60,752	60,752	60,752	60,752	60,752	60,752	60,752	60,752	60,752
Capacity	576	450	450	450	450	450	450	450	450	450
Enrollment	512	470	531	479	473	456	451	687	608	593
<b>Carver Elementary (1949)</b>										
Square Footage	83,620	83,620	83,620	83,620	83,620	83,620	83,620	80,733	80,733	80,733
Capacity	526	509	509	509	509	509	509	491	491	491
Enrollment	463	500	529	511	505	450	468	431	399	395
<b>De Zavala Elementary (1983)</b>										
Square Footage	65,079	65,079	65,079	65,079	65,079	65,079	65,079	65,079	65,079	65,079
Capacity	653	673	673	673	673	673	673	673	673	673
Enrollment	620	599	696	647	588	455	470	518	482	434
<b>Emerson Elementary (1966)</b>										
Square Footage	63,069	63,069	63,069	63,069	63,069	63,069	63,069	63,069	63,069	63,069
Capacity	617	560	560	560	560	560	560	560	560	560
Enrollment	436	435	482	505	496	521	497	641	578	602
<b>Fannin Elementary (1957)</b>										
Square Footage	68,232	68,232	68,232	68,232	68,232	68,232	68,232	68,232	68,232	68,232
Capacity	640	694	694	694	694	694	694	694	694	694
Enrollment	598	594	584	599	579	534	517	666	640	641
<b>Fasken Elementary (2015)</b>										
Square Footage	92,500	92,872	92,500	92,500	92,500	92,500	92,500	92,500	N/A	N/A
Capacity	819	906	818	902	902	902	902	902	N/A	N/A
Enrollment	885	787	869	793	755	867	566	-	N/A	N/A
<b>Franks Elementary (1951)</b>										
Square Footage	70,371	70,371	70,371	70,371	70,371	70,371	70,371	70,371	70,371	70,371
Capacity	632	740	740	740	740	740	740	740	740	740
Enrollment	687	590	535	456	398	412	422	394	369	453
<b>Greathouse Elementary (2009)</b>										
Square Footage	72,238	73,774	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238
Capacity	827	789	745	773	773	773	773	773	773	773
Enrollment	839	790	838	830	779	714	704	757	717	747
<b>Henderson Elementary (1960)</b>										
Square Footage	71,193	71,193	71,193	71,193	71,193	71,193	71,193	71,193	71,193	71,193
Capacity	667	794	794	794	794	794	794	794	794	794
Enrollment	365	362	412	409	468	466	469	497	485	650

Source: Internal District Records

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Table 19  
**4 of 5**

<b>Building:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Sam Houston Elementary (1951)</b>										
Square Footage	75,877	75,877	75,877	75,877	75,877	75,877	75,877	75,877	75,877	75,877
Capacity	667	690	690	690	690	690	690	690	690	690
Enrollment	455	375	372	407	464	491	473	569	630	694
<b>Jones Elementary (1969)</b>										
Square Footage	57,687	57,687	57,687	57,687	57,687	57,687	57,687	57,687	57,687	57,687
Capacity	568	594	594	594	594	594	594	594	594	594
Enrollment	339	346	401	383	373	365	384	496	478	487
<b>Lamar Elementary (1952)</b>										
Square Footage	62,641	62,641	62,641	62,641	62,641	62,641	62,641	62,641	62,641	53,889
Capacity	607	632	632	632	632	632	632	632	632	544
Enrollment	433	456	521	503	544	527	580	617	571	482
<b>Long Elementary (1955)</b>										
Square Footage	67,879	67,879	67,879	67,879	67,879	67,879	67,879	67,879	60,982	60,982
Capacity	684	635	635	635	635	635	635	635	570	570
Enrollment	559	514	553	557	518	527	538	637	628	538
<b>Ben Milam International Academy (1955)</b>										
Square Footage	69,901	69,901	69,901	69,901	69,901	69,901	69,901	69,901	69,901	69,901
Capacity	645	752	752	752	752	752	752	752	752	752
Enrollment	485	495	463	439	450	362	465	513	576	564
<b>Parker Elementary (1983)</b>										
Square Footage	63,841	63,841	63,841	63,841	63,841	63,841	63,841	63,841	63,841	63,841
Capacity	601	490	490	490	490	490	490	490	490	490
Enrollment	533	506	580	523	486	461	444	558	502	495
<b>Pease Communications &amp; Technology Academy (1959)</b>										
Square Footage	73,785	73,785	73,785	73,785	73,785	73,785	73,785	73,785	54,970	54,970
Capacity	648	598	598	598	598	598	598	598	446	446
Enrollment	467	480	514	583	621	550	568	542	513	556
<b>Rusk Elementary (1961)</b>										
Square Footage	60,184	60,184	60,184	60,184	60,184	60,184	60,184	60,184	53,134	53,134
Capacity	563	458	458	458	458	458	458	458	404	404
Enrollment	392	324	357	423	415	445	423	588	586	566
<b>Santa Rita Elementary (1983)</b>										
Square Footage	68,531	68,531	68,531	68,531	68,531	68,531	68,531	68,531	68,531	68,531
Capacity	652	616	616	616	616	616	616	616	616	616
Enrollment	557	547	613	590	600	561	540	671	578	538

Source: Internal District Records

**MIDLAND INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Table 19  
**5 of 5**

<b>Building:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Scharbauer Elementary (1985)</b>										
Square Footage	73,212	73,212	73,212	73,212	73,212	73,212	73,212	73,212	73,212	73,212
Capacity	796	687	687	687	687	687	687	687	687	687
Enrollment	636	676	721	783	766	701	515	863	820	780
<b>South Elementary (1945)</b>										
Square Footage	56,771	56,771	56,771	56,771	56,771	56,771	56,771	56,771	49,823	49,823
Capacity	607	515	515	515	515	515	515	515	452	452
Enrollment	503	485	551	598	583	589	662	481	527	543
<b>IDEA Travis Elementary (1983)</b>										
Square Footage	78,891	78,891	78,891	78,891	78,891	78,891	78,891	78,891	78,891	78,891
Capacity	856	862	862	862	862	862	862	862	862	862
Enrollment	929	770	685	745	779	702	667	850	755	590
<b>Washington Elementary (1952)</b>										
Square Footage	71,515	71,515	71,515	71,515	71,515	71,515	71,515	71,515	58,032	58,032
Capacity	648	457	457	457	457	457	457	457	371	371
Enrollment	352	363	440	474	464	440	418	468	476	505
<b>Yarbrough Elementary (2015)</b>										
Square Footage	92,500	92,500	92,500	92,500	92,500	92,500	92,500	92,500	N/A	N/A
Capacity	819	818	818	818	818	818	818	818	N/A	N/A
Enrollment	832	783	774	763	707	607	720	-	N/A	N/A

Source: Internal District Records



Single Audit Section  
June 30, 2022

# Midland Independent School District



**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***

To the Board of Trustees of  
Midland Independent School District  
Midland, Texas

We have audited, in accordance with 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Midland 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 the District's basic financial statements, and have issued our report thereon dated November 11, 2022.

**Report on Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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



**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
November 11, 2022



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

The Board of Trustees of  
Midland Independent School District  
Midland, Texas

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Midland 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 the 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 the 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.

## **Auditor's Responsibility 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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
November 11, 2022

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2022

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture				
Passed - Through Texas Education Agency				
Child Nutrition Cluster				
240	National School Breakfast Program*	10.553	71402101	\$ 1,101,442
240	National School Breakfast Program*	10.553	71402201	3,764,523
240	National School Lunch Program - Cash Assistance**	10.555	71302101	2,392,602
240	National School Lunch Program - Cash Assistance**	10.555	71302201	8,935,871
240	National School Lunch Program - Noncash Assistance**	10.555	71302201	965,818
Total Passed - Through Texas Education Agency				<u>17,160,256</u>
Passed - Through Texas Department of Agriculture				
Child Nutrition Cluster				
242	Summer Food Service Program for Children - Cash Assistance	10.559	81085391	16,131
Total Child Nutrition Cluster				<u>17,176,387</u>
240	Child and Adult Food Care Program - At-risk Child Care***	10.558	216TX332N1099	149,156
240	Child and Adult Food Care Program - Cash-in-Lieu***	10.558	216TX332N1099	10,596
240	National School Lunch Program Equipment Assistance	10.579	226TX355N8103	15,739
240	State Pandemic EBT Administrative Cost Grant	10.649	226TX109S9009	5,814
Total U.S. Department of Agriculture				<u>17,357,692</u>
U.S. Department of Defense				
Direct				
199	Junior Reserve Officers Training Corps	12.000	Not available	59,886
Total U.S. Department of Defense				<u>59,886</u>
Federal Communications Commission				
Direct				
289	COVID-19 Emergency Connectivity Fund Program	32.009	Not available	56,050
Total Federal Communications Commission				<u>56,050</u>
U.S. Department of Education				
Passed - Through Texas Education Agency				
Title I Grants to Local Education Agencies				
211	Title I. Part A - Improving Basic Programs	84.010A	21610101165901	60,071
211	Title I. Part A - Improving Basic Programs	84.010A	22610101165901	2,812,644
288	Title I, Transformation Zone	84.010A	206101487110010	6,543
288	Title I, School Transformation	84.010A	226101577110044	22,776
296	Title I, 1003(A). Priority and Focus School Grant	84.010A	21610141165901	1,448
296	Title I, 1003(A). Priority and Focus School Grant	84.010A	22610141165901	430,035
289	Title I, School Action Fund - Implementation	84.010A	216101527110003	501,848
Total Title I Grants to Local Educational Agencies (ALN 84.010A)				<u>3,835,365</u>

See Notes to Schedule of Expenditures of Federal Awards

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2022

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
	Title IV Grants to Local Educational Agencies			
287	Title IV, Part A, Subpart 1	84.424A	21680101165901	35,614
287	Title IV, Part A, Subpart 1	84.424A	22680101165901	<u>167,506</u>
	Total Title IV Grants to Local Educational Agencies (ALN 84.424A)			<u>203,120</u>
	Special Education Cluster (IDEA)			
224	Special Education Grants to States****	84.027A	206600011659016600	93,777
224	Special Education Grants to States****	84.027A	216600011659016600	1,010,270
224	Special Education Grants to States****	84.027A	226600011659016600	4,658,382
284	COVID-19 Special Education Grants to States****	84.027A	225350011659015350	101,985
225	Special Education Preschool Grants*****	84.173A	206610011659016610	8,946
225	Special Education Preschool Grants*****	84.173A	216610011659016610	983
225	Special Education Preschool Grants*****	84.173A	226610011659016610	101,766
285	COVID-19 Special Education Preschool Grants*****	84.173A	225360011659015360	<u>19,519</u>
	Total Special Education Cluster (IDEA)			<u>5,995,628</u>
	English Language Acquisition State Grants			
263	Title III, Part A - LEP	84.365A	21671001165901	31,914
263	Title III, Part A - LEP	84.365A	22671001165901	<u>398,647</u>
	Total English Language Acquisition State Grants (ALN 84.365A)			<u>430,561</u>
	Career and Technical Education -- Basic Grants to States			
244	Career and Technical Education -- Basic Grants to States	84.048A	214200287110017	50,318
244	Career and Technical Education -- Basic Grants to States	84.048A	22420006165901	<u>277,919</u>
	Total Career and Technical Education - Basic Grants to States (ALN 84.048A)			<u>328,237</u>
	Supporting Effective Instruction State Grants			
255	Supporting Effective Instruction State Grants	84.367A	20694501165901	40,286
255	Supporting Effective Instruction State Grants	84.367A	21694501165901	182,464
255	Supporting Effective Instruction State Grants	84.367A	22694501165901	<u>394,651</u>
	Total Supporting Effective Instruction State Grants (ALN 84.367A)			617,401
289	LEP Summer School	84.369A	69552002	8,847

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2022

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)			
266	COVID-19 ESSER	84.425D	20521001165901	2,505,111
281	COVID-19 CRRSA ESSER	84.425D	21521001165901	2,337,337
282	COVID-19 ARP ESSER	84.425U	21528001165901	6,321,942
	Total COVID-19 Elementary and Secondary School Emergency Relief Fund (ALN 84.425)			<u>11,164,390</u>
	Total Passed - Through Texas Education Agency			22,583,549
	Total U.S. Department of Education			<u>22,583,549</u>
	U.S. Department of Health and Human Services			
	Passed - Through Texas Health and Human Services Commission			
289	ELC - Reopening Schools	93.323	HHS001114100001	502,178
272	Medicaid Administrative Program (Medicaid cluster)	93.778	HHS000537900108	44,755
	Total Medicaid Cluster			<u>44,755</u>
	Total U.S. Department of Health and Human Services			<u>546,933</u>
	Total Federal Financial Assistance			<u><u>\$40,604,110</u></u>
	* Total School Breakfast Program (ALN 10.553)			\$ 4,865,965
	** Total National School Lunch Program (ALN 10.555)			12,294,291
	*** Total Child and Adult Food Care Program (ALN 10.558)			159,752
	**** Total Special Education Grants to States (ALN 84.027A)			5,864,414
	***** Total Special Education Preschool Grants to States (ALN 84.173A)			131,214

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**Note 2 - Summary of Significant Accounting Policies**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

School health and related services revenues are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Total expenditures of federal awards per Exhibit K-1	\$ 40,604,110
General fund - federal revenue	
School Health and Related Services (SHARS)	1,704,199
Total federal revenues per Exhibit C-2	<u>\$ 42,308,309</u>

**Note 3 - Indirect Cost Rate**

The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal awards.

**Note 4 - Food Donation**

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed.



**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/ALN Number</u>
Title I, Part A - Improving Basic Programs	84.010A
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D ; 84.425U
ELC - Reopening Schools	93.323
Dollar threshold used to distinguish between type A and type B programs:	\$1,218,123
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

The audit disclosed no findings required to be reported.

**Section III – Federal Award Findings and Questioned Costs**

The audit disclosed no findings and questioned costs required to be reported.

Midland Independent School District  
 Schedule of Required Responses to Selected School First Indicators (Exhibit L-1)  
 Year Ended June 30, 2022

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 1,705,575