



ANNUAL COMPREHENSIVE

# FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021



**MIDLAND INDEPENDENT SCHOOL DISTRICT**

615 W. Missouri Ave., Midland, TX 79701

Prepared by the Office of Financial Services

Darrell Dodds  
Chief Financial Officer

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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, 2021 at a meeting of the Board of Trustees of such school district on the 15th day of November 2021.

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  
615 W. Missouri Ave., Midland, TX 79701  
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November 15, 2021

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, 2021. 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.

This report is presented in four sections as described below:

1. **Introductory Section:** This section includes this transmittal letter, a listing of the District’s principal officials and advisors, and an organizational chart of the District.
2. **Financial Section:** This section is prepared in accordance with generally accepted accounting principles for governments, as prescribed by the Governmental Accounting Standards Board and other professional associations (GAAP). This section includes Management’s Discussion and Analysis (“MD&A”), basic financial statements, budgetary comparison schedules, and combining fund statements and other supplementary schedules, as well as the independent auditor’s report on the financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and can be found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.
3. **Statistical Section:** This section consists of unaudited tables which reflect both financial and demographic information. This data is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District, and is generally presented on a multi-year basis.
4. **Single Audit Section:** The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This section includes the independent auditor’s reports on internal control and compliance with laws, regulations, and grant provisions.

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





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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 2020-2021 school year, the district served 25,579 students from pre-kindergarten through grade 12. The District currently operates two high schools (grades 10-12), two freshmen centers, one early college high school, two alternative education high schools, five junior high schools, and 28 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 26,000 students in the 2021-2022 school year. Recent statistics indicate a student population that is approximately 64% Hispanic, 23% Caucasian, 7% African-American, 3% Asian, and 2% 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

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



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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 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



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entrepreneurs seeking growth opportunities, Midland's tax base grew 90% from 2016 to 2020. Tax year 2020 assessed values totaled \$36 billion compared to tax year 2016 assessed values of \$19 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 those affected most directly by the pandemic. From 2019 to 2020, airline boardings have increased 323% and hotel receipts increased 96%. As of June 2021, the rig count was 235, compared to 135 in June 2020, and oil prices were over \$71/barrel, compared to \$38/barrel in June 2020, 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 three years, management has also actively reduced the District's debt, saving over \$19 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.

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 is currently developing a strategic plan using the results of stakeholder engagement sessions and needs assessment conducted in the Spring of 2021. The plan will include short-, mid-, and long-term goals, commitment statements and action steps focused on improving student outcomes for all students. Future long-term financial planning shall be 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



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district to innovate and support choice options to enable all families to ensure that all students are sitting in seats in high performing schools.

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 will begin during the 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 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,

*Carla Martin*

Carla Martin  
Executive Director of Finance  
Signed reports on file with the District

*Darrell Dodds*

Darrell Dodds  
Chief Financial Officer

*Angélica Ramsey*

Dr. Angélica Ramsey  
Superintendent

Midland Independent School District  
District Officials, Staff and Consultants  
June 30, 2021

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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	4 months
Darrell Dodds	Chief Financial Officer	2 Years
Kellie Spencer	Chief Operations Officer	1 Year
Woodrow Bailey	Chief of Human Capital	20 Years
Katie Atkins	Chief of Staff	2 Years
Dr. Elise Kail	Chief Transformation Officer	32 Years
Elana Ladd	Chief Communications Officer	2 Years
Sid Pounds	General Counsel	2 Years
Carla Martin	Executive Director of Financial Services	6 Years
Arturo Valenzuela	Controller	4 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

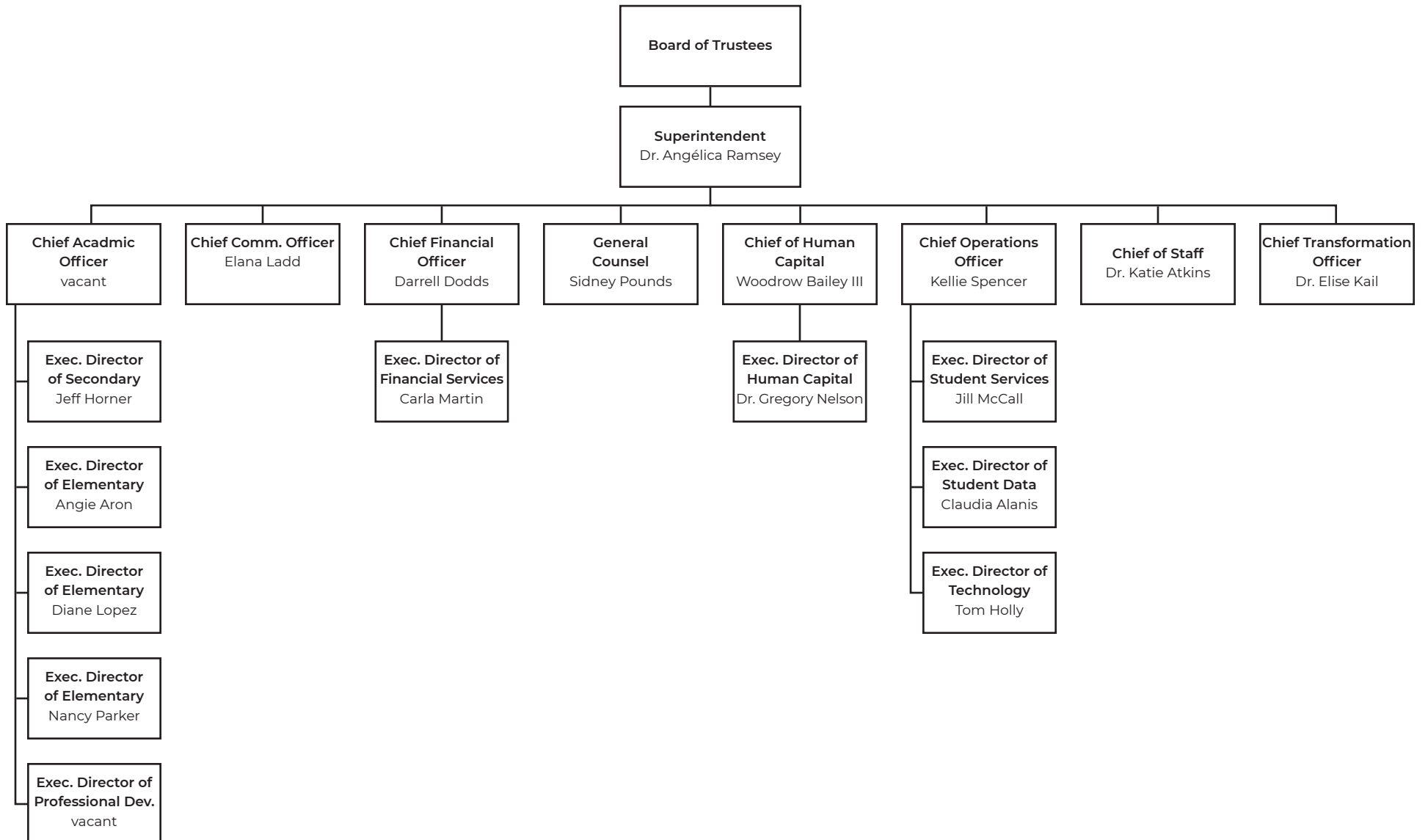


# Midland Independent School District

## Executive Organizational Chart

School Year 2020-21

(As of June 30, 2021)



## **FINANCIAL SECTION**



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Notes 4 and 19 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2020. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan schedules and OPEB plan schedules on pages 13 through 24 and 78 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining nonmajor fund financial statements, the TEA required schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2021 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, 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.

Abilene, Texas  
November 15, 2021

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 twelve-month period ended June 30, 2021. 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:
  - The District’s Maintenance and Operations (M&O) tax rate decreased to \$0.95640 per \$100 valuation for the 2020-21 school year from \$0.97005 per \$100 valuation in the 2019-20 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 166<sup>th</sup> Congress of the United States passed the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act on December 27, 2020 to provide supplemental appropriations to prevent, prepare for, and respond to the 2020 coronavirus pandemic (COVID-19). 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 will offset in the 2021-22 school year through dollars received through the Elementary and Secondary School Emergency Relief II Fund (ESSER II).
- At the close of the twelve-month period ended June 30, 2021, the District’s assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources. Net position was \$207 million.
- The government-wide statements reported total revenues of \$515 million, which exceeded total expenditures of \$453 million and resulted in a net increase of net position of \$62 million.
- The governmental funds financial statements reported combined ending fund balance of \$213 million for the twelve-month period ending June 30, 2021, an increase of \$23 million in comparison with the prior twelve-month period. This balance consists of \$178 million in the General Fund, \$105 million of which is unassigned and available for spending at the District’s discretion, and \$65 million assigned for future capital projects, technology projects, self-insurance, and coverage for anticipated future state aid reduction. Restricted fund balance totals \$28 million and is included in the General Fund, Debt Service Fund, and Non-Major Funds. Committed fund balance is \$12 million and consists of amounts held in campus activity funds and construction funds. Non-spendable fund balance is \$2 million.
- 2020-21 property values increased by 3% from prior year, resulting in the following for the General Fund:
  - Local property tax revenue of \$338 million increased by \$4 million, or 1%, from prior year
  - Recapture expense of \$153 million increased by \$14 million, or 11%, from prior year
  - State revenue of \$87 million increased by \$8 million, or 10%, from prior year, which was primarily due to transition funds totaling \$57 million.
- The General Fund had \$440 million in revenues, which primarily consisted of local property taxes and state aid. Expenditures of \$414 million, including \$153 million in recapture, resulted in an increase in fund balance by \$19 million for the twelve-month period ended June 30, 2021.

## 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.	All revenue and expenses during the year, regardless of when cash is received or paid.

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 \$62 million from the previous year as can be seen on the following table.

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

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 409,399,183	55	\$ 366,869,717	54	\$ 42,529,466	12
Capital assets, net of accumulated depreciation	<u>331,670,924</u>	<u>45</u>	<u>313,148,754</u>	<u>46</u>	<u>18,522,170</u>	<u>6</u>
Total assets	741,070,107	100	680,018,471	100	61,051,636	9
Total deferred outflows of resources	41,329,329	100	41,520,740	100	(191,411)	0
Other liabilities	199,563,350	39	189,794,810	37	9,768,540	5
Long-term liabilities outstanding	<u>306,204,961</u>	<u>61</u>	<u>325,624,848</u>	<u>63</u>	<u>(19,419,887)</u>	<u>(6)</u>
Total liabilities	505,768,311	100	515,419,658	100	(9,651,347)	(2)
Total deferred inflows of resources	69,289,441	100	60,798,654	100	8,490,787	14
Net position:						
Net investment in capital assets	149,054,674	72	113,812,106	78	35,242,568	31
Restricted	26,339,652	13	14,832,124	10	11,507,528	78
Unrestricted	<u>31,947,358</u>	<u>15</u>	<u>16,676,669</u>	<u>11</u>	<u>15,270,689</u>	<u>92</u>
<b>Total net position</b>	<u><u>207,341,684</u></u>	<u><u>100</u></u>	<u><u>145,320,899</u></u>	<u><u>100</u></u>	<u><u>62,020,785</u></u>	<u><u>43</u></u>

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:



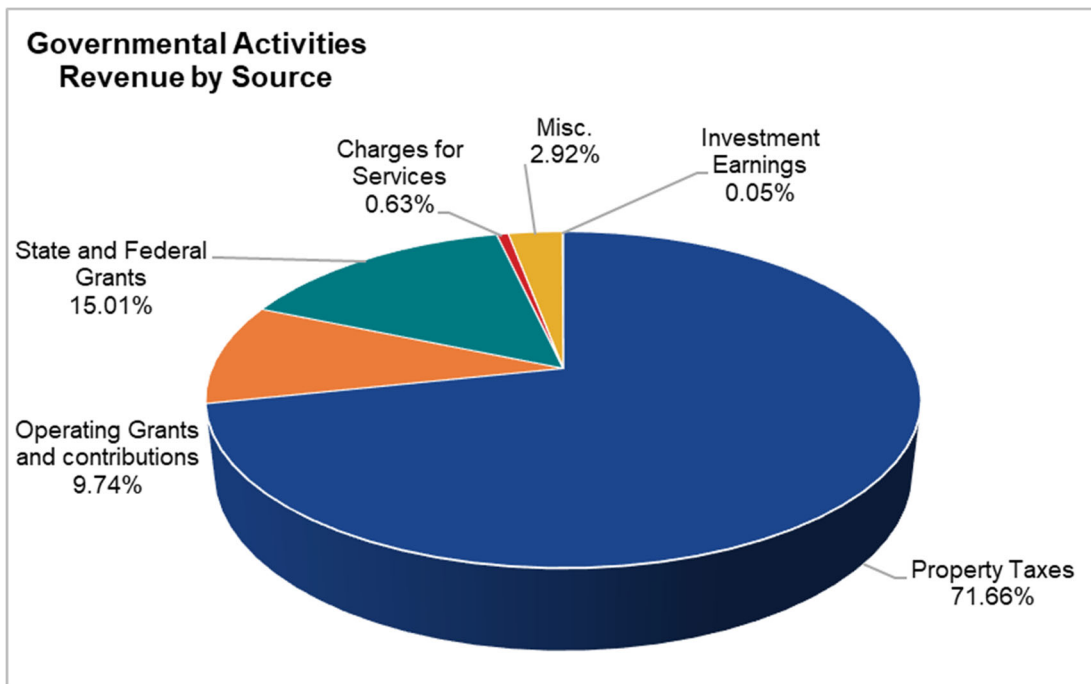
- Property values resulted in a 3% increase in the property tax base which resulted in an increase in current assets related to property taxes receivable from the levy. In addition, delinquent taxes collected increased by 60%.
- As allowed by HB3, the District elected to make one recapture payment in 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 \$18 million of capital net asset value.
- Net liability decreased by \$19 million, primarily from a decrease in net OPEB 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 increased \$14 million while total expenses increased by \$36 million which resulted in a net increase of net position of \$62 million.

**Revenues**

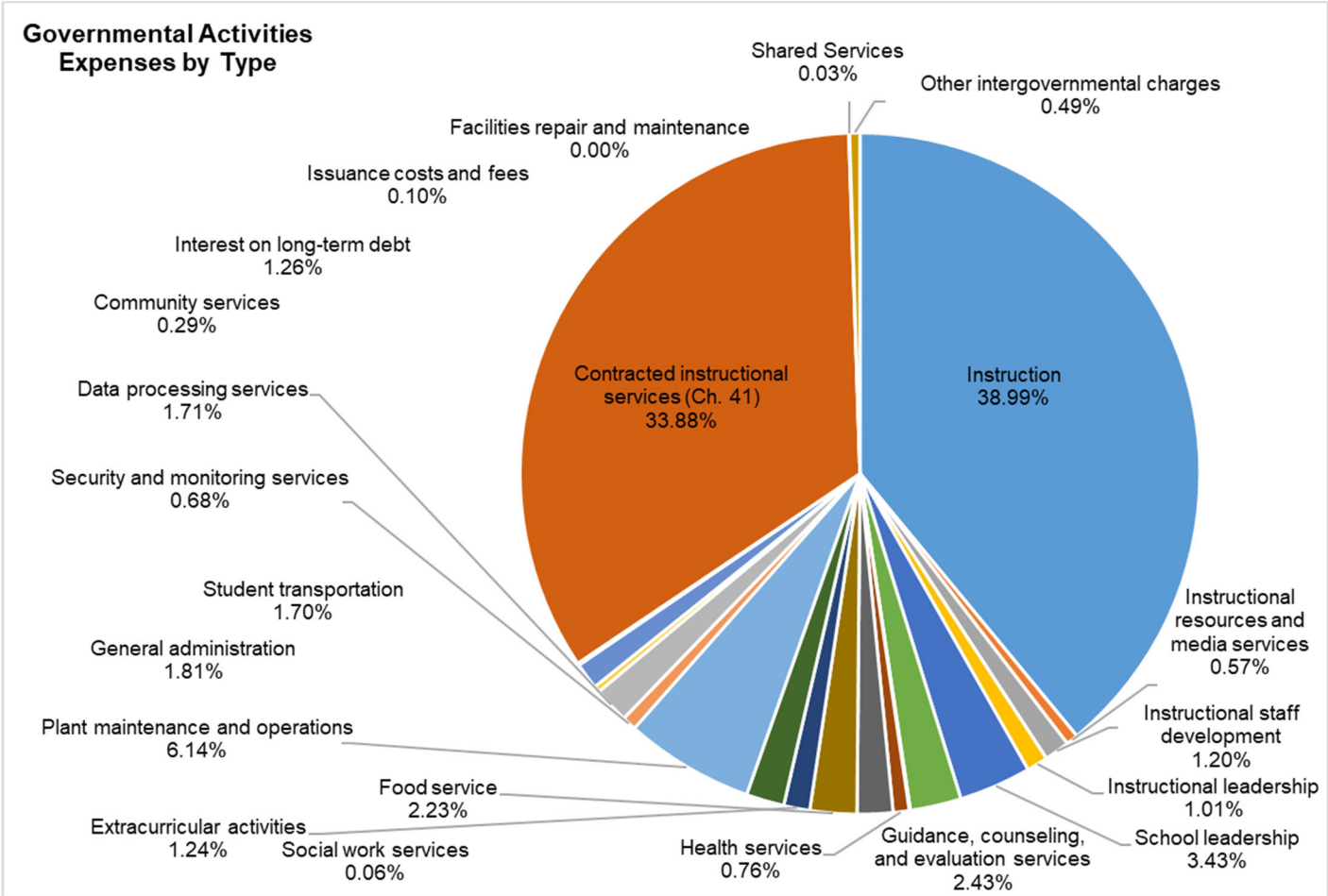
The District's total revenues were \$515 million, representing an increase of \$14 million from the previous year. The majority of this increase is due to a 3% increase in the District's assessed valuations which resulted in increases in property tax revenue and state transition funds. As seen below, approximately 72% of the District's revenue comes from local property taxes, 15% from state and federal sources, and 10% from other grants and contributions.



**Expenses**

The District's total expenses were \$453 million, representing an increase of \$36 million from the previous year. The majority of this increase is due to an increase in the property values and decrease in Refined Average Daily Attendance (ADA) due to COVID. Both factors increase the District's recapture payment - an increase of \$14 million, or 11%, from prior year. The District's primary functional expenses are

- Instruction - \$176 million, or 39 percent of total expenses
- Recapture ("Contracted instructional service") - \$153 million, or 34 percent
- Plant maintenance and operations - \$27 million, or 6 percent



Midland Independent School District  
Management's Discussion and Analysis  
Year Ended June 30, 2021

In total, governmental activities increased the District's net position by \$62 million dollars. Key elements of this change are as follows:

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

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue:						
Program revenues:						
Charges for services	\$ 3,248,988	1	\$ 5,389,316	1	\$ (2,140,328)	(40)
Operating grants and contributions	48,378,978	9	46,458,187	9	1,920,791	4
Capital grants and contributions	1,853,932	-	2,219,560	-	(365,628)	-
General revenues:						
Property taxes, levied for general purpose	344,384,055	67	337,225,720	67	7,158,335	2
Property taxes, levied for debt service	25,260,525	5	27,803,971	6	(2,543,446)	(9)
State Aid - Formula Grants	76,181,141	15	68,010,443	14	8,170,698	12
Grants and contributions not restricted to specific programs	1,233,772	-	1,159,220	-	74,552	6
Investment earnings	244,319	-	2,277,130	-	(2,032,811)	(89)
Miscellaneous	15,067,635	3	11,146,946	2	3,920,689	35
Total revenues	515,853,345	100	501,690,493	100	14,162,852	3
Expenses:						
Instruction	176,946,482	39	162,597,018	39	14,349,464	9
Instructional resources and media services	2,589,965	1	2,305,866	1	284,099	12
Curriculum and instructional staff development	5,455,794	1	5,536,355	1	(80,561)	(1)
Instructional leadership	4,565,224	1	4,681,789	1	(116,565)	-
School leadership	15,576,818	3	16,138,210	4	(561,392)	(3)
Guidance, counseling, and evaluation services	11,018,414	2	10,499,148	3	519,266	5
Social work services	250,330	-	245,761	-	4,569	2
Health services	3,450,263	1	3,059,613	1	390,650	-
Student transportation	7,704,040	2	6,431,096	2	1,272,944	20
Food service	10,106,078	2	11,335,282	3	(1,229,204)	(11)
Extracurricular activities	5,617,185	1	5,923,508	1	(306,323)	(5)
General administration	8,216,210	2	6,463,183	2	1,753,027	27
Plant maintenance and operations	27,869,467	6	23,452,336	6	4,417,131	19
Security and monitoring services	3,081,976	1	2,232,659	1	849,317	38
Data processing services	7,762,807	2	6,225,613	1	1,537,194	25
Community services	1,335,738	-	704,573	-	631,165	90
Interest on long-term debt	5,702,956	1	7,950,025	2	(2,247,069)	(28)
Issuance costs and fees	449,534	0	20,595	0	428,939	2083
Facilities repair and maintenance	-	0	418,540	0	(418,540)	(100)
Contracted instructional services between schools	153,749,183	34	139,079,427	33	14,669,756	11
Payments related to shared services arrangement	142,813	-	135,390	-	7,423	5
Payments to juvenile justice alternative education programs	-	-	-	-	-	-
Other intergovernmental charges	2,241,283	-	2,071,738	-	169,545	8
Total expenses	453,832,560	100	417,507,725	100	36,324,835	9
Increase in net position before transfers	62,020,785		84,182,768		(22,161,983)	
Transfers	-		-		-	
Change in net position	62,020,785		84,182,768		(22,161,983)	
Net position - beginning	145,320,899		61,138,131		84,182,768	
<b>Net position - ending</b>	<b>\$ 207,341,684</b>		<b>\$ 145,320,899</b>		<b>\$ 62,020,785</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 \$213 million, an increase of \$23 million in comparison with the prior year. Approximately 49 percent of this total amount (\$105 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 (\$1.7 million), 2) restricted to pay debt service (\$16 million), 3) restricted by cooperative partnership agreements (\$5 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 (\$23 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 (\$11 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 \$105 million, while total fund balance reached \$178 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 26 percent of total General Fund expenditures, while total fund balance represents 43 percent of that same amount.

The fund balance of the District's General Fund increased by \$19 million during the current fiscal year. Key factors in this growth are as follows:

- Revenues totaled \$440 million which is a 3 percent increase from previous year. Total property tax revenues increased by \$7 million, or 2 percent, and increased state funds by \$8 million, or 10%, primarily in transition funds.
- Expenditures totaled \$414 million which is a 16 percent increase from previous year. This includes \$14 million, or 11 percent, increase in the District's recapture expenditure.

**Debt Service Fund.** The Debt Service Fund has a total fund balance of \$16 million, all of which is restricted for the payment of debt service. The net increase in fund balance was \$2 million. Revenues totaled \$25 million which is a 9 percent decrease from previous year. Although property values increased by 3 percent, the District's debt management has decreased its annual debt service which requires a decrease in the tax rate from \$0.0800 per \$100 valuation to \$0.0702 per \$100 valuation. Expenditures totaled \$19 million, which is a 29 percent, or \$8 million, decrease from previous year. The decrease was due to a smaller 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 \$28 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. Both factors reduced the amount of recapture originally estimated for the year. The final amendment was based on the knowledge of the fiscal year.
  
- ***Variances of amended budget to actual expenditures.***  
Expenditures were \$11 million less than final budgeted amounts. This was primarily due to the impact of the COVID-19 pandemic on the supply chain network and delivery of goods in the Spring of 2021 and also administrative vacancies due to a planned reorganization for the 2021-22 school year.
  
- ***Variances of original revenue budget compared to actual revenue***  
Revenues exceeded the original budget by \$44 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. In addition, mineral supplements for tax years 2019 and 2020 were completed in Spring 2021 that were not known nor budgeted at the time of original budget adoption.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

At the end of 2021, the District had invested \$331 million in a broad range of capital assets, including land, buildings, and equipment. This amount represents a net increase of \$18 million, or 6 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 8 of this report.

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

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 19,361,548	6	\$ 19,361,548	6	\$ -	0
Buildings and improvements	285,391,551	86	282,598,281	90	2,793,270	1
Furniture and equipment	9,938,621	3	8,273,964	3	1,664,657	20
Construction in progress	16,979,204	5	2,914,961	1	14,064,243	482
<b>Totals</b>	<b>\$ 331,670,924</b>	<b>100</b>	<b>\$ 313,148,754</b>	<b>100</b>	<b>\$ 18,522,170</b>	<b>6</b>

**Long-Term Debt**

At the end of 2021, the District had \$306 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 \$19 million. Additional information on the District's long-term debt can be found in Note 9 of this report.

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

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 170,180,982	56	\$ 181,600,996	56	\$ (11,420,014)	(6)
Accretion on CAB, Series 2017	1,275,934	-	846,293	-	429,641	51
Net pension liability	70,809,956	23	63,972,376	20	6,837,580	11
Net OPEB liability	63,938,089	21	79,205,183	24	\$ (15,267,094)	100
<b>Totals</b>	<b>\$ 306,204,961</b>	<b>100</b>	<b>\$ 325,624,848</b>	<b>100</b>	<b>\$ (19,419,887)</b>	<b>(6)</b>

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

The 2021-22 appraised property values, based on January 1, 2021, saw an 11% decrease from the prior year. In addition, based on current enrollment and attendance experienced in 2020-21, the district is budgeting for a 0% increase in Refined ADA.

The Maintenance and Operations (M&O) tax rate decreased to \$0.9534 per \$100 valuation for the 2021-22 year. The Interest and Sinking (I&S) tax rate remained at \$0.0702 per \$100 valuation for the 2021-22 year. In addition, local property values are estimated to decrease by 11%, resulting in General Fund property tax revenues to decrease by \$52 million and state revenue budgeted to decrease by \$9 million

General Fund expenditures are budgeted to decrease by \$33 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. Although the Permian Basin was heavily affected during the COVID-19 pandemic, production of crude oil and natural gas has been steady along with positive investment outlook. 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.

Data Control Codes	1 Primary Governmental Activities	Component Unit Midland I.S.D. Education Foundation	
<b>Assets</b>			
1110	Cash and cash equivalents	\$ 38,971,968	\$ 2,432,452
1120	Investments - current	341,003,073	678,398
1220	Property taxes receivable (delinquent)	18,028,365	-
1230	Allowance for uncollectible taxes	(7,310,882)	-
1240	Due from other governments	15,111,593	-
1267	Due from private purpose trust fund	1,060	-
1290	Other receivables	408,790	-
1300	Inventories at cost	1,728,088	-
1410	Prepayments	624,418	-
1490	Other current assets	832,710	-
<b>Capital assets</b>			
1510	Land	19,361,548	-
1520	Buildings, net	285,391,551	-
1530	Furniture and equipment, net	9,938,621	-
1580	Construction in progress	16,979,204	-
1000	<b>Total assets</b>	<b>741,070,107</b>	<b>3,110,850</b>
<b>Deferred outflows of resources</b>			
1705	Deferred outflows - pension	28,263,990	-
1706	Deferred outflows - OPEB	9,295,463	-
1710	Deferred charge on refunding	3,769,876	-
1700	<b>Total deferred outflows of resources</b>	<b>41,329,329</b>	<b>-</b>
<b>Liabilities</b>			
2110	Accounts payable	3,600,891	-
2140	Interest payable	2,453,137	-
2150	Payroll deductions and withholdings	3,922,737	-
2160	Accrued wages payable	13,259,812	-
2180	Due to other governments	154,525,521	-
2200	Accrued liabilities	2,642,960	-
2300	Unearned revenue	4,829,991	-
<b>Noncurrent liabilities</b>			
2501	Due within one year	6,725,000	-
2502	Due in more than one year	164,731,916	-
2516	Premium on issuance of bonds	14,328,301	-
2540	Net pension liabilities	70,809,956	-
2545	Net OPEB liabilities	63,938,089	-
2000	<b>Total liabilities</b>	<b>505,768,311</b>	<b>-</b>

See Notes to Financial Statements



Midland Independent School District  
Statement of Net Position (Exhibit A-1)  
June 30, 2021

<u>Data Control Codes</u>	<u>1 Primary Governmental Activities</u>	<u>Component Unit Midland I.S.D. Education Foundation</u>
Deferred Inflows of Resources		
2605	14,427,150	-
2606	52,985,448	-
2610	1,876,843	-
2600	<u>69,289,441</u>	<u>-</u>
Net Position		
3200	149,054,674	-
3820	6,146,064	-
3850	14,281,293	-
3890	5,912,295	3,110,850
3900	31,947,358	-
3000	<u>\$ 207,341,684</u>	<u>\$ 3,110,850</u>

Data Control Codes	Functions/Programs	Expenses
	Primary government	
	Governmental activities	
11	Instruction	\$ 176,946,482
12	Instructional resources and media services	2,589,965
13	Curriculum and instructional staff development	5,455,794
21	Instructional leadership	4,565,224
23	School leadership	15,576,818
31	Guidance, counseling, and evaluation services	11,018,414
32	Social work services	250,330
33	Health services	3,450,263
34	Student transportation	7,704,040
35	Food service	10,106,078
36	Extracurricular activities	5,617,185
41	General administration	8,216,210
51	Plant maintenance and operations	27,869,467
52	Security and monitoring services	3,081,976
53	Data processing services	7,762,807
61	Community services	1,335,738
72	Interest on long-term debt	5,702,956
73	Issuance costs and fees	449,534
81	Facilities repair and maintenance	-
91	Contracted instructional services between schools	153,749,183
93	Payments related to shared services arrangement	142,813
99	Other intergovernmental charges	2,241,283
TG	Total governmental activities	<u>453,832,560</u>
TP	Total primary government	<u>\$ 453,832,560</u>
IC	Component unit	<u>\$ 1,534,956</u>

Midland Independent School District  
Statement of Activities (Exhibit B-1)  
Year Ended June 30, 2021

3	4	5	Net (Expense) Revenue and Changes in Net Position	Component Unit
Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Midland I.S.D. Education Foundation
\$ 2,289,211	\$ 23,713,573	\$ -	\$ (150,943,698)	
-	327,675	-	(2,262,290)	
-	1,834,972	-	(3,620,822)	
-	996,941	-	(3,568,283)	
-	1,510,066	-	(14,066,752)	
-	2,183,552	-	(8,834,862)	
-	28,728	-	(221,602)	
-	654,438	-	(2,795,825)	
-	487,864	-	(7,216,176)	
65,328	12,315,374	508,886	2,783,510	
754,752	274,728	1,313,627	(3,274,078)	
-	641,530	-	(7,574,680)	
139,697	2,004,949	-	(25,724,821)	
-	465,302	-	(2,616,674)	
-	331,575	31,419	(7,399,813)	
-	192,608	-	(1,143,130)	
-	147,123	-	(5,555,833)	
-	-	-	(449,534)	
-	125,167	-	125,167	
-	-	-	(153,749,183)	
-	142,813	-	-	
-	-	-	(2,241,283)	
<u>3,248,988</u>	<u>48,378,978</u>	<u>1,853,932</u>	<u>(400,350,662)</u>	
<u>\$ 3,248,988</u>	<u>\$ 48,378,978</u>	<u>\$ 1,853,932</u>	<u>\$ (400,350,662)</u>	
<u>\$ -</u>	<u>1,595,361</u>	<u>\$ -</u>		\$ 60,405
General revenues:				
Taxes:				
MT	Property taxes, levied for general purposes		344,384,055	-
DT	Property taxes, levied for debt services		25,260,525	-
SF	State aid - Formula grants		76,181,141	-
GC	Grants and contributions not restricted to specific programs		1,233,772	-
IE	Investment earnings		244,319	6,349
MI	Miscellaneous		15,067,635	-
TR	Total general revenues		<u>462,371,447</u>	<u>6,349</u>
CN	Change in net position		62,020,785	66,754
NB	Net position - beginning		145,320,899	3,044,096
NE	Net position - ending		<u>\$ 207,341,684</u>	<u>\$ 3,110,850</u>

Data Control Codes		199	599
		General Fund	Debt Service Fund
Assets			
1110	Cash and cash equivalents	\$ 19,124,812	\$ 78,075
1120	Current investments	310,636,501	15,834,201
1220	Property taxes - delinquent	16,751,796	1,276,569
1230	Allowance for uncollectable taxes	(6,788,894)	(521,988)
1240	Due from other governments	8,911,811	67,973
1260	Due from other funds	6,062,486	-
1290	Other receivables	(8,416)	-
1300	Inventories	883,435	-
1410	Prepayments	343,039	-
1490	Other current assets	832,710	-
1000	Total assets	<u>356,749,280</u>	<u>16,734,830</u>
1000a	Total assets and deferred outflows of resources	<u>\$ 356,749,280</u>	<u>\$ 16,734,830</u>
Liabilities			
2110	Accounts payable	\$ 2,791,633	\$ 400
2150	Payroll deductions and withholdings	3,529,812	-
2160	Accrued wages payable	12,594,829	-
2170	Due to other funds	27,168	-
2180	Due to other governments	154,436,693	-
2300	Unearned revenue	43,558	-
2000	Total liabilities	<u>173,423,693</u>	<u>400</u>
Deferred inflows of resources			
2600	Unavailable revenue - property taxes	<u>5,310,740</u>	<u>409,223</u>
	Total deferred inflows of resources	<u>5,310,740</u>	<u>409,223</u>
Fund balances			
3410	Nonspendable - inventories	883,435	-
3430	Nonspendable - prepaid items	343,039	-
3450	Restricted - grants	-	-
3480	Restricted - debt service	-	16,325,207
3490	Restricted - other	5,912,295	-
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	23,000,000	-
3600	Unassigned	105,876,078	-
3000	Total fund balances	<u>178,014,847</u>	<u>16,325,207</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 356,749,280</u>	<u>\$ 16,734,830</u>

See Notes to Financial Statements

Midland Independent School District  
Balance Sheet – Governmental Funds (Exhibit C-1)  
June 30, 2021

Total Nonmajor Funds	98 Total Governmental Funds
\$ 14,092,548	\$ 33,295,435
10,505,883	336,976,585
-	18,028,365
-	(7,310,882)
6,131,809	15,111,593
16,934	6,079,420
370,796	362,380
844,653	1,728,088
-	343,039
-	832,710
31,962,623	405,446,733
\$ 31,962,623	\$ 405,446,733
\$ 510,014	\$ 3,302,047
392,925	3,922,737
664,983	13,259,812
6,060,873	6,088,041
68,544	154,505,237
4,703,567	4,747,125
12,400,906	185,824,999
-	5,719,963
-	5,719,963
844,653	1,728,088
-	343,039
6,146,064	6,146,064
-	16,325,207
-	5,912,295
11,543,012	11,543,012
1,027,988	1,027,988
-	30,000,000
-	10,000,000
-	2,000,000
-	23,000,000
-	105,876,078
19,561,717	213,901,771
\$ 31,962,623	\$ 405,446,733

## Midland Independent School District

Reconciliation to the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit C-1r)  
June 30, 2021

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Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 213,901,771
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.		12,184,573
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.		326,481,888
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(170,180,982)	
Deferred charge on refunding	3,769,876	
Deferred gain on refunding	(1,876,843)	
Unamortized premiums on bonds payable	(14,328,301)	
Accumulated accretion on capital appreciation bonds	<u>(1,275,934)</u>	(183,892,184)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(2,453,137)
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		5,719,963
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	(70,809,956)	
Deferred outflows of resources - TRS pension	28,263,990	
Deferred inflows of resources - TRS pension	(14,427,150)	
Net OPEB liability	(63,938,089)	
Deferred outflows of resources - TRS-Care OPEB	9,295,463	
Deferred inflows of resources - TRS-Care OPEB	<u>(52,985,448)</u>	<u>(164,601,190)</u>
Total Net Position - Governmental Activities (Exhibit A-1)		<u><u>\$ 207,341,684</u></u>

Data Control Codes		General Fund
	Revenues	
5700	Local and intermediate revenues	\$ 351,228,906
5800	State program revenues	87,496,752
5900	Federal program revenues	2,233,974
5020	Total revenues	<u>440,959,632</u>
	Expenditures	
	Current	
0011	Instruction	149,810,598
0012	Instructional resources and media services	2,376,455
0013	Curriculum and instructional staff development	3,808,308
0021	Instructional leadership	3,693,206
0023	School leadership	14,767,612
0031	Guidance, counseling, and evaluation services	9,240,671
0032	Social work services	232,846
0033	Health services	3,290,085
0034	Student transportation	8,175,860
0035	Food service	-
0036	Extracurricular activities	5,449,193
0041	General administration	7,751,435
0051	Plant maintenance and operations	26,465,365
0052	Security and monitoring services	2,307,928
0053	Data processing services	9,400,250
0061	Community services	1,121,521
	Debt service	
0071	Principal on long-term debt	-
0072	Interest on long-term debt	-
0073	Issuance costs and fees	-
	Capital outlay	
0081	Facilities acquisition and construction	10,360,755
	Intergovernmental	
0091	Contracted instructional services between schools	153,749,183
0093	Payments related to shared service arrangements	-
0099	Other intergovernmental charges	2,241,283
6030	Total expenditures	<u>414,242,554</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>26,717,078</u>
	Other financing sources (uses)	
7911	Issuance of bonds	-
7912	Sale of real and personal property	129,557
7915	Transfers in	-
7916	Premium or (discount) on issuance of bonds	-
8911	Transfers out	(7,694,272)
8949	Payment to refunded bond escrow agent	-
7080	Total other financing sources (uses)	<u>(7,564,715)</u>
1200	Net change in fund balances	19,152,363
0100	Fund balances, beginning	158,862,484
3000	Fund balances, ending	<u>\$ 178,014,847</u>

Midland Independent School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit C-2)  
Year Ended June 30, 2021

599 Debt Service Fund	Total Nonmajor Funds	98 Total Governmental Funds
\$ 25,387,789	\$ 8,726,190	\$ 385,342,885
147,123	882,502	88,526,377
-	33,829,308	36,063,282
<u>25,534,912</u>	<u>43,438,000</u>	<u>509,932,544</u>
-	15,898,873	165,709,471
-	188,350	2,564,805
-	1,614,127	5,422,435
-	808,757	4,501,963
-	578,659	15,346,271
-	1,637,043	10,877,714
-	11,607	244,453
-	117,012	3,407,097
-	51,053	8,226,913
-	9,937,974	9,937,974
-	38,796	5,487,989
-	344,208	8,095,643
-	1,552,746	28,018,111
-	819,503	3,127,431
-	-	9,400,250
-	190,600	1,312,121
11,420,000	-	11,420,000
7,604,531	-	7,604,531
449,534	-	449,534
-	13,163,161	23,523,916
-	-	153,749,183
-	142,813	142,813
-	-	2,241,283
<u>19,474,065</u>	<u>47,095,282</u>	<u>480,811,901</u>
<u>6,060,847</u>	<u>(3,657,282)</u>	<u>29,120,643</u>
39,344,986	-	39,344,986
-	-	129,557
-	9,410,730	9,410,730
1,233,090	-	1,233,090
-	(3,747,676)	(11,441,948)
<u>(44,105,447)</u>	<u>-</u>	<u>(44,105,447)</u>
<u>(3,527,371)</u>	<u>5,663,054</u>	<u>(5,429,032)</u>
2,533,476	2,005,772	23,691,611
13,791,731	17,555,945	190,210,160
<u>\$ 16,325,207</u>	<u>\$ 19,561,717</u>	<u>\$ 213,901,771</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, 2021

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Total Net Changes in Fund Balances - Governmental Funds (Exhibit C-2)	\$ 23,691,611
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.	2,733,014
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 2021 capital outlays of \$28,289,947, removing the remaining net book value of \$48,348, debt principal payments of \$11,420,000, amortization of deferred charges/gains on refunding of \$396,830, and donated assets of \$1,313,627 is to increase net position.	40,148,755
Government funds report debt proceeds and premium on issuance of bonds 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 bond proceeds of \$39,344,986 and bond premium of \$1,233,090 is to decrease net position.	(40,578,076)
Governmental funds report the payment to the bond refunding escrow agent as a financing use; however, the refunding payment is recorded as a reduction of outstanding principal and related premiums on the statement of net position. Additionally, a deferred charge on refunding is recorded as a result of the refunding and amortized to the statement of activities. The refunding resulted in the reduction of bond principal of \$39,345,000 and related premiums of \$3,354,766. A deferred charge of \$1,405,681 is also recognized. The net effect is an increase in net position.	44,105,447
2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation, less depreciation recorded in internal service funds, is to decrease net position.	(11,836,219)
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 \$5,719,963 as revenue and removing the prior year's tax collection of \$3,430,221.	2,289,742
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 \$558,189. The net effect is to increase net position.	558,189

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, 2021

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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.	2,169,857
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 \$731,161. 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 decrease in the amount of \$5,036,109. The net effect is a decrease in net position.	(4,304,948)
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 increase in the amount of \$106,883. 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 \$2,936,530. The net effect is an increase in net position.	3,043,413
Change in Net Position for Governmental Activities (Exhibit B-1)	<hr style="border: 1px solid black;"/> <u>\$ 62,020,785</u>

Midland Independent School District  
Statement of Net Position – Proprietary Funds (Exhibit D-1)  
June 30, 2021

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Funds</u>
	Assets	
	Current assets	
1110	Cash and cash equivalents	\$ 5,676,533
1120	Current investments	4,026,488
1260	Due from other funds	9,681
1290	Other receivables	46,410
1410	Prepaid items	<u>281,379</u>
	Total current assets	<u>10,040,491</u>
	Noncurrent assets	
1520	Buildings and improvements, net	<u>5,189,036</u>
	Total noncurrent assets	<u>5,189,036</u>
1000	Total assets	<u>15,229,527</u>
	Liabilities	
	Current liabilities	
2110	Accounts payable	298,844
2180	Due to other governments	20,284
2200	Accrued liabilities	2,642,960
2300	Unearned revenues	<u>82,866</u>
	Total current liabilities	<u>3,044,954</u>
2000	Total liabilities	<u>3,044,954</u>
	Net Position	
3200	Investment in capital assets	5,189,036
3900	Unrestricted	<u>6,995,537</u>
3000	Total net position	<u><u>\$ 12,184,573</u></u>

Midland Independent School District  
Statement of Revenues, Expenditures, and Changes in Net Position– Proprietary Funds (Exhibit D-2)  
Year Ended June 30, 2021

<u>Data Control Codes</u>	<u>Governmental Activities Internal Service Funds</u>
Operating revenues	
5700 Local and intermediate revenues	<u>\$ 23,429,917</u>
5020 Total revenues	<u>23,429,917</u>
Operating expenses	
6200 Professional and contracted services	1,249,884
6300 Supplies and materials	45,993
6400 Other operating costs	<u>21,438,435</u>
6030 Total expenses	<u>22,734,312</u>
Operating income	<u>695,605</u>
Non-operating revenues	
7955 Earnings from temp. deposits and investments	<u>6,191</u>
8030 Total non-operating revenues	<u>6,191</u>
Other financing sources (uses)	
7915 Transfers in	<u>2,031,218</u>
7080 Total other financing sources (uses)	<u>2,031,218</u>
1300 Change in net position	2,733,014
0100 Net position, beginning	<u>9,451,559</u>
3300 Net position, ending	<u><u>\$ 12,184,573</u></u>

Midland Independent School District  
Statement of Cash Flows– Proprietary Funds (Exhibit D-3)  
Year Ended June 30, 2021

	Governmental Activities
	Internal Service Funds
Operating activities	
Cash received from quasi-external operating activities	\$ 23,423,649
Cash payments to suppliers for goods and benefits	(22,769,007)
Cash payments to employees	(41,714)
Net cash provided by operating activities	612,928
Noncapital financing activities	
Transfers from other funds	2,011,233
Net cash provided by noncapital financing activities	2,011,233
Capital and related financing activities	
Acquisition of capital assets	(969,491)
Net cash used for capital and related financing activities	(969,491)
Investing activities	
Interest and dividends received on investments	6,191
Sale of investments	793,808
Net cash provided by investing activities	799,999
Net change in cash and cash equivalents	2,454,669
Cash and cash equivalents, beginning of year	3,221,864
Cash and cash equivalents, end of the year	\$ 5,676,533
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 695,605
Depreciation	152,701
Change in assets and liabilities	
(Increase) decrease in other receivables	31,735
(Increase) decrease in prepaid items	(11,602)
Increase (decrease) in accounts payable	117,966
Increase (decrease) in accrued wages payable	(30,355)
Increase (decrease) in payroll deductions and withholdings	(11,359)
Increase (decrease) in unearned revenue	(45,517)
Increase (decrease) in payable from restricted assets	(286,246)
Net cash provided by operating activities	\$ 612,928

Midland Independent School District  
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit E-1)  
June 30, 2021

Data Control Codes	801 Private Purpose Trust Fund	800 Employee Benefits Trust Fund	865 Custodial Fund Student Activity
Assets			
1110	\$ -	\$ -	\$ 462,930
1120	273,186	-	-
1290	-	515,545	-
1000	<u>273,186</u>	<u>515,545</u>	<u>462,930</u>
Liabilities			
2110	-	-	254
2170	1,060	-	-
2400	87,946	-	-
2000	<u>89,006</u>	<u>-</u>	<u>254</u>
Net Position			
3800	<u>184,180</u>	<u>515,545</u>	<u>462,676</u>
	<u>\$ 184,180</u>	<u>\$ 515,545</u>	<u>\$ 462,676</u>

Midland Independent School District  
Statement of Change in Net Position – Fiduciary Funds (Exhibit E-2)  
Year Ended June 30, 2021

	801 Private Purpose Trust Fund	800 Employee Benefits Trust Fund	865 Custodial Fund <u>Student Activity</u>
Additions			
Contributions			
Donations	\$ -	\$ -	\$ 126,824
Benefits	-	58,955	-
Total contributions	-	58,955	126,824
Investment Earnings			
Temp. deposits and investments	11,228	-	-
Total investment earnings	11,228	-	-
Total additions	11,228	58,955	126,824
Deductions			
Scholarships awarded	10,617	-	-
Extracurricular activities	-	-	157,474
Total deductions	10,617	-	157,474
Change in net position	611	58,955	(30,650)
Net position, beginning, as restated	183,569	456,590	493,326
Net position, ending	<u>\$ 184,180</u>	<u>\$ 515,545</u>	<u>\$ 462,676</u>

**Note 1 - 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. 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.

**Note 2 - 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.



**Note 3 - 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.

**Note 4 - Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity**

**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:

Capital Asset Class	Lives
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 Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services 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 12 and its OPEB liability as described in Note 13. 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 12, and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 13.

**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.

**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.

**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. 84**

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds. The effect of the implementation of this standard on beginning net position is disclosed in Note 19.

**New Accounting Pronouncements**

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. 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.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement were implemented as of June 30, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. 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 also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. 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.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources

should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 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 Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.



- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, 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.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, 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.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. 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.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

## **Note 5 - 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 6 - 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 7 - Detailed Notes on All Funds**

### **Deposits and Investments**

Under Texas state law, the District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent, bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

### **Custodial Credit Risk-Deposits**

At June 30, 2021, the District's deposits (cash, certificates of deposit and interest bearing savings accounts including temporary investments) were entirely covered by pledged collateral held by the District's agent bank in the District's name or by federal deposit insurance. At June 30, 2021, deposits of the Midland I.S.D. Education Foundation subject to credit risk were \$2,187,093.

### **Investments**

State statutes and Board policy authorize the District to invest in 1) obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009; 2) certificates of deposit and share certificates as permitted by Government Code 2256.010; 3) fully collateralized repurchase agreements permitted by Government Code 2256.011; 4) a securities lending program as permitted by Government Code 2256.0115; 5) banker's acceptances as permitted by Government Code 2256.013; 6) commercial paper as permitted by Government Code 2256.013; 7) No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014; 8) a guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015; and 9) public funds investment pools as permitted by Government Code 2256.016. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the FDIC or obligations of items 1-4 above at 102% of the investment's market value.

**Concentration of Credit Risk**

The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturing scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user.

**Interest Rate Risk**

The District's investment policy states that any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District is a voluntary participant in various investment pools. These pools included the following: TexPool, Lone Star Investment Pool, Texas CLASS and Texas Term.

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 Rule 2a7 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.

The investments held at June 30, 2021 are as follows:

	Fair Value	Rating	Weighted Average Maturity (Days)*
Texpool	\$ 7,859,506	AAAm	30
Texpool Prime	157,598,713	AAAm	45
Lonestar/First Public	702,584	AAAm	47
Texas Class	82,341,992	AAAm	52
Texas Term - TexasDAILY	50,429,174	AAAmmf	53
Frost Bank Money Market **	678,398	N/A	N/A
Wells Fargo Money Market	42,344,290	N/A	N/A
Total value	<u>\$ 341,954,657</u>		

\*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

\*\*This investment belongs to the Midland I.S.D. Education Foundation.

	Governmental Activities	Component Unit
<b>Reported in Schedule A-1</b>		
1120 Investments - Current	\$ 341,003,073	\$ 678,398
	Private Purpose Trust Fund	
<b>Reported in Schedule E-1</b>		
1120 Investments - Current	\$ 273,186	

### 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, 2021 fiscal year was based, was \$36,269,821,064. 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, 2021 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, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled \$10,717,483.

The tax rate to finance general governmental services was \$0.9564 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, 2021.

### Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2021, are summarized below:

Governmental Activities	Local	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ 915,641	7,996,170	\$ -	\$ 8,911,811
Debt Service Fund	67,611	362	-	67,973
Nonmajor Governmental Funds	-	344,609	5,787,200	6,131,809
	<u>\$ 983,252</u>	<u>\$ 8,341,141</u>	<u>\$ 5,787,200</u>	<u>\$ 15,111,593</u>

### 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, 2021

Interfund balances at June 30, 2021, resulting from payroll and accumulated fund charges, consisted of the following individual fund balances:

<u>Due From/To Other Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 6,062,486	\$ 27,168
Internal Service Funds	9,681	-
Private Purpose Trust Fund	-	1,060
Nonmajor governmental funds	16,934	6,060,873
	<u>6,089,101</u>	<u>6,089,101</u>
Totals	<u>\$ 6,089,101</u>	<u>\$ 6,089,101</u>

Interfund transfers during the year ended June 30, 2021, consisted of the following individual balances:

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 5,663,054
General Fund	Internal service funds	2,031,218
Nonmajor governmental funds	Nonmajor governmental funds	3,747,676
		<u>11,441,948</u>
Total		<u>\$ 11,441,948</u>

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. The interfund transfer between the General Fund and internal service funds is to assist in funding operations in its internal service funds.



**Note 8 - Capital Asset Activity**

Capital asset activity for the District for the year ended June 30, 2021, 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	2,914,961	15,613,650	(1,549,407)	16,979,204
	<u>22,276,509</u>	<u>15,613,650</u>	<u>(1,549,407)</u>	<u>36,340,752</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated				
Buildings and improvements	435,038,199	13,252,788	-	448,290,987
Furniture and equipment	34,653,178	3,242,407	(2,311,809)	35,583,776
	<u>469,691,377</u>	<u>16,495,195</u>	<u>(2,311,809)</u>	<u>483,874,763</u>
Total capital assets, being depreciated				
Less accumulated depreciation for				
Buildings and improvements	(152,439,918)	(10,459,518)	-	(162,899,436)
Furniture and equipment	(26,379,214)	(1,529,402)	2,263,461	(25,645,155)
	<u>(178,819,132)</u>	<u>(11,988,920)</u>	<u>2,263,461</u>	<u>(188,544,591)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>290,872,245</u>	<u>4,506,275</u>	<u>(48,348)</u>	<u>295,330,172</u>
Governmental activities capital assets, net	<u>\$ 313,148,754</u>	<u>\$ 20,119,925</u>	<u>\$ (1,597,755)</u>	<u>\$ 331,670,924</u>

Estimated costs to complete construction in progress as of June 30, 2021 are \$4,634,301.

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

Governmental Activities		
11	Instruction	\$ 9,723,681
12	Instructional resources and media services	2,433
23	School leadership	6,019
33	Health services	1,962
34	Student transportation	821,581
35	Food service	95,149
36	Extracurricular activities	101,225
41	General administration	38,568
51	Plant maintenance and operations	1,041,584
52	Security and monitoring services	48,575
53	Data processing services	108,143
	Total depreciation expense-governmental activities	<u>\$ 11,988,920</u>

**Note 9 - 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.

On July 14, 2020, the District issued \$39,344,986 in Unlimited Tax Refunding Bonds, Series 2020. The bonds were issued with a premium of \$1,233,090. The proceeds of the refunding were used to refund outstanding debt of the Unlimited Tax School Building Bonds, Series 2014. The District established a defeasance escrow to defease a portion of the District's outstanding Unlimited Tax School Building Bonds, Series 2014. The District deposited directly with a paying agent for the defeased bonds funds in the amount of \$44,105,447, sufficient to provide the final payment and redemption of the defeased bonds. The defeased bonds are no longer regarded as being outstanding, except for the purpose of being paid from funds on deposit in the escrow fund. The payment to the escrow was recorded as other financing uses paid from the Debt Service Fund. The defeasance resulted in a cash flow savings of approximately \$16.6 million and an economic gain of approximately \$9.0 million for the District.

As of June 30, 2021, the remaining outstanding principal of previously defeased bonds was \$90,555,000.

A summary of bond issuances original amounts issued, interest rates, and maturity dates as of June 30, 2021 is as follows:

	Amounts Original Issued	Interest Rate Payable	Maturities
Unlimited Tax Refunding Bond, Series 2011	\$ 26,500,000	1.75-5.00%	N/A
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

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June 30, 2021

A summary of changes in general long-term debt for the year ended June 30, 2021 is as follows:

	Beginning Balance	Debt Issued	Principal Retired	Ending Balance	Due Within One Year
Unlimited Tax Refunding Bond, Series 2011	\$ 4,660,000	\$ -	\$ (4,660,000)	\$ -	\$ -
Unlimited Tax Refunding Bonds, Series 2012	17,960,000	-	(1,815,000)	16,145,000	1,915,000
Unlimited Tax School Building and Refunding Bonds, Series 2013	5,845,000	-	(2,125,000)	3,720,000	2,240,000
Unlimited Tax School Building Series, 2014	43,220,000	-	(40,575,000)	2,645,000	1,290,000
Unlimited Tax Refunding Bonds, Series 2015	31,270,000	-	(1,315,000)	29,955,000	1,000,000
Unlimited Tax Refunding Bonds, Series 2016	25,610,000	-	(35,000)	25,575,000	40,000
Unlimited Tax Refunding Bonds, Series 2017	53,035,996	-	(90,000)	52,945,996	90,000
Unlimited Tax Refunding Bonds, Series 2020	-	39,344,986	(150,000)	39,194,986	150,000
<b>Total bonds payable</b>	<b>\$ 181,600,996</b>	<b>\$ 39,344,986</b>	<b>\$ (50,765,000)</b>	<b>\$ 170,180,982</b>	<b>\$ 6,725,000</b>

Debt service requirements for the District's long-term debt are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2022	\$ 6,725,000	\$ 6,578,040	\$ 13,303,040
2023	5,215,996	8,042,595	13,258,591
2024	7,245,000	6,078,640	13,323,640
2025	7,265,000	5,737,290	13,002,290
2026	7,615,000	5,387,800	13,002,800
2027-2031	49,385,000	21,051,057	70,436,057
2032-2036	52,134,986	11,647,610	63,782,596
2037-2040	34,595,000	1,938,733	36,533,733
<b>Totals</b>	<b>\$ 170,180,982</b>	<b>\$ 66,461,765</b>	<b>\$ 236,642,747</b>

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	\$ 181,600,996	\$39,344,986	\$ (50,765,000)	\$ 170,180,982	\$ 6,725,000
Less deferred amounts For issuance premium/ discounts (CIB's)	18,619,834	1,233,090	(5,524,623)	14,328,301	-
Total bonds payable, net	200,220,830	40,578,076	(56,289,623)	184,509,283	6,725,000
Accretion on CAB	846,293	429,641	-	1,275,934	-
Governmental activities long-term liabilities	<u>\$ 201,067,123</u>	<u>\$41,007,717</u>	<u>\$ (56,289,623)</u>	<u>\$ 185,785,217</u>	<u>\$ 6,725,000</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, 2021.

#### Note 10 - Commitments Under Operating Leases

Commitments under operating lease agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2021 as follows:

Year Ending June 30,	
2022	\$ 916,327
2023	515,010
2024	365,367
2025	336,894
2026	23,942
Total minimum future lease payments	<u>\$ 2,157,540</u>

#### Note 11 - 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, 2021, 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 12 - 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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

#### **Benefits Provided**

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

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

### 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	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
	2020	2021
Member Contributions	\$ 11,217,644	\$ 12,437,573
NECE On-Behalf Contributions	7,396,022	8,159,073
Employer Contributions	5,256,763	6,128,100

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 1.5% of the member's salary beginning in fiscal year 2020, 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, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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



**Discount Rate**

A single discount rate of 7.25% 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 Systems target allocation as of August 31, 2020 (see page 53 of the TRSACFR) 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, 2020**

Asset Class	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%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.01%
Energy and Natural Resources and Infrastructure	6.0%	6.0%	0.42%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag <sup>3</sup>			-0.67%
Total	100%	33%	7.33%

<sup>1</sup> Target Allocation based on the FY2020 policy manual.

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of 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	\$ 82,585,415,626	\$ 53,557,959,841	\$ 29,973,787,965
District's proportionate share of the net pension liability	\$ 109,187,685	\$ 70,809,956	\$ 39,628,892

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

At June 30, 2021, the District reported a liability of \$70,809,956 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	\$ 70,809,956
State's proportionate share that is associated with the District	97,064,071
Total	<u>\$ 167,874,027</u>

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

At August 31, 2020, the employer's proportion of the collective net pension liability was .1322118246% which was an increase of .00914812% from its proportion measured as of August 31, 2019.

**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, 2021

For the year ended June 30, 2021, the District recognized pension expense of \$11,674,652 and revenue of \$7,477,663 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actuarial economic experience	\$ 129,293	\$ 1,976,118
Changes in actuarial assumptions	16,430,429	6,986,104
Difference between projected and actual investment earnings	1,433,487	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	5,042,481	5,464,928
Contributions paid to TRS subsequent to the measurement date	<u>5,228,300</u>	<u>-</u>
Total	<u>\$ 28,263,990</u>	<u>\$ 14,427,150</u>

\$5,228,300 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, 2022.

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>
2022	\$ 2,125,816
2023	2,763,971
2024	2,985,096
2025	879,131
2026	(317,744)
Thereafter	<u>172,270</u>
Totals	<u>\$ 8,608,540</u>

**Note 13 - 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**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_publications.aspx](http://www.trs.texas.gov/Pages/about_publications.aspx); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

**Benefits Provided**

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-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 employee 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		
	2020	2021
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%
	2020	2021
Employer Contributions	\$ 1,264,217	\$ 1,382,888
Member Contributions	946,946	1,049,918
NECE On-behalf Contributions	2,045,813	1,930,578

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

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

### Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020. The actuarial valuation 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. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for 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, 2019 TRS pension plan actuarial valuation that was rolled forward to August 31, 2020:

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

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

**Additional Actuarial Methods and Assumptions**

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33%
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 9.0% The initial medical trend rates were 9.00% for Medicare retirees and 7.3% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.0% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 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 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate (1.33%)</u>	<u>Discount Rate (2.33%)</u>	<u>1% Increase Discount Rate (3.33%)</u>
Total TRS net OPEB liability	\$ 45,617,332,072	\$ 38,014,515,883	\$ 32,009,382,286
District's proportionate share of the Net OPEB liability	\$ 76,725,560	\$ 63,938,089	\$ 53,837,822

**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	\$ 31,052,989,071	\$ 38,014,515,883	\$ 47,286,285,654
District's proportionate share of the Net OPEB liability	\$ 52,229,227	\$ 63,938,089	\$ 79,532,638

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

At June 30, 2021, the District reported a liability of \$63,938,089 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	\$ 63,938,089
State's proportionate share that is associated with the District	<u>85,917,465</u>
 Total	 <u><u>\$ 149,855,554</u></u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The 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, 2019 through August 31, 2020.

At June 30, 2021, the District's proportion of the collective Net OPEB Liability was 0.1681938793% compared to .1674839% as of June 30, 2020.

**Changes Since the Prior Actuarial Valuation**

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

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

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$596,578 and revenue of \$1,717,827 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actuarial economic experience	\$ 3,347,773	\$ 29,261,339
Changes in actuarial assumptions	3,943,651	17,557,730
Difference between projected and actual investment earnings	20,777	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	806,888	6,166,379
Contributions paid to TRS subsequent to the measurement date	1,176,374	-
Totals	\$ 9,295,463	\$ 52,985,448

\$1,176,374 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, 2022.

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>
2022	\$ (7,343,632)
2023	(7,346,410)
2024	(7,347,998)
2025	(7,347,563)
2026	(5,639,753)
Thereafter	<u>(9,841,003)</u>
Totals	<u>\$ (44,866,359)</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 know 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 prescriptions 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 \$779,807, \$625,473, and \$564,215 for the years ended June 30, 2021, 2020 and 2019, respectively.

#### Note 14 - Revenues from Local and Intermediate Sources

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Property taxes	\$ 342,413,064	25,166,327	\$ -	\$ 367,579,391
Penalties, interest, and other tax-related	2,974,389	206,985	-	3,181,374
Investment income	214,842	14,477	8,809	238,128
Food sales	-	-	54,976	54,976
Co-curricular/extra- curricular student activities	337,732	-	270,598	608,330
Gifts and bequests	473,800	-	39,438	513,238
Grants	-	-	508,886	508,886
Insurance recoveries	45,061	-	7,528,963	7,574,024
Oil and gas leases	3,168,496	-	-	3,168,496
Other	1,601,522	-	314,520	1,916,042
Total	<u>\$ 351,228,906</u>	<u>\$ 25,387,789</u>	<u>\$ 8,726,190</u>	<u>\$ 385,342,885</u>

**Note 15 - 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, 2021.

**Note 16 - 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.

*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, 2021, the District had restricted fund balance for grant funding of \$6,146,064, debt service of \$16,325,207 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 \$5,912,295.

*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, 2021, the capital projects fund had a remaining fund balance of \$11,543,012 transferred from the General Fund for construction projects. At June 30, 2021, the District had \$1,027,988 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, 2021, 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 \$23,000,000 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.

**Note 17 - 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	\$ 979,579
Air Force JROTC	12.000	56,277
Elementary and Secondary School Emergency Relief *	84.425D	63,612
TDEM Coronavirus Relief Funds *	21.019	75,990
Indirect costs:		
ESEA Title I, Part A	84.010A	207,519
Title I, Transformation Zone	84.010A	62,446
Title I, Priority & Focus	84.010A	16,621
Title IV, Part A	84.424A	7,761
IDEA - Part B	84.027A	218,350
IDEA - Part B Preschool	84.173A	3,685
Title III, Part A - Immigrant	84.365A	16,642
Career & Technical Basic	84.048A	15,739
ESEA Title II, Part A	84.367A	27,780
School Improvement Grants	84.377A	3,426
Elementary and Secondary School Emergency Relief	84.425D	75,987
Summer Food Service Program for Children	10.559	400,000
LEP Summer School	84.369A	2,560
		\$ 2,233,974

\* Expenditures were recorded in the general fund in fiscal year 2020, but award was finalized and reimbursement received in fiscal year 2021. Accordingly, the revenue is recorded in the same fund that expenditures had previously been recorded.

**Note 18 - 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 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

### 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, 2021, the accrued liabilities for worker's compensation self-insurance of \$1,392,510 includes estimated incurred but not reported claims and is included in accrued expense liability.

	Year Ended June 30, 2021
Unpaid claims, beginning of fiscal year	\$ 1,585,781
Incurred claims (including IBNR's and changes in provisions)	122,209
Claim payments	<u>(315,480)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,392,510</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, 2021, 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, 2021, 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, 2021
Unpaid claims, beginning of fiscal year	\$ 1,343,425
Incurred claims (including IBNR's and changes in provisions)	14,372,844
Claim payments	(14,465,819)
Unpaid claims, end of fiscal year	\$ 1,250,450

**Note 19 - Adoption of New Standard**

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds.

In addition to the restatements of opening net position, the agency funds previously accounted for various student activity funds collected on behalf of those students. Those activities are now reported as custodial funds.

The following table describes the effects of the implementation of GASB 84 on beginning net position.

	Custodial Fund
Net position at July 1, 2020, as previously reported	\$ -
Reclassification of various student activity funds to custodial funds	493,326
Net position at July 1, 2020, as restated	\$ 493,326



Required Supplementary Information  
June 30, 2021

**Midland Independent School District**

Data Control Codes		Budgeted Amounts	
		Original	Final
Revenues			
5700	Local and intermediate revenues	\$ 310,414,080	\$ 345,727,376
5800	State program revenues	84,647,003	84,884,888
5900	Federal program revenues	1,685,000	2,106,181
5020	Total revenues	396,746,083	432,718,445
Expenditures			
Current			
0011	Instruction	147,344,080	149,922,986
0012	Instructional resources and media services	2,579,521	2,581,791
0013	Curriculum and instructional staff development	5,026,007	4,373,451
0021	Instructional leadership	4,590,927	4,021,489
0023	School leadership	23,154,185	15,041,684
0031	Guidance, counseling, and evaluation services	10,375,204	9,418,406
0032	Social work services	344,145	344,276
0033	Health services	3,024,513	3,763,095
0034	Student transportation	9,283,835	9,292,777
0036	Extracurricular activities	6,603,557	6,621,067
0041	General administration	10,069,037	8,232,601
0051	Plant maintenance and operations	25,325,738	27,679,267
0052	Security and monitoring services	3,509,401	2,478,286
0053	Data processing services	13,828,676	9,645,505
0061	Community services	563,267	1,934,067
Capital outlay			
0081	Facilities acquisition and construction	9,920,097	11,034,952
Intergovernmental			
0091	Contracted instructional services between schools	118,578,719	156,217,634
0099	Other intergovernmental charges	2,625,174	2,625,174
6030	Total expenditures	396,746,083	425,228,508
1100	Excess of revenues over expenditures	-	7,489,937
Other financing sources (uses)			
7912	Sale of real and personal property	-	173,117
8911	Transfers out	-	(7,663,054)
7080	Total other financing sources (uses)	-	(7,489,937)
1200	Net change in fund balance	-	-
0100	Fund balance, beginning	158,862,484	158,862,484
3000	Fund balance, ending	\$ 158,862,484	\$ 158,862,484

See Notes to Required Supplementary Information

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, 2021

Actual	Variance with Final Budget Positive (Negative)
\$ 351,228,906	\$ 5,501,530
87,496,752	2,611,864
2,233,974	127,793
<u>440,959,632</u>	<u>8,241,187</u>
149,810,598	112,388
2,376,455	205,336
3,808,308	565,143
3,693,206	328,283
14,767,612	274,072
9,240,671	177,735
232,846	111,430
3,290,085	473,010
8,175,860	1,116,917
5,449,193	1,171,874
7,751,435	481,166
26,465,365	1,213,902
2,307,928	170,358
9,400,250	245,255
1,121,521	812,546
10,360,755	674,197
153,749,183	2,468,451
2,241,283	383,891
<u>414,242,554</u>	<u>10,985,954</u>
<u>26,717,078</u>	<u>19,227,141</u>
129,557	(43,560)
(7,694,272)	(31,218)
(7,564,715)	(74,778)
<u>19,152,363</u>	<u>19,152,363</u>
158,862,484	-
<u>\$ 178,014,847</u>	<u>\$ 19,152,363</u>

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, 2021

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.1322118%	0.1230637%	0.1352974%	0.1401599%	0.1445504%	0.1589302%	0.1589302%
District's proportionate share of the net pension liability	\$ 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	97,064,071	97,630,445	116,759,846	64,433,639	81,609,959	78,651,973	78,651,973
Totals	<u>\$ 167,874,027</u>	<u>\$ 161,602,821</u>	<u>\$ 191,230,800</u>	<u>\$ 109,249,209</u>	<u>\$ 136,233,944</u>	<u>\$ 134,831,143</u>	<u>\$ 134,831,143</u>
District's covered payroll	\$ 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	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	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, 2021

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	8/31/2017	8/31/2016	8/31/2015
Contractually required contributions	\$ 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	\$ (6,128,100)	\$ (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	\$ 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	3.79%	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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1681939%	0.1674839%	0.1802089%	0.1792066%
District's proportionate share of the net OPEB liability	\$ 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	<u>85,917,465</u>	<u>105,245,971</u>	<u>127,050,649</u>	<u>106,760,063</u>
Totals	<u>\$ 149,855,554</u>	<u>\$ 184,451,154</u>	<u>\$ 217,030,615</u>	<u>\$ 184,690,281</u>
District's covered employee payroll	\$ 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 employee payroll	43.30%	58.37%	61.72%	57.01%
Plan fiduciary net position as a percentage of the total OPEB liability	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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 1,382,888	\$ 1,264,217	\$ 1,127,509	\$ 1,056,281
Contributions in relation to the contractually required contributions	<u>\$ (1,382,888)</u>	<u>\$ (1,264,217)</u>	<u>\$ (1,127,509)</u>	<u>\$ (1,056,281)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 161,526,981	\$ 145,720,633	\$ 134,544,961	\$ 123,698,674
Contributions as a percentage of covered employee payroll	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 no changes to benefit terms that affected the measurement of the total OPEB 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**

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

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

Other Supplementary Information  
June 30, 2021

**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.

Data Control Codes	211	224	225	
	ESEA Title I, Part A - Improving Basic Programs	IDEA-Part B Formula	IDEA-Part B Preschool	
Assets				
1110	Cash and cash equivalents	\$ 201,071	\$ 211,709	\$ 775
1120	Current investments	-	-	-
1240	Due from other governments	2,086,735	1,360,433	22,870
1260	Due from other funds	-	-	-
1290	Other receivables	-	254	-
1300	Inventories	-	-	-
1000	Total assets	\$ 2,287,806	\$ 1,572,396	\$ 23,645
Liabilities				
2110	Accounts payable	\$ 46,894	\$ 67,946	\$ 9
2150	Payroll deductions and withholdings	133,292	126,984	2,561
2160	Accrued wages payable	102,800	352,512	11,586
2170	Due to other funds	2,004,820	1,024,954	9,489
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	2,287,806	1,572,396	23,645
Fund Balances				
3410	Nonspendable - inventories	-	-	-
3450	Restricted - grants	-	-	-
3510	Committed - construction	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	\$ 2,287,806	\$ 1,572,396	\$ 23,645

Midland Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1)  
June 30, 2021

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
\$ 2,817,715	\$ 1,593,404	\$ 6,080	\$ 17	\$ -
2,202,741	-	-	-	-
-	118,959	104,519	264,399	187,530
-	-	-	-	-
365,415	4,180	-	-	-
-	844,653	-	-	-
<u>\$ 5,385,871</u>	<u>\$ 2,561,196</u>	<u>\$ 110,599</u>	<u>\$ 264,416</u>	<u>\$ 187,530</u>
\$ 1,581	\$ 7,688	\$ 12,473	\$ 226	\$ 52,276
11,272	58,212	2,698	36,613	-
115,944	9,514	6,901	3,000	-
548	400,000	88,527	224,577	135,254
-	-	-	-	-
365,609	-	-	-	-
<u>494,954</u>	<u>475,414</u>	<u>110,599</u>	<u>264,416</u>	<u>187,530</u>
-	844,653	-	-	-
4,890,917	1,241,129	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,890,917</u>	<u>2,085,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,385,871</u>	<u>\$ 2,561,196</u>	<u>\$ 110,599</u>	<u>\$ 264,416</u>	<u>\$ 187,530</u>

Data Control Codes	263 Title III, Part A English Language Acquisition & Enhancement	266 Elementary and Secondary School Emergency Relief (CARES)	272 Medical Assistance Program	
Assets				
1110	Cash and cash equivalents	\$ 1,269	\$ -	\$ -
1120	Current investments	-	-	-
1240	Due from other governments	63,556	480,225	-
1260	Due from other funds	-	-	-
1290	Other receivables	13	-	-
1300	Inventories	-	-	-
1000	Total assets	\$ 64,838	\$ 480,225	\$ -
Liabilities				
2110	Accounts payable	\$ 243	\$ -	\$ -
2150	Payroll deductions and withholdings	6,364	-	-
2160	Accrued wages payable	17,471	-	-
2170	Due to other funds	40,760	411,681	-
2180	Due to other governments	-	68,544	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	64,838	480,225	-
Fund Balances				
3410	Nonspendable - inventories	-	-	-
3450	Restricted - grants	-	-	-
3510	Committed - construction	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	\$ 64,838	\$ 480,225	\$ -

Midland Independent School District  
 Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1)  
 June 30, 2021

276	277	289	296	396
Title I SIP Academy	Coronavirus Relief Funds	Other Federal Special Revenue Funds	Title I, Priority & Focus	Advanced Placement Testing
\$ -	\$ -	\$ 179,410	\$ 61,810	\$ 39,083
-	-	-	-	-
25,824	-	796,486	275,664	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 25,824</u>	<u>\$ -</u>	<u>\$ 975,896</u>	<u>\$ 337,474</u>	<u>\$ 39,083</u>
\$ -	\$ -	\$ 9,786	\$ 18,303	\$ -
716	-	4,210	436	5,583
-	-	39,573	-	-
25,108	-	922,327	318,735	-
-	-	-	-	-
-	-	-	-	33,500
<u>25,824</u>	<u>-</u>	<u>975,896</u>	<u>337,474</u>	<u>39,083</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 25,824</u>	<u>\$ -</u>	<u>\$ 975,896</u>	<u>\$ 337,474</u>	<u>\$ 39,083</u>

Data Control Codes	410	429	461
	State Textbook Fund	Other State Funded Special Revenue Funds	Campus Activity Fund
Assets			
1110	\$ 20	\$ 102,632	\$ 1,039,279
1120	-	-	-
1240	311,779	32,830	-
1260	-	7,520	30
1290	-	-	-
1300	-	-	-
1000	<u>\$ 311,799</u>	<u>\$ 142,982</u>	<u>\$ 1,039,309</u>
Liabilities			
2110	\$ -	\$ -	\$ 10,030
2150	-	6	1,291
2160	-	-	-
2170	311,799	142,294	-
2180	-	-	-
2300	-	682	-
2000	<u>311,799</u>	<u>142,982</u>	<u>11,321</u>
Fund Balances			
3410	-	-	-
3450	-	-	-
3510	-	-	-
3545	-	-	1,027,988
	<u>-</u>	<u>-</u>	<u>1,027,988</u>
	<u>\$ 311,799</u>	<u>\$ 142,982</u>	<u>\$ 1,039,309</u>



Midland Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds (Exhibit H-1)  
June 30, 2021

<u>499</u>		<u>699</u>	
Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
\$ 550,773	\$ 6,805,047	7,287,501	\$ 14,092,548
3,817,053	6,019,794	4,486,089	10,505,883
-	6,131,809	-	6,131,809
9,384	16,934	-	16,934
841	370,703	93	370,796
-	844,653	-	844,653
<u>\$ 4,378,051</u>	<u>\$ 20,188,940</u>	<u>\$ 11,773,683</u>	<u>\$ 31,962,623</u>
\$ 51,888	\$ 279,343	\$ 230,671	\$ 510,014
2,687	392,925	-	392,925
5,682	664,983	-	664,983
-	6,060,873	-	6,060,873
-	68,544	-	68,544
4,303,776	4,703,567	-	4,703,567
<u>4,364,033</u>	<u>12,170,235</u>	<u>230,671</u>	<u>12,400,906</u>
-	844,653	-	844,653
14,018	6,146,064	-	6,146,064
-	-	11,543,012	11,543,012
-	1,027,988	-	1,027,988
<u>14,018</u>	<u>8,018,705</u>	<u>11,543,012</u>	<u>19,561,717</u>
<u>\$ 4,378,051</u>	<u>\$ 20,188,940</u>	<u>\$ 11,773,683</u>	<u>\$ 31,962,623</u>

		<u>211</u>	<u>224</u>	<u>225</u>
Data Control Codes		ESEA Title I, Part A - Improving Basic Programs	IDEA-Part B Formula	IDEA-Part B Preschool
Revenues				
5700	Local and intermediate revenues	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	<u>5,749,498</u>	<u>5,389,969</u>	<u>87,117</u>
5020	Total revenues	<u>5,749,498</u>	<u>5,389,969</u>	<u>87,117</u>
Expenditures				
Current				
0011	Instruction	4,797,837	3,091,189	79,563
0012	Instructional resources and media services	39,940	-	-
0013	Curriculum and instructional staff development	367,690	245,218	80
0021	Instructional leadership	41,706	441,958	-
0023	School leadership	239,724	2,226	-
0031	Guidance, counseling, and evaluation services	118,849	1,292,833	7,474
0032	Social work services	-	-	-
0033	Health services	-	10,864	-
0034	Student transportation	27,258	23,795	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	900	-	-
0051	Plant maintenance and operations	19,499	13,906	-
0052	Security and monitoring services	-	-	-
0061	Community services	96,095	-	-
0081	Facilities acquisition and construction	-	125,167	-
0093	Payments related to shared service arrangements	-	142,813	-
6030	Total expenditures	<u>5,749,498</u>	<u>5,389,969</u>	<u>87,117</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

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
\$ 62,915	\$ 6,505	\$ -	\$ -	\$ -
55,446	-	-	-	-
478,496	11,728,938	401,750	693,626	2,403,869
596,857	11,735,443	401,750	693,626	2,403,869
-	-	173,863	-	1,542,918
-	-	-	-	135,843
-	-	-	440,316	229,066
-	-	120,529	1,170	-
-	-	-	72,702	135,532
-	-	99,369	-	-
-	-	-	-	11,607
-	-	-	-	-
2,064,253	7,873,721	-	-	-
-	-	-	-	-
-	-	-	179,438	-
-	-	-	-	329,734
-	-	-	-	-
-	-	7,989	-	19,169
-	-	-	-	-
-	-	-	-	-
2,064,253	7,873,721	401,750	693,626	2,403,869
(1,467,396)	3,861,722	-	-	-
3,000,000	747,676	-	-	-
(747,676)	(3,000,000)	-	-	-
2,252,324	(2,252,324)	-	-	-
784,928	1,609,398	-	-	-
4,105,989	476,384	-	-	-
\$ 4,890,917	\$ 2,085,782	\$ -	\$ -	\$ -

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	404,784	3,041,622	15,853
5020	Total revenues	404,784	3,041,622	15,853
	Expenditures			
	Current			
0011	Instruction	376,284	2,674,867	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	28,500	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	83,818	15,853
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	282,937	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
0081	Facilities acquisition and construction	-	-	-
0093	Payments related to shared service arrangements	-	-	-
6030	Total expenditures	404,784	3,041,622	15,853
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
	Other financing sources (uses)			
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
	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)  
 Year Ended June 30, 2021

276	277	289	296	396
Title I SIP Academy	Coronavirus Relief Funds	Other Federal Special Revenue Funds	Title I, Priority & Focus	Advanced Placement Testing
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	44,801
79,952	1,006,082	1,959,512	388,240	-
79,952	1,006,082	1,959,512	388,240	44,801
69,323	1,006,082	1,017,141	351,348	-
-	-	-	-	-
-	-	167,122	36,892	44,801
-	-	203,394	-	-
4,152	-	121,214	-	-
-	-	30,303	-	-
-	-	-	-	-
6,477	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	420,338	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
79,952	1,006,082	1,959,512	388,240	44,801
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

Data Control Codes	410	429	461
	State Textbook Fund	Other State Funded Special Revenue Funds	Campus Activity Funds
Revenues			
5700	\$ -	\$ -	\$ 277,525
5800	344,298	435,381	-
5900	-	-	-
5020	344,298	435,381	277,525
Expenditures			
Current			
0011	344,298	13,124	211,966
0012			
		149	12,418
0013			
		49,647	3,805
0021			
0023			3,109
0031			
		65,439	22,776
0032			
0033			
0034			
0035			
0036			38,796
0041			
0051			1,420
0052		307,022	
0061			159
0081			
0093			
6030	344,298	435,381	294,449
1100	-	-	(16,924)
Other financing sources (uses)			
7915	-	-	-
8911	-	-	-
	-	-	-
1200	-	-	(16,924)
0100	-	-	1,044,912
3000	\$ -	\$ -	\$ 1,027,988

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, 2021

<u>499</u>		<u>699</u>		Total
Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Nonmajor Governmental Funds (See Exhibit C-2)	
\$ 847,494	\$ 1,194,439	\$ 7,531,751	\$ 8,726,190	
2,576	882,502	-	882,502	
-	33,829,308	-	33,829,308	
<u>850,070</u>	<u>35,906,249</u>	<u>7,531,751</u>	<u>43,438,000</u>	
73,186	15,822,989	75,884	15,898,873	
-	188,350	-	188,350	
990	1,614,127	-	1,614,127	
-	808,757	-	808,757	
-	578,659	-	578,659	
-	1,637,043	-	1,637,043	
-	11,607	-	11,607	
-	117,012	-	117,012	
-	51,053	-	51,053	
-	9,937,974	-	9,937,974	
-	38,796	-	38,796	
163,870	344,208	-	344,208	
-	1,067,834	484,912	1,552,746	
512,481	819,503	-	819,503	
67,188	190,600	-	190,600	
32,355	157,522	13,005,639	13,163,161	
-	142,813	-	142,813	
<u>850,070</u>	<u>33,528,847</u>	<u>13,566,435</u>	<u>47,095,282</u>	
-	2,377,402	(6,034,684)	(3,657,282)	
-	3,747,676	5,663,054	9,410,730	
-	(3,747,676)	-	(3,747,676)	
-	-	5,663,054	5,663,054	
-	2,377,402	(371,630)	2,005,772	
14,018	5,641,303	11,914,642	17,555,945	
<u>\$ 14,018</u>	<u>\$ 8,018,705</u>	<u>\$ 11,543,012</u>	<u>\$ 19,561,717</u>	

Data Control Codes		752 Print Shop Fund	753 Self Insurance Fund
Assets			
Current assets			
1110	Cash and cash equivalents	\$ -	\$ 3,666,687
1120	Current investments	-	4,026,488
1260	Due from other funds	-	9,681
1290	Other receivables	-	7,514
1410	Prepaid items	-	111,310
	Total current assets	-	7,821,680
Noncurrent assets			
1520	Buildings and improvements, net	-	-
	Total noncurrent assets	-	-
1000	Total assets	-	7,821,680
Liabilities			
Current liabilities			
2110	Accounts payable	-	278,353
2180	Due to other governments	-	-
2200	Accrued liabilities	-	2,642,960
2300	Unearned revenue	-	-
	Total current liabilities	-	2,921,313
2000	Total liabilities	-	2,921,313
Net Position			
3200	Investment in capital assets	-	-
3900	Unrestricted	-	4,900,367
3000	Total net position	\$ -	\$ 4,900,367



Midland Independent School District  
Combining Statement of Net Position – Internal Service Funds (Exhibit I-1)  
June 30, 2021

771 Employee Housing Fund	798 Employee Childcare Fund	Total Internal Service Funds
\$ 2,009,846	\$ -	\$ 5,676,533
-	-	4,026,488
-	-	9,681
38,896	-	46,410
170,069	-	281,379
<u>2,218,811</u>	<u>-</u>	<u>10,040,491</u>
<u>5,189,036</u>	<u>-</u>	<u>5,189,036</u>
<u>5,189,036</u>	<u>-</u>	<u>5,189,036</u>
<u>7,407,847</u>	<u>-</u>	<u>15,229,527</u>
20,491	-	298,844
20,284	-	20,284
-	-	2,642,960
82,866	-	82,866
<u>123,641</u>	<u>-</u>	<u>3,044,954</u>
<u>123,641</u>	<u>-</u>	<u>3,044,954</u>
5,189,036	-	5,189,036
2,095,170	-	6,995,537
<u>\$ 7,284,206</u>	<u>\$ -</u>	<u>\$ 12,184,573</u>

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<u>Data Control Codes</u>	<u>752 Print Shop Fund</u>	<u>753 Self Insurance Fund</u>
Operating revenues		
5700	\$ -	\$ 23,066,840
5020	-	23,066,840
Operating expenses		
6200	-	460,419
6300	-	-
6400	-	21,245,051
6030	-	21,705,470
	-	1,361,370
Non-operating revenues		
7955	-	6,191
8030	-	6,191
Other financing sources (uses)		
7915	21,888	-
7080	21,888	-
1300	21,888	1,367,561
0100	(21,888)	3,532,806
3300	\$ -	\$ 4,900,367

Midland Independent School District  
 Combining Statement of Revenues, Expenditures, and Changes in Net Position – Internal Service Funds  
 (Exhibit I-2)  
 Year Ended June 30, 2021

771 Employee Housing Fund	798 Employee Childcare Fund	Total Internal Service Funds
\$ 363,077	\$ -	\$ 23,429,917
<u>363,077</u>	<u>-</u>	<u>23,429,917</u>
789,465	-	1,249,884
45,993	-	45,993
193,384	-	21,438,435
<u>1,028,842</u>	<u>-</u>	<u>22,734,312</u>
<u>(665,765)</u>	<u>-</u>	<u>695,605</u>
-	-	6,191
<u>-</u>	<u>-</u>	<u>6,191</u>
<u>2,000,000</u>	<u>9,330</u>	<u>2,031,218</u>
<u>2,000,000</u>	<u>9,330</u>	<u>2,031,218</u>
1,334,235	9,330	2,733,014
<u>5,949,971</u>	<u>(9,330)</u>	<u>9,451,559</u>
<u>\$ 7,284,206</u>	<u>\$ -</u>	<u>\$ 12,184,573</u>

	752 Print Shop Fund	753 Self Insurance Fund
Operating activities		
Cash received from quasi-external operating activities	\$ 2,150	\$ 23,066,840
Cash payments to suppliers for goods and benefits	(6,440)	(21,791,744)
Cash payments to employees	(3,889)	-
Net cash (used for) provided by operating activities	<u>(8,179)</u>	<u>1,275,096</u>
Noncapital financing activities		
Transfers (to) from other funds	8,179	(6,276)
Net cash provided by noncapital financing activities	<u>8,179</u>	<u>(6,276)</u>
Capital and related financing activities		
Acquisition of capital assets	-	-
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>
Investing activities		
Interest and dividends received on investments	-	6,191
Sale of investments	-	793,808
Net cash provided by investing activities	<u>-</u>	<u>799,999</u>
Net change in cash and cash equivalents	-	2,068,819
Cash and cash equivalents, beginning of year	-	1,597,868
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ 3,666,687</u>
Reconciliation of operating income (loss) to net cash (used for) provided by operating activities		
Operating income (loss)	\$ -	\$ 1,361,370
Depreciation	-	-
Change in assets and liabilities		
(Increase) decrease in other receivables	2,150	(7,514)
(Increase) decrease in prepaid items	15,405	64,129
Increase (decrease) in accounts payable	(21,845)	143,357
Increase (decrease) in accrued wages payable	(2,521)	-
Increase (decrease) in payroll deductions and withholdings	(1,368)	-
Increase (decrease) in unearned revenue	-	-
Increase (decrease) in payable from restricted assets	-	(286,246)
Net cash (used for) provided by operating activities	<u>\$ (8,179)</u>	<u>\$ 1,275,096</u>

Midland Independent School District  
Combining Statement of Cash Flows – Internal Service Funds (Exhibit I-3)  
Year Ended June 30, 2021

771 Employee Housing Fund	798 Employee Childcare Fund	Total Internal Service Funds
\$ 354,659	\$ -	\$ 23,423,649
(968,486)	(2,337)	(22,769,007)
-	(37,825)	(41,714)
(613,827)	(40,162)	612,928
2,000,000	9,330	2,011,233
2,000,000	9,330	2,011,233
(969,491)	-	(969,491)
(969,491)	-	(969,491)
-	-	6,191
-	-	793,808
-	-	799,999
416,682	(30,832)	2,454,669
1,593,164	30,832	3,221,864
\$ 2,009,846	\$ -	\$ 5,676,533
\$ (665,765)	\$ -	\$ 695,605
152,701	-	152,701
37,099	-	31,735
(91,136)	-	(11,602)
(1,209)	(2,337)	117,966
-	(27,834)	(30,355)
-	(9,991)	(11,359)
(45,517)	-	(45,517)
-	-	(286,246)
\$ (613,827)	\$ (40,162)	\$ 612,928

Required TEA Schedules  
June 30, 2021

**Midland Independent School District**

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Year Ended June 30,	1	2	3
	Tax Rates		Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	\$ Various	\$ Various	\$ Various
2013	1.04005	0.1000	14,698,146,126
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 (school year under audit)	0.95640	0.0702	36,269,821,064
1000 Totals			

Midland Independent School District  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Year Ended June 30, 2021

10 Beginning Balance July 01, 2020	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance June 30, 2021
\$ 256,276	\$ -	\$ 14,612	\$ 1,271	\$ (561)	\$ 239,832
64,877	-	3,159	273	(322)	61,123
95,599	-	(4,076)	(392)	(9,791)	90,276
181,705	-	3,780	363	(7,156)	170,406
290,263	-	20,503	1,971	(3,086)	264,703
781,024	-	142,971	10,997	(1,643)	625,413
508,084	-	132,042	11,109	42,667	407,600
1,033,568	-	512,328	39,408	57,896	539,728
7,924,225	-	5,215,951	430,159	282,391	2,560,506
-	366,882,320	334,171,889	24,528,314	4,886,661	13,068,778
<u>\$ 11,135,621</u>	<u>\$ 366,882,320</u>	<u>\$ 340,213,159</u>	<u>\$ 25,023,473</u>	<u>\$ 5,247,056</u>	<u>\$ 18,028,365</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, 2021

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate revenues	\$ 3,649,000	\$ 150,000	\$ 62,915	\$ (87,085)
5800	State program revenues	58,905	58,905	55,446	(3,459)
5900	Federal program revenues	9,111,500	500,000	478,496	(21,504)
5020	Total revenues	<u>12,819,405</u>	<u>708,905</u>	<u>596,857</u>	<u>(112,048)</u>
	Expenditures				
	Current				
	Support services - student (pupil)				
0035	Food service	<u>12,819,405</u>	<u>2,908,905</u>	<u>2,064,253</u>	<u>844,652</u>
	Total support services - student (pupil)	<u>12,819,405</u>	<u>2,908,905</u>	<u>2,064,253</u>	<u>844,652</u>
6030	Total expenditures	<u>12,819,405</u>	<u>2,908,905</u>	<u>2,064,253</u>	<u>844,652</u>
1100	(Deficiency) excess of revenues (under) over expenditures	<u>-</u>	<u>(2,200,000)</u>	<u>(1,467,396)</u>	<u>732,604</u>
	Other financing sources (uses)				
7915	Transfers in	-	3,000,000	3,000,000	-
8911	Transfers out	-	(800,000)	(747,676)	52,324
7080	Total other financing sources (uses)	-	2,200,000	2,252,324	52,324
1200	Net change in fund balance	-	-	784,928	784,928
0100	Fund balance, beginning	<u>4,105,989</u>	<u>4,105,989</u>	<u>4,105,989</u>	<u>-</u>
3000	Fund balance, ending	<u>\$ 4,105,989</u>	<u>\$ 4,105,989</u>	<u>\$ 4,890,917</u>	<u>\$ 784,928</u>

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, 2021

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
Revenues					
5700	Local and intermediate revenues	\$25,914,285	\$24,843,852	\$25,387,789	\$ 543,937
5800	State program revenues	140,000	140,000	147,123	7,123
5020	Total revenues	26,054,285	24,983,852	25,534,912	551,060
Expenditures					
Debt service:					
0071	Principal on long-term debt	11,270,000	11,420,000	11,420,000	-
0072	Interest on long-term debt	8,059,728	7,909,728	7,604,531	305,197
0073	Issuance costs and fees	550,295	550,295	449,534	100,761
	Total debt service	19,880,023	19,880,023	19,474,065	405,958
6030	Total expenditures	19,880,023	19,880,023	19,474,065	405,958
1100	Excess of revenues over expenditures	6,174,262	5,103,829	6,060,847	957,018
Other financing sources (uses)					
7901	Refunding bonds issued	-	39,344,986	39,344,986	-
7916	Premium on issuance of bonds	-	1,233,090	1,233,090	-
8949	Payment to bond escrow	-	(44,105,447)	(44,105,447)	-
7080	Total other financing sources (uses)	-	(3,527,371)	(3,527,371)	-
1200	Net change in fund balance	6,174,262	1,576,458	2,533,476	957,018
0100	Fund balance, beginning	13,791,731	13,791,731	13,791,731	-
3000	Fund balance, ending	\$19,965,993	\$15,368,189	\$16,325,207	\$ 957,018

<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.	\$ 19,453,146
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)	\$ 7,794,805
<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.	\$ 1,773,645
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 1,136,675

## **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, 2020
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>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>	<u>2012</u>
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 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	\$ 64,433,050
Restricted	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	9,879,020
Unrestricted	<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>	<u>41,878,858</u>
<b>Total Governmental Activities Net Position</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><u>116,190,928</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	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	64,433,050
Restricted	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	9,879,020
Unrestricted	<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>	<u>41,878,858</u>
<b>Total Primary Government Activities Net Position</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><u>\$ 116,190,928</u></b>

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

**Table 2**

	<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>	<u>2012</u>
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 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	\$ 101,150,028
Instructional Resources and Media Services	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	2,418,510
Curriculum and Instructional Staff Development	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	4,745,985
Instructional Leadership	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	2,178,463
School Leadership	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	9,385,532
Guidance, Counseling, and Evaluation Services	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	6,015,446
Social Work Services	250,330	245,761	223,832	(6,185)	265,257	349,969	277,634	272,818	186,295	101,284
Health Services	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	1,833,260
Student Transportation	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	7,096,816
Food Services	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	10,194,548
Extracurricular Activities	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	4,712,517
General Administration	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	4,980,357
Plant Maintenance and Operations	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	18,619,807
Security and Monitoring Services	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	927,242
Data Processing Services	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	2,959,127
Community Services	1,335,738	704,573	664,084	397,870	498,527	457,810	799,434	929,608	918,700	922,255
Interest on Long-term Debt	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	4,997,878
Bond Issuance Costs and Fees	449,534	20,595	36,438	527,320	320,778	-	-	727,966	4,800	43,408
Facilities Acquisition and Construction	-	418,540	68,114	1,393	2,357,197	-	-	-	-	-
Contracted Instructional services										
between schools	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	142,813	135,390	109,431	153,947	156,500	35,353	67,507	95,445	73,115	117,258
Other Intergovernmental Charges	2,241,283	2,071,738	1,812,552	1,396,826	1,467,585	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<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>	<u>183,399,721</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>\$ 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>	<u>\$ 183,399,721</u>

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

**Table 2 (continued)**

	<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>	<u>2012</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:	\$ 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	\$ 3,551,527
Grants and Contributions	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	15,729,723
<b>Total Governmental Activities Program Revenues</b>	<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>	<u>19,281,250</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>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>	<u>19,281,250</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(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)	(164,118,471)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
<b>Total Primary Government Net Expense</b>	<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>	<u>(164,118,471)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes, Levied for General Purposes	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	119,524,529
Property Taxes, Levied for Debt Service	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	11,598,837
State-aid Formula Grants Not Restricted	76,181,141	68,010,443	18,416,261	11,349,415	-	-	-	-	-	-
Investment Earnings	244,319	2,277,130	2,919,486	1,239,892	579,321	376,552	210,691	199,347	143,203	136,431
Grants and Contributions Not Restricted to Specific Programs	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	37,910,093
Gain on Sale of Capital Assets				-	-	-	-	3,275,950	(170,397)	(247,435)
Miscellaneous	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	(1,032,539)
<b>Total Primary Government General Revenues</b>	<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>	<u>167,889,916</u>
<b>Change in Net Position - Total Primary Governm</b>	<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>	<u>\$ 3,771,445</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>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>	<u>2012</u>
<b>General Fund</b>										
Non-Spendable	\$ 1,226,474	\$ 1,994,678	\$ 1,259,392	\$ 921,210	\$ 388,671	\$ 260,296	\$ 652,802	\$ 480,998	\$ 560,679	\$ 1,444,558
Restricted	5,912,295	4,003,902	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	65,000,000	43,000,000	-	-	-	-	-	-	12,370,000	-
Unassigned	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	34,669,050
Reserved										
Unreserved	-	-	-	-	-	-	-	-	-	-
<b>Total General Fund</b>	<b><u>178,014,847</u></b>	<b><u>158,862,484</u></b>	<b><u>101,178,855</u></b>	<b><u>80,465,642</u></b>	<b><u>42,776,819</u></b>	<b><u>41,905,685</u></b>	<b><u>51,193,404</u></b>	<b><u>51,838,229</u></b>	<b><u>57,497,086</u></b>	<b><u>36,113,608</u></b>
<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	1,047,274
Restricted	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	16,719,505
Committed	12,571,000	-	12,034,049	1,170,672	-	-	-	-	-	-
Reserved										
<b>Total All Other Governmental Funds</b>	<b><u>35,886,924</u></b>	<b><u>31,347,676</u></b>	<b><u>29,053,547</u></b>	<b><u>15,010,149</u></b>	<b><u>6,794,632</u></b>	<b><u>9,199,787</u></b>	<b><u>32,407,891</u></b>	<b><u>126,861,951</u></b>	<b><u>75,373,250</u></b>	<b><u>17,766,779</u></b>
<b>Total Governmental Funds</b>	<b><u>\$ 213,901,771</u></b>	<b><u>\$ 190,210,160</u></b>	<b><u>\$ 130,232,402</u></b>	<b><u>\$ 95,475,791</u></b>	<b><u>\$ 49,571,451</u></b>	<b><u>\$ 51,105,472</u></b>	<b><u>\$ 83,601,295</u></b>	<b><u>\$ 178,700,180</u></b>	<b><u>\$ 132,870,336</u></b>	<b><u>\$ 53,880,387</u></b>

- (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>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>	<u>2012</u>
<b>REVENUES</b>										
Local, Intermediate, and Out-of-State	\$ 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	\$ 138,179,911
State Programs	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	29,534,354
Federal Programs	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	23,811,245
Total Revenues	<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>	<u>191,525,510</u>
<b>EXPENDITURES</b>										
Current:										
Instruction	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	96,002,173
Instructional Resources and Media Services	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	2,242,572
Curriculum and Instructional Staff Development	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	4,719,079
Instructional Leadership	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	2,165,618
School Leadership	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	9,153,042
Guidance, Counseling, and Evaluation Services	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	5,979,265
Social Work Services	244,453	227,058	210,791	186,977	255,109	324,789	269,441	259,180	176,602	90,855
Health Services	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	1,804,832
Student Transportation	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	7,202,173
Food Services	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	10,484,397
Extracurricular Activities	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	4,015,986
General Administration	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	4,944,833
Plant Maintenance and Operations	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	17,860,991
Security and Monitoring Services	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	898,665
Data Processing Services	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	2,971,682
Community Services	1,312,121	631,801	625,914	382,090	476,088	440,055	806,028	910,786	917,579	916,055
Debt Service: (2)										
Principal on Long-term Debt	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	6,315,000
Interest on Long-term Debt	7,604,531	8,865,900	9,169,600	3,893,506	9,575,314	9,979,032	13,520,438	8,328,464	4,843,008	4,997,878
Bond Issuance Costs and Fees	449,534	20,595	36,438	527,320	320,778	2,977,169	-	824,162	4,800	1,900
Capital Outlay:										
Facilities Acquisition and Construction (3)	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	1,300,170
Intergovernmental:										
Contracted instructional services between schools	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	142,813	135,390	109,278	153,947	156,500	35,353	67,507	95,445	73,115	117,258
Other Intergovernmental Charges	2,241,283	2,071,738	1,810,034	1,396,826	1,467,585	-	-	-	-	-
Total Expenditures	<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>	<u>\$ 184,184,424</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>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>	<u>2012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 29,120,643	\$ 63,617,314	\$ 38,756,611	\$ 44,432,021	\$ (1,867,336)	\$ (34,638,106)	\$ (95,098,885)	\$ (48,775,804)	\$ 8,965,174	\$ 7,341,086
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Capital-Related Bonds	-	-	-	-	-	38,495,000	-	85,235,000	-	49,335,000
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	7,400,226
Sale of Real and Personal Property	129,557	10,444	-	320,100	-	-	-	1,500,000	24,775	-
Other Resources	-	-	-	-	-	-	-	23,836	-	80,119
Transfers In	9,410,730	8,655,781	12,700,000	-	1,500,000	3,991,274	282,421	1,000,000	29,244	8,553,525
Transfers Out	(11,441,948)	(12,305,781)	(16,700,000)	-	(1,500,000)	(2,325,007)	(282,421)	(1,850,000)	-	(10,000,000)
Payment to Refunded Bond Escrow Agent	(44,105,447)	-	-	-	(27,231,417)	-	-	-	(6,985,000)	(56,735,226)
Other Uses	-	-	-	(62,074,057)	-	(41,538,611)	-	-	(29,244)	(133,644)
Total Other Financing Sources (Uses)	<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>	<u>(1,500,000)</u>
<b>Net Change in Fund Balances</b>	<b>\$ 23,691,611</b>	<b>\$ 59,977,758</b>	<b>\$ 34,756,611</b>	<b>\$ 45,294,147</b>	<b>\$ (1,534,021)</b>	<b>\$ (32,495,823)</b>	<b>\$ (95,098,885)</b>	<b>\$ 45,829,844</b>	<b>\$ 78,989,949</b>	<b>\$ 5,841,086</b>
<b>Debt Service as a Percentage of Noncapital Expenditures (2)</b>	4.16%	6.66%	6.50%	7.36%	7.36%	8.64%	6.92%	9.67%	9.46%	7.59%

- (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	Personal Property Value				
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	
2012	8,096,533	2,474,377	2,821,268	(1,755,977)	11,636,201	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
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
2012	1.04005	0.10000	1.14005	117,505,660	11,411,064	128,916,724

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**

<u>Taxing Authority</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>	<u>2012</u>
<b><u>Overlapping Rates:</u></b>										
Midland County	\$ 0.1288	\$ 0.1280	\$ 0.1400	\$ 0.1400	\$ 0.1560	\$ 0.1560	\$ 0.1408	\$ 0.1265	\$ 0.1402	\$ 0.1982
Midland County Hospital District	0.0996	0.0991	0.1262	0.1262	0.1351	0.1351	0.1198	0.1183	0.1251	0.1622
Midland College District	0.9221	0.0912	0.1147	0.1147	0.1371	0.1259	0.1244	0.1332	0.1442	0.1679
Midland, City of	0.3589	0.3647	0.3922	0.4084	0.3997	0.3805	0.3939	0.4319	0.4611	0.4705
Odessa, City of	0.4771	0.4766	0.4766	0.4706	0.4706	0.4706	0.4758	0.5128	0.5128	0.5228
Total Other Entities	\$ <u>1.9865</u>	<u>1.1596</u>	<u>1.2497</u>	<u>1.2599</u>	\$ <u>1.2985</u>	\$ <u>1.2681</u>	\$ <u>1.2547</u>	\$ <u>1.3227</u>	\$ <u>1.3834</u>	\$ <u>1.5216</u>
<b><u>District Direct Rates (1):</u></b>										
Maintenance & Operations	\$ 0.95640	0.97005	1.04005	1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005	\$ 1.04005
Debt Service	0.07020	0.08000	0.08000	0.08750	0.08000	0.10000	0.10000	0.09000	0.10000	0.10000
<b>Total District Direct Rates</b>	\$ <u>1.02660</u>	<u>1.05005</u>	<u>1.12005</u>	<u>1.12755</u>	\$ <u>1.12005</u>	\$ <u>1.14005</u>	\$ <u>1.14005</u>	\$ <u>1.13005</u>	\$ <u>1.14005</u>	\$ <u>1.14005</u>

Source: Midland Central Appraisal District

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

**Table 8**

Taxpayer	2021			Taxpayer	2012		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value		Assessed Value	Rank	Percentage of Total Assessed Value (3)
PIONEER NATURAL RES -WI-	2,084,061,050	1	5.75%	PIONEER NATURAL RES -WI-	548,784,990	1	4.72%
CHEVRON USA INC	1,528,651,280	2	4.21%	ENDEAVOR ENERGY RESOURCES LP	258,125,900	2	2.22%
ENDEAVOR ENERGY RESOURCES LP	1,164,303,280	3	3.21%	CHEVRON USA INC	176,345,070	3	1.52%
XTO ENERGY INC	1,106,906,230	4	3.05%	BP AMERICA PRODUCTION	170,234,230	4	1.46%
COG OPERATING LLC	909,903,450	5	2.51%	HENRY RESOURCES LLC	136,293,770	5	1.17%
DIAMONBACK E&P LLC	549,551,150	6	1.52%	FASKEN LAND & MATERIALS LTD	113,004,260	6	0.97%
APACHE CORP	446,508,420	7	1.23%	COG OPERATING LLC	95,020,720	7	0.82%
OVINTIV USA INC	409,881,230	8	1.13%	TRA MIDLAND PROPERTIES LLC	79,638,650	8	0.68%
NEXTIER COMPLETION SOLUTIONS	285,717,110	9	0.79%	TXU ELECTRIC DELIVERY	75,944,610	9	0.65%
ONCOR ELECTRIC	241,265,340	10	0.67%	MOBILE PRODUCING TX&NM	75,495,030	10	0.65%
<b>TOTALS</b>	<b>\$ <u>8,726,748,540</u></b>		<b>24.06%</b>	<b>TOTALS</b>	<b>\$ <u>1,728,887,230</u></b>		<b>14.86%</b>
<b>Total Assessed Value</b>	<b>\$ <u>36,269,821,064</u></b>			<b>Total Assessed Value</b>	<b>\$ <u>11,636,201,720</u></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</u>			<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
	<u>(Original Levy)</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>
2021	\$ 366,882,320	\$ 4,132,354	\$ 371,014,674	\$ 364,001,076	98.11%	\$ -	\$ 364,001,076	98.11%
2020	362,622,198	3,600,209	366,222,407	362,002,727	98.85%	2,876,936	364,879,663	99.63%
2019	277,571,957	459,751	278,031,708	273,443,149	98.35%	2,292,406	275,735,555	99.17%
2018	236,819,508	1,414,385	238,233,893	235,544,997	98.87%	2,231,672	237,776,669	99.81%
2017	207,590,188	(1,092,019)	206,498,169	203,086,671	98.35%	2,361,865	205,448,536	99.49%
2016	224,226,017	215,257	224,441,274	221,624,418	98.74%	2,164,186	223,788,604	99.71%
2015	216,191,515	(1,003,872)	215,187,643	213,157,471	99.06%	1,658,478	214,815,949	99.83%
2014	187,552,238	(62,569)	187,489,669	185,316,839	98.84%	1,663,049	186,979,888	99.73%
2013	164,577,895	652,765	165,230,660	163,694,317	99.07%	870,905	164,565,222	99.60%
2012	128,916,724	(236,058)	128,680,666	127,562,499	99.13%	1,286,052	128,848,551	100.13%

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)	Leases Payable (1)				From Table 14 Personal Income (in thousands) (2)	From Table 14 Total Population (2)
2021	\$ 170,180,982	\$ -	\$ 170,180,982	*	\$ 1,036	*	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
2012	116,989,649	-	116,989,649	1.28%	864	9,144,318	135,359

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

Outstanding debt is presented at par value which excludes accreted interest and premiums.

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

\* Data not available. Calendar year 2020 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>General Obligation Bonds (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>
2021	\$ 170,180,982	\$ 16,325,207	\$ 153,855,775	0.42%	\$ 936	\$ 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
2012	116,989,649	4,790,496	112,199,153	1.39%	829	8,096,533	135,359

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value which excludes accreted interest and 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, 2021**  
**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	\$ 11,985,000	91.28%	\$ 10,939,908
Midland County Hospital District	86,315,000	91.28%	78,788,332
Midland College District	14,155,000	100.00%	14,155,000
Midland, City of	209,145,000	99.85%	208,831,283
Odessa, City of	156,080,000	11.11%	17,340,488
Total Overlapping Debt			330,055,011
<b><u>Direct:</u></b>			
Midland Independent School District (2)		100.0%	170,180,982
<b>TOTAL OVERLAPPING AND DIRECT DEBT</b>			<b>\$ 500,235,993</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 is presented at par value which excludes accreted interest and premiums.

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

**Table 13**

	<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>	<u>2012</u>
Debt Limit -										
10% of Assessed Valuation	\$ 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	\$ 1,163,620,100
Total Net Debt Applicable to Limit	<u>153,855,775</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>	<u>112,199,153</u>
Legal Debt Margin	<u>\$ 3,473,126,325</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>	<u>\$ 1,051,420,947</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Lim	4.24%	4.78%	7.40%	9.24%	11.23%	12.18%	13.02%	15.27%	11.71%	9.64%

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

Assessed Value (2)	\$ 36,269,821,000
Debt Limit Percentage of Assessed Value	<u>10%</u>
Debt Limitation	3,626,982,100
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 170,180,982
Less Restricted for Retirement of Bonded Debt (3)	<u>16,325,207</u>
Total Amount of Debt Applicable to Debt Limitation	<u>153,855,775</u>
	<u>\$ 3,473,126,325</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>
2020	164,316	\$ *	\$ *	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%
2011	135,359	9,144,318	80,322	33.4	22,628	4.4%

**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**

2021				2012			
Employer	Employees	Rank	Percentage of Total Employment (1)	Employer	Employees	Rank	Percentage of Total Employment (2)
Midland Independent School District	3,055	1	3.15%	Midland Independent School District	3,009	1	3.56%
Midland Health	2,198	2	2.27%	Warren Equipment Companies	2,008	2	2.37%
Pioneer Natural Resources	1,174	3	1.21%	Midland Memorial Hospital	1,670	3	1.97%
Endevour Energy Resources	1,138	4	1.17%	Dawson Geophysical	1,522	4	1.80%
City of Midland	1,046	5	1.08%	Midland College	1,201	5	1.42%
Walmart	952	6	0.98%	Schlumberger Oil Field Service	950	6	1.12%
Diamondback	800	7	0.83%	City of Midland	909	7	1.07%
ConocoPhillips	730	8	0.75%	Wal-Mart Super Center	790	8	0.93%
Midland County	659	9	0.68%	Midland County	600	9	0.71%
Midland College	620	10	0.64%	Concho Resources	509	10	0.60%
	<u>12,372</u>		<u>12.76%</u>		<u>13,168</u>		<u>15.58%</u>

(1) Total Employment for 2021: 96,900  
(2) Total Employment for 2012: 84,563

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 2012 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>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>2012</b>
Administrator	16	16	9	13	7	7	6	7	7	2
Associate/Assistant Principal	68	59	62	58	53	56	58	57	57	44
Athletic Trainer	3	3	2	-	-	1	-	1	1	2
Auxiliary Staff	10	10	7	17	-	-	-	-	-	-
Counselor	63	57	54	58	61	60	56	55	55	50
Educational Aide	228	178	158	173	168	152	151	152	152	142
Educational Diagnostician	21	25	19	18	16	18	17	16	16	13
Librarian	19	19	20	20	20	23	23	23	23	21
Music Therapist	1	1			1					
Nurse	39	37	33	30	36	36	29	36	36	33
Occupational Therapist	2	2	2	2		2	2	1	1	2
Other Campus Prof. Personnel	32	37	34	34	40	37	30	37	37	43
Other Non-Campus Prof. Personnel	109	89	76	49	91	83	80	82	82	60
Orientation/Mobility Instructor	1	1	1							
Physical Therapist	2	2	2	2	1	2	2	1	1	1
Psychologist/LSSP	3	4	6	3	2	4	4	5	5	3
Principal	40	39	38	38	38	38	38	35	35	35
Social Worker	3	2	2	2	1	1	1	1	1	3
Speech Therapist/Speech Lang. Pathologist	27	19	23	23	23	22	20	19	19	18
Teacher	1,662	1,589	1,570	1,581	1,578	1,562	1,588	1,513	1,513	1,392
Teacher Facilitator	26	23	17	21	42	61	79	49	49	30
<b>Total Employees</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>	<b>1,893</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>
2021	25,579	\$ 437,813,920	\$ 17,116	17.65%	\$ 453,832,560	\$ 17,742	12.33%	1,688	15.15	50.60%
2020	26,432	384,528,625	14,548	33.90%	417,507,725	15,796	32.51%	1,612	16.39	44.52%
2019	26,183	284,471,972	10,865	21.90%	312,097,435	11,920	28.24%	1,587	16.50	47.09%
2018	25,716	229,205,676	8,913	-12.63%	239,033,224	9,295	-17.94%	1,602	16.05	47.06%
2017	24,692	251,885,660	10,201	-5.97%	279,679,367	11,327	-6.37%	1,621	15.24	50.32%
2016	24,555	266,394,260	10,849	3.71%	297,059,456	12,098	7.10%	1,623	15.13	46.30%
2015	24,369	254,917,199	10,461	10.36%	275,261,657	11,296	10.56%	1,667	14.62	42.23%
2014	23,560	223,325,647	9,479	18.91%	240,698,626	10,216	21.25%	1,562	15.08	46.33%
2013	23,319	185,882,154	7,971	5.13%	196,478,459	8,426	3.96%	1,562	14.92	46.58%
2012	22,628	171,569,476	7,582	0.63%	183,399,721	8,105	-8.33%	1,422	15.92	49.15%

(1) Operating expenditures are total expenditures less 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**

<b>Fiscal Year Ended 6/30:</b>	<b>District</b>		<b>Region * Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>		
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
2012	42,400	64,250	51,718	47,158

(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>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>2012</b>
<b>HIGH SCHOOLS</b>										
<b>Midland Senior High School (1928)</b>										
Square Footage	364,264	364,264	364,264	364,264	358,871	358,871	358,871	358,871	358,871	358,871
Capacity	2,915	2,915	2,915	2,915	2,872	2,872	2,872	2,872	2,872	2,872
Enrollment	2,347	2,319	2,365	2,374	2,229	2,149	2,165	2,085	2,062	2,044
<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	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758	2,758
Enrollment	2,348	2,281	2,288	2,209	2,229	2,221	2,145	2,137	2,205	2,133
<b>Coleman High School (1991)</b>										
Square Footage	31,348	26,620	26,620	26,620	26,620	26,620	26,620	26,620	26,620	26,620
Capacity	403	235	342	342	342	342	342	342	342	342
Enrollment	145	170	153	164	161	166	170	136	140	120
<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	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212	1,212
Enrollment	826	843	853	805	777	804	786	785	769	743
<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	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197	1,197
Enrollment	838	843	803	842	798	818	786	785	769	743
<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	359	359	359	359	359	359	359	359	359	359
Enrollment	8	8	18	12	19	19	36	26	16	18
<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	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014
Enrollment	1,111	1,095	1,077	1,036	986	984	1,012	823	911	879

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>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>2012</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	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018	1,018
Enrollment	797	814	841	732	731	732	791	815	764	816
<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	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Enrollment	1,024	1,009	1,046	1,212	1,063	1,047	1,051	1,001	929	942
<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	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Enrollment	866	902	882	698	765	735	709	1,001	929	942
<b>Young Women's Leadership Academy (2019)</b>										
Square Footage	27,904	14,848	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	42	280	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	285	148	N/A	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	59,422	59,422	59,422	59,422
Capacity	728	728	728	728	728	728	662	662	662	662
Enrollment	535	614	647	631	585	697	852	812	751	771
<b>Bowie Elementary (1954)</b>										
Square Footage	90,881	90,881	90,881	90,881	90,881	90,881	75,283	75,283	75,283	75,283
Capacity	636	636	636	636	636	636	527	527	527	527
Enrollment	484	501	507	518	499	467	474	476	507	490
<b>Bunche Elementary (2015)</b>										
Square Footage	94,306	92,770	92,770	92,770	92,770	92,770	92,770	N/A	N/A	N/A
Capacity	862	818	848	848	848	848	848	N/A	N/A	N/A
Enrollment	805	858	834	812	775	787	-	N/A	N/A	N/A
<b>Burnet Elementary (1958)</b>										
Square Footage	63,512	63,512	63,512	63,512	63,512	63,512	58,037	58,037	58,037	58,037
Capacity	597	597	597	597	597	597	546	546	546	546
Enrollment	462	581	511	553	545	627	659	623	588	561

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>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>2012</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	450	450	450	450	450	450	450	450	450	450
Enrollment	470	531	479	473	456	451	687	608	593	575
<b>Carver Elementary (1949)</b>										
Square Footage	83,620	83,620	83,620	83,620	83,620	83,620	80,733	80,733	80,733	80,733
Capacity	509	509	509	509	509	509	491	491	491	491
Enrollment	500	529	511	505	450	468	431	399	395	443
<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	673	673	673	673	673	673	673	673	673	673
Enrollment	599	696	647	588	455	470	518	482	434	454
<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	560	560	560	560	560	560	560	560	560	560
Enrollment	435	482	505	496	521	497	641	578	602	560
<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	694	694	694	694	694	694	694	694	694	694
Enrollment	594	584	599	579	534	517	666	640	641	594
<b>Fasken Elementary (2015)</b>										
Square Footage	92,872	92,500	92,500	92,500	92,500	92,500	92,500	N/A	N/A	N/A
Capacity	906	818	902	902	902	902	902	N/A	N/A	N/A
Enrollment	787	869	793	755	867	566	-	N/A	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	740	740	740	740	740	740	740	740	740	740
Enrollment	590	535	456	398	412	422	394	369	453	468
<b>Greathouse Elementary (2009)</b>										
Square Footage	73,774	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238	72,238
Capacity	789	745	773	773	773	773	773	773	773	773
Enrollment	790	838	830	779	714	704	757	717	747	730
<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	794	794	794	794	794	794	794	794	794	794
Enrollment	362	412	409	468	466	469	497	485	650	593

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>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>2012</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	690	690	690	690	690	690	690	690	690	690
Enrollment	375	372	407	464	491	473	569	630	694	650
<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	594	594	594	594	594	594	594	594	594	594
Enrollment	346	401	383	373	365	384	496	478	487	465
<b>Lamar Elementary (1952)</b>										
Square Footage	62,641	62,641	62,641	62,641	62,641	62,641	62,641	62,641	53,889	53,889
Capacity	632	632	632	632	632	632	632	632	544	544
Enrollment	456	521	503	544	527	580	617	571	482	440
<b>Long Elementary (1955)</b>										
Square Footage	67,879	67,879	67,879	67,879	67,879	67,879	67,879	60,982	60,982	60,982
Capacity	635	635	635	635	635	635	635	570	570	570
Enrollment	514	553	557	518	527	538	637	628	538	519
<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	752	752	752	752	752	752	752	752	752	752
Enrollment	495	463	439	450	362	465	513	576	564	515
<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	490	490	490	490	490	490	490	490	490	490
Enrollment	506	580	523	486	461	444	558	502	495	381
<b>Pease Communications &amp; Technology Academy (1959)</b>										
Square Footage	73,785	73,785	73,785	73,785	73,785	73,785	73,785	54,970	54,970	54,970
Capacity	598	598	598	598	598	598	598	446	446	446
Enrollment	480	514	583	621	550	568	542	513	556	544
<b>Rusk Elementary (1961)</b>										
Square Footage	60,184	60,184	60,184	60,184	60,184	60,184	60,184	53,134	53,134	53,134
Capacity	458	458	458	458	458	458	458	404	404	404
Enrollment	324	357	423	415	445	423	588	586	566	535
<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	616	616	616	616	616	616	616	616	616	616
Enrollment	547	613	590	600	561	540	671	578	538	545

Source: Internal District Records

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>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>2012</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	687	687	687	687	687	687	687	687	687	687
Enrollment	676	721	783	766	701	515	863	820	780	684
<b>South Elementary (1945)</b>										
Square Footage	56,771	56,771	56,771	56,771	56,771	56,771	56,771	49,823	49,823	49,823
Capacity	515	515	515	515	515	515	515	452	452	452
Enrollment	485	551	598	583	589	662	481	527	543	541
<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	862	862	862	862	862	862	862	862	862	862
Enrollment	770	685	745	779	702	667	850	755	590	611
<b>Washington Elementary (1952)</b>										
Square Footage	71,515	71,515	71,515	71,515	71,515	71,515	71,515	58,032	58,032	58,032
Capacity	457	457	457	457	457	457	457	371	371	371
Enrollment	363	440	474	464	440	418	468	476	505	492
<b>Yarbrough Elementary (2015)</b>										
Square Footage	92,500	92,500	92,500	92,500	92,500	92,500	92,500	N/A	N/A	N/A
Capacity	818	818	818	818	818	818	818	N/A	N/A	N/A
Enrollment	783	774	763	707	607	720	-	N/A	N/A	N/A

Source: Internal District Records

Single Audit Section

June 30, 2021

**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 aggregate 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, 2021, 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 15, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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.



**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.

Abilene, Texas  
November 15, 2021

**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**

We have audited Midland Independent School District's (the District) compliance with the types of compliance requirements described 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, 2021. 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Abilene, Texas  
November 15, 2021

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2021

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	71402001	\$ 47,304
240	National School Lunch Program - Cash Assistance	10.555	71302001	69,646
	Total Passed - Through Texas Education Agency			<u>116,950</u>
	Passed - Through Texas Department of Agriculture			
	Child Nutrition Cluster			
240	COVID-19 Emergency Operational Cost Reimbursement	10.555	00807	334,821
242	Summer Food Service Program for Children - Cash Assistance*	10.559	81085391	11,359,886
242	Summer Food Service Program for Children - Noncash Assistance*	10.559	81085391	769,052
	Total Child Nutrition Cluster			<u>12,580,709</u>
240	State Administrative Expense Funds	10.560	00807	26,725
	Total U.S. Department of Agriculture			<u>12,607,434</u>
	U.S. Department of Defense			
	Direct			
199	Junior Reserve Officers Training Corps	12.000	N/A	56,277
	Total U.S. Department of Defense			<u>56,277</u>
	U.S. Department of Treasury			
	Passed - Through Texas Education Agency			
277	COVID-19 Coronavirus Relief Funds	21.019	52202002	503,041
	Passed - Through Texas Division of Emergency Management			
199 ****	COVID-19 Coronavirus Relief Funds	21.019	FS406	75,990
	Passed - Through City of Midland			
277	COVID-19 Coronavirus Relief Funds	21.019	N/A	503,041
	Total COVID-19 Coronavirus Relief Funds (ALN 21.019)			<u>1,082,072</u>
	Total U.S. Department of Treasury			<u>1,082,072</u>

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2021

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 Education				
Passed - Through Texas Education Agency				
Title I Grants to Local Educational Agencies				
211	Title I. Part A - Improving Basic Programs	84.010A	20610101165901	1,720,116
211	Title I. Part A - Improving Basic Programs	84.010A	21610101165901	4,236,901
288	Title I, Transformation Zone	84.010A	196101217110004	1,250,192
288	Title I, School Transformation	84.010A	206101487110010	531,898
296	Title I, 1003(A). Priority and Focus School Grant	84.010A	20610141165901	52,713
296	Title I, 1003(A). Priority and Focus School Grant	84.010A	21610141165901	<u>352,148</u>
Total Title I Grants to Local Educational Agencies (ALN 84.010A)				<u>8,143,968</u>
Title IV Grants to Local Educational Agencies				
287	Title IV, Part A, Subpart 1	84.424A	20680101165901	70,097
287	Title IV, Part A, Subpart 1	84.424A	21680101165901	<u>117,792</u>
Total Title IV Grants to Local Educational Agencies (ALN 84.424A)				<u>187,889</u>
Special Education Cluster (IDEA)				
224	Special Education Grants to States**	84.027A	206600011659016600	3,295,448
224	Special Education Grants to States**	84.027A	216600011659016600	2,312,871
225	Special Education Preschool Grants***	84.173A	206610011659016000	51,725
225	Special Education Preschool Grants***	84.173A	216610011659016610	<u>39,077</u>
Total Special Education Cluster (IDEA)				<u>5,699,121</u>
English Language Acquisition State Grants				
263	Title III, Part A - LEP	84.365A	20671001165901	41,277
263	Title III, Part A - LEP	84.365A	21671001165901	300,997
263	Title III, Part A - LEP	84.365A	21671003165901	<u>79,152</u>
Total English Language Acquisition State Grants (ALN 84.365A)				<u>421,426</u>
Career and Technical Education -- Basic Grants to States				
244	Career and Technical Education -- Basic Grants to States	84.048A	21420006165901	283,465
244	Career and Technical Education -- Basic Grants to States	84.048A	214200287110016	111,968
244	Career and Technical Education -- Basic Grants to States	84.048A	214200287110017	<u>22,056</u>
Total Career and Technical Education - Basic Grants to States (ALN 84.048A)				<u>417,489</u>

Midland Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended June 30, 2021

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
	Supporting Effective Instruction State Grants			
255	Supporting Effective Instruction State Grants	84.367A	20694501165901	284,050
255	Supporting Effective Instruction State Grants	84.367A	21694501165901	<u>437,356</u>
	Total Supporting Effective Instruction State Grants (ALN 84.367A)			721,406
	Public Charter Schools			
258	Public Charter Schools	84.282	185901057110011	253,886
258	Public Charter Schools	84.282	195900127110003	654,896
258	Public Charter Schools	84.282	195901057110005	736,291
258	Public Charter Schools	84.282	195900127110010	<u>758,796</u>
	Total Public Charter Schools (ALN 84.282)			2,403,869
276	School Improvement Grants	84.377A	17610740165901	83,378
289	LEP Summer School	84.369A	216101527110003	62,300
	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)			
266	COVID-19 ESSER Grant	84.425D	20521001165901	812,435
266	COVID-19 ESSER Private Nonprofit Equitable Services	84.425D	52102012	12,632
199 ****	COVID-19 ESSER Prior Purchase Reimbursement Program	84.425D	52102035	63,612
266	COVID-19 ESSER Prior Purchase Reimbursement Program	84.425D	52102035	<u>2,292,542</u>
	Total COVID-19 Elementary and Secondary School Emergency Relief Fund (ALN 84.425D)			<u>3,181,221</u>
	Total Passed - Through Texas Education Agency			21,322,067
	Total U.S. Department of Education			<u>21,322,067</u>
	U.S. Department of Health and Human Services			
	Passed - Through Texas Health and Human Services Commission			
272	Medicaid Administrative Program (Medicaid cluster)	93.778	HHS000537900108	<u>15,853</u>
	Total Medicaid Cluster			<u>15,853</u>
	Total U.S. Department of Health and Human Services			<u>15,853</u>
	Total Federal Financial Assistance			<u>\$ 35,083,703</u>

\* Total Summer Food Service Program (ALN 10.559) \$ 12,128,938  
 \*\* Total Special Education Grants to States (ALN 84.027A) 5,608,319  
 \*\*\* Total Special Education Preschool Grants to States (ALN 84.173A) 90,802  
 \*\*\*\* Expenditures were recorded in the general fund in fiscal year 2020, but award was finalized and reimbursement received fiscal year 2021. Accordingly, the revenue is recorded in the same fund that expenditures had previously been recorded.

**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, 2021. 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	\$ 35,083,703
General fund - federal revenue	
School Health and Related Services (SHARS)	979,579
Total federal revenues per Exhibit C-2	\$ 36,063,282

**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. At June 30, 2021, the District had food commodities totaling \$844,653 in inventory.

**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>
Child Nutrition Cluster	10.553; 10.555; 10.559
COVID-19 Coronavirus Relief Fund	21.019
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D
Charter Schools	84.282
Dollar threshold used to distinguish between type A and type B programs:	\$1,052,511
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, 2021

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<u>Data Control Codes</u>		<u>Responses</u>
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	\$ 1,275,934