

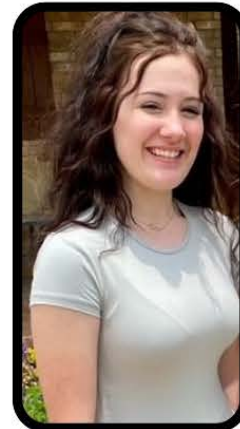
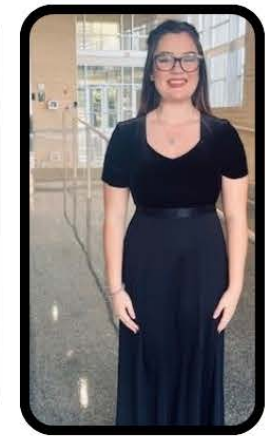
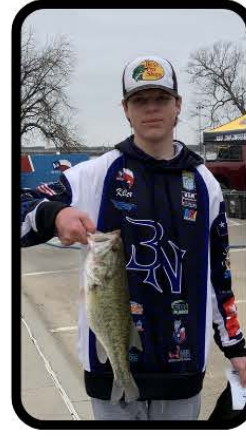


Northwest Independent School District
Fort Worth, Texas

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

2023





Fort Worth, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Prepared By: **Financial Services**

Jonathan Pastusek
Chief Financial Officer

Christi Drilling
Executive Director of Financial Services

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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CERTIFICATE OF BOARD

Northwest Independent School District
Name of School District

Denton
County

061911
County Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) X approved _____ disapproved for the year-ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 13th day of November 2023.


Signature of Board Secretary


Signature of Board President

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

(attach list as necessary)



November 13, 2023

To the Board of Trustees and Taxpayers of the Northwest Independent School District:

The Annual Comprehensive Financial Report (ACFR) of Northwest Independent School District (“District”) for the year ended June 30, 2023, is enclosed. This report has been prepared by the District’s Financial Services Department, with the intention of full transparency and accuracy. This report consists of management’s representations of the finances of the District and assumes full responsibility for the completeness and reliability of all the information presented in this report.

The Texas Education Code requires that all school districts must have their annual financial and compliance reports audited by a licensed independent certified public accountancy (CPA) firm approved by its board and filed with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The audited annual financial report requires conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS). Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report of the Northwest Independent School District for the fiscal year ended June 30, 2023.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be reviewed in conjunction with it. The District’s MD&A immediately follows the independent auditor’s report.

District Profile

Northwest Independent School District’s lineage traces its roots to the late 1800s when local schools were created to serve children as the population grew amid new railroads, general stores, and livery stables. In 1948, the state voted to approve the formation of Northwest Independent School District through one-school districts of Justin, Haslet, Rhome, and Roanoke voluntarily consolidating, with New Fairview (then known as Fairview) agreeing to join the new district the following year. Northwest Independent School District formally began operations in 1949, and in 1950, construction began on a consolidated high school. In 1973, Newark was annexed. Residents of the district elect a seven-member Board of Trustees (the Board), the level of governance, each of which serves for three years. The Board is responsible for all activities related to public school education within the jurisdiction of the District. Monthly meetings of the Board are posted and advertised as prescribed under state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the District. Special meetings or study sessions are scheduled, as needed. The Board has final control over all school matters except as limited by state law.

Serving fourteen cities, towns and communities of Aurora, Haslet, Justin, New Fairview, Newark, Northlake, Rhome, and Trophy Club, along with portions of Flower Mound, Fort Worth, Keller, Roanoke, Southlake, and Westlake. The District’s boundaries encompass approximately 234 square miles in Denton, Tarrant, and Wise Counties. The district provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the district offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The Texas Education Agency (TEA) fully accredits the district.

The Northwest Independent School District is uniquely situated in the northwest corridor of the Dallas-Fort Worth Metroplex and provides premier educational services and opportunities to families. Northwest ISD ranks the fastest growing school district in North Texas. Due primarily to the doubling of homes constructed in just the last year. Families move to Northwest ISD for its renowned education, attractive living environment, and job opportunities. Construction has commenced on 7,342 lots within twenty-four subdivisions. Northwest ISD is expected to enroll more than 38,400 students by the 2026-2027 school year and more than 49,800 by the 2031-2032 school year. Northwest ISD continues to add approximately 2,000 to 2,500 new students to its total enrollment population each year. With such a profound growth rate, Northwest ISD ranks among the top in the state for enrollment increases.

The population of the Northwest Independent School District in 2000 was 35,364 as compared to 153,957 in 2022.

District Accomplishments and Highlights

Student Accomplishments

- Northwest ISD recognized seven high school seniors from Byron Nelson High School, Northwest High School, and Eaton High School who achieved the status of National Merit Semifinalists in the 2023 annual competition. These seven students were part of approximately 16,000 Semifinalists in the 68th annual National Merit Scholarship Program.
- Northwest ISD takes great pride in the recognition of 118 juniors and seniors designated by the College Board as National Recognition Program. This acknowledgement is based on their exceptional academic accomplishments and outstanding performance on the PSAT and AP exams.
- The robotics team from Eaton High School participated in the University Interscholastic League's (UIL) Best Division Robotics Championships held in Frisco. The team secured first place for their marketing presentation, earned first place for displaying exceptional sportsmanship, and received an accolade for their outstanding software design.
- Fourteen students from James M. Steele Early College High School earn their associate degrees a full two weeks before they officially receive their high school diplomas. This remarkable accomplishment is possible through successful completion of 60 hours of dual credit coursework, fulfilling the criteria of Associate of Arts or Associate of Science degrees, and the second-largest class of graduates in the school's history.
- Northwest ISD sent a record-setting 11 Destination Imagination teams to the state tournament following a strong showing at the recent Greater Fort Worth Regional Tournament held in February. After scoring in the top six of their challenge group at the Lone Star Finals, four Northwest ISD Destination Imagination (DI) teams will advance to the elite Global Finals competition.
- Forty Northwest ISD students were recognized at the district's annual Fine Arts Breakfast and the seniors from all four of the district's high schools were awarded more than \$5.3 million in scholarships, the highest amount ever recorded by the program.
- Northwest ISD earned recognition as a top community for music education and was designated as a District of Distinction by the Texas Art Educators Association.
- Character.org, a national advocate and leader for the character education movement, has named Northwest ISD's Granger Elementary School a 2023 Texas School of Character. The program recognized Granger Elementary as a school that has demonstrated its use of character development to create a positive influence on academics, student behavior and climate.
- Elementary students across Northwest ISD competed in the 2023 Virtual Robotics Tournament for the fourth year. The teams that scored the highest overall for their challenges were crowned the tournament champions. Students had two months to complete their challenge and submit to compete against other schools virtually.
- Northwest ISD's three comprehensive high schools, Byron Nelson, Eaton, and Northwest, combined for fourteen nominations in the prestigious Betty Lynn Buckley Awards, one of the top theatre competitions in the state.

- In November 2022, fall NCAA Signing Day ceremonies recognize twenty-seven student athletes, signifying their intent to play collegiate sports and continue their academic pursuits.
- In December 2022, Byron Nelson High School and Northwest High School had three student-athletes take part in National Signing Day ceremonies signifying their intent to play collegiate sports and continue their academic pursuits.
- Northwest ISD had thirty-one student-athletes in the spring from each of Northwest ISD's three comprehensive high schools - Byron Nelson, Eaton, and Northwest- who took part in National Signing Day ceremonies on Wednesday, April 12, 2023, signifying their intent to play collegiate sports and continue their academic pursuits.
- Northwest ISD's Adams Middle School and Tidwell Middle School students were selected for the Texas Choral Directors Association (TCDA) Middle School All-State choir ensemble. This is the highest honor in Texas for middle school singers.
- Eaton High School senior Miranda Bauer made district history by becoming the first student to graduate from two separate academies- located at different campuses- offered through Northwest ISD. Bauer completed enough courses to fulfill requirements for both the Business Management & Entrepreneurship Academy and the Cosmetology Academy.
- The Northwest High School Texans earned the UIL 5A Girls Wrestling State Championship, making history with the first team wrestling title in both school and district history. Notably, their victory also marks the first team UIL state championship of any kind in school history.
- Clay Martin made history by advancing his college education while enrolled in high school. Martin graduated with two associate degrees from Tarrant County College (TCC), through the school's accelerated program and partnership with Northwest ISD. The two degrees are in kinesiology and general education.
- Texas Music Educators Association (TMEA) All-State ensembles selected twelve students the highest honor a high school musician can achieve in Texas. The top-ranking musicians judged at the TMEA Area competitions qualify to perform in one of eighteen Texas All-State ensembles sponsored by the Band, Orchestra and Vocal Divisions.
- Byron Nelson High School and Eaton High School cheer squads each place at State Championships. Byron Nelson High School took home State Runner-Up for Spirit in the 6A Division II category and Best of Category for Fight Song with a final score of 72.7. Eaton High School cheerleaders missed securing a first-place finish against 41 teams competing in the 6A Division II preliminary round.
- Northwest ISD students participated in the Sonny Nance Memorial Junior Livestock Show. Students from across the district showcased their animals and agricultural projects.
- Steele Early College High School junior Conner Childs won the state championship for master of Microsoft software, an honor that will now allow him to compete against the best in the nation to showcase his skills. Childs earned the title of Texas Champion from Certiport, a leading certification exam firm.

Staff Accomplishments

- Northwest ISD honored Teachers of the Year for 2022-2023 on April 6, 2023, at the annual Inspire Celebration. Paola Morales of Roanoke Elementary School earned the Elementary Teacher of the Year, while Amberley Tanner of Steele Early College High School earned the Secondary Teacher of the Year recognition. All 31 Northwest ISD schools recognized their Exemplar Educators of the Year at this celebration after a rigorous evaluation of their leadership, motivation, and effectiveness in the classroom. In addition, 2023 Employees of the Year honored are Instructional Support - Frank Hempen (Steele Early College High School), Support Services - Courtney Rowe (Lakeview Elementary School) and Administrative Support- Angelica Jackson (Medlin Middle School).
- The Northwest ISD Safety and Security department received a recognition from Navigate360 for Excellence in School Safety & Wellness.
- Northwest ISD is proud to be among the educational institutions recognized by the Texas Association of School Business Officials (TASBO) with the prestigious Award of Merit for Purchasing Operations

for the eighth consecutive year. This award recognizes educational organizations for following best practices in purchasing operations.

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northwest Independent School District for its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2022, for the 21st time.
- The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Northwest Independent School District for its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2022, for the 19th time.
- The Northwest ISD Education Foundation (NEF) provides financial support to enhance education in Northwest ISD. NEF funds programs that have influence in the lives of students and teachers such as teaching grants, student scholarships, and supporting district initiatives. Over 800 Northwest ISD teachers and more than 15,000 students benefited from the NEF Resource Store and library with a total of \$122,000 in resources provided to educators for free. NEF awarded 27 teaching grants to 15 campuses totaling \$61,979. The Class of 2022 received 74 scholarships from NEF totaling \$117,500. NEF funded \$4,300 in monetary awards to the Northwest ISD Teachers of the Year Finalists and Employees of the Year. In partnership with Tarrant Area Food Bank, NEF hosted a monthly food pantry that served 1,773 households. More than 2,000 snack packs and 4,000 books were distributed to K-5 students in summer learning. Finally, NEF partnered with Northwest ISD Parent Teacher Association (PTA) to raise more than \$13,000 for schools across the district.

State Ratings and Accountability System

The Northwest Independent School District has consistently received a rating of “Superior Achievement” under the State of Texas School FIRST – financial accountability rating system. The Superior Achievement rating is the state’s highest, demonstrating the quality of the district’s financial management and reporting system. Northwest Independent School District’s School FIRST rating shows that the schools are accountable not only for student learning but also for achieving these results cost-effectively and efficiently.

This is the 22nd year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system of Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School FIRST is to achieve quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with Texas’ school finance system.

School FIRST – Financial Integrity Rating System of Texas

<u>Description</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
School FIRST Rating	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement

In 2013, the state of Texas implemented a new accountability system to focus on the achievement of postsecondary readiness for all Texas public school students called “STAAR” (State of Texas Assessment of Academic Readiness). STAAR is the state’s standardized testing program for elementary, middle, and high school students. The tests are to determine “readiness”, standards which are the knowledge and skills considered most important for success in the grade or subject that follows and for college and career readiness.

The new accountability system assigned a rating label of Met Standard, Met Alternative Standard, or Improvement Required based on the evaluation of the four performance indexes for Student Achievement, Student Progress, Closing Achievement Gaps, and Postsecondary Readiness. The indexes include assessment results from the State

of Texas Assessments of Academic Readiness (STAAR) testing program, graduation rates, and rates of students achieving the Recommended High School Program and Distinguished Achievement High School Program. Campuses that receive an accountability rating of *Met Standard* are eligible for distinction designations.

TEA maintained the same accountability rating labels 2014 through 2018. In 2019, TEA moved to a new accountability system in which campuses and districts are scored from A-F. A campus/district with an overall A, B, or C are considered to have met the standard to avoid improvement requirement sanctions. Campuses with an overall D or F are Improvement Required under the new system. Campuses are eligible to earn up to seven Academic Achievement Distinction Designations in the areas of Reading/ELA, Mathematics, Science, Social Studies, Top 25 Percent Student Progress, Top 25 Percent Closing Achievement Gaps and Postsecondary Readiness. Districts are eligible to earn an Academic Achievement Distinction Designation in Postsecondary Readiness.

In 2023, the Texas Education Agency postponed the release of its annual school ratings because of a new rating system. While the agency initially mentioned an estimated one-month delay, no specific date has been provided.

Description	STAAR	STAAR	STAAR	STAAR	STAAR	STAAR	STAAR
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-2022	2022-2023
All Subjects	85%	86%	87%	No Tests due to COVID	79%	82%	NOT AVAILABLE
Reading	84%	85%	85%	No Tests due to COVID	78%	83%	NOT AVAILABLE
Mathematics	86%	88%	89%	No Tests due to COVID	78%	79%	NOT AVAILABLE
Writing	76%	78%	79%	No Tests due to COVID	73%	No longer tested	NOT AVAILABLE
Science	89%	90%	90%	No Tests due to COVID	85%	84%	NOT AVAILABLE
Social Studies	88%	89%	89%	No Tests due to COVID	85%	87%	NOT AVAILABLE
Overall District Rating	Met Standard	A	A	Not Rated: Declared State of Disaster	Not Rated: Declared State of Disaster	B	NOT AVAILABLE

All Texas school districts and campuses will receive a Not Rated: Declared State of Disaster label for their 2020 and 2021 accountability ratings, according to the Texas Education Agency. Texas students take the State of Texas Assessments of Academic Readiness each year to measure standards in reading, writing, math, science, and social studies and are traditionally given letter grades ranging from A-F based on performance. Although the coronavirus pandemic is ongoing, the state required students to take the STAAR exam in 2021. The ratings are based on several categories, including Student Achievement, School Progress and Closing the Gaps, all of which compare student performance.

Campus Rating	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Met Standard	26	27	28	Not Rated	Not Rated	29	Not Available
Earned one or more Distinctions	7	12	12	Not Rated	Not Rated	10	Not Available
Total Distinctions Earned	11	22	26	Not Rated	Not Rated	18	Not Available
Improvement Required	0	0	0	Not Rated	Not Rated	0	Not Available
Not Rated (TYC Campus)	1	1	1	Not Rated	Not Rated	1	Not Available
District Rating	Met Standard	A	A	Declared State of Disaster	Declared State of Disaster	Met Standard	Not Available

District Highlights

- Northwest ISD was named a 2022 District of Distinction by the Texas Art Education Association (TAEA), an honor given to Texas school districts that advocate for integrate visual arts curriculum in their schools. Only 59 districts across Texas received recognition from more than 1,200 eligible, indicating Northwest ISD is among the top four percent in the state.
- The Texas Education Agency released district and campus ratings, with Northwest ISD earning an overall score of 89, or a high “B” rating. Our campuses earned a combined total of eighteen academic distinction designations for the 2021-22 school year data.
- In 2021, the U.S. Senate and House of Representatives unanimously passed the Juneteenth National Independence Day Act which was signed into law by President Joe Biden. In February 2022, Opal Lee, often referred to as “grandmother of Juneteenth,” visited Peterson Elementary to read her book “Juneteenth: A Children’s Story,” shedding light on the history of this federal holiday.
- Numerous volunteers dedicated their time and enthusiasm, sharing their favorite books with elementary students during the district’s annual Northwest Reads event. Volunteers ranging from meteorologists to XFL players, board members, and even grandparents.
- Over the past five years, student enrollment substantially increased from 23,061 to an impressive 29,248 students in 2023.
- As part of Northwest ISD’s 2023 bond package, four early childhood centers are proposed to increase our district’s ability to serve young children. The facilities are scheduled to be built in the north, east, south, and west of the district.
- The Northwest ISD Education Foundation’s (NEF) resource store and library provide immediate support to Northwest ISD teachers and students through free resources and educational materials. Northwest ISD teachers can “shop” for school and classroom supplies, snack packs, clothing items, and books. All items are free to district educators.
- Since the beginning of the 2022-2023 school year, the NEF resource store has welcomed more than 350 in-person shoppers and received 500+ online order requests.
- Northwest ISD joined forces with the Tarrant Area Food Bank and the Northwest ISD Education Foundation establishing a monthly mobile market aimed at providing personal care and/or educational items for families. The success of this initiative is a testament to the combined efforts of our students, dedicated volunteers, and supportive community.

- For the 2022-2023 school year, the Northwest ISD Board of Trustees unanimously approved the inaugural class of the Legacy Wall, honoring individuals who have left a positive mark on district students. The Legacy Wall honors the heritage and history of Northwest ISD's community.
- Northwest ISD partnered with Goodside Health, a tele-health program based in schools, offering students and their family's access to high-quality healthcare services. Commencing in July 2022, students can receive medical care directly in the school nurse's office, promoting their well-being and enhancing their classroom experience.
- AlphaBest Education partnered with Northwest ISD to offer a wide variety of after-school enrichment classes for elementary students.
- Northwest ISD academic leaders presented a proposal to the school board that would see the district implement full-day pre-kindergarten beginning in the 2023-2024 school year. Prior to the full-day, the district served 21 sections of full-day pre-K with 588 students, while the proposal would allow the district to serve 814 students in 37 sections. This would have notable staffing implications, with the need to hire 16 pre-K teachers as well as 16 pre-K paraprofessional, though four of each of these positions are already planned because of growth. Additionally, 10 early childhood special education teachers and 26 early childhood special education paraprofessionals would need to be hired, of which four and six, respectively, are already planned for because of growth. Notably, transitioning to full-day pre-K dramatically increases the probability a child will display kindergarten readiness. In the half-day program, 53% of students were on track for kindergarten readiness, while in the full-day program, 70% of students were on track for kindergarten readiness.
- Northwest ISD prides itself on recognizing staff accomplishments and highlights those who have achieved a milestone monthly in The Source, Northwest ISD's staff newsletter. Accomplishments which can include earning a certification or even earning a degree.
- The *Going the Extra Mile (GEM) Award* recognizes one central office staff member each semester. Someone who has truly exceeded expectations in their role and within the district. Northwest ISD places a strong emphasis on delivering a positive customer service experience for students, families, staff, and community members.

Strategic Planning

Our Core Beliefs

1. Kids come first
2. Continuous learning is essential to prepare for college and career opportunities
3. Each student's success is the shared responsibility of students, families, schools, and communities
4. Learning is influenced by environment.

Our Vision – Northwest ISD empowers learners and leaders to positively impact the world.

Our Mission – Northwest ISD, in collaboration with students, families, communities, and global partners, will engage in a culture of learning that prepares all students to confidently navigate their future.

Strategic Goals:

GOAL 1

Northwest ISD will provide personalized learning experiences and cultivate the growth and achievement of every student.

Northwest ISD Priorities:

Literacy

1.1 Our students will annually increase literacy proficiency to reach or exceed grade-level standards.

Academic Progress

1.2 Our students will achieve individualized academic goals to reach a year's growth or more in all content areas.

College, Career, Military & Life Readiness

1.3 Our students will graduate life ready and prepared for success in career, college, or military service.

GOAL 2

Northwest ISD will recruit, value, and retain highly effective staff prepared to meet the individual needs of our students and learning community.

Northwest ISD Priorities:

Recruit

2.1 Northwest ISD will have an unwavering commitment to attract and welcome high-quality staff.

Value

2.2 Northwest ISD will invest in all staff through a culture of support, development, and empowerment to make a positive impact on the learning community.

Retain

2.3 Northwest ISD will retain highly effective staff through meaningful relationships, ongoing support, and professional growth opportunities.

GOAL 3

Northwest ISD will foster a safe environment and a culture of engagement that values the voices of all students, staff, families, and community members.

Northwest ISD Priorities:

Engagement

3.1 Northwest ISD will foster an environment of engagement with every member of our community through collaborative dialogue and partnership opportunities.

Culture

3.2 Northwest ISD will model and instill a culture of belonging where all students, staff, families, and community voices are heard and valued.

Safety

3.3 Northwest ISD will continuously improve, maintain, and communicate systems of support to strengthen the physical and emotional well-being of our students, staff, and community.

District Improvement Plan

Northwest ISD's annual development of a District Improvement Plan (DIP) helps maintain the direction of the District as we empower learners and leaders to positively impact the world. In accordance with the provisions outlined in the Texas Education Code, it is the responsibility of the Superintendent to create the District Improvement Plan on an annual basis, and the Board of Trustees is required to grant their annual approval for the performance objectives. In line with our strategic initiative, the District Improvement Plan continued to prioritize

identified imperatives for the upcoming school year. The plan received approval from the Northwest ISD Board of Trustees on October 17, 2022.

Enrollment

Enrollment projections are generated using new home census information and specific neighborhood forecasts provided through a contract with Templeton Demographics. The projections are updated yearly, and regular reports are presented to the Board of Trustees and Administration to explain the findings, provide comments on new and potential housing developments, and create an understanding of future residential development's impact on the school district.

This allows the district to take a proactive stance with new school locations so sites can be targeted not only where the need is greatest, but also far enough in advance of actual new home construction to minimize acquisition costs. This methodology provides significant accuracy in addressing the district's rapid growth and large areas of undeveloped land. The regular reports help the district keep abreast of the area development as the 2012, 2017, 2021 and 2023 bonds are utilized. Enrollment in Northwest ISD grew by 6,187 students between 2017-2018 and 2022-2023, an increase of 27%.

The ethnicity of the student population is becoming slightly more diverse with 55.94% White, 23.97% Hispanic, 11.14% African American, and 5.63% Asian. The percentage of economically disadvantaged students increased slightly to 23.63%, with the percentage of ESL students slightly increasing to 6.63%. However, LEP is 7.89% from the 2021-2022 October Fall PEIMS Data Collection.

Demographics

		Elementary	Middle	High School
<u>Year Actual:</u>	<u>Total</u>	<u>(EC-5th)</u>	<u>(6th-8th)</u>	<u>(9th-12th)</u>
2013-2014	18,893	9,346	4,425	5,122
2014-2015	19,760	9,652	4,612	5,496
2015-2016	20,900	10,122	4,798	5,980
2016-2017	22,044	10,563	5,130	6,351
2017-2018	23,163	11,081	5,419	6,663
2018-2019	24,298	11,611	5,714	6,973
2019-2020	25,263	12,043	5,943	7,277
2020-2021	25,399	11,778	6,065	7,556
2021-2022	27,612	13,035	6,420	8,157
2022-2023	29,150	13,848	6,665	8,637
<u>Year Projections:</u>				
2023-2024	30,527	14,432	7,037	9,058
2024-2025	32,018	15,227	7,521	9,270
2025-2026	33,449	15,890	8,121	9,438
2026-2027	34,930	16,626	8,449	9,855
2027-2028	36,396	17,245	8,871	10,280

Templeton Demographics 2023 2nd QTR Data

Capital Projects

In May 2023, voters approved a \$1,995,500,000 bond package including funding for educational facilities and capital improvements, as well as home stadiums and field renovations, in addition to providing technology devices. Northwest ISD held a Bond referendum with a focus on accommodating the growing student population, which is expected to reach 8,400 students in the coming years and an estimated one-tenth increase of the Interest & Sinking tax rate. The District is one of the fastest-growing districts in the Dallas Fort Worth area. The District's Long-

Range Planning Committee consisted of 46 members (parents, grandparents, business leaders, volunteers, and other citizens) that focused on continued residential growth and other aging and evolving facility needs. Voters supported the 2023 Bond Framework for our students with the following results:

Proposition A, Educational Facilities and Capital Improvements - 60.6% approval

Proposition B, Home Stadiums and Field Renovations - 50.4% approval

Proposition C, Technology Devices - 61.7% approval

In 2021, the citizens of the District approved 3 Propositions in the amount of \$737.5 Million. The bond package included three new schools (2 elementary schools and 1 middle school), replacement schools for three campuses, additions and renovations of a high school, classroom additions to accommodate state mandated full day Pre-K program, land acquisitions for future sites, new buses, infrastructure lifecycle replacements, facility renovations, middle school standardizations, elementary playgrounds, safety and security access control, fiber and equipment, middle school recreational facilities and technology devices.

General Education Services

Academic Core Subjects: English Language Arts, Mathematics, Physical Education, Science, Social Studies, and World Languages.

EVERY DAY, FOR EVERY CLASS, FOR EVERY CHILD, IN EVERY WAY

We Believe:

- In building relationships with every student to ensure equity and support for all students.
- Students need direct, explicit instruction, feedback, and goal setting on next steps of their learning process to ensure that every student is part of the learning process and receives personalized support throughout the learning process.
- Learning is a collaborative, shared experience where students and teachers are equal partners in the learning process.
- Students need opportunities to work in collaboration with other learners, so they teach and scaffold each other throughout the learning process.
- Students should read, write, solve problems, think critically, and collaborate daily.
- Learning should be visible so that students and teachers can recognize misconceptions, preconceptions, and have high levels of discourse to process their learning.
- Students should engage in foundational skills that progress to deep knowledge and skills.
- Students will be engaged with content that is relevant and requires them to apply their knowledge to a variety of experiences.

Advanced Academics: Gifted & Talented, Destination Imagination, Honors, AP, Dual Credit and UIL Academics

The Advanced Academics Department, in partnership with parents and community, will provide students a premier education, preparing them to be successful, productive citizens.

In the Northwest Independent School District, the Advanced Academics Department provides direction and leadership for K-12 opportunities within the school day and outside of the school day.

STUDENTS TAKING ADVANCED ACADEMICS COURSES WILL...

- Focus on completing college goals by taking honors courses in preparation for college-level work.
- Enroll in OnRamps, Dual Credit, and/or Advanced Placement courses that can qualify for both high school and college credit.
- Utilize opportunities for personal growth for college applications and resumes.
- Be provided with opportunities to become thinkers and problem-solvers with real-world experiences.

- Participate in courses, programs, assessments, services, and supports that provide opportunities to demonstrate college and career readiness and earn postsecondary credit- this from TEA.
- Be provided an environment which encourages divergent thinking, creative problem solving, and higher-level thinking.
- Be provided opportunities for self-directed learning.

Career & Technical Education: Academics & Programs of Study, Work-Based Learning Experiences and More

At Northwest ISD CTE, we believe every student should get real: real academics, real skills, and a real high school experience unlike any other. By combining strong academics with robust career-minded education, we expand students' options and opportunities to make them truly future ready. Together with parents, business leaders, and the community, we challenge all students to aspire to their full potential, advance with rigorous academic and technical skills, and achieve a real-world competitive advantage.

College, Career, and Military Readiness: T2M4, Adult Education & Learning and More

The 21st Century workplace almost universally requires some form of preparation or certification in the form of education beyond high school. As part of the Northwest ISD family, you have been engaged in an ongoing conversation about your future and have been able to explore possible career options along with the associated educational requirements.

Early Childhood: Pre-Kindergarten, Family Involvement and More

A Pre-Kindergarten student will...

- Students will establish positive relationships with teachers and peers which enable them to participate effectively in the classroom community.
- Students build vocabulary knowledge through hands-on experiences and develop concepts related to language and literacy including vocabulary, phonemic awareness and letter recognition.
- Participate in a variety of activities using thinking, reasoning, remembering, problem solving, number concepts, counting, and understanding the physical and social worlds.

FAMILY INVOLVEMENT SUPPORTS THREE PROGRAMS:

1. Parents as Teachers
2. NISD Parenting Education Workshops
3. NISD Pregnancy Education and Parenting Program

Fine Arts: Art, Band, Cheer, Choir, Dance, Debate/Speech, Theatre and More

Northwest ISD is committed to providing every student with the highest level of instruction in the visual and performing arts. The comprehensive fine arts program includes studies in the areas of Art, Band, Choir, Dance, Debate, Elementary Music, Music Theory, Orchestra, Speech and Theatre.

The vision of Northwest ISD Fine Arts is to become the premier school district in the state of Texas for the visual and performing arts. More than 86 percent of the students in Northwest ISD are currently enrolled in at least one fine arts course.

Language & Cultural Services: Dual Language & ESL Services

The District provides for ongoing coordination between the bilingual/ESL program and the general educational program.

VISION- Reaching all English learners to develop the language skills necessary to lead successful lives.

MISSION- Vitalizing English learners to acquire the English language, graduate ready for college, career and life, and succeed in a global and multicultural society.

Research Assessment and Accountability: Credit by Examination, SAT, ACT, STAAR, District Ratings, Research

The Northwest ISD Research, Assessment and Accountability Department collects, monitors, and provides data to ensure the districts, its school and students are achieving educational standards and meeting expectations. Our department monitors standards set by both the state and federal governments and provides data and information to schools and other departments to help guide improvements.

Data from our department assists schools and the district in the creation of improvement plans, professional development, individual student support and more. We believe in providing data in formats that are easier to understand to help create the best plans of response.

Student Support Services: Special Education, Dyslexia, Counseling and More

The Student Services Department provides a broad spectrum of specialized services to meet the needs of students across the district in partnership with parents and community, and works in coordination with all staff to provide students a premier education and to provide preparation to be successful, productive citizens with intentional supports which may include:

SCHOOL COUNSELING AND MENTAL HEALTH

Counseling services provide a comprehensive school-counseling program that promotes the academic, college/career, social/emotional growth of all students.

STUDENT SERVICES

Student services provide services and support for At Risk, 504, RTI, McKinney-Vento (homeless), foster, pregnancy-related services, Family Involvement, Parents as Teachers, Homebound Services, Summer School, Student Handbook and Code of Conduct, AVID, Title IX and any additional identified federal or compensatory programs or support needs.

District Educational Campuses

The District serves 29,248 students in grades pre-kindergarten through twelfth grade. Operating three comprehensive high schools, an early college high school, six middle schools, twenty elementary schools, a special programs center, an Agricultural Science center, an Aquatics Center, and an Outdoor Learning Center.

Due to the substantial growth in the Haslet Elementary School zone, immediate relief was necessary. The school's new campus opened in 2022 and with an increase in capacity over the previous campus. Despite increased student capacity, growth surpassed the school's 850-student capacity. To alleviate and balance enrollment, rezoning was approved for Haslet, Curtis, and Peterson elementary campuses effective for the 2022-2023 academic year.

Employment

Our employees demonstrate a remarkable level of professionalism and an on-going-commitment to acknowledging outstanding achievements by both students and staff, which enriches our overall atmosphere. Our educational curriculum is designed with the aim of ensuring that students not only meet but also surpass grade-level standards. We prioritize the cultivation of advanced cognitive abilities such as research methodologies and the fostering of independent, complex, and critical thinking skills.

The District attracts highly qualified personnel because of its commitment to excellence. During the 2022-2023 school year, the district employed 3,148 employees consisting of 2,379 professionals, 282 educational aides, and 487 auxiliary staff. Professional employees include 1,867 teachers with an average of eleven years of service, 30% of the teaching staff has earned an advanced degree. The average number of students per teacher is 16 in the district. Texas law mandates that no more than twenty-two students can be assigned to one classroom teacher in kindergarten through fourth grade. The district policy is to employ enough certified teachers to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance and no more than twenty-two students in a class, pre-kindergarten through fourth grade. In addition, pre-kindergarten program must maintain an average ratio in any pre-kindergarten program class of not less than one certified teacher or teacher's aide for each eleven students. A total of fifty-two waivers were approved for the 2022-2023.

Through the Grow Our Home program, Northwest ISD seeks to recruit local talent to serve as teachers or other professionals.

This program collaborates with various groups aiming to obtain their teaching certification, including district guest educators and paraprofessionals, as well as local community members. Moreover, it partners with high school students enrolled in our education pathway, with the aim of potentially encouraging them to come back to their home district after completing college and acquiring their teaching credentials.

Employment Data

Texas and DFW's unemployment rates peaked in September 2022, and then began a continuous drop. Northwest ISD counties' unemployment rate fell below the State of Texas average of 4.2%. The United States unemployment rate is 3.8%. Texas added 82,500 nonfarm jobs in June 2022, the largest numerical increase for the nation. Texas led the nation in June 2022 in job gains.

Economic Outlook

Local Economy

The commercial, industrial, and residential growth of the district has kept pace with that of the Dallas/Fort Worth area and has been aided by the district's proximity to both the Dallas/Fort Worth International Airport and Fort Worth's Alliance Airport. Diversified manufacturing is responsible for the local economy with increasing growth in commercial aviation. Agriculture-oriented industries relating to livestock marketing, grain and agri-business related industry and services join with the aerospace products, food and beverage, mobile homes, auto making, and medical industries to offer numerous manufacturing jobs in the Metropolitan Area.

Area Developments

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

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

Deloitte University – Built on about 106.9 acres south of Highway 114 in Westlake, Deloitte University employs 455 full-time employees and thirty-one part-time employees. A recent purchase of an adjacent 118.6 acres brings the total to about 225.5 acres, which will be used for an expansion. The leadership development and innovation center, Deloitte University, is moving ahead with an estimated \$300 million expansion plan after receiving a 10-year property tax abatement from Tarrant County. This center includes an 800-room corporate hotel and provides training for Deloitte employees and leaders around the world in the public and private sector. Anticipating completion by 2026, according to the tax abatement agreement. Projections in 2023 will result in approximately 79,000 visitors and deliver more than one hundred tours and three hundred programs. The expansion project will provide positive impacts to the local economy with increased construction jobs, increased retail revenue from contractors and visitors, and increased local professional jobs supporting the expansion project.

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

Incora – The two legacy companies of Wesco Aircraft and Pattonair, now known as Incora, relocated its new global headquarters from California to Texas, bringing with it a \$6 million capital investment and up to 239 jobs. Incora’s new location at 2601 Meacham Boulevard in Fort Worth near I-35W and HWY 114, not only brings more jobs to Fort Worth, but it also positions the company for continued success and future growth. Incora is one of the largest aerospace supply chain service companies in the world. It specializes in procurement, warehouse management, logistics, and on-site customer services. As a result of the relocation, Incora will receive a \$1.8 million grant from the Texas Enterprise Fund. According to Incora CEO David Coleal, “The new headquarters is more than a building; it is the commitment that Incora is making to customers, suppliers, employees and community.” The executive leadership team is based in Fort Worth, utilizing a larger office space to enhance efficiency, foster collaboration, and support future growth.

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

certified and supported by 100 percent renewable energy. The new \$200 million addition to Meta's Fort Worth data center will increase the capacity of the company's "cold storage" facilities for posts, photos, and videos rarely accessed by users. The cold storage facility will be one of only four such facilities the company operates around the world, supporting the company's 2.74 billion active users, according to the latest figures.

North Central Texas College – A ribbon-cutting ceremony is set for October 5, 2023, for the grand opening of the 25,000 square foot facility for the North Central Texas College Alliance Training Center expansion located at 3440 Hwy. 114.

North City – A new 300-acre mixed-use urban village development at the intersection of I-35W and US 287 is focusing on experiential retail. The northern portion of the site anchors the 150,000 square foot Living Spaces Furniture store. There will be active lifestyle housing for residents aged fifty-five and older. Other options include single family homes and multifamily apartments. Purchased in 2018, the entirety of the North City site is set to develop throughout the next decade. The challenge for that is developing a comprehensive plan which allows for traffic to flow to this area and among the housing already in this area. Developers have proposed new roads and extensions to existing roadways to alleviate congestion in this area. These proposals include extending Tehama Ridge Parkway across North Tarrant Parkway and extending Bailey Boswell Road from Blue Mound Road to US287.

Medical City Alliance – On May 17th, Medical City Mental Health & Wellness-Alliance hospital broke ground on a new 65,000 facility which is located adjacent to the main hospital located at 3101 N. Tarrant Parkway in Fort Worth. As per the official announcement, the Medical City Mental Health & Wellness Alliance is part of an investment totaling over \$1.1 billion allocated over a span of five years. This hospital opened on North Tarrant Parkway in Fort Worth in 2012 with three floors, with plans to always expand. On April 27, 2021, Medical City Alliance opened the fourth and fifth floor vertical expansion, emergency room expansion, trauma room addition, and laboratory expansion. The expansion is part of a \$51.4 million project. This addition brings the Fort Worth hospital's total bed count from 99 to 159. The expansion adds space to the hospital's emergency room and laboratories. Medical City Alliance now provides 254,557 square-feet of care and treatment areas. This is the latest phase in the expansion plans for the 75-acre hospital campus as it continues to evolve into a regional medical hub. This expansion allows Medical City Alliance to provide expert care to even more patients in the north Fort Worth and Alliance community. These projects are part of Medical City Healthcare's major capital investment plan of more than \$1.1 billion spent or promised over five years across the Medical City Healthcare system.

Southwire – Southwire expansion to north Fort Worth situated within Alliance Westport sector of AllianceTexas. Occupying over 1.18 million square feet at 14800 Blue Mound Road, Fort Worth, TX and provides next-generation logistics. Currently under construction and completion is expected by the second quarter of 2024.

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

Continued growth – The AllianceTexas region has seen unprecedented growth in recent years, more than doubling its lifetime economic impact since 2010. The airport was the anchor, but it is now far broader and more impacted. With the addition of an Amazon E-Fulfillment center and a Meta data center, the economic impact of AllianceTexas on the region accelerated in 2015. The addition of major facilities, such as an Amazon Air regional hub at Fort Worth Alliance Airport, a Mercedes-Benz business operations center near I-35W and Charles Schwab headquarters, anchor of the Front 44 mixed-use development at Circle T Ranch, have only increased growth.

Future innovation – Hillwood’s partnership with AllianceTexas-based companies led to the creation of a Mobility Innovation Zone. It is centered around Alliance Airport and the BNSF Railway Intermodal facility. The goal of the Mobility Innovation Zone is to develop, assess and commercialize new surface and air transportation technology. The Mobility Innovation Zone fosters partnerships with Bell, BNSF, Uber, AT&T, Verizon, and others. Encouraging companies to develop emerging technologies, such as autonomous lift vehicles, autonomous container and product capabilities, an air taxi service and 5G infrastructure. Fort Worth Alliance Airport is beginning construction on a new fixed-base operator servicing aircraft in 2022. The potential of frequent freight delivery by drones is in the future, and Google’s wing drones have already begun package delivery for Walgreens.

Other Area Developments

Roadways – Continuous growth near the Alliance corridor has created the need for more lanes along six miles of SH 170 at a total cost of almost \$100 million. The expansion of SH 170 began in October 2020 and is projected to be completed by 2023. Once finished, this section of SH 170 will have ten lanes and seven bridges. Hwy. 377 construction began in Roanoke. The road improvement project will stretch an estimated 1.12 miles from Henrietta Creek Road north of Byron Nelson Boulevard to James Street. The project will include reconstruction and widening of Hwy. 377 from a two-lane rural road to a four-lane, divided roadway with raised medians and sidewalks. The estimated \$33.7 million project is expected to be completed by the fourth quarter of 2023. The project will implement additional left-turn lanes and traffic signals at several intersections within the project limits. A new railroad bridge and retaining walls will also be constructed at the Hwy. 377 and Byron Nelson Boulevard intersection. Construction is underway at Hwy 114 and US 377, which will reconstruct the main lanes of Hwy 114, including the grade separation over US 377. Construction continues the next phase of I-35W from US 81/287 to Eagle Parkway. The public-private project will rebuild 6.7 miles of I-35W and add four TEXpress lanes, auxiliary lanes, and some frontage roads. Anticipated substantial completion is expected in late 2023.

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

Financial Policies

The Annual Comprehensive Financial Report for the year ended June 30, 2023, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the District are covered by this report.

The District’s financial policies address accounting and fiscal operations of the District, with an emphasis on asset, procurement, and budget management. There were no changes in financial policies that had a significant impact on the financial statements.

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate

accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of “reasonable assurance” recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Single Audit

As a recipient of federal financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the District’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District’s single audit for the year ended June 30, 2023, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Public school districts that expend \$750,000 or more in federal grant funds during their fiscal year must have a single audit conducted in accordance with generally accepted government auditing standards (GAGAS). The standards governing single-audit engagements require the independent auditor to determine whether the financial statements are presented fairly in all material aspects in accordance with generally accepted accounting principles and the schedule of expenditures of Federal awards is stated fairly in all material respects to the District’s financial statements as a whole. In addition, the auditor is required to obtain an understanding of the District’s internal controls over Federal programs. The audit must determine whether the auditee has complied with Federal statutes, regulations, and the terms and conditions of Federal awards. The audit must follow-up on prior audit findings, as a current year audit finding, in the conclusion. These financial statements and schedules of expenditures of Federal awards are available in the Federal Award section of this report.

Budgetary Controls

The District maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District’s Board of Trustees. The annual expenditure budget serves as the foundation for the district’s financial planning and control. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The Board legally adopts a budget for the General Fund, Debt Service Fund and Child Nutrition Fund and budget-to-actual comparisons for these three funds are found in the financial section of this report. Budgets for Special Revenue Funds (other than Child Nutrition) and Capital Projects Fund are prepared on a project bases, based on grant regulations or applicable bond ordinances.

Budgetary control (the level at which expenditures cannot legally exceed appropriations) is mandated at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end.

The annual budget serves as the foundation for the district’s financial planning and control which is instructionally driven and guided by the strategic plan. The district budget process is instructionally driven and guided by the strategic plan. District budget planning begins with the senior administrative staff and the Board of Trustees holding goal setting sessions. During these sessions, the budget calendar and a five-year forecast are presented and discussed with the Board of Trustees. Additionally, each campus prepares its annual campus improvement plans as a mandatory part of the process. The budget calendar and five-year forecast are reviewed with the Board of Trustees. Also, campuses annually prepare the required campus improvement plans.

Budget preparation begins with a principal and program manager training session which includes distributing the budget manual and budget worksheets. At that time, the budget manual and budget worksheets are distributed, and Budgets are prepared for on-line submission. The district uses site-based budgeting to enhance the ability of principals to serve as effective instructional leaders and places the principal at the center of the budget preparation process. The campus budget worksheet reflects the initial campus funding allocations addressing equity issues between campuses and designed around three cost drivers: pupils, staff, and buildings. Pupil allocations reflect both the number of students and additional funds for special needs students. Staff allocations provide for campus staff development. Building allocations are based on building size, age, and reflect past usage. The principal has the authority to adjust the allocation as outlined in the Campus Improvement Plan, pending a review process. The allocation may be revised by the Principal per the Campus Improvement Plan subject to review.

After receiving the completed campus and program budget packages, the Superintendent and senior staff conduct a detailed review, emphasizing instructional impact and goals. The Board of Trustees regularly receives budget updates, including revisions to the five-year financial forecast. The Texas Legislatures meet biannually, and revisions to school finance are reviewed with the Board of Trustees in the budget preparation process. On June 27, 2022, the Board of Trustees approved the final amended budget for the year ending June 30, 2022, and approved the adoption of the budget for the year ending June 30, 2023.

In June 2023, The Board of Trustees approved a new compensation plan that includes a 3% of midpoint raise for all current employees as well as a new teacher hiring schedule. Additionally, a retention incentive resolution was approved to support staff. With the new teacher salary schedule, a beginning teacher with no experience will have a starting salary of \$58,250, increasing by varying amounts each year for years of service, up to 30 years. In addition, bus drivers received an increase to their hourly rates. The new schedule retains the \$2,000 general master's degree stipend for a teacher. In addition, trustees voted to approve a one-time retention payment of \$1,000 for each full-time employee, paid on September 23, 2022. To have received this payment, the employee must have been hired by September 8 in a full-time position, remain employed, and be in good standing.

During the year, paraprofessional staff members received an increase from \$12.50 to \$15 per hour. Additionally, the minimum wage for bus monitors increased to \$14 per hour. For hourly paraprofessional employees who previously earned above the district's minimum wage, their pay rates corresponded accordingly. Furthermore, these new rates extended to the district's outsourced custodial staff.

The proposed budget is presented for approval to the Board of Trustees for a July 1 fiscal year start date. The board president must call a board meeting for the purpose of discussing and adopting the budget and the tax rate. Notice of this meeting is required to be published at least 10 days but no more than 30 days before the public meeting. The budget must be adopted prior to June 30th for a July 1 fiscal year start date.

Tax Rate

The Board of Trustees adopted the tax rates for the 2022-2023 in August 2022. The approved budget is supported by a combined tax rate of \$1.2476 per \$100 of assessed value. The proposed Maintenance and Operations (M&O) tax rate is \$0.8546, and the proposed Interest and Sinking (I&S) tax rate is \$0.4200. The district provides homestead exemptions, over 65 exemptions, disabled person exemptions, and disabled veterans exemptions to qualified taxpayers. A five-year comparison of tax rates is presented below.

Tax Year	2018	2019	2020	2021	2022
Local Maintenance	\$ 1.0400	\$ 0.9700	\$ 1.0463	\$ 0.8720	\$ 0.8546
Debt Service	0.4500	0.4500	0.4200	0.4200	0.4200
TOTAL	\$ 1.4900	\$ 1.4200	\$ 1.4663	\$ 1.2920	\$ 1.2746

Excess Local Revenue (Recapture)

The Texas Education Code (TEC) Chapters 48 and 49, makes provisions for certain school districts to share their excess local tax revenue with other school districts. Excess local revenue is local revenue that exceeds a district's entitlement. The funds are distributed by districts subject to these provisions are "recaptured" by the school finance system to assist with the financing of public education for all school districts. House Bill (HB)3 by the 86th Legislature based recapture on local revenue in excess of entitlement. Excess local revenue is calculated by subtracting a district's Tier One entitlement (and credit for appraisal costs) from its available school fund (ASF) distribution and local fund assignment. During the fiscal year 2023, the District paid \$24.7 million and anticipates a payment of \$19.5 million in fiscal year 2024.

Independent Audit

State law and District policy require an annual audit of the District's financial records by an independent certified public accountants selected by the Board. Hankins, Eastup, Deaton, Tonn & Seay, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the district's financial statement for the fiscal year ending June 30, 2023. The goal of the independent audit is to provide reasonable assurance that the financial statements of the district are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report presented as the first component of the financial section of this report.

Acknowledgements

The timely completion of this report was made possible thanks to the efficient and dedicated efforts of the entire Financial Services Department. We extend our sincere thanks to all department members who played a role in the report's preparation. Furthermore, we'd like to acknowledge the Board of Trustees for their interest and steadfast support of the district's financial activities. Lastly, we want to convey our deep appreciation to the community members within our district for their unwavering trust and support in our district. Our gratitude also extends to the committed principals and teachers who consistently deliver the high-quality education that has earned our district its renowned reputation.

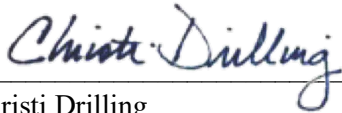
Respectfully submitted,



Mark Foust, Ed.D.
Superintendent



Jonathan Pastusek
Chief Financial Officer



Christi Drilling
Executive Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northwest Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Northwest Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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



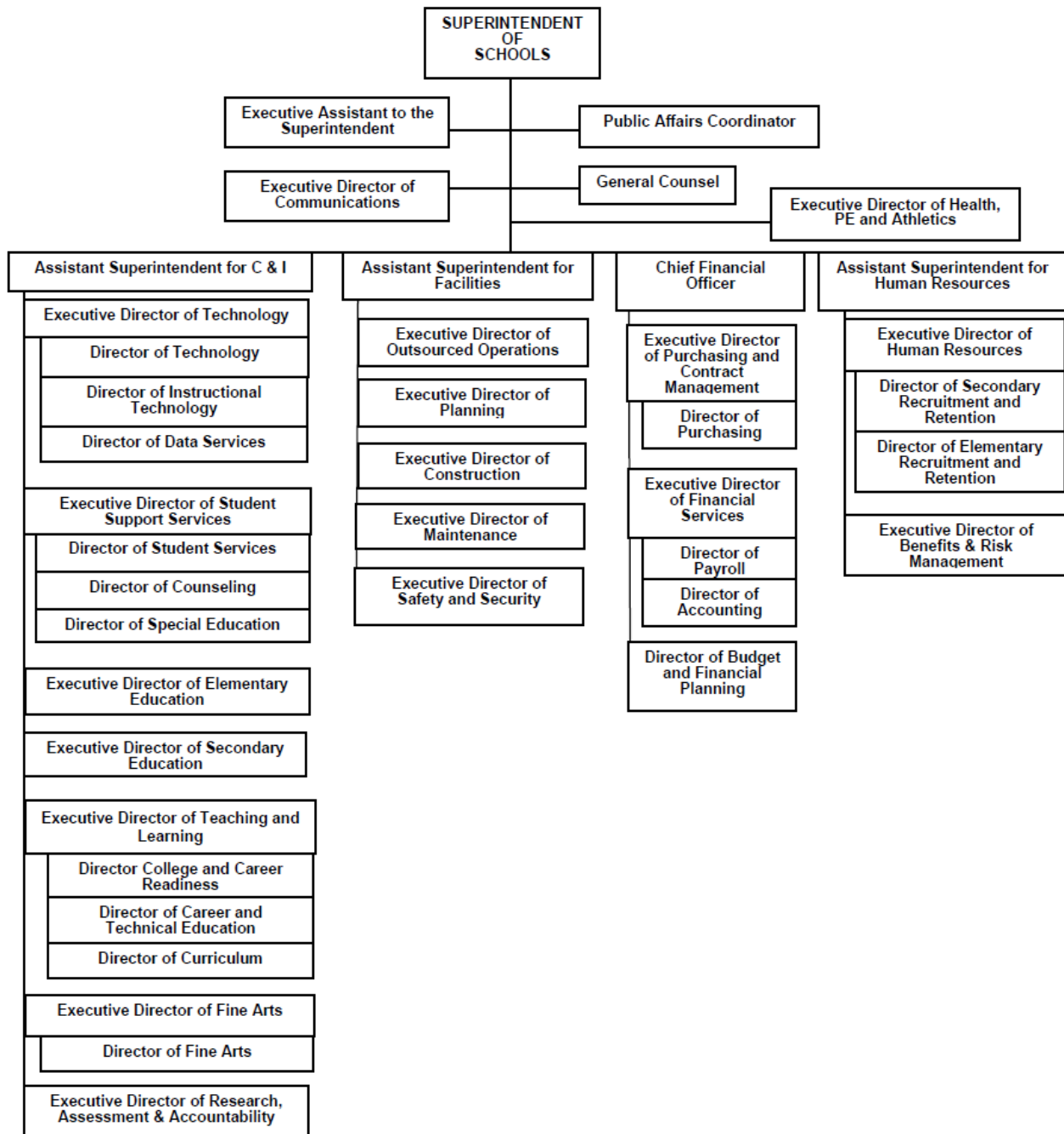
A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Northwest Independent School District 2022 – 2023 Administrative Organizational Chart



**NORTHWEST INDEPENDENT SCHOOL DISTRICT
2022 – 2023 BOARD OF TRUSTEES**



R. Stephen Sprowls
President, Place 5
Airline Pilot
Elected 2017
Term Ends 2026



Mark Schluter
Vice President, Place 2
Senior Project Engineer
Elected 2006
Term Ends 2024



DeAnne Hatfield
Secretary, Place 1
Retired School
Administrator Elected 2019
Term Ends 2024



Judy Copp
Member, Place 4
Retired Educator
Elected 2012
Term Ends 2025



Jennifer Murphy
Member, Place 7
Post-Secondary Education
Elected 2020
Term Ends 2026



Lillian Rauch, Ph.D.
Member, Place 6
Retired Educator
Elected 2014
Term Ends 2026



**Anne Davis-Simpson,
Ph.D.**
Member, Place 3
Retired Educator
Elected 2013
Term Ends 2025



Mark Foust, Ed D.
Superintendent
Appointed by
Board of Trustees 2023

Board Meetings: All Northwest ISD board meetings are open to the public. Regular meetings will be held at 6:30 p.m. on the second and fourth Monday of each month in the Board Room located at the Northwest ISD Administration Building at 2001 Texan Drive, Justin. With public notice, trustees also hold special meetings and work sessions as needed. Within the limits of the Texas Open Meetings Act, parts of the board meetings may be closed to the public for topics including, but not limited to, real estate transactions, personnel matters, student hearings, and legal matters.

If You Wish to Address the Board: The public may address the board during the public participation portion of the board meeting. Remarks may be related to any topic, whether agenda items or non-agenda items, and are

usually limited to three minutes. Those wishing to speak during public participation may sign the roster in the room within the hour preceding the meeting.

Northwest ISD offers an easy and free way to get the latest district information. Subscribe to the electronic mail list and stay informed about district activities and urgent news such as school closings. Join today by completing the *Northwest News* registration form on the district's homepage at www.nisdtx.org

NORTHWEST INDEPENDENT SCHOOL DISTRICT

School Board and Administrators

Board of Trustees

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

Administration

Mark Foust, Ed.D.	Superintendent of Schools
Kim Barker.	Assistant Superintendent of Human Resources
Michael Griffin, Ed.D.	Assistant Superintendent of Curriculum & Instruction
Christie Hobbs.....	General Counsel
Tim McClure	Assistant Superintendent of Facilities
Jonathan Pastusek	Chief Financial Officer
Anthony Tosie	Executive Director of Communications

Principals

Carrie Jackson	Northwest High School
Kara Lea Deardorff	Byron Nelson High School
Stacy Miles	V.R. Eaton High School
Todd Rogers.....	Steele Early College High School
Diana Foster.....	Special Programs Center
Paige Cantrell.....	Medlin Middle School
Patricia Lutkenhaus	Gene Pike Middle School
Anthony Fontana	Chisholm Trail Middle School
Jeremy Martin.....	John M. Tidwell Middle School
Laura Koehler, Ed.D.....	Truett Wilson Middle School
Matrice Raven, Ed.D.....	Leo Adams Middle School
Donna Busby.	Haslet Elementary School
Lisa Ransleben, Ed.D.	Justin Elementary School
Erika Oster	Lakeview Elementary School
Erin Appling	Roanoke Elementary School
Kim Blackburn.....	Seven Hills Elementary School
Amanda Bunch	Samuel Beck Elementary School
Jim Mahler.....	W.R. Hatfield Elementary School
Amanda Hughes.....	Prairie View Elementary School
Lyndsie Smith.....	Sonny & Allegra Nance Elementary School
Amanda Bomar.....	J. Lyndal Hughes Elementary School
Michelle McAdams	Kay Granger Elementary School
Sarah Thornell	Sendera Ranch Elementary School

Danielle Grimes	O.A. Peterson Elementary School
Aaron McAdams.....	Clara Love Elementary School
Leigh Anne Romer, Ed.D.	J.C. Thompson Elementary School
Donae Raymundo	Carl E. Schluter Elementary School
Chrisa Oakley	Wayne A. Cox Elementary School
Carrie Pierce	Lizzie Curtis Elementary School
Amy Lawson.....	Lance Thompson Elementary School
Shanel Jones	Berkshire Elementary School
John Booles.....	M.L. Carter Elementary School

NORTHWEST INDEPENDENT SCHOOL DISTRICT
Consultants and Advisors

<u>ACCOUNTANTS</u>	<u>FINANCIAL ADVISORS</u>
Hankins, Eastup, Deaton, Tonn & Seay	Hilltop Securities
902 N Locust Street	1201 Elm Street, Suite 3500
Denton, TX 76202	Dallas, Texas 75270
<u>ARCHITECTS</u>	<u>GENERAL COUNSEL</u>
Huckabee	Abernathy, Roeder, Boyd & Joplin
801 Cherry Street, Suite 500	P O Box 1210
Fort Worth, Texas 76102	1700 Redbud Boulevard, Suite 300
	McKinney, Texas 75069
Perkins + Will	
10100 N. Central Expressway, Suite 300	Buechler & Associates, P.C
Dallas, Texas 75231	3660 Stoneridge Road, Suite D-101
	Austin, Texas 78746
<u>BOND COUNSEL</u>	
McCall, Parkhurst & Horton, LLP	Underwood Law Firm
717 North Harwood	1008 Macon Street, Suite 101
Dallas, Texas 75201	Fort Worth, Texas 76102
<u>BOND FISCAL AGENTS</u>	<u>OFFICIAL DEPOSITORY</u>
Regions Bank Corporate Trust	Wells Fargo Bank, N.A.
1717 St James Place, Suite 500	P.O. Box 63020
Dallas, Texas 75201	San Francisco, CA 94163
UMB Corporate Trust	<u>TAX COLLECTION COUNSEL</u>
P O Box 419692	Linebarger Goggan Blair & Sampson, LLP
Kansas City, MO 64141	100 Throckmorton, Suite 300
	Fort Worth, Texas 76102



FINANCIAL SECTION



Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN, SEAY & SCARBOROUGH**
A Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

Independent Auditor's Report

Northwest Independent School District
Fort Worth, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Northwest Independent School District as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Northwest Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Northwest Independent School District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 30 through 37, the budgetary comparison on page 90 and the Teacher Retirement System schedules on pages 92 through 100 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2023 on our consideration of Northwest Independent School District's internal control over financial reporting and on our tests of the compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwest Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwest Independent School District's internal control over financial reporting and compliance.

Hankins Eastup Deaton Tonn Seay & Scarborough

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
November 11, 2023

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

As management of Northwest Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. Please read this narrative in conjunction with the independent auditors' report on page 28, and the District's Basic Financial Statements that begin on page 41.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Northwest Independent School District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$84,203,302.
- The District's total net position increased by \$18,481,567 during the fiscal year as the result of current year operations.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$383,962,122. Over 27% of this total amount (\$106,640,144) is unassigned and available for use within the District's commitments and policies.
- At the end of the current fiscal period, unassigned and assigned fund balance of the general fund of \$109,667,140 was 37.22% of the total general fund expenditures.
- The District is defined by Chapter 41 of the Texas Education Code (TEC) as a high wealth District but the District's wealth per student was less than the equalized wealth value; therefore, during 2023 the District paid \$25,612,394 for contracted instructional services between schools as part of the state wealth equalization requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 41 and 42). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 44) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District. The District has no component units for which it is financially accountable.

The notes to the financial statements (starting on page 57) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The section labeled Single Audit Section contains data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 41. Its primary purpose is to show whether the financial position of the District is improving or deteriorating as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, information is divided into two kinds of activities:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities—Activities in which the District charges a fee to “customers” to help cover the cost of services it provides are reported as business-type activities. The District had no business-type activities at June 30, 2023.

Reporting the District's Most Significant Funds

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The fund financial statements begin on page 44 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains twenty-six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, each of which are considered to be major funds. Data from the other twenty-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 44 through 56 of this report.
- **Proprietary funds.** The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds (one category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs and student devices.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of custodial net position and statement of changes in custodial fund net position on pages 55 and 56. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis presents both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Governmental Activities

Net Position. The net position of the District's governmental activities at June 30, 2023 was \$84,203,302. Investment in capital assets (e.g. land, building, furniture, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was \$49,473,505 at June 30, 2023. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's governmental activities net position (\$74,497,165) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2023 is a deficit of \$39,767,368.

Changes in Net Position. The District's total revenues of its governmental activities were \$483,067,945. A significant portion, approximately 80.6%, of the revenue comes from property taxes. Another 3.4% comes from state aid - formula grants while 3.1% relates to charges for services. This reflects a \$76.8 million increase in revenues from 2021-2022, primarily from increases in property tax revenue that was the result of a 19.18% increase in assessed valuations. The total revenues were used to fund the cost of all programs and services in the amount of \$464,586,378, and to pay down the District's debt. This reflects a \$129.6 million increase in expenses from 2021-2022. Expenses increased due to a significant increase in contracted instructional interest expense due to more debt borrowings, and increased instructional expense due to fast-growing enrollment.

Governmental Activities. The District's total net position of its governmental activities increased \$18,481,567. The total cost of all government activities for the fiscal year ended June 30, 2023 was \$464,586,378. Funding for these governmental activities is by specific program revenue or through general revenues such as property taxes, state aid and investment earnings. Program revenues directly attributable to specific activities funded some of the governmental activities costs. These program revenues amounted to \$63,841,729 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$400,744,649, which were primarily funded by property taxes in the amount of \$389,412,930 and state revenue of \$16,228,883.

Table I
NET POSITION

	Governmental Activities		
	2023	2022	Change
Current and other assets	\$ 495,621,883	\$ 619,939,097	\$ (124,317,214)
Capital and non-current assets	1,371,366,258	1,108,958,166	262,408,092
Total assets	1,866,988,141	1,728,897,263	138,090,878
Deferred outflows of resources	118,976,502	114,842,349	4,134,153
Total assets and deferred outflows of resources	1,985,964,643	1,843,739,612	142,225,031
Long-term liabilities	1,706,844,403	1,618,584,982	88,259,421
Other liabilities	126,180,998	74,967,008	51,213,990
Total liabilities	1,833,025,401	1,693,551,990	139,473,411
Deferred inflows of resources	68,735,940	84,465,887	(15,729,947)
Total liabilities and deferred inflows of resources	1,901,761,341	1,778,017,877	123,743,464
Net Position (Deficit):			
Net investments in capital assets	49,473,505	49,301,782	171,723
Restricted	74,497,165	70,316,214	4,180,951
Unrestricted	(39,767,368)	(53,896,261)	14,128,893
Total Net Position (Deficit)	\$ 84,203,302	\$ 65,721,735	\$ 18,481,567

Table II
CHANGES IN NET POSITION

	Governmental Activities		
	2023	2022	Change
Revenues:			
Program Revenues:			
Charges for services	\$ 14,765,914	\$ 10,227,484	\$ 4,538,430
Operating grants and contributions	49,075,815	51,208,722	(2,132,907)
General Revenues:			
Maintenance and operations taxes	261,230,087	222,864,060	38,366,027
Debt service taxes	128,182,843	107,231,550	20,951,293
State aid - formula grants	16,228,883	13,341,689	2,887,194
Interest earnings	20,270,311	1,027,394	19,242,917
Miscellaneous	251,594	327,861	(76,267)
Loss on disposition of capital assets	(6,937,502)	-	(6,937,502)
Total Revenue	<u>483,067,945</u>	<u>406,228,760</u>	<u>76,839,185</u>
Expenses:			
Instruction, curriculum and media services	197,905,287	177,707,181	20,198,106
Instructional and school leadership	20,839,366	19,839,369	999,997
Student support services	31,080,817	26,241,976	4,838,841
Food services	13,952,537	12,389,074	1,563,463
Extracurricular activities	19,918,945	11,739,998	8,178,947
General administration	9,286,550	8,459,944	826,606
Plant maintenance, security and data process	89,930,372	34,303,950	55,626,422
Community services	441,469	203,843	237,626
Debt services	51,890,894	31,853,152	20,037,742
Intergovernmental charges	29,340,141	12,233,413	17,106,728
Total Expenses	<u>464,586,378</u>	<u>334,971,900</u>	<u>129,614,478</u>
Increase in Net Position	18,481,567	71,256,860	(52,775,293)
Net Position - beginning of year	<u>65,721,735</u>	<u>(5,535,125)</u>	<u>71,256,860</u>
Net Position - end of year	<u>\$ 84,203,302</u>	<u>\$ 65,721,735</u>	<u>\$ 18,481,567</u>

The cost of all governmental activities for the current fiscal period was \$464,586,378. However, as shown in the Statement of Activities on page 42, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$389,412,930 because some of the costs were paid by those who directly benefited from the programs (\$14,765,914) or by State equalization funding (\$16,228,883).

THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$383,962,122 a decrease of \$171,886,108. Approximately 30% of this total amount (\$114,132,908) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is not available for new spending because it is already restricted to pay debt service (\$74,497,165), or for capital projects (\$190,276,684), or for Federal grants (\$4,323,305), or already spent on prepaid items (\$1,498,738) or inventories (\$87,918).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$106,678,265, while the total fund balance was \$111,215,675. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 37.22% of the total general fund expenditures, while the total fund balance represents 37.71% of that same amount.

The fund balance of the District's general fund increased by \$11,310,718 during the current fiscal year, compared to a \$16,081,405 increase in the previous year. Key factors related to this change are as follows:

- A \$37,616,314 increase in property tax and other local revenues combined with a \$5,149,990 increase in foundation, per capita and other state funding contributed to a \$47,585,958 overall increase in total revenues. Expenditures increased \$53,337,116 or 22.1% with \$17,637,143 of the increase being in contracted instructional services between schools.

The debt service fund has a total fund balance of \$74,497,165, all of which is reserved for the payment of debt service. The net increase in fund balance during the period from current year operations was \$4,180,951, compared to a \$55,715 decrease in the previous year. Tax revenues were \$20,553,837 higher than the previous year, while debt service expenditures were \$18,333,919 higher due to significantly more bond principal payments.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund decreased by \$187,554,339 due primarily to \$150,000,000 proceeds from bond sales offset by \$351,046,368 spent on construction-related costs. Although these and other capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and discussed in Note 4 to the financial statements.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June, 2022). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendment in this case was an increase in the anticipated amount of State funding to be received. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$111,215,675 reported on page 48 differs from the General Fund's budgetary fund balance of \$84,543,680 reported in the budgetary comparison schedule on page 9. For the year ended June 30, 2023, actual general fund expenditures on a budgetary basis were \$294,617,517, below the original budget expenditures of \$303,130,801 and the revised final budget of \$319,932,865. The majority of the actual variance of \$25,315,348 consists of savings achieved in payroll costs in several areas. Actual revenue on a budgetary basis was \$305,921,795 compared to the original budget of \$303,130,801 and a revised budget of \$304,571,588. The actual variance was only \$1,350,207.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had \$1,371,366,258 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$262,408,092, or 23.7%, above last year.

This fiscal year’s major additions include:

Continuing construction costs on four new elementary schools, paid for with proceeds of general obligation bonds.	\$129,124,327
Continuing construction costs on renovations/additions at an existing high school, paid for with proceeds of general obligation bonds.	66,977,039
Continuing construction costs on two new middle schools, paid for with proceeds of general obligation bonds.	74,968,224
Initial construction costs on Pre-K additions at multiple campuses, paid for with proceeds of general obligation bonds.	21,018,466
Totaling	<u>\$292,088,056</u>

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At year-end, the District had \$1,437,904,129 in bonds outstanding (including accreted interest on bonds) versus \$1,368,180,077 last year—an increase of 5.1%. New debt incurred during the fiscal period consists of one building bond series. The District’s underlying rating for unlimited tax bonds is “Aa2” by Moody’s, and “AA” by Fitch but is considered AAA as a result of guarantees of the Texas Permanent School Fund.

Other obligations include accrued vacation benefits. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The District’s elected officials considered many factors when setting the fiscal year 2024 budget and tax rates, including the economy, student enrollment growth, and funding levels by the State of Texas.

The District has adopted a deficit budget of \$2,988,875 for 2023-2024 for the general fund. Budgeted revenues for the general fund are \$17,180,968 higher than actual 2022-2023 revenues, and budgeted expenditures are \$31,474,121 higher than actual 2022-2023 expenditures.

The District has adopted a \$39,204,552 surplus budget for 2023-2024 for the debt service fund. Budgeted revenues for the debt service fund are \$20,304,395 higher than actual 2022-2023 revenues and budgeted expenditures are \$14,719,206 lower than actual 2022-2023 expenditures.

The 2023 tax rate was set at \$1.0902 per \$100 valuation. (\$0.6692 maintenance and operations and \$0.4210 debt service). The maintenance and operations rate decreased from \$0.8546 the prior year and the debt service rate increased from \$0.42.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for funds the District receives. If you have questions about this report or need additional financial information, contact the District's business office, at Northwest Independent School District, P.O. Box 77070, Fort Worth, Texas 76177-0070.

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Basic Financial Statements

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 60,173,761
1120 Current Investments	415,673,302
1220 Property Taxes - Delinquent	6,679,632
1230 Allowance for Uncollectible Taxes	(500,973)
1240 Due from Other Governments	11,458,000
1250 Accrued Interest	364,129
1290 Other Receivables, Net	187,377
1300 Inventories	87,918
1410 Prepayments	1,498,738
Capital Assets:	
1510 Land	80,143,979
1520 Buildings, Net	910,953,236
1530 Furniture and Equipment, Net	5,987,512
1540 Vehicles, Net	13,492,285
1580 Construction in Progress	360,789,246
1000 Total Assets	<u>1,866,988,142</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	67,636,131
1705 Deferred Outflow Related to TRS Pension	32,671,131
1706 Deferred Outflow Related to TRS OPEB	18,669,240
1700 Total Deferred Outflows of Resources	<u>118,976,502</u>
LIABILITIES	
2110 Accounts Payable	49,486,397
2140 Interest Payable	21,394,581
2150 Payroll Deductions and Withholdings	437,341
2160 Accrued Wages Payable	29,109,870
2180 Due to Other Governments	24,658,920
2200 Accrued Expenses	200,088
2300 Unearned Revenue	893,802
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	66,375,529
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	1,523,218,640
2540 Net Pension Liability (District's Share)	78,160,535
2545 Net OPEB Liability (District's Share)	39,089,699
2000 Total Liabilities	<u>1,833,025,402</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	7,819,146
2606 Deferred Inflow Related to TRS OPEB	60,916,794
2600 Total Deferred Inflows of Resources	<u>68,735,940</u>
NET POSITION	
3200 Net Investment in Capital Assets	49,473,505
3850 Restricted for Debt Service	74,497,165
3900 Unrestricted	(39,767,368)
3000 Total Net Position	<u><u>\$ 84,203,302</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	6 Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 187,282,644	\$ 281,638	\$ 21,037,920	\$ (165,963,086)
12 Instructional Resources and Media Services	3,393,508	-	178,356	(3,215,152)
13 Curriculum and Instructional Staff Development	7,229,135	-	978,859	(6,250,276)
21 Instructional Leadership	2,858,752	-	261,089	(2,597,663)
23 School Leadership	17,980,614	-	1,090,205	(16,890,409)
31 Guidance, Counseling, and Evaluation Services	12,753,453	-	5,056,042	(7,697,411)
32 Social Work Services	450,309	-	245,103	(205,206)
33 Health Services	3,512,427	2,577,889	109,727	(824,811)
34 Student (Pupil) Transportation	14,364,628	-	3,845,929	(10,518,699)
35 Food Services	13,952,537	7,929,940	5,241,938	(780,659)
36 Extracurricular Activities	19,918,945	648,923	4,343,815	(14,926,207)
41 General Administration	9,286,550	1,518,893	480,543	(7,287,114)
51 Facilities Maintenance and Operations	81,297,706	1,808,631	1,593,001	(77,896,074)
52 Security and Monitoring Services	2,741,248	-	95,205	(2,646,043)
53 Data Processing Services	5,891,418	-	190,505	(5,700,913)
61 Community Services	441,469	-	318,655	(122,814)
72 Debt Service - Interest on Long-Term Debt	51,890,894	-	4,008,923	(47,881,971)
91 Contracted Instructional Services Between Schools	25,612,394	-	-	(25,612,394)
93 Payments Related to Shared Services Arrangements	133,175	-	-	(133,175)
95 Payments to Juvenile Justice Alternative Ed. Prg.	20,097	-	-	(20,097)
97 Payments to Tax Increment Fund	1,813,706	-	-	(1,813,706)
99 Other Intergovernmental Charges	1,760,769	-	-	(1,760,769)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 464,586,378	\$ 14,765,914	\$ 49,075,815	(400,744,649)
Data Control Codes				
General Revenues:				
Taxes:				
MT	Property Taxes, Levied for General Purposes			261,230,087
DT	Property Taxes, Levied for Debt Service			128,182,843
SF	State Aid - Formula Grants			16,228,883
IE	Investment Earnings			20,270,311
MI	Miscellaneous Local and Intermediate Revenue			251,594
SI	Loss on Disposition of Capital Assets			(6,937,502)
TR	Total General Revenues and Special Items			419,226,216
CN	Change in Net Position			18,481,567
NB	Net Position - Beginning			65,721,735
NE	Net Position - Ending			\$ 84,203,302

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

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ (2,885,617)	\$ 2,317,868	\$ 40,549,281
1120 Investments - Current	146,321,640	72,050,609	197,121,966
1220 Property Taxes - Delinquent	4,608,995	2,070,637	-
1230 Allowance for Uncollectible Taxes	(345,675)	(155,298)	-
1240 Due from Other Governments	6,513,893	-	-
1250 Accrued Interest	264,646	93,958	5,525
1260 Due from Other Funds	13,121,427	-	1,827
1290 Other Receivables	165,424	-	-
1300 Inventories	87,918	-	-
1410 Prepayments	1,460,617	-	-
1000 Total Assets	<u>\$ 169,313,268</u>	<u>\$ 76,377,774</u>	<u>\$ 237,678,599</u>
LIABILITIES			
2110 Accounts Payable	\$ 1,806,436	\$ -	\$ 47,399,724
2150 Payroll Deductions and Withholdings Payable	437,341	-	-
2160 Accrued Wages Payable	26,934,427	-	-
2170 Due to Other Funds	428,356	-	2,191
2180 Due to Other Governments	24,658,920	-	-
2300 Unearned Revenue	24,000	188,200	-
2000 Total Liabilities	<u>54,289,480</u>	<u>188,200</u>	<u>47,401,915</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	3,808,113	1,692,409	-
2600 Total Deferred Inflows of Resources	<u>3,808,113</u>	<u>1,692,409</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	87,918	-	-
3430 Prepaid Items	1,460,617	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	189,422,088
3480 Retirement of Long-Term Debt	-	74,497,165	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3550 2023-2024 Projected Budget Deficit	2,988,875	-	-
3560 Other Assigned Fund Balance	-	-	854,596
3600 Unassigned Fund Balance	106,678,265	-	-
3000 Total Fund Balances	<u>111,215,675</u>	<u>74,497,165</u>	<u>190,276,684</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 169,313,268</u>	<u>\$ 76,377,774</u>	<u>\$ 237,678,599</u>

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

Other Funds		Total Governmental Funds	
\$	18,528,323	\$	58,509,855
	179,087		415,673,302
	-		6,679,632
	-		(500,973)
	4,944,107		11,458,000
	-		364,129
	320,578		13,443,832
	21,953		187,377
	-		87,918
	38,121		1,498,738
\$	24,032,169	\$	507,401,810
\$	275,159	\$	49,481,319
	-		437,341
	2,175,443		29,109,870
	12,974,738		13,405,285
	-		24,658,920
	634,231		846,431
	16,059,571		117,939,166
	-		5,500,522
	-		5,500,522
	-		87,918
	38,121		1,498,738
	4,323,305		4,323,305
	-		189,422,088
	-		74,497,165
	3,649,293		3,649,293
	-		2,988,875
	-		854,596
	(38,121)		106,640,144
	7,972,598		383,962,122
\$	24,032,169	\$	507,401,810

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 383,962,122
1 Assets and liabilities of the internal service funds are not included in the fund financial statements.	1,372,822
2 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	1,674,412,189
3 Accumulated depreciation is not reported in the fund financial statements.	(303,045,931)
4 Bonds payable are not reported in the fund financial statements.	(1,429,700,334)
5 Bond premiums are not recognized in the fund financial statements.	(150,105,234)
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(21,394,581)
7 Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	5,500,522
8 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$78,160,535, a Deferred Resource Inflow related to TRS in the amount of \$30,465,640, and a Deferred Resource Outflow related to TRS in the amount of \$55,317,625. This amounted to a decrease in Net Position in the amount of \$53,308,550.	(53,308,550)
9 Included in the items related to debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) required by GASB 75 in the amount of \$39,089,699, a Deferred Resource Inflow related to TRS OPEB in the amount of \$60,917,216, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$18,669,662. This amounted to a net decrease in Net Position in the amount of \$81,337,253.	(81,337,253)
10 Deferred charge on bond refundings is not recognized in the fund financial statements.	67,636,131
11 Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.	(8,203,795)
12 Accrued vacation benefits have not been recorded in the fund financial statements.	(1,584,806)
19 Net Position of Governmental Activities	\$ 84,203,302

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

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 271,777,551	\$ 130,237,614	\$ 12,637,433
5800 State Program Revenues	29,778,814	1,609,761	-
5900 Federal Program Revenues	4,365,430	-	-
5020 Total Revenues	305,921,795	131,847,375	12,637,433
EXPENDITURES:			
Current:			
0011 Instruction	157,172,732	-	779,379
0012 Instructional Resources and Media Services	2,887,748	-	15,866
0013 Curriculum and Instructional Staff Development	6,588,068	-	-
0021 Instructional Leadership	2,739,381	-	-
0023 School Leadership	16,496,906	-	-
0031 Guidance, Counseling, and Evaluation Services	8,564,500	-	2,553
0032 Social Work Services	220,896	-	-
0033 Health Services	2,557,396	-	7,702
0034 Student (Pupil) Transportation	12,274,840	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	8,842,222	-	1,376,911
0041 General Administration	8,916,355	-	-
0051 Facilities Maintenance and Operations	29,541,114	-	-
0052 Security and Monitoring Services	2,615,466	-	46,813
0053 Data Processing Services	5,370,336	-	-
0061 Community Services	137,391	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	71,085,162	-
0072 Interest on Long-Term Liabilities	-	56,543,032	-
0073 Bond Issuance Cost and Fees	-	38,230	1,166,707
Capital Outlay:			
0081 Facilities Acquisition and Construction	352,025	-	348,817,144
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	25,612,394	-	-
0093 Payments to Fiscal Agent/Member Districts of SSA	133,175	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	20,097	-	-
0097 Payments to Tax Increment Fund	1,813,706	-	-
0099 Other Intergovernmental Charges	1,760,769	-	-
6030 Total Expenditures	294,617,517	127,666,424	352,213,075
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	11,304,278	4,180,951	(339,575,642)
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	145,565,000
7912 Sale of Real and Personal Property	6,440	-	-
7915 Transfers In	-	-	854,596
7916 Premium or Discount on Issuance of Bonds	-	-	5,601,707
7080 Total Other Financing Sources (Uses)	6,440	-	152,021,303
1200 Net Change in Fund Balances	11,310,718	4,180,951	(187,554,339)
0100 Fund Balance - July 1 (Beginning)	99,904,957	70,316,214	377,831,023
3000 Fund Balance - June 30 (Ending)	\$ 111,215,675	\$ 74,497,165	\$ 190,276,684

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

	Other Funds	Total Governmental Funds
\$	12,372,049	\$ 427,024,647
	2,401,569	33,790,144
	21,489,924	25,855,354
	36,263,542	486,670,145

11,731,657	169,683,768
51,981	2,955,595
609,521	7,197,589
105,732	2,845,113
268,780	16,765,686
4,084,275	12,651,328
228,103	448,999
95,076	2,660,174
234,512	12,509,352
13,120,100	13,120,100
3,904,339	14,123,472
178,606	9,094,961
1,063,492	30,604,606
56,280	2,718,559
53,885	5,424,221
300,641	438,032

-	71,085,162
-	56,543,032
-	1,204,937

-	349,169,169
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-	25,612,394
-	133,175
-	20,097
-	1,813,706
-	1,760,769

36,086,980	810,583,996
176,562	(323,913,851)

-	145,565,000
-	6,440
-	854,596
-	5,601,707

-	152,027,743
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176,562	(171,886,108)
7,796,036	555,848,230

\$ 7,972,598	\$ 383,962,122
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NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (171,886,108)
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	303,210,493
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(33,864,899)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(4,298,226)
Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.	495,628
Current year amortization of the premium on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	10,055,529
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	4,755,786
The net income (loss) of internal service funds is not included in the fund financial statements but is reported with governmental activities in the government-wide financial statements.	157,502
Current year principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	71,085,162
Current year net increases in accrued vacation benefit obligations are shown as expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	(288,675)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2022 caused the ending net position to increase in the amount of \$5,640,786. Contributions made before the measurement date but during the 2023 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This caused an increase in the net position in the amount of \$1,702,899. These contributions were replaced with the District's pension expense for the year of \$10,444,196, which caused a decrease in net position. The impact of all of these is to decrease net position by \$3,100,511.	(3,100,511)

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT C-4

The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions during the current fiscal year caused the ending net position to increase in the amount of \$1,414,213. These contributions were replaced with the District's OPEB expense for the year, which was \$(3,505,896) and caused an increase in net position. The impact of both of these is to increase net position by \$4,920,109.	4,920,109
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(4,656,014)
Proceeds from bond sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(145,565,000)
Premium received on bond sales are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(5,601,707)
Basis of capital assets disposed are not recorded in the fund financial statements but are reductions of capital assets in the government-wide financial statements.	(6,937,502)
Change in Net Position of Governmental Activities	<u><u>\$ 18,481,567</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,663,906
Total Assets	<u>1,663,906</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	5,078
Due to Other Funds	38,547
Accrued Expenses	200,088
Unearned Revenues	<u>47,371</u>
Total Liabilities	<u>291,084</u>
NET POSITION	
Unrestricted Net Position	<u>1,372,822</u>
Total Net Position	<u><u>\$ 1,372,822</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 1,598,640
Total Operating Revenues	<u>1,598,640</u>
OPERATING EXPENSES:	
Professional and Contracted Services	110,887
Supplies and Materials	99,140
Other Operating Costs	<u>376,515</u>
Total Operating Expenses	<u>586,542</u>
Income Before Transfers	1,012,098
Transfers Out	<u>(854,596)</u>
Change in Net Position	157,502
Total Net Position - July 1 (Beginning)	<u>1,215,320</u>
 Total Net Position - June 30 (Ending)	 <u><u>\$ 1,372,822</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 1,841,962
Cash Payments to Employees for Services	(140)
Cash Payments for Insurance Claims	(565,965)
Cash Payments for Other Operating Expenses	(116,293)
Net Cash Provided by Operating Activities	1,159,564
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers Out	(854,596)
Net Increase in Cash and Cash Equivalents	304,968
Cash and Cash Equivalents at Beginning of Year	1,358,938
Cash and Cash Equivalents at End of Year	\$ 1,663,906
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 1,012,098
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	215,624
Increase (decrease) in Accounts Payable	4,201
Increase (decrease) in Accrued Wages Payable	(140)
Increase (decrease) in Due to Other Funds	38,547
Increase (decrease) in Accrued Expenses	(99,917)
Increase (decrease) in Unearned Revenues	(10,849)
Net Cash Provided by Operating Activities	\$ 1,159,564

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 317,340
Other Receivables	<u>720</u>
Total Assets	<u>318,060</u>
LIABILITIES	
Accounts Payable	<u>1,119</u>
Total Liabilities	<u>1,119</u>
NET POSITION	
Unrestricted Net Position	<u>316,941</u>
Total Net Position	<u><u>\$ 316,941</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Fund
ADDITIONS:	
Received from Student Groups	\$ 676,913
Total Additions	<u>676,913</u>
DEDUCTIONS:	
Student Groups	<u>573,891</u>
Total Deductions	<u>573,891</u>
Change in Fiduciary Net Position	103,022
Total Net Position - July 1 (Beginning)	<u>213,919</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 316,941</u></u>

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northwest Independent School District (District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

In 2002, the District implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* (GASB Statement No. 34), GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement No. 34, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes. The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's *operational accountability*. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven member group elected by registered voters of the District, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees are elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the district. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basis financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Based on the aforementioned criteria, Northwest Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements, except that interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.
2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.
3. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.
2. **Internal Service Funds** - The District utilizes Internal Service Funds to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. These funds facilitate distribution of support costs to the users of support services. The District has internal service funds for its student devices, marketing & advertising activities and various self-insurance plans.
3. **Fiduciary Funds** – The District reports Custodial Funds as Fiduciary Funds. Custodial Funds are custodial in nature and account for activities of student and employee groups. Custodial Funds use the accrual basis of accounting to recognize assets and liabilities. The Custodial Funds exist with the explicit approval of, and are subject to revocation by, the Board.

The internal service funds are proprietary fund types. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

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

The revenue susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETS

Legal requirements for school district budgets are formulated by the state, TEA, and the local district. The Board adopts an "appropriated budget" on a basis consistent with GAAP for the general fund, debt service fund and child nutrition program (which is included in special revenue funds). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds.

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

- Prior to June 19th, the District prepares a budget based on the planning-programming budgeting method for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th the Board of Trustees legally adopts the budget for the general fund, debt service fund and child nutrition program.
- After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year. Budget amendments throughout the year were not significant.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director or divisional administrator).

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget.

E. CASH AND CASH EQUIVALENTS

The cash and cash equivalents portion of this caption in the accompanying fund financial statements is comprised of demand accounts, imprest funds and money market savings accounts. The District maintains a demand account on an imprest basis through which most obligations are paid. Checking account balances for most government fund expenditures are pooled into one demand account.

All District's deposits are legally insured by the Federal Deposit Insurance Corporation and additionally protected by appropriate pledges of securities issued by the State of Texas, other Texas municipalities or the Federal government. Income from investments reported in one fund is not assigned directly to another fund.

F. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and prepaid items are shown as nonspendable fund balance to signify that they are not available for other subsequent expenditures. Prepaid balances are reported using the consumption method, in which the prepaid item is recorded as an asset when paid and is charged to expenditure or expense each fiscal year in an amount equal to the related benefits received that year.

G. INVENTORIES

The consumption method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. In the General Fund, reported inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

H. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the governmental activities column of the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land	N/A
Buildings	50 Years
Building improvements	1-20 Years
Furniture and equipment	7 Years
Computer equipment	3 Years
Vehicles	7 Years

I. COMPENSATED ABSENCES

The District requires overtime compensation to be paid or taken in the form of compensatory time off. The District generally does not allow hourly employees to carry forward unused vacation time.

Effective July 1, 2000 the District's full-time employees in positions that require twelve months of service are eligible for two weeks of vacation with pay annually. This vacation is accrued at the rate of five-sixths of a day for each month of employment, for a maximum of forty days. As of June 30, 2023 the amount accrued and vested was \$1,584,806 and is reported as a long-term debt in the accompanying financial statements. Typically, the general fund is used to liquidate the liability for compensated absences.

Beginning Balance			Ending Balance
<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
<u>\$1,296,131</u>	<u>\$722,407</u>	<u>\$433,732</u>	<u>\$1,584,806</u>

The District allows employees to carry forward unused sick leave to subsequent years. Unused sick leave is not paid to employees upon retirement or termination, therefore the District has not recorded a liability for accumulated sick leave.

J. CASH EQUIVALENTS

For purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with original maturities of three months or less.

K. NET POSITION

Net position represents the difference between assets, deferred outflows, deferred inflows and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at June 30, 2023 was \$67,636,131.

Deferred outflows of resources for pension - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 5.7052 years.

A deferred outflow for pension expense results from payments made to the TRS pension plan by the District after the plan's measurement date. The amount of deferred outflows reported in the governmental activities for deferred pension expenses at June 30, 2023 was \$32,671,131.

Deferred outflows of resources for OPEB- Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 9.2179 years. The amount of deferred outflows reported in the governmental activities for deferred OPEB expense at June 30, 2023 was \$18,669,240.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at June 30, 2023 was \$5,500,522.

Deferred inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period. In fiscal year 2023, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$7,819,146.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (9.2179 years for the 2022 measurement year). In fiscal year 2023, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$60,916,794.

N. FINANCIAL REPORTING MODEL

The District follows the financial reporting model for state and local governments that includes the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's *operational accountability*. The GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

As a result, the financial statements include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. The government-wide financial statements split the District programs between governmental and business-type activities.

O. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2023, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

P. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. DATA CONTROL CODES

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

NOTE 2. FUND BALANCE

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of June 30, 2023 for campus activities.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, the Board of Trustees may assign amounts for specific purposes but it has also delegated authority to assign fund balance to the Superintendent. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned fund balance as of June 30, 2023 for future construction needs.

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- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

During the current fiscal period, the Board of Trustees adopted a fund balance policy that expresses an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 44 and 45) and are described below:

General Fund

The General Fund has unassigned fund balance of \$106,678,265 at June 30, 2023. Prepaid items of \$1,460,617 and inventories of \$87,918 are considered nonspendable fund balance. \$2,988,875 has been assigned for a 2023-2024 projected budget deficit.

Other Major Funds

The Debt Service Fund has restricted funds of \$74,497,165 at June 30, 2023 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$189,422,088 at June 30, 2023 consisting primarily of unspent bond funds, and \$854,596 set aside for capital replacements.

Other Funds

The fund balance of \$3,580,522 of the Campus Activity Fund, \$26,242 in the NISD Education Foundation, and \$42,529 in Other Local Funds (all special revenue funds) are shown as committed due to Board policy committing those funds to those purposes. The fund balance of \$4,323,305 in the Child Nutrition Fund is shown as restricted for the food service program.

NOTE 3. DEPOSITS AND INVESTMENTS

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

1. Cash Deposits:

At June 30, 2023, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$60,553,649 and the bank balance was \$65,412,271. The District's deposits at June 30, 2023 and all times during the current fiscal year were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. As of June 30, 2023, the District’s cash balances totaled \$65,412,271. This entire amount was either secured by pledged securities held by the District’s financial institution’s agent in the District’s name or covered by FDIC insurance. Thus, the District’s deposits are not exposed to custodial credit risk.
- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At June 30, 2023, the District held its investments in the Texpool investment pool, U.S. Government Securities and commercial paper. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

- c. Credit Risk - This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by agencies such as Standard and Poor’s or Moody’s Investors Service. The District’s policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of at least AA or its equivalent. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for TexPool at year-end was AAAM (Standard & Poor’s).

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- d. **Interest Rate Risk** - This is the risk that changes in interest rates will adversely affect the fair value of an investment. GASB 40 requires that interest rate risk be disclosed using one of the five approved methods. The five methods are: segmented time distribution, specific identification, weighted average maturity (WAM), duration, and simulation model. Different methods may be presented for different types of investments. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the TexPool investments is less than 60 days. The District has no formal policy related to interest rate risk.
- e. **Foreign Currency Risk** - This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2023, the District was not exposed to foreign currency risk.
- f. **Concentration of Credit Risk** - This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.
- g. **Public funds investment pools in Texas ("Pools")** are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's investments at June 30, 2023, are shown below:

Name	Carrying Amount	Fair Value
TexPool investment pool	\$ 93,842,572	\$ 93,842,572
U.S. Government Securities	236,316,294	236,316,294
Commercial paper	<u>85,084,001</u>	<u>85,084,001</u>
Total	<u>\$415,242,867</u>	<u>\$415,242,867</u>

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

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In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	<u>Fair Value Measurements Using</u>			
	Balance at 6/30/23	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value level:</u>				
US Government Securities	\$236,316,294	\$236,316,294	\$ -	\$ -
Commercial paper	<u>85,084,001</u>	<u>85,084,001</u>	<u>-</u>	<u>-</u>
Total	<u>\$321,400,295</u>	<u>\$321,400,295</u>	<u>\$ -</u>	<u>\$ -</u>

The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The District's investment in TexPool (a statewide 2a7-like external investment pool) is not required to be measured at fair value but are measured at amortized cost. There are no limitations or restrictions on participant withdrawals.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 65,391,280	\$ 14,752,699	\$ -	\$ 80,143,979
Construction in Progress	<u>306,376,411</u>	<u>301,282,535</u>	<u>(246,869,700)</u>	<u>360,789,246</u>
Total capital assets, not being depreciated	<u>371,767,691</u>	<u>316,035,234</u>	<u>(246,869,700)</u>	<u>440,933,225</u>
Capital assets, being depreciated:				
Buildings and Improvements	969,189,837	231,360,805	(13,742,780)	1,186,807,862
Furniture and Equipment	18,882,791	2,421,860	-	21,304,651
Vehicles	<u>25,104,157</u>	<u>262,294</u>	<u>-</u>	<u>25,366,451</u>
Total capital assets, being depreciated	<u>1,013,176,785</u>	<u>234,044,959</u>	<u>(13,742,780)</u>	<u>1,233,478,964</u>
Less accumulated depreciation for:				
Buildings and Improvements	(251,868,832)	(30,791,072)	6,805,278	(275,854,626)
Furniture and Equipment	(14,443,424)	(873,715)	-	(15,317,139)
Vehicles	<u>(9,674,054)</u>	<u>(2,200,112)</u>	<u>-</u>	<u>(11,874,166)</u>
Total accumulated depreciation	<u>(275,986,310)</u>	<u>(33,864,899)</u>	<u>6,805,278</u>	<u>(303,045,931)</u>
Total capital assets being depreciated, net	<u>737,190,475</u>	<u>200,180,060</u>	<u>(6,937,502)</u>	<u>930,433,033</u>
Governmental activities capital assets, net	<u>\$ 1,108,958,166</u>	<u>\$ 516,215,294</u>	<u>\$(253,807,202)</u>	<u>\$ 1,371,366,258</u>

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Construction in progress includes the following primary construction contracts in progress as of June 30, 2023:

<u>Project</u>	<u>Estimated Cost to Complete</u>	<u>Expended to Date</u>	<u>Balance to Complete</u>
Elementary School Construction (2)	\$ 80,995,000	\$ 75,955,232	\$ 5,039,768
Elementary School Construction (2)	73,293,000	66,587,136	6,705,864
Elementary School Construction	40,440,000	1,279,696	39,160,304
Middle School Construction	69,500,000	66,626,806	2,873,194
Middle School Replacement	91,486,023	40,207,888	51,278,135
High School Renovations & Additions	166,319,288	67,632,717	98,686,571
Pre-K Additions	<u>25,487,425</u>	<u>21,028,193</u>	<u>4,459,232</u>
Total	<u>\$547,520,736</u>	<u>\$339,317,668</u>	<u>\$208,203,068</u>

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

Governmental activities:	
Instruction	\$17,590,427
Instructional Resources & Media Services	428,170
Curriculum & Instructional Staff Development	3,072
Instructional Leadership	1,662
School Leadership	1,151,531
Guidance, Counseling & Evaluation Services	27,207
Health Services	851,124
Student Transportation	1,826,036
Food Services	832,437
Cocurricular/Extracurricular Activities	5,772,064
General Administration	181,975
Plant Maintenance and Operations	4,720,825
Data Processing Services	19,688
Security & Monitoring	456,633
Community Services	<u>2,048</u>
Total depreciation expense-Governmental activities	<u>\$33,864,899</u>

Land and construction in progress are not depreciated.

NOTE 5. LONG-TERM DEBT

Long-term debt includes twenty-one series of general obligation bonds, accreted interest on capital appreciation bonds, premiums on issuance of debt and compensated absences. All long-term debt represents transactions in the District's governmental activities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
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The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2023:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amount Original Issue</u>	<u>Amounts Outstanding 7/1/2022</u>	<u>Additions</u>	<u>Refunded/ Retired</u>	<u>Amounts Outstanding 6/30/2023</u>	<u>Due Within One Year</u>
Bonded Indebtness:							
2008 Bldg/Ref CAB	2.43-4.89%	209,661	\$ 10,592	\$ -	\$ 4,546	\$ 6,046	\$ 3,477
2013A Refunding	3.00-5.00%	44,180,000	6,055,000	-	2,925,000	3,130,000	3,130,000
2014 Building	2.00-5.00%	66,300,000	4,005,000	-	310,000	3,695,000	375,000
2015 Refunding	2.00-5.00%	83,565,000	22,265,000	-	3,150,000	19,115,000	3,535,000
2015 Building	1.00-5.00%	67,435,000	3,000,000	-	500,000	2,500,000	500,000
2015A Refunding	5.00%	118,740,000	57,395,000	-	10,055,000	47,340,000	10,840,000
2015B Refunding	1.50-5.00%	82,115,000	41,785,000	-	8,235,000	33,550,000	8,845,000
2016 Refunding	1.00-5.00%	49,510,000	28,320,000	-	500,000	27,820,000	515,000
2016A Refunding	2.00-5.00%	64,870,000	45,995,000	-	1,280,000	44,715,000	1,315,000
2017 Building	2.25-5.00%	90,520,000	18,665,000	-	100,000	18,565,000	100,000
2017 Refunding	2.00-5.00%	29,825,000	29,120,000	-	1,685,000	27,435,000	1,890,000
2018 Building	3.00-5.00%	94,890,000	86,305,000	-	1,605,000	84,700,000	1,235,000
2019 Building	3.00-5.00%	92,450,000	81,280,000	-	1,530,000	79,750,000	1,840,000
2019 Refunding	2.42-5.00%	96,759,995	93,650,000	-	805,000	92,845,000	1,015,000
2020 Bldg/Refunding	4.00-5.00%	181,545,000	173,885,000	-	880,000	173,005,000	1,640,000
2020A Refunding	1.84-5.00%	172,280,000	172,280,000	-	-	172,280,000	-
2021 Building	3.00-5.00%	183,060,000	157,595,000	-	830,000	156,765,000	875,000
2022 Refunding	3.293-5.00%	132,280,000	132,280,000	-	-	132,280,000	-
2022 Refunding CAB	1.743-2.013%	8,984,904	8,984,904	-	6,320,616	2,664,288	2,664,288
2022 Building	4.00-5.00%	192,345,000	192,345,000	-	30,370,000	161,975,000	-
2022A Building	5.00%	145,565,000	-	145,565,000	-	145,565,000	7,455,000
Total Bonded Indebtness			<u>1,355,220,496</u>	<u>145,565,000</u>	<u>71,085,162</u>	<u>1,429,700,334</u>	<u>47,772,765</u>
Accreted Interest	4.10-5.20%		12,959,581	354,052	5,109,838	8,203,795	8,072,235
Premiums on Bond Issuance			154,559,056	5,601,707	10,055,529	150,105,234	10,055,529
Accrued Vacation Benefits			1,296,131	722,407	433,732	1,584,806	475,000
Total Other Obligations			<u>168,814,768</u>	<u>6,678,166</u>	<u>15,599,099</u>	<u>159,893,835</u>	<u>18,602,764</u>
Total Obligations of District			<u>\$ 1,524,035,264</u>	<u>\$ 152,243,166</u>	<u>\$ 86,684,261</u>	<u>\$ 1,589,594,169</u>	<u>\$ 66,375,529</u>

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment. Governmental funds typically have been used in prior years to liquidate the liability for accrued vacation benefits.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2023.

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

Debt service requirements to maturity are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2024	\$ 47,772,765	\$ 57,052,217	\$ 104,824,982
2025	40,927,569	54,896,867	95,824,436
2026	43,165,000	52,876,517	96,041,517
2027	48,010,000	50,737,817	98,747,817
2028	49,660,000	48,377,567	98,037,567
2029-2033	266,400,000	206,944,187	473,344,187
2034-2038	286,880,000	156,370,719	443,250,719
2039-2043	351,885,000	101,872,829	453,757,829
2044-2048	295,000,000	32,470,490	327,470,490
	<u>\$1,429,700,334</u>	<u>\$ 761,599,210</u>	<u>\$2,191,299,544</u>

NOTE 7. DEFEASED BONDS OUTSTANDING

In prior years, the District issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The District placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2023, \$527,275,000 of bonds outstanding are considered defeased.

NOTE 8. PROPERTY TAXES

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. Denton Central Appraisal District (DCAD) is responsible for the appraisal of property for all taxing units in Denton County, including the District. Under the terms of a contract for appraisal services, the District paid \$1,760,769 in fiscal year 2023 for appraising property.

The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The appraisal and recording of all property within the District is the responsibility of the Denton Central Appraisal District (DCAD), an independent government unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. DCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the DCAD Review Board through various appeals and, if necessary, legal action. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2022-23 fiscal year was based was \$30,420,877,138. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2023, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.8546 and \$0.42 per \$100 valuation, respectively, for a total of \$1.2746 per \$ 100 valuation.

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Current tax collections for the year ended June 30, 2023 were 99.14% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2023, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,808,113 and \$1,692,409 for the General and Debt Service Funds, respectively. The uncollectible allowance has been estimated at 7.5% of outstanding property taxes at June 30, 2023.

Property taxes are recorded as receivables and as unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as unavailable revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description. Northwest Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/pages/aboutpublications.aspx>, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)542-6592.

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

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Northwest ISD FY2023 Employer Contributions		\$ 7,343,685
Northwest ISD FY2023 Member Contributions		\$15,084,824
Northwest ISD FY2023 NECE On-Behalf Contributions		\$ 9,020,775

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

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.
- All public schools must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Actuarial Assumptions. The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	4.6%	1.12%
Non-U.S. Developed	13%	4.9%	0.90%
Emerging Markets	9%	5.4%	0.75%
Private Equity	14%	7.7%	1.55%
Stable Value			
Government Bonds	16%	1.0%	0.22%
Absolute Return ⁴	0%	3.7%	0.00%
Stable Value Hedge Funds	5%	3.4%	0.18%
Real Return			
Real Estate	15%	4.1%	0.94%
Energy, Natural Resources	6%	5.1%	0.37%
Commodities	0%	3.6%	0.00%
Risk Parity			
Risk Parity	8%	4.6%	0.43%
Leverage			
Cash	2%	3.0%	0.01%
Asset Allocation Leverage	-6%	3.6%	-0.05%
Inflation Expectation	-		2.70%
Volatility Drag ³	-		-0.93%
Total	<u>100%</u>		<u>8.19%</u>

Discount Rate Sensitivity Analysis. The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Northwest ISD's proportionate share of the net pension liability:	\$121,588,162	\$78,160,535	\$42,960,405

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, Northwest Independent School District reported a liability of \$78,160,535 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Northwest Independent School District. The amount recognized by Northwest Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Northwest Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 78,160,535
State's proportionate share that is associated with the District	<u>114,767,744</u>
Total	<u>\$192,928,279</u>

¹ Target allocations are based on the FY22 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

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

⁴ Absolute Return includes credit sensitive investments.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.1316555845%, an increase of 2.33% from its proportionate share of 0.1286602464% at August 31, 2021.

Changes Since the Prior Actuarial Valuation – The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended June 30, 2023, Northwest Independent School District recognized pension expense of \$10,970,495 and revenue of \$10,970,495 for support provided by the State.

At June 30, 2023, Northwest Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,133,321	\$1,704,048
Changes in actuarial assumptions	14,563,851	3,629,719
Difference between projected and actual investment earnings	7,722,011	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,611,162	2,485,379
Contributions paid to TRS subsequent to the measurement date	5,640,786	-
Total	\$32,671,131	\$7,819,146

The net amounts of the District's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2024	\$ 5,459,048
2025	2,736,305
2026	497,562
2027	9,103,175
2028	1,415,109
Thereafter	-

NOTE 10. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

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

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly for Retirees		
	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

** or surviving spouse*

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
 Northwest ISD FY23 Employer Contributions		\$1,414,213
Northwest ISD FY23 Member Contributions		\$1,225,642
Northwest ISD FY23 NECE On-behalf Contributions		\$1,635,659

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 \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for 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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Rates of Disability

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the fixed-income market data/yield curve/data municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District’s proportionate share of the Net OPEB Liability:	\$46,089,862	\$39,089,699	\$33,418,675

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District’s proportionate share of the Net OPEB Liability:	\$32,210,093	\$39,089,699	\$48,008,225

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OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2023, the District reported a liability of \$39,089,699 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	\$39,089,699
State's proportionate share that is associated with the District	<u>\$47,683,292</u>
Total	<u>\$86,772,991</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.1632546389%, an increase of 1.93% compared to the August 31, 2021 proportionate share of 0.1601694280%.

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 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

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

The amount of OPEB expense recognized by the District in the reporting period was \$(6,766,644).

At June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,173,249	\$32,565,228
Changes in actuarial assumptions	5,954,136	27,157,198
Difference between projected and actual investment earnings	116,438	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,201,627	1,194,368
Contributions paid to TRS subsequent to the measurement date	1,223,790	-
Total	\$18,669,240	\$60,916,794

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Year ended June 30:	OPEB Expense Amount
2024	\$ (7,880,004)
2025	(7,879,582)
2026	(6,221,920)
2027	(3,977,736)
2028	(5,529,927)
Thereafter	(11,982,175)

NOTE 11. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2023, the contribution made on behalf of the District was \$991,348.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2023, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ 2,191	\$ 1,827
Special Revenue Funds	13,080,689	426,529
Internal Service Fund	38,547	-
Capital Projects Fund:		
General Fund	1,827	2,191
Special Revenue Funds:		
General Fund	320,578	12,974,738
Internal Service Fund:		
General Fund	-	38,547
TOTAL	<u>\$ 13,443,832</u>	<u>\$ 13,443,832</u>

Virtually all of the above interfund balances are short-term loans due to the fact that checking account balances for most governmental funds are not pooled into one account. There are no interfund balances that are not expected to be repaid within one year.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Interfunds transfers in the governmental funds for the year ended June 30, 2023 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfer to Other Funds</u>	<u>Transfers from Other Funds</u>
Capital Projects Fund:		
Internal Service Fund	\$ -	\$ 854,596
Internal Service Fund:		
Capital Projects Fund	854,596	-
TOTAL	<u>\$ 854,596</u>	<u>\$ 854,596</u>

The purpose of the transfer was to transfer excess funds from the workers compensation and unemployment internal service funds to the capital projects fund to use for the future capital replacements.

NOTE 13. SELF-INSURANCE

During the period ended June 30, 2023, employees of Northwest Independent School District were covered by the TRS-ActiveCare health insurance plan administered by Teacher Retirement System of Texas (a fully insured plan). The District contributed \$325 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents.

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

Workers' Compensation. Effective July 1, 2012 the District changed from a fully insured arrangement with Deep East Texas Insurance Company into a self-insurance plan to provide worker compensation benefits to staff.

Worker Compensation self-insured payments are currently processed by a third party administrator acting on behalf of the District. The District's third party administrator for workers' compensation is York/JI Companies. Changes in the balances of claims liabilities for the District's self-insured workers compensation insurance fund during the fiscal year are as follows:

	<u>Fiscal Year Ended June 30, 2022</u>	<u>Fiscal Year Ended June 30, 2023</u>
Unpaid claims, beginning	\$ 461,566	\$ 300,005
Incurring claims (including IBNR's)	92,136	183,061
Claims Payments	<u>(253,697)</u>	<u>(282,978)</u>
Unpaid claims, ending	<u>\$ 300,005</u>	<u>\$ 200,088</u>

Estimates of claims payable and of claims incurred, but not reported at June 30, 2023 are reflected as accounts payable and accrued expenses in the medical and workers compensation insurance fund. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The plan is funded to discharge liabilities of the Fund as they become due.

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
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Based on the lag claim history of each fund, the unpaid claims liabilities are shown as current liabilities in the accompanying financial statements and are expected to result in actual payments in the subsequent year.

NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2023, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 4,608,995	\$ 6,513,893	\$13,121,427	\$ 165,424	\$ 24,409,739
Debt Service Fund	2,070,637	-	-	-	2,070,637
Capital Projects Fund	-	-	1,827	-	1,827
Special Revenue Fund	-	4,944,107	320,578	21,953	5,286,638
Total - Governmental Activities	<u>\$ 6,679,632</u>	<u>\$ 11,458,000</u>	<u>\$13,443,832</u>	<u>\$ 187,377</u>	<u>\$ 31,768,841</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 500,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,973</u>

Payables at June 30, 2023, were as follows:

	Accounts	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:					
General Fund	\$ 1,806,436	\$ 27,371,768	\$ 428,356	\$ 24,658,920	\$ 54,265,480
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	47,399,724	-	2,191	-	47,401,915
Special Revenue Funds	275,159	2,175,443	12,974,738	-	15,425,340
Total - Governmental Activities	<u>\$ 49,481,319</u>	<u>\$ 29,547,211</u>	<u>\$13,405,285</u>	<u>\$ 24,658,920</u>	<u>\$ 117,092,735</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 15. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Grant & Entitlements	Federal Grants	Local Governments	Total
General	\$ 5,282,970	\$ -	\$ 1,230,923	\$ 6,513,893
Special Revenue	98,099	4,846,008	-	4,944,107
Total	<u>\$ 5,381,069</u>	<u>\$ 4,846,008</u>	<u>\$ 1,230,923</u>	<u>\$ 11,458,000</u>

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 16. CONTINGENT LIABILITIES

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments which exceed bond issue stated interest rates. The exact amount of liability, if any, is not known until as long as five years from the bond issuance date. At June 30, 2023, the estimated rebate liability on outstanding bond series was zero.

NOTE 17. LITIGATION AND CONTINGENCIES

The District is a party to various legal actions none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

Minimum foundation funding received from the Agency is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to the Agency. Federal funding for Food Services under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the USDA. Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

The programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

The Denton Central Appraisal District is a defendant in various lawsuits involving the property values assigned to property located within the District's boundaries on which the District assesses property taxes. The District could be required to refund property taxes paid on values which were greater than the ultimate final assessed valuation assigned by the court. Such lawsuits could continue several years into the future.

NOTE 18. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property taxes	\$ 259,596,563	\$ -	\$ 126,041,415	\$ -	\$ 385,637,978
Food sales	-	7,929,940	-	-	7,929,940
Investment income	5,386,927	221,176	2,267,026	12,616,358	20,491,487
Penalties, interest and other tax related income	1,361,222	-	1,918,102	-	3,279,324
Co-curricular student activities	648,923	4,103,146	-	-	4,752,069
TIF funds	2,127,517	-	-	-	2,127,517
Tuition and fees	281,638	-	-	-	281,638
Gifts and bequests	7,876	106,960	-	-	114,836
Facilities rentals	1,791,710	-	-	21,075	1,812,785
Erate revenue	353,122	-	-	-	353,122
Insurance proceeds	16,921	-	-	-	16,921
Other	205,132	10,827	11,071	-	227,030
Total	<u>\$ 271,777,551</u>	<u>\$ 12,372,049</u>	<u>\$ 130,237,614</u>	<u>\$ 12,637,433</u>	<u>\$ 427,024,647</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 19. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
State Instructional Materials	\$ -	\$ 58,354	\$ -	\$ 58,354
Student Lunch Accounts	-	289,685	-	289,685
Pre-K Tuition	24,000	-	-	24,000
Medicaid Admin Claim	-	155,810	-	155,810
Summer School LEP	-	27,063	-	27,063
Advanced Placement Incentives	-	44,851	-	44,851
Other Special Revenue Funds	-	58,468	-	58,468
EDA/AHASE Funds	-	-	188,200	188,200
Total	<u>\$ 24,000</u>	<u>\$ 634,231</u>	<u>\$ 188,200</u>	<u>\$ 846,431</u>

NOTE 20. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>Total Grant or Entitlement</u>
General Fund:	
Medicaid Reimbursement (SHARS)	\$2,577,889
Impact Aid	271,645
Indirect Costs	<u>1,515,896</u>
Total for General Fund	<u>\$4,365,430</u>

NOTE 21. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for the Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in no functional categories for the year ended June 30, 2023.

NOTE 22. SHARED SERVICE ARRANGEMENTS

The District participates in shared service arrangements for the Title I, Part C Migrant program. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Region XI ESC, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Northwest Independent School District. The fiscal agent manager is responsible for all financial activities of the shared services arrangements.

The District is an SSA member of the Fort Worth Independent School District's Regional Day School Program for the Deaf as well as, the Denton Regional Day School Program for the Deaf and the Birdville Regional Day School Program for the Deaf. The District does not account for revenues or expenditures in these programs and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agents, Fort Worth ISD, Denton ISD and Birdville ISD, nor does the District have a net equity interest in the fiscal agents. The fiscal agents are neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Northwest Independent School District. The fiscal agent managers' are responsible for all financial activities of the shared services arrangements.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

The District participates in a shared services arrangement for juvenile justice alternative education services with several other school districts. Although the District contributes to the shared services arrangement based on its participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Northwest ISD. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. During the year ended June 30, 2023, the District contributed \$20,097 to the fiscal agent as its share of the costs of the joint venture.

The District is the fiscal agent for a shared services arrangement that provides in member districts for student with autism. Three districts participate in the shared service arrangement. The participation of each district is determined on a year-to-year basis. The District, as fiscal agent, is responsible for coordinating distribution of funds awarded under an autism grant awarded by the State, based on services provided to students with autism by member districts. According to guidance provided in TEA's Resource Guide, the District will account for the fiscal agent's activities of the shared services arrangement in a special revenue fund using Model 3 in the SSA section of the Resource Guide. No activity occurred in this grant during the year ended June 30, 2023.

NOTE 23. EXPENDITURES BY CHARACTER

Section 21.256, Texas Education Code, requires an annual audit and authorizes the State Board of Education, with the approval of the State Auditor, to prescribe minimum regulations and report forms for the annual audit. The Financial Accounting System Resource Guide of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. The prescribed format of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds, requires expenditures to be classified by function, meaning capital outlay directly associated with a particular function is charged to that function.

Expenditures by fund and character are as follows:

	Governmental Fund Types				Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	(Memorandum Only)
Current	\$294,617,517	\$36,086,980	\$ -	\$ 49,002,582	\$379,707,079
Capital Outlay	-	-	-	303,210,493	303,210,493
Debt Service:					
Principal	-	-	71,085,162	-	71,085,162
Interest and Fiscal Charges	-	-	56,581,262	-	56,581,262
Total Expenditures	<u>\$294,617,517</u>	<u>\$36,086,980</u>	<u>\$127,666,424</u>	<u>\$352,213,075</u>	<u>\$810,583,996</u>

NOTE 24. SUBSEQUENT EVENT

On August 15, 2023 the District sold \$377,455,000 of unlimited tax building bonds for use in facilities construction and renovation activities of the District.

NOTE 25. TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District did not have any outstanding tax abatements for the year ended June 30, 2023.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 26. LEASES

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

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

NOTE 27. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued Statement No. 96 – Subscription-Based Information Technology Arrangements (“SBITA”). This statement increases the usefulness of governments' financial statements by requiring recognition of certain right-to-use subscription assets and corresponding subscription liabilities for SBITAs that were previously recognized as outflows of resources based on the payment provisions of the contract. The statement is effective for fiscal years beginning after June 15, 2022.

Per review of the information technology arrangements identified by the District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA, or were immaterial to the financial statements.

Required Supplementary Information

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 272,914,865	\$ 273,087,961	\$ 271,777,551	\$ (1,310,410)
5800	State Program Revenues	25,933,598	26,924,936	29,778,814	2,853,878
5900	Federal Program Revenues	4,282,338	4,558,691	4,365,430	(193,261)
5020	Total Revenues	303,130,801	304,571,588	305,921,795	1,350,207
EXPENDITURES:					
Current:					
0011	Instruction	160,280,211	160,836,772	157,172,732	3,664,040
0012	Instructional Resources and Media Services	3,233,470	3,220,657	2,887,748	332,909
0013	Curriculum and Instructional Staff Development	7,007,953	7,310,587	6,588,068	722,519
0021	Instructional Leadership	2,945,846	3,227,073	2,739,381	487,692
0023	School Leadership	16,192,537	17,017,941	16,496,906	521,035
0031	Guidance, Counseling, and Evaluation Services	9,570,590	9,521,337	8,564,500	956,837
0032	Social Work Services	373,139	373,139	220,896	152,243
0033	Health Services	2,928,627	2,944,196	2,557,396	386,800
0034	Student (Pupil) Transportation	11,728,667	14,282,226	12,274,840	2,007,386
0036	Extracurricular Activities	8,516,778	9,459,193	8,842,222	616,971
0041	General Administration	8,218,947	9,093,489	8,916,355	177,134
0051	Facilities Maintenance and Operations	29,938,045	31,664,373	29,541,114	2,123,259
0052	Security and Monitoring Services	2,456,587	2,881,964	2,615,466	266,498
0053	Data Processing Services	6,006,922	6,090,819	5,370,336	720,483
0061	Community Services	194,861	189,803	137,391	52,412
Debt Service:					
0071	Principal on Long-Term Liabilities	-	4,750,000	-	4,750,000
Capital Outlay:					
0081	Facilities Acquisition and Construction	370,582	454,082	352,025	102,057
Intergovernmental:					
0091	Contracted Instructional Services Between Schools	28,660,895	31,660,895	25,612,394	6,048,501
0093	Payments to Fiscal Agent/Member Districts of SSA	135,000	183,175	133,175	50,000
0095	Payments to Juvenile Justice Alternative Ed. Prg.	45,000	45,000	20,097	24,903
0097	Payments to Tax Increment Fund	2,011,144	2,011,144	1,813,706	197,438
0099	Other Intergovernmental Charges	2,315,000	2,715,000	1,760,769	954,231
6030	Total Expenditures	303,130,801	319,932,865	294,617,517	25,315,348
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(15,361,277)	11,304,278	26,665,555
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	6,440	6,440
1200	Net Change in Fund Balances	-	(15,361,277)	11,310,718	26,671,995
0100	Fund Balance - July 1 (Beginning)	99,904,957	99,904,957	99,904,957	-
3000	Fund Balance - June 30 (Ending)	\$ 99,904,957	\$ 84,543,680	\$ 111,215,675	\$ 26,671,995

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.131655584%	0.128660246%	0.125821173%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 78,160,535	\$ 32,765,212	\$ 67,387,254
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	114,767,744	51,157,357	108,111,233
Total	<u>\$ 192,928,279</u>	<u>\$ 83,922,569</u>	<u>\$ 175,498,487</u>
District's Covered Payroll	\$ 170,724,834	\$ 166,313,393	\$ 157,134,281
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	45.78%	19.70%	42.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.136715977%	0.130173473%	0.125247008%	0.11808398%	0.1196401%	0.0821466%
\$ 71,069,239	\$ 71,650,639	\$ 40,047,246	\$ 44,622,180	\$ 42,291,183	\$ 21,942,493
97,809,096	99,195,944	57,248,134	66,264,758	62,165,127	26,943,583
\$ 168,878,335	\$ 170,846,583	\$ 97,295,380	\$ 110,886,938	\$ 104,456,310	\$ 48,886,076
\$ 146,925,846	\$ 134,532,007	\$ 126,800,958	\$ 117,539,637	\$ 109,517,942	\$ 103,155,465
48.37%	53.26%	31.58%	37.96%	38.62%	21.27%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.131655584%	0.128660246%	0.125821173%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 78,160,535	\$ 32,765,212	\$ 67,387,254
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	114,767,744	51,157,357	108,111,233
Total	<u>\$ 192,928,279</u>	<u>\$ 83,922,569</u>	<u>\$ 175,498,487</u>
District's Covered Payroll	\$ 170,724,834	\$ 166,313,393	\$ 157,134,281
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	45.78%	19.70%	42.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.136715977%	0.130173473%	0.125247008%	0.11808398%	0.1196401%	0.0821466%
\$ 71,069,239	\$ 71,650,639	\$ 40,047,246	\$ 44,622,180	\$ 42,291,183	\$ 21,942,493
97,809,096	99,195,944	57,248,134	66,264,758	62,165,127	26,943,583
\$ 168,878,335	\$ 170,846,583	\$ 97,295,380	\$ 110,886,938	\$ 104,456,310	\$ 48,886,076
\$ 146,925,846	\$ 134,532,007	\$ 126,800,958	\$ 117,539,637	\$ 109,517,942	\$ 103,155,465
48.37%	53.26%	31.58%	37.96%	38.62%	21.27%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.16325463%	0.160169428%	0.160341574%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 39,089,699	\$ 61,784,506	\$ 60,953,073
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	47,683,292	82,777,469	81,906,320
Total	<u>\$ 86,772,991</u>	<u>\$ 144,561,975</u>	<u>\$ 142,859,393</u>
District's Covered Payroll	\$ 170,724,834	\$ 166,313,393	\$ 157,134,281
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	22.90%	37.15%	38.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

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

<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.162979034%	0.151517618%	0.138470178%
\$ 77,074,785	\$ 75,654,134	\$ 60,215,486
102,415,145	119,591,064	103,611,938
<u>\$ 179,489,930</u>	<u>\$ 195,245,198</u>	<u>\$ 163,827,424</u>
\$ 146,925,846	\$ 134,532,007	\$ 126,800,958
52.46%	56.24%	47.49%
2.66%	1.57%	0.91%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 7,343,685	\$ 6,033,066	\$ 5,142,060
Contribution in Relation to the Contractually Required Contribution	(7,343,685)	(6,033,066)	(5,142,060)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 188,560,294	\$ 168,992,602	\$ 161,406,461
Contributions as a Percentage of Covered Payroll	3.89%	3.57%	3.19%

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

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

2020	2019	2018	2017	2016	2015
\$ 5,114,363	\$ 4,804,304	\$ 4,317,863	\$ 4,048,709	\$ 3,703,805	\$ 3,291,771
(5,114,363)	(4,804,304)	(4,317,863)	(4,048,709)	(3,703,805)	(3,291,771)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 156,279,846	\$ 144,894,154	\$ 133,094,908	\$ 125,214,930	\$ 116,272,847	\$ 109,517,942
3.27%	3.32%	3.24%	3.23%	3.19%	3.01%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

PENSION LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

- The discount rate changed from 7.25 percent as of August 31, 2021 to 7.00 percent as of August 31, 2022. This change increased the total pension liability.

OPEB LIABILITY:

Changes of benefit terms:

There were no changes in benefit terms since the prior measurement date.

Changes of assumptions:

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

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.



Combining Statements

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for particular purposes. Most, but not all, of these funds must be applied for through the Standard Application System (SAS).

211 ESEA, Title I, Part A Improving Basic Programs - Provide opportunities for children served to acquire knowledge and skills to meet the challenging state performance standards developed for all children.

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

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

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

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

255 ESEA, Title II, Part A Teacher and Principal Training and Recruiting - Provide financial assistance to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals.

263 Title III, Part A - English Language Acquisition and Language Enhancement - Funds granted to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

266 ESSER - School Emergency Relief – Funds granted through the CARES Act to provide for emergency relief related to the COVID-19 pandemic.

272 Medicaid Administrative Claiming Program - MAC - Funds allocated to local education agencies for reimbursement of eligible costs for activities attributed to the implementation of the Medicaid state plan.

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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

288 Summer School LEP - Funds granted for summer education of limited English proficient students.

289 ESEA, Title IV, Part A - Funds granted for student support and academic enrichment.

289 Emergency Connectivity Fund - Funds granted through the Federal Communications Commission for technology needs.

289 COVID-19 School Health Support Grant - Funds granted to support school-based COVID-19 screening and testing activities intended to support open, in-person, K-12 instruction.

385 Visually Impaired - Funds granted for visually impaired students.

397 Advanced Placement Incentives - Support professional development of teachers teaching advanced classes.

410 State Instructional Materials - To purchase instructional materials, technological equipment and technology-related services that contributes to student learning or training for educational personnel involved in the use of such materials.

429 Other State Special Revenue Fund - State funded special revenue funds not listed above are to be accounted for in this fund.

461 Campus Activity - To account for transactions related to a campus activity fund.

481 Education Foundation - Funds granted through the Northwest Education Foundation.

499 Other Local Special Revenue Funds - These fund classifications are used, at the option of the school district to classify locally funded special revenue funds such as grants by corporations to specific campuses not defined elsewhere.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		211	224	225
		ESEA I, A	IDEA - Part B	IDEA - Part B
		Improving	Formula	Preschool
		Basic Program		
ASSETS				
1110	Cash and Cash Equivalents	\$ 14,747	\$ 230,948	\$ 67
1120	Investments - Current	-	-	-
1240	Due from Other Governments	263,648	533,369	8,611
1260	Due from Other Funds	-	306,776	13,602
1290	Other Receivables	-	277	-
1410	Prepayments	-	-	-
1000	Total Assets	<u>\$ 278,395</u>	<u>\$ 1,071,370</u>	<u>\$ 22,280</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	168,106	324,095	5,523
2170	Due to Other Funds	110,289	747,275	16,757
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>278,395</u>	<u>1,071,370</u>	<u>22,280</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3430	Prepaid Items	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
3600	Unassigned Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 278,395</u>	<u>\$ 1,071,370</u>	<u>\$ 22,280</u>

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER I - Emergency Sch Relief Fund	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental
\$ 5,629,711	\$ 33,243	\$ 13,416	\$ 25,720	\$ -	\$ 158,043	\$ 3,294	\$ 1,442,496
-	-	-	-	-	-	-	-
5,294	11,444	24,976	93,312	-	-	2,277	4,207
-	-	-	-	-	-	-	-
20,437	-	-	-	-	-	-	-
-	-	16,286	-	-	-	-	-
<u>\$ 5,655,442</u>	<u>\$ 44,687</u>	<u>\$ 54,678</u>	<u>\$ 119,032</u>	<u>\$ -</u>	<u>\$ 158,043</u>	<u>\$ 5,571</u>	<u>\$ 1,446,703</u>
\$ 171,700	\$ -	\$ 16,626	\$ 35,669	\$ -	\$ 2,233	\$ -	\$ -
-	-	14,178	44,397	-	-	-	-
870,752	44,687	23,874	38,966	-	-	5,571	1,446,703
289,685	-	-	-	-	155,810	-	-
<u>1,332,137</u>	<u>44,687</u>	<u>54,678</u>	<u>119,032</u>	<u>-</u>	<u>158,043</u>	<u>5,571</u>	<u>1,446,703</u>
-	-	16,286	-	-	-	-	-
4,323,305	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(16,286)	-	-	-	-	-
<u>4,323,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,655,442</u>	<u>\$ 44,687</u>	<u>\$ 54,678</u>	<u>\$ 119,032</u>	<u>\$ -</u>	<u>\$ 158,043</u>	<u>\$ 5,571</u>	<u>\$ 1,446,703</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		282	283	284	285
		ESSER III ARP Act	ESSER-SUPP	IDEA B Formula ARP Act	IDEA B Preschool ARP Act
ASSETS					
1110	Cash and Cash Equivalents	\$ 1,149,852	\$ 5,911,934	\$ -	\$ 2,181
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	1,910,163	141,147	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1410	Prepayments	-	14,310	-	-
1000	Total Assets	<u>\$ 1,149,852</u>	<u>\$ 7,836,407</u>	<u>\$ 141,147</u>	<u>\$ 2,181</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 80	\$ -	\$ -
2160	Accrued Wages Payable	2,246	1,357,967	16,747	-
2170	Due to Other Funds	1,147,606	6,478,360	124,400	2,181
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>1,149,852</u>	<u>7,836,407</u>	<u>141,147</u>	<u>2,181</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	14,310	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	(14,310)	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,149,852</u>	<u>\$ 7,836,407</u>	<u>\$ 141,147</u>	<u>\$ 2,181</u>

288 Summer School LEP	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	481 NISD Education Foundation
\$ 27,063	\$ -	\$ 11,097	\$ 37,326	\$ 95,264	\$ 6	\$ 3,651,886	\$ 26,242
-	-	-	-	-	-	179,087	-
-	1,847,560	-	-	-	98,099	-	-
-	-	-	-	-	-	200	-
-	-	-	-	-	-	1,239	-
-	-	-	7,525	-	-	-	-
<u>\$ 27,063</u>	<u>\$ 1,847,560</u>	<u>\$ 11,097</u>	<u>\$ 44,851</u>	<u>\$ 95,264</u>	<u>\$ 98,105</u>	<u>\$ 3,832,412</u>	<u>\$ 26,242</u>
\$ -	\$ -	\$ -	\$ -	\$ 36,910	\$ 1,225	\$ 10,716	\$ -
-	-	-	-	-	720	241,174	-
-	1,847,560	11,097	-	-	58,660	-	-
27,063	-	-	44,851	58,354	37,500	-	-
<u>27,063</u>	<u>1,847,560</u>	<u>11,097</u>	<u>44,851</u>	<u>95,264</u>	<u>98,105</u>	<u>251,890</u>	<u>-</u>
-	-	-	7,525	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,580,522	26,242
-	-	-	(7,525)	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,580,522</u>	<u>26,242</u>
<u>\$ 27,063</u>	<u>\$ 1,847,560</u>	<u>\$ 11,097</u>	<u>\$ 44,851</u>	<u>\$ 95,264</u>	<u>\$ 98,105</u>	<u>\$ 3,832,412</u>	<u>\$ 26,242</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes		499	Total
		Other Local	Nonmajor
		Special	Governmental
		Revenue Funds	Funds
ASSETS			
1110	Cash and Cash Equivalents	\$ 63,787	\$ 18,528,323
1120	Investments - Current	-	179,087
1240	Due from Other Governments	-	4,944,107
1260	Due from Other Funds	-	320,578
1290	Other Receivables	-	21,953
1410	Prepayments	-	38,121
1000	Total Assets	<u>\$ 63,787</u>	<u>\$ 24,032,169</u>
LIABILITIES			
2110	Accounts Payable	\$ -	\$ 275,159
2160	Accrued Wages Payable	290	2,175,443
2170	Due to Other Funds	-	12,974,738
2300	Unearned Revenue	20,968	634,231
2000	Total Liabilities	<u>21,258</u>	<u>16,059,571</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430	Prepaid Items	-	38,121
Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	4,323,305
Committed Fund Balance:			
3545	Other Committed Fund Balance	42,529	3,649,293
3600	Unassigned Fund Balance	-	(38,121)
3000	Total Fund Balances	<u>42,529</u>	<u>7,972,598</u>
4000	Total Liabilities and Fund Balances	<u>\$ 63,787</u>	<u>\$ 24,032,169</u>

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	1,020,455	3,172,212	32,380
5020 Total Revenues	1,020,455	3,172,212	32,380
EXPENDITURES:			
Current:			
0011 Instruction	1,019,463	669,693	32,380
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-
0021 Instructional Leadership	-	-	-
0023 School Leadership	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	2,470,240	-
0032 Social Work Services	-	-	-
0033 Health Services	-	-	-
0034 Student (Pupil) Transportation	-	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	-	-	-
0041 General Administration	-	32,279	-
0051 Facilities Maintenance and Operations	-	-	-
0052 Security and Monitoring Services	-	-	-
0053 Data Processing Services	-	-	-
0061 Community Services	992	-	-
6030 Total Expenditures	1,020,455	3,172,212	32,380
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER 1 - Emergency Sch Relief Fund	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	281 ESSER II CRRSA Act Supplemental
\$ 8,155,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46,996	-	-	-	-	-	-	-
4,961,476	102,518	171,393	189,180	4,207	15,969	26,202	-
13,163,874	102,518	171,393	189,180	4,207	15,969	26,202	-
-	27,090	-	82,391	4,207	-	26,202	-
-	-	-	-	-	-	-	-
-	-	171,393	79,118	-	-	-	-
-	75,428	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	15,969	-	-
-	-	-	-	-	-	-	-
13,120,100	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	27,671	-	-	-	-
13,120,100	102,518	171,393	189,180	4,207	15,969	26,202	-
43,774	-	-	-	-	-	-	-
4,279,531	-	-	-	-	-	-	-
\$ 4,323,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	282 ESSER III ARP Act	283 ESSER-SUPP	284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	3,605,096	5,444,115	840,762	27,815
5020 Total Revenues	3,605,096	5,444,115	840,762	27,815
EXPENDITURES:				
Current:				
0011 Instruction	2,853,561	2,494,139	599,321	27,815
0012 Instructional Resources and Media Services	31,271	6,811	-	-
0013 Curriculum and Instructional Staff Development	231,357	38,826	-	-
0021 Instructional Leadership	30,304	-	-	-
0023 School Leadership	23,886	244,538	-	-
0031 Guidance, Counseling, and Evaluation Services	434,717	932,981	241,441	-
0032 Social Work Services	-	228,103	-	-
0033 Health Services	-	48,807	-	-
0034 Student (Pupil) Transportation	-	234,512	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	14,687	-	-
0041 General Administration	-	62,003	-	-
0051 Facilities Maintenance and Operations	-	1,063,492	-	-
0052 Security and Monitoring Services	-	14,793	-	-
0053 Data Processing Services	-	53,885	-	-
0061 Community Services	-	6,538	-	-
6030 Total Expenditures	3,605,096	5,444,115	840,762	27,815
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

288 Summer School LEP	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	481 NISD Education Foundation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,109,687	\$ 70,069
-	-	15,653	20,323	1,923,406	395,191	-	-
-	1,876,144	-	-	-	-	-	-
-	1,876,144	15,653	20,323	1,923,406	395,191	4,109,687	70,069
-	1,849,313	15,653	-	1,923,406	29,811	-	54,768
-	-	-	-	-	59	-	13,840
-	-	-	20,323	-	62,627	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	106
-	-	-	-	-	-	-	4,303
-	-	-	-	-	-	-	-
-	26,300	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,889,652	-
-	-	-	-	-	-	84,196	128
-	-	-	-	-	-	-	-
-	-	-	-	-	41,487	-	-
-	-	-	-	-	-	-	-
-	531	-	-	-	261,207	-	-
-	1,876,144	15,653	20,323	1,923,406	395,191	3,973,848	73,145
-	-	-	-	-	-	135,839	(3,076)
-	-	-	-	-	-	3,444,683	29,318
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,580,522	\$ 26,242

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		
	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:		
5700 Total Local and Intermediate Sources	\$ 36,891	\$ 12,372,049
5800 State Program Revenues	-	2,401,569
5900 Federal Program Revenues	-	21,489,924
5020 Total Revenues	36,891	36,263,542
EXPENDITURES:		
Current:		
0011 Instruction	22,444	11,731,657
0012 Instructional Resources and Media Services	-	51,981
0013 Curriculum and Instructional Staff Development	5,877	609,521
0021 Instructional Leadership	-	105,732
0023 School Leadership	250	268,780
0031 Guidance, Counseling, and Evaluation Services	593	4,084,275
0032 Social Work Services	-	228,103
0033 Health Services	4,000	95,076
0034 Student (Pupil) Transportation	-	234,512
0035 Food Services	-	13,120,100
0036 Extracurricular Activities	-	3,904,339
0041 General Administration	-	178,606
0051 Facilities Maintenance and Operations	-	1,063,492
0052 Security and Monitoring Services	-	56,280
0053 Data Processing Services	-	53,885
0061 Community Services	3,702	300,641
6030 Total Expenditures	36,866	36,086,980
1200 Net Change in Fund Balance	25	176,562
0100 Fund Balance - July 1 (Beginning)	42,504	7,796,036
3000 Fund Balance - June 30 (Ending)	\$ 42,529	\$ 7,972,598

INTERNAL SERVICE FUNDS

711 Student Devices - account for funds related to the issuance and maintenance of netbooks to District students.

712 Marketing & Advertising - account for funds related to marketing activities of the District.

753 Insurance - account for the District's self-insurance activities concerning health insurance coverage for District employees.

771 Workers Compensation - account for the District's self-insurance activities concerning workers compensation insurance coverage provided to District employees.

772 Unemployment - account for the District's self-insurance activities concerning unemployment insurance coverage provided to District employees.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	711 Student Devices	712 Marketing & Advertising
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 849,835	\$ 334,795
Total Assets	<u>849,835</u>	<u>334,795</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	-
Due to Other Funds	-	-
Accrued Expenses	-	-
Unearned Revenues	<u>-</u>	<u>47,371</u>
Total Liabilities	<u>-</u>	<u>47,371</u>
NET POSITION		
Unrestricted Net Position	<u>849,835</u>	<u>287,424</u>
Total Net Position	<u><u>\$ 849,835</u></u>	<u><u>\$ 287,424</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ 38,547	\$ 426,942	\$ 13,787	\$ 1,663,906
38,547	426,942	13,787	1,663,906
-	5,078	-	5,078
38,547	-	-	38,547
-	200,088	-	200,088
-	-	-	47,371
38,547	205,166	-	291,084
-	221,776	13,787	1,372,822
\$ -	\$ 221,776	\$ 13,787	\$ 1,372,822

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	711 Student Devices	712 Marketing & Advertising
<hr/>		
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 130,690	\$ 37,398
Total Operating Revenues	<u>130,690</u>	<u>37,398</u>
OPERATING EXPENSES:		
Professional and Contracted Services	-	-
Supplies and Materials	92,299	6,841
Other Operating Costs	<u>-</u>	<u>16,276</u>
Total Operating Expenses	<u>92,299</u>	<u>23,117</u>
Income Before Transfers	38,391	14,281
Transfers Out	<u>-</u>	<u>-</u>
Change in Net Position	38,391	14,281
Total Net Position - July 1 (Beginning)	<u>811,444</u>	<u>273,143</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 849,835</u></u>	<u><u>\$ 287,424</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ -	\$ 1,000,236	\$ 430,316	\$ 1,598,640
-	1,000,236	430,316	1,598,640
-	110,887	-	110,887
-	-	-	99,140
-	332,665	27,574	376,515
-	443,552	27,574	586,542
-	556,684	402,742	1,012,098
-	(435,440)	(419,156)	(854,596)
-	121,244	(16,414)	157,502
-	100,532	30,201	1,215,320
\$ -	\$ 221,776	\$ 13,787	\$ 1,372,822

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	711 Student Devices	712 Marketing & Advertising
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 130,690	\$ 26,549
Cash Payments to Employees for Services	(140)	-
Cash Payments for Insurance Claims	-	-
Cash Payments for Other Operating Expenses	(92,299)	(23,117)
Net Cash Provided by Operating Activities	<u>38,251</u>	<u>3,432</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	38,251	3,432
Cash and Cash Equivalents at Beginning of Year	<u>811,584</u>	<u>331,363</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 849,835</u></u>	<u><u>\$ 334,795</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided By Operating Activities:</u>		
Operating Income:	\$ 38,391	\$ 14,281
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	-
Increase (decrease) in Accounts Payable	-	-
Increase (decrease) in Accrued Wages Payable	(140)	-
Increase (decrease) in Due to Other Funds	-	-
Increase (decrease) in Accrued Expenses	-	-
Increase (decrease) in Unearned Revenues	-	(10,849)
Net Cash Provided by Operating Activities	<u><u>\$ 38,251</u></u>	<u><u>\$ 3,432</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ 254,171	\$ 1,000,236	\$ 430,316	\$ 1,841,962
-	-	-	(140)
-	(538,391)	(27,574)	(565,965)
(877)	-	-	(116,293)
253,294	461,845	402,742	1,159,564
-	(435,440)	(419,156)	(854,596)
253,294	26,405	(16,414)	304,968
(214,747)	400,537	30,201	1,358,938
\$ 38,547	\$ 426,942	\$ 13,787	\$ 1,663,906
\$ -	\$ 556,684	\$ 402,742	\$ 1,012,098
215,624	-	-	215,624
(877)	5,078	-	4,201
-	-	-	(140)
38,547	-	-	38,547
-	(99,917)	-	(99,917)
-	-	-	(10,849)
\$ 253,294	\$ 461,845	\$ 402,742	\$ 1,159,564

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 8,086,029	\$ 8,086,029	\$ 8,155,402	\$ 69,373
5800 State Program Revenues	30,408	30,408	46,996	16,588
5900 Federal Program Revenues	3,649,437	3,649,437	4,961,476	1,312,039
5020 Total Revenues	11,765,874	11,765,874	13,163,874	1,398,000
EXPENDITURES:				
Current:				
0035 Food Services	11,710,303	13,168,099	13,120,100	47,999
6030 Total Expenditures	11,710,303	13,168,099	13,120,100	47,999
1200 Net Change in Fund Balances	55,571	(1,402,225)	43,774	1,445,999
0100 Fund Balance - July 1 (Beginning)	4,279,531	4,279,531	4,279,531	-
3000 Fund Balance - June 30 (Ending)	\$ 4,335,102	\$ 2,877,306	\$ 4,323,305	\$ 1,445,999

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 129,754,500	\$ 129,754,500	\$ 130,237,614	\$ 483,114
5800 State Program Revenues	-	1,536,304	1,609,761	73,457
5020 Total Revenues	129,754,500	131,290,804	131,847,375	556,571
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	69,793,706	71,375,616	71,085,162	290,454
0072 Interest on Long-Term Liabilities	53,160,339	56,216,772	56,543,032	(326,260)
0073 Bond Issuance Cost and Fees	-	130,001	38,230	91,771
6030 Total Expenditures	122,954,045	127,722,389	127,666,424	55,965
1200 Net Change in Fund Balances	6,800,455	3,568,415	4,180,951	612,536
0100 Fund Balance - July 1 (Beginning)	70,316,214	70,316,214	70,316,214	-
3000 Fund Balance - June 30 (Ending)	\$ 77,116,669	\$ 73,884,629	\$ 74,497,165	\$ 612,536

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Required TEA Schedules

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2023

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ Various
2015	1.040000	0.412500	11,616,927,849
2016	1.040000	0.412500	11,705,540,348
2017	1.040000	0.412500	12,420,509,000
2018	1.040000	0.450000	14,924,184,765
2019	1.040000	0.450000	17,503,055,570
2020	0.970000	0.450000	19,861,198,380
2021	0.916300	0.420000	22,197,028,362
2022	0.872000	0.420000	25,525,613,080
2023 (School year under audit)	0.854600	0.420000	30,420,877,138
1000 TOTALS			
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone (See Footnote)			
8000 Total Taxes Refunded Under Section 26.115, Tax Code			

(10) Beginning Balance 7/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$ 1,075,542	\$ -	\$ 52,054	\$ 17,524	\$ (109,075)	\$ 896,889
119,972	-	11,639	4,617	(43)	103,673
290,996	-	13,817	5,480	(111,600)	160,099
202,589	-	14,406	5,714	(1,153)	181,316
196,160	-	7,337	3,174	(10,132)	175,517
763,024	-	34,985	15,138	(8,536)	704,365
520,229	-	474,229	220,003	487,384	313,381
588,816	-	332,367	152,345	292,832	396,936
1,832,086	-	582,702	280,659	(544,782)	423,943
-	387,744,500	257,748,451	126,672,536	-	3,323,513
<u>\$ 5,589,414</u>	<u>\$ 387,744,500</u>	<u>\$ 259,271,987</u>	<u>\$ 127,377,190</u>	<u>\$ (5,105)</u>	<u>\$ 6,679,632</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,209,138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$11,178,392
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$4,171,476

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$1,654,200
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$818,740

STATISTICAL SECTION

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

Financial Trend Data

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity Data

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity Data

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

SCHEDULE 1

Fiscal Year:	2023	2022	2021	2020
Governmental activities				
Net investment in capital assets	\$ 49,473,505	\$ 49,301,782	\$ (11,400,314)	\$ (5,042,817)
Restricted	74,497,165	70,316,214	70,371,929	61,170,787
Unrestricted	(39,767,368)	(53,896,261)	(64,506,740)	(66,606,092)
Total primary government net position (deficit)	<u>\$ 84,203,302</u>	<u>\$ 65,721,735</u>	<u>\$ (5,535,125)</u>	<u>\$ (10,478,122)</u>

Note: FYE 2018 ending net position includes a prior period adjustment due to the implementation of GASB #75 in the amount of (\$105,707,476).

Note: FYE 2015 ending net position includes a prior period adjustment due to the implementation of GASB #68 in the amount of (\$26,943,583).

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ (29,199,186)	\$ (33,890,083)	\$ (71,696,653)	\$ (23,184,957)	\$ 27,255,585	\$ 32,114,051
55,537,296	44,712,830	42,627,513	41,478,223	31,406,785	27,791,565
(31,435,163)	(30,711,856)	69,131,471	35,105,595	3,321,608	50,163,131
\$ (5,097,053)	\$ (19,889,109)	\$ 40,062,331	\$ 53,398,861	\$ 61,983,978	\$ 110,068,747

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

SCHEDULE 2

Fiscal Year:	2023	2022	2021	2020
Expenses				
Governmental activities:				
Instruction	\$ 187,282,644	\$ 167,392,895	\$ 173,346,518	\$ 171,897,747
Instruction Resources & Media Services	3,393,508	3,332,605	3,261,056	3,412,594
Curriculum and Staff Development	7,229,135	6,981,681	7,134,217	11,164,411
Instructional Leadership	2,858,752	2,810,097	3,049,467	3,101,335
School Leadership	17,980,614	17,029,272	17,346,003	12,981,905
Guidance, Counseling & Evaluation Services	12,753,453	12,100,955	12,277,043	11,614,848
Social Work Services	450,309	404,427	457,647	374,397
Health Services	3,512,427	2,772,949	2,920,291	2,867,564
Student (Pupil) Transportation	14,364,628	10,963,645	10,824,309	10,040,889
Food Services	13,952,537	12,389,074	8,521,261	8,346,944
Cocurricular/Extracurricular Activities	19,918,945	11,739,998	10,784,586	10,689,926
General Administration	9,286,550	8,459,944	9,189,948	9,795,822
Plant Maintenance and Operations	81,297,706	26,339,366	39,295,140	29,169,662
Security and Monitoring Services	2,741,248	2,201,116	2,584,271	2,077,149
Data Processing Services	5,891,418	5,763,468	5,395,861	6,911,184
Community Services	441,469	203,843	285,390	238,664
Debt Service - Interest on Long-Term Debt	50,685,957	27,865,099	37,211,852	38,369,564
Debt Service - Bond Issuance Cost & Fees	1,204,937	3,988,053	64,041	3,682,397
Contracted Instructional Services	25,612,394	7,975,251	14,340,703	4,859,626
Payments to Fiscal Agent/Member Districts of SSA	133,175	116,000	83,800	91,700
Payments to Juvenile Justice Alternative Education Program	20,097	39,924	4,386	11,646
Payments to Tax Increment Fund	1,813,706	1,926,065	1,776,627	1,741,202
Other Intergovernmental Charges	1,760,769	2,176,173	1,741,022	1,655,016
Total primary government expenses	464,586,378	334,971,900	361,895,439	345,096,192
Program Revenues				
Governmental activities:				
Charges for services				
Instruction	281,638	376,263	184,112	233,062
Health services	2,577,889	1,996,636	3,059,857	3,274,531
Student transportation	-	-	-	-
Food services	7,929,940	4,079,636	3,134,405	5,448,424
Extracurricular activities	648,923	648,096	384,928	434,758
General administration	1,518,893	1,658,722	622,510	1,166,707
Facilities maintenance	1,808,631	1,468,131	166,689	696,913
Community services	-	-	-	-
Operating grants and contributions	49,075,815	51,208,722	37,744,995	31,158,936
Total primary government program revenues	63,841,729	61,436,206	45,297,496	42,413,331
Net (Expense)Revenue				
Total primary government net expense	\$ (400,744,649)	\$ (273,535,694)	\$ (316,597,943)	\$ (302,682,861)

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ 156,297,811	\$ 97,411,111	\$ 145,855,827	\$ 122,168,515	\$ 103,989,026	\$ 96,263,169
3,322,911	2,061,453	3,061,696	2,681,310	2,394,024	2,427,968
10,566,697	4,875,078	6,957,502	5,885,439	5,018,657	4,661,666
2,408,137	1,213,788	1,384,516	1,081,077	946,675	813,526
12,337,732	8,444,933	12,420,128	10,145,301	8,492,012	7,623,396
10,656,773	5,697,928	9,622,661	7,941,408	6,354,112	6,274,031
265,795	221,461	255,926	904,931	6,124,147	5,632,064
2,707,826	1,539,175	2,346,245	2,009,949	1,860,771	1,837,993
10,748,392	9,950,650	8,720,929	7,252,742	6,195,171	5,982,137
9,288,034	8,091,202	8,051,120	9,175,595	7,400,908	7,519,565
9,892,666	8,323,837	10,042,711	7,718,196	7,591,117	6,933,964
8,609,714	5,332,880	5,901,273	4,458,804	17,019,764	14,769,632
25,372,009	16,496,477	18,152,263	17,255,030	17,227,868	15,991,385
2,544,313	1,692,346	1,611,157	1,248,060	892,184	655,209
6,380,344	4,188,626	6,179,105	4,752,113	3,877,489	3,354,317
247,446	109,181	206,999	154,935	199,757	159,556
35,757,709	29,514,645	25,024,932	23,170,568	37,578,564	37,115,936
878,907	1,214,331	1,481,200	3,072,446	410,960	123,047
4,456,091	-	-	-	-	84,867
179,000	12,000	106,000	20,000	65,200	73,400
5,518	6,764	6,319	-	4,628	-
1,742,623	975,287	917,928	839,876	888,460	904,351
1,471,898	1,279,807	1,186,516	848,664	1,093,516	1,074,773
316,138,346	208,652,960	269,492,953	232,784,959	235,625,010	220,275,953
631,946	261,089	168,908	90,828	134,603	107,923
4,588,898	1,236,937	893,439	921,133	1,545,525	1,367,146
-	-	-	-	270	-
6,537,656	5,906,944	5,822,270	5,469,920	5,157,545	5,065,661
522,319	530,952	572,504	476,021	3,077,228	2,807,383
-	-	-	-	220,789	-
775,747	503,742	495,257	514,659	553,506	613,751
-	-	-	-	7,455	8,132
32,662,214	(7,739,306)	23,962,854	24,157,031	17,152,632	20,615,411
45,718,780	700,358	31,915,232	31,629,592	27,849,553	30,585,407
\$ (270,419,566)	\$ (207,952,602)	\$ (237,577,721)	\$ (201,155,367)	\$ (207,775,457)	\$ (189,690,546)

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

SCHEDULE 3

Fiscal Year:	2023	2022	2021	2020
Net (Expense)/Revenue				
Total primary government net expense	\$ (400,744,649)	\$ (273,535,694)	\$ (316,597,943)	\$ (302,682,861)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	261,230,087	222,864,060	204,728,927	194,521,793
Property taxes levied for capital projects	128,182,843	107,231,550	93,125,689	90,028,391
Unrestricted grants and contributions	-	-	-	-
State aid - formula grants	16,228,883	13,341,689	23,316,174	8,666,078
Miscellaneous	251,594	327,861	227,546	502,107
Investment earnings	20,270,311	1,027,394	142,604	3,583,423
Loss on disposition of capital assets	(6,937,502)	-	-	-
Transfers in (out)	-	-	-	-
Total primary government	419,226,216	344,792,554	321,540,940	297,301,792
Change in Net Position				
Total primary government	\$ 18,481,567	\$ 71,256,860	\$ 4,942,997	\$ (5,381,069)

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ (270,419,566)	\$ (207,952,602)	\$ (237,577,721)	\$ (201,155,367)	\$ (207,775,457)	\$ (189,690,546)
182,823,647	156,878,029	138,928,782	131,549,000	120,895,271	110,045,806
79,019,328	67,699,018	55,070,829	51,759,384	47,952,873	43,649,455
-	-	-	-	-	6,896,560
17,197,629	25,361,540	28,336,530	27,014,580	17,140,982	29,415,905
391,804	681,617	583,167	556,092	-	4,269,919
5,779,214	3,088,434	1,321,883	1,100,734	645,145	513,705
-	-	-	-	-	-
-	-	-	(1,210,442)	-	-
285,211,622	253,708,638	224,241,191	210,769,348	186,634,271	194,791,350
\$ 14,792,056	\$ 45,756,036	\$ (13,336,530)	\$ 9,613,981	\$ (21,141,186)	\$ 5,100,804

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

SCHEDULE 4

Fiscal Year:	2023	2022	2021	2020
General Fund				
Nonspendable	\$ 1,548,535	\$ 1,469,010	\$ 1,289,856	\$ 1,155,057
Assigned	2,988,875	-	-	25,166,846
Unassigned	106,678,265	98,435,947	82,533,696	63,740,807
Total general fund	<u>\$ 111,215,675</u>	<u>\$ 99,904,957</u>	<u>\$ 83,823,552</u>	<u>\$ 90,062,710</u>
All Other Governmental Funds				
Nonspendable	\$ 38,121	\$ 11,805	\$ -	\$ -
Restricted				
Federal or State Funds Grant Restriction	4,323,305	4,279,531	1,048,622	712,382
Capital Acquisition and Contractual Obligation	189,422,088	377,831,023	83,859,437	176,947,859
Retirement of Long-Term Debt	74,497,165	70,316,214	70,371,929	61,170,787
Other Restricted	-	-	-	-
Committed				
Other Committed	3,649,293	3,512,525	3,154,167	3,244,442
Assigned				
Construction	854,596	-	-	-
Unassigned	(38,121)	(7,825)	-	-
Total all other governmental funds	<u>\$ 272,746,447</u>	<u>\$ 455,943,273</u>	<u>\$ 158,434,155</u>	<u>\$ 242,075,470</u>

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ 1,297,327	\$ 1,180,541	\$ 300,110	\$ 293,148	\$ -	\$ -
-	-	61,990,965	39,424,756	29,424,756	29,424,756
97,837,399	94,960,888	50,251,198	37,050,333	43,951,132	42,173,641
\$ 99,134,726	\$ 96,141,429	\$ 112,542,273	\$ 76,768,237	\$ 73,375,888	\$ 71,598,397
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
940,789	1,066,210	1,039,729	1,063,965	2,456,540	2,456,540
116,709,700	120,226,251	107,729,973	76,269,887	43,323,635	44,009,918
55,537,296	42,093,843	39,182,199	39,323,668	25,723,034	22,526,879
-	-	-	-	1,376,264	1,110,408
2,742,981	2,618,987	2,294,939	2,154,555	1,948,744	1,697,738
-	-	-	38,095,832	39,648,697	36,700,973
-	-	-	-	-	-
\$ 175,930,766	\$ 166,005,291	\$ 150,246,840	\$ 156,907,907	\$ 114,476,914	\$ 108,502,456

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

SCHEDULE 5

Fiscal Year:	2023	2022	2021	2020
Local and Intermediate Sources				
Local maintenance and debt service tax	\$ 388,917,302	\$ 330,747,101	\$ 297,420,455	\$ 284,327,474
Food service sales	7,929,940	4,079,636	3,134,016	5,448,424
Other local revenue	30,177,405	9,870,261	7,730,605	10,770,578
Total Local and Intermediate Sources	427,024,647	344,696,998	308,285,076	300,546,476
State Programs Revenues	33,790,144	27,882,897	38,907,820	23,249,785
Federal Sources				
Federal Program Revenues	20,893,878	22,009,830	9,202,063	9,314,806
Food services	4,961,476	11,121,527	5,688,804	2,617,112
Total Federal Sources	25,855,354	33,131,357	14,890,867	11,931,918
Total Revenues	\$ 486,670,145	\$ 405,711,252	\$ 362,083,763	\$ 335,728,179

Note: This table includes all governmental fund types of the Northwest Independent School District.
Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ 261,222,889	\$ 224,673,410	\$ 194,478,502	\$ 184,486,074	\$ 168,848,144	\$ 156,652,150
6,537,656	5,905,520	5,822,270	5,469,920	5,168,771	3,077,273
10,183,817	9,300,393	7,063,662	6,396,427	9,122,029	6,488,164
277,944,362	239,879,323	207,364,434	196,352,421	183,138,944	166,217,587
32,900,331	39,825,326	41,130,734	40,473,309	35,409,112	41,248,007
11,570,709	6,140,018	4,804,615	5,577,704	9,430,583	8,983,639
2,531,622	2,202,242	2,217,746	2,156,429	2,064,862	2,449,650
14,102,331	8,342,260	7,022,361	7,734,133	11,495,445	11,433,289
\$ 324,947,024	\$ 288,046,909	\$ 255,517,529	\$ 244,559,863	\$ 230,043,501	\$ 218,898,883

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

SCHEDULE 6

Fiscal Year:	2023	2022	2021	2020
Expenditures by Function				
Instruction	\$ 169,683,768	\$ 147,192,674	\$ 145,649,773	\$ 141,124,853
Instruction Resources & Media Services	2,955,595	3,009,162	2,829,813	2,894,093
Curriculum and Staff Development	7,197,589	6,256,413	6,144,437	9,217,397
Instructional Leadership	2,845,113	2,470,280	2,596,790	2,538,532
School Leadership	16,765,686	14,983,129	14,695,882	10,596,040
Guidance, Counseling & Evaluation Services	12,651,328	10,759,535	10,272,596	9,270,767
Social Work Services	448,999	406,554	444,920	358,677
Health Services	2,660,174	2,439,833	2,475,374	2,343,383
Student (Pupil) Transportation	12,509,352	10,963,645	10,824,309	10,040,889
Food Services	13,120,100	12,389,074	8,521,261	8,364,251
Cocurricular/Extracurricular Activities	14,123,472	11,106,661	9,933,716	9,768,289
General Administration	9,094,961	7,521,692	8,078,801	6,491,469
Plant Maintenance and Operations	30,604,606	25,680,302	23,204,075	21,129,350
Security and Monitoring Services	2,718,559	2,140,181	2,091,816	1,997,450
Data Processing Services	5,424,221	5,273,375	5,233,906	5,976,033
Community Services	438,032	180,827	252,131	191,917
Debt Service - Principal on Long-Term Debt	71,085,162	61,106,147	28,118,002	36,930,688
Debt Service - Interest on Long-Term Debt	56,543,032	47,057,053	56,233,686	41,709,877
Debt Service - Bond Issuance Cost & Fees	1,204,937	3,988,053	64,041	3,682,397
Facilities Acquisition and Construction	349,169,169	106,342,449	95,026,661	139,493,256
Contracted Instructional Services	25,612,394	7,975,251	14,340,703	4,859,626
Payments to Fiscal Agent/Member Districts of SSA	133,175	116,000	83,800	91,700
Payments to Juvenile Justice Alternative Education Program	20,097	39,924	4,386	11,646
Payments to Tax Increment Fund	1,813,706	1,926,065	1,776,627	1,741,202
Other Governmental Charges	1,760,769	2,176,173	1,741,022	1,655,016
Total Expenditures	\$ 810,583,996	\$ 493,500,452	\$ 450,638,528	\$ 472,478,798
Debt service as a percentage of noncapital expenditures	25.15%	27.94%	22.76%	24.72%

Note: This table includes all governmental fund types of the Northwest Independent School District.
Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Source: District's financial records.

2019	2018	2017	2016	2015	2014
\$ 132,460,146	\$ 122,597,571	\$ 115,295,893	\$ 110,969,993	\$ 99,340,245	\$ 88,845,925
2,919,470	2,465,800	2,499,301	3,145,350	2,280,870	2,299,588
9,101,312	6,038,773	5,724,325	5,397,640	5,078,147	4,659,861
2,068,363	1,445,781	1,111,723	980,556	959,164	813,526
10,565,026	10,224,943	9,858,220	9,118,778	8,293,810	7,311,633
8,898,315	8,216,292	7,570,097	7,072,496	6,447,695	6,261,874
259,530	250,753	253,047	904,931	6,151,355	5,632,064
2,298,873	1,897,804	1,848,694	1,804,524	1,654,747	1,602,472
16,914,310	24,692,313	8,720,929	7,335,213	6,189,360	5,976,326
9,288,034	8,091,202	8,060,370	9,175,595	7,182,534	7,336,590
9,067,129	9,287,239	9,351,768	9,764,314	7,016,227	6,334,044
6,678,662	5,999,413	5,643,100	4,689,496	4,815,439	4,491,760
20,140,987	17,987,879	17,753,235	17,280,200	16,568,143	15,361,345
2,045,595	1,633,493	1,745,219	1,276,852	889,197	650,935
6,094,699	5,248,109	5,166,996	4,448,888	3,876,089	3,328,248
212,573	140,939	168,780	143,353	203,849	159,556
24,874,905	27,626,649	20,587,528	16,862,238	7,494,393	3,234,679
42,306,868	38,389,599	35,764,763	38,855,162	37,578,564	37,115,936
878,907	1,214,331	1,481,200	1,261,367	410,960	123,047
97,873,485	94,053,651	66,924,947	41,101,137	72,772,494	62,759,061
4,456,091	-	-	-	-	84,867
179,000	12,000	106,000	20,000	65,200	73,400
5,518	6,764	6,319	-	4,628	-
1,742,623	975,287	917,928	839,876	888,460	904,351
1,471,898	1,279,807	1,186,516	848,664	1,093,516	1,074,774
\$ 412,802,319	\$ 389,776,392	\$ 327,746,898	\$ 293,296,623	\$ 297,255,086	\$ 266,435,862
21.44%	23.63%	22.26%	19.41%	18.43%	19.27%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES,
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

SCHEDULE 7

Fiscal Year:	2023	2022	2021	2020
Other Financing Sources (Uses)				
General long-term debt issued	145,565,000	516,669,904	-	454,734,955
Sale of capital assets	6,440	199	523	43
Transfers in	854,596	399,987	19,021	14,009,988
Premium or Discount on Issuance of Bonds	5,601,707	44,872,551	-	71,304,230
Other Resources	-	-	-	-
Transfers out	-	(974,230)	(1,345,252)	(15,750,370)
Other (Uses)	-	(157,588,688)	-	(330,475,539)
Total other financing sources (uses)	152,027,743	403,379,723	(1,325,708)	193,823,307
Net change in fund balances	\$ (171,886,108)	\$ 313,590,523	\$ 89,880,473	\$ 57,072,688

Source: District's financial records.

2019	2018	2017	2016	2015	2014
92,450,000	125,180,000	155,390,000	320,883,475	149,863,125	47,625,000
290	99	976	207,455	1,810,385	17,158
2,935,176	20,355,199	39,098,875	578,569	607,649	605,607
8,308,085	10,236,901	21,407,287	56,707,584	27,025,012	2,565,000
-	-	-	20,790	-	-
(2,919,484)	(20,355,199)	(39,098,875)	(1,789,011)	(2,966,717)	(605,607)
-	(34,329,910)	(75,455,925)	(301,443,783)	(101,375,915)	-
100,774,067	101,087,090	101,342,338	75,165,079	74,963,539	50,207,158
\$ 12,918,772	\$ (642,393)	\$ 29,112,969	\$ 26,428,319	\$ 7,751,954	\$ 2,670,179

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

SCHEDULE 8

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Minerals Assessed Value
2023	\$ 35,530,095,137	\$ 12,431,531,444	\$ 1,392,121,840
2022	23,131,241,063	9,175,830,845	445,539,899
2021	20,058,653,032	8,313,515,744	374,008,410
2020	18,085,746,244	6,516,250,944	617,067,673
2019	15,135,720,233	5,369,071,382	790,399,303
2018	13,312,469,751	5,037,881,478	659,928,810
2017	10,942,403,000	3,071,844,000	709,709,000
2016	9,644,355,000	3,118,392,000	1,296,365,000
2015	8,634,101,000	2,576,109,000	1,538,136,000
2014	7,866,040,000	2,688,113,117	1,380,696,000

Source: Official Statement August 1, 2023 page 25, 28

Less: Exemptions	Total Taxable Value	Total Direct Rate
\$ 11,700,750,390	\$ 37,652,998,031	\$ 1.2746
3,771,775,587	28,980,836,220	1.2920
6,454,667,805	22,291,509,381	1.3363
5,293,201,727	19,925,863,134	1.4200
4,189,948,502	17,105,242,416	1.4900
4,252,190,592	14,758,089,447	1.4900
2,303,447,000	12,420,509,000	1.4525
2,353,571,652	11,705,540,348	1.4525
1,131,418,151	11,616,927,849	1.4525
1,385,997,000	10,548,852,117	1.4525

NORTHWEST INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

SCHEDULE 9

Fiscal Year	District Direct Rates		
	General Purposes	Capital Purposes	Total
2023	0.85460	0.42000	1.27460
2022	0.87200	0.42000	1.29200
2021	0.91630	0.42000	1.33630
2020	0.97000	0.45000	1.42000
2019	1.04000	0.45000	1.49000
2018	1.04000	0.45000	1.49000
2017	1.04000	0.41250	1.45250
2016	1.04000	0.41250	1.45250
2015	1.04000	0.41250	1.45250
2014	1.04000	0.33500	1.37500

Note: Per \$100 of assessed valuation

Source: Official Statement August 1, 2023 page 26, 28

Overlapping Rates							
Denton County	City of Fort Worth	Tarrant County	Town of Trophy Club	Trophy Club MUD 1 & 2	Wise County	City of Roanoke	City of Haslet
0.21800	0.71300	0.22400	0.43500	0.09100	0.25500	0.34000	0.29700
0.23300	0.73300	0.22900	0.44500	0.10600	0.30800	0.37500	0.28300
0.22500	0.74800	0.23400	0.44600	0.10800	0.30800	0.37500	0.62500
0.22498	0.74750	0.23400	0.44644	0.10774	0.30750	0.37510	0.24997
0.22528	0.78500	0.23400	0.44644	0.11273	0.32250	0.37510	0.29758
0.22560	0.78500	0.23400	0.44640	0.11620	0.34640	0.37510	0.30596
0.23781	0.80500	0.24400	0.45144	0.12021	0.34640	0.37512	0.33304
0.24841	0.83500	0.25400	0.47300	0.13114	0.34640	0.37512	0.29025
0.26200	0.85500	0.26400	0.48400	0.13110	0.31390	0.37510	0.28570
0.27220	0.85500	0.26400	0.49000	0.13339	0.29890	0.37512	0.29279

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

SCHEDULE 10

2023

Name of Taxpayer	Nature of Property	Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Winner LLC	Technology	\$ 2,083,530,239	\$ 2,083,530,239	6.76%
Cellco Partnership	Telephone Utility	445,231,642	445,231,642	1.44%
BKV Barnett LLC	Oil and Gas	425,994,077	425,994,077	1.38%
CS Kinross Lake Parkway LLC	Financial/Banking	390,429,950	390,429,950	1.27%
Amazon.com Services LLC	Wholesale Supplier/Distribution	283,813,897	283,813,897	0.92%
Citicorp Technology Inc	Financial	271,000,980	271,000,980	0.88%
AT&T Mobility LLC	Telephone Utility	200,135,538	200,135,538	0.65%
AT Industrial Owner LP	Commercial Building	192,784,492	192,784,492	0.63%
Amerisource Bergen Drug Corp	Wholesale Supplier/Distribution	189,183,720	189,183,720	0.61%
BT-OH LLC/United Parcel Service Inc.	Technology	171,275,997	171,275,997	0.56%
Total		\$ 4,653,380,532	\$ 4,653,380,532	15.09%
Total Assessed Taxable Valuation			\$ 30,837,766,997	100.00%

Source: Official Statement August 1, 2023 page 26, 27

Note:

•County reduced reporting to top ten in year 2016

2014

Name of Taxpayer	Nature of Property	Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Devon Energy Production Co LP	Oil & Gas	\$ 395,920,691	\$ 395,920,691	3.75%
Amerisource Bergen Drug Corp	Healthcare	242,145,497	185,032,866	1.75%
Citicorp Technology Inc. - 2695	Information Technology	157,567,764	157,567,764	1.49%
Quicksilver Resources Inc	Healthcare	161,227,054	155,733,927	1.48%
Bell Helicopter Textron	Helicopter Manufacturer	167,158,556	121,878,146	1.16%
Cardinal Health 411 Inc.	Healthcare	66,464,536	59,989,992	0.57%
Cowtown Pipeline Partners LP	Oil & Gas	58,469,730	58,469,730	0.55%
W W Grainger Inc.	Commercial & Industrial	62,388,220	46,564,030	0.44%
Fed Express Corp Prop Tax	Commercial & Industrial	45,432,896	45,432,896	0.43%
AT Industrial Owner 4 LLC	Commercial & Industrial	45,168,000	45,168,000	0.43%
AT Industrial Owner 2 LLC	Commercial & Industrial	42,587,312	42,587,312	0.40%
Oncor Electric Delivery Co.	Utility	42,415,460	42,415,460	0.40%
Enterprise Texas Pipeline LP	Oil & Gas	37,678,640	37,678,640	0.36%
GE Manufacturing Solutions, LLC	Commercial & Industrial	36,845,200	36,845,200	0.35%
AT Industrial Owner 7 LLC & AIL Inve	Commercial & Industrial	36,681,253	36,681,253	0.35%
GE Manufacturing Solutions, LLC	Commercial & Industrial	77,285,699	35,089,131	0.33%
GE Manufacturing Solutions, LLC	Commercial & Industrial	46,257,232	33,190,630	0.31%
IBM Credit LLC	Commercial & Industrial	31,953,240	31,953,240	0.30%
Mid-America Apartments, LP	Commercial	31,609,133	31,609,133	0.30%
Southwestern Gas Pipeline Co.	Oil & Gas	29,589,780	29,589,780	0.28%
	Total	<u>\$ 1,814,845,893</u>	<u>\$ 1,629,397,821</u>	<u>15.45%</u>
	Total Assessed Taxable Valuation		<u>\$ 10,548,852,117</u>	<u>100.00%</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

SCHEDULE 11

Fiscal Year	Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections In Subsequent Years and Cumulative Adjustments	Total Collections To Date	
					Amount	Percentage of Levy
2023	\$ 387,744,500	\$ 384,420,987	99.14%	\$ -	\$ 384,420,987	99.14%
2022	329,790,921	327,958,835	99.44%	1,408,143	329,366,978	99.87%
2021	296,618,890	292,316,297	98.55%	3,905,657	296,221,954	99.87%
2020	281,732,292	278,998,353	98.93%	2,337,003	281,335,356	99.86%
2019	261,078,097	258,015,957	98.83%	2,748,759	260,764,716	99.88%
2018	222,537,567	220,578,985	99.12%	1,254,217	221,833,202	99.68%
2017	191,989,232	190,344,367	99.14%	1,469,348	191,813,715	99.91%
2016	181,573,474	179,826,814	99.03%	1,565,344	181,392,158	99.90%
2015	168,735,877	167,292,821	99.14%	1,282,957	168,575,778	99.91%
2014	153,222,077	152,202,959	99.33%	915,445	153,118,404	99.93%

Source: Denton Central Appraisal District and Denton County Tax Assessor-Collector.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

SCHEDULE 12

Fiscal Year	Governmental Activities		Total Debt Percentage of Personal Income	Estimated Population	Total Debt Per Capita	Bonded Debt to Value of Taxable Property
	Bonds Payable	General Obligation Net Bonded Debt Outstanding				
2023	\$ 1,429,700,334	\$ 1,355,203,169	13.721%	112,755	\$ 12,680	4.64
2022	1,355,220,496	1,284,904,282	15.623%	153,957	8,803	5.22
2021	1,040,921,739	1,057,334,669	12.632%	149,562	6,960	4.67
2020	1,180,707,586	1,116,846,583	15.368%	143,662	8,219	5.93
2019	1,052,647,718	997,110,422	13.904%	139,450	7,549	6.15
2018	987,570,669	910,898,577	13.979%	133,007	7,425	5.77
2017	923,349,633	884,167,434	13.915%	127,776	7,226	6.26
2016	848,148,290	779,376,583	13.615%	121,355	6,989	7.25
2015	760,236,831	734,513,797	12.987%	114,869	6,618	6.54
2014	685,086,490	671,947,713	13.729%	110,001	6,228	6.49
2013	637,633,346	627,557,392	13.621%	100,992	6,314	6.01

Source: Northwest Independent School District OFFICIAL STATEMENT dated August 1, 2023 page 24, 28

Notes:

- Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- Bonded Debt to Value of Taxable Property is D16 (Bonds Payable)/Schedule 8 Total Value * 100
- Total Debt Percentage of Personal Income is D16 (Bonds Payable)/Schedule 15
- Net bonded debt consists of general obligation bonds, accreted interest, and premiums on bond issuance, less the deferred loss refunding and the debt service fund balance (not adjustments).

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

SCHEDULE 13

Taxing Jurisdiction	Taxable Assessed Value	Total Tax Supported Debt	Estimated % Applicable	District Overlapping Tax Supported Debt
Alpha Range WC&ISD	\$ 50,685,078	\$ 8,605,000	100.00%	\$ 8,605,000
Argyle, Town of	1,095,623,284	9,560,000	2.26%	216,056,000
Belmont FWSD #1	922,452,978	94,670,000	30.35%	28,732,345
Brookfield WC & ISD	72,398,449	6,350,000	100.00%	6,350,000.000
Canyon Falls WC&ID #2	428,808,365	40,410,000	81.83%	33,067,503
Denton County	149,854,372,945	652,580,000	11.89%	77,591,762
Flower Mound, Town of	14,674,528,445	138,725,000	0.71%	984,948
Fort Worth, City of	102,129,922,986	1,045,695,000	14.64%	153,089,748
Grapevine, City of	11,373,684,991	142,725,000	0.32%	456,720
Haslet, City of	1,385,012,271	22,774,000	100.00%	22,774,000
Justin, City of	772,734,431	19,565,000	100.00%	19,565,000
Keller, City of	6,929,084,947	38,655,000	0.37%	143,024
New Fairview, City of	301,032,171	2,730,000	67.18%	1,834,014
Newark, City of	88,241,964	492,000	100.00%	492,000
Northlake Municipal Mgmt Dist	421,751,939	50,600,000	100.00%	50,600,000
Northlake Town of	2,060,248,111	43,025,000	91.39%	39,320,548
Rhome, City of	224,892,935	3,198,000	100.00%	3,198,000
Roanoke, City of	3,345,665,914	43,880,000	100.00%	43,880,000
Southlake, City of	9,861,498,095	66,555,000	3.39%	2,256,215
Tarrant County	262,706,197,581	404,360,000	5.12%	20,703,232
Tarrant County College District	264,445,356,368	610,315,000	5.35%	32,651,853
Tarrant County Hospital District	263,143,297,871	448,410,000	5.35%	23,989,935
Trophy Club MUD #1	2,286,609,906	5,560,000	78.94%	4,389,064
Trophy Club, Town of	2,703,231,646	18,398,000	98.83%	18,182,743
Westlake, Town of	2,123,241,031	48,874,000	27.67%	13,523,436
Wise County	11,258,856,928	6,570,000	13.72%	901,404
Total Overlapping Debt				\$ 607,498,548
Northwest ISD	\$37,652,998,031	\$ 1,807,155,334	100.00%	\$ 1,807,155,334
Total Direct and Overlapping Tax Supported Debt				\$ 2,414,653,882
Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation				6.41%
Per Capita Direct and Overlapping Tax Supported Debt				\$ 21,415

Source: Northwest Independent School District OFFICIAL STATEMENT dated August 1, 2023 page 28

Note:

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

SCHEDULE 14

Fiscal Year:	2023	2022	2021	2020
Debt Limit	\$ 3,042,087,713	\$ 2,552,561,308	\$ 2,219,702,836	\$ 1,986,119,838
Total net debt applicable to limit	1,355,203,169	1,284,904,282	970,549,810	1,007,868,954
Legal debt margin	\$ 1,686,884,544	\$ 1,267,657,026	\$ 1,249,153,026	\$ 978,250,884
Total net debt applicable to the limit as a percentage of debt limit	44.55%	50.34%	43.72%	50.75%

Current Fiscal Year: Legal debt margin calculation

Taxable Assessed Value - October 2022 (100% of Actual)	\$ 30,420,877,138
Debt limit (10% of assessed value)	3,042,087,713
Total bonded debt	\$ 1,429,700,334
Less restricted for retirement of bonded debt	74,497,165
Total amount of debt applicable to debt limit	1,355,203,169
Legal debt margin	\$ 1,686,884,544

Note: Under state finance law, Northwest Independent School District's outstanding general obligation debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Note: Debt limit percentage is in accordance with the Texas Education Code, Bulletin 721, Section 20.04.

Source: Denton Central Appraisal District, Northwest Independent School District.

2019		2018		2017		2016		2015		2014	
\$	1,750,305,557	\$	1,492,418,476	\$	1,242,050,900	\$	1,170,554,035	\$	1,161,692,785	\$	1,054,885,212
	882,708,178		828,576,536		764,224,829		697,495,888		695,285,286		649,420,834
\$	867,597,379	\$	663,841,940	\$	477,826,071	\$	473,058,147	\$	466,407,499	\$	405,464,378
50.43%		55.52%		61.53%		59.59%		59.85%		61.56%	

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

SCHEDULE 15

Fiscal Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2023	112,755	\$ 7,554,499,615 *	\$ 68,773 *	3.6%
2022	153,957	8,674,707,165	56,345	4.1%
2021	149,562	8,240,417,514	55,097	3.9%
2020	143,662	7,682,900,098	53,479	6.6%
2019	139,450	7,570,601,050	54,289	2.8%
2018	133,007	7,064,799,812	53,116	3.5%
2017	127,776	6,635,407,680	51,930	3.6%
2016	121,355	6,229,394,860	51,332	3.7%
2015	114,869	5,853,839,109	50,961	3.8%
2014	110,001	4,989,975,363	45,363	4.7%

(1) Source: Northwest Independent School District OFFICIAL STATEMENT dated August 1, 2023...page 26

(2) Source: Denton County Annual Comprehensive Financial Report-Demographic and Economic Statistics

(3) Source: <https://fred.stlouisfed.org/series/TXDENT2URN> as of June 2023 (Denton County)

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

SCHEDULE 16

<u>Employer</u>	2023	
	<u>Employees</u>	<u>Percentage of Average Total Employment</u>
Charles Schwab	7,500 - 10,000	23.13%
Fidelity Investments	5,000 - 7,499	20.19%
Burlington Northern Santa Fe	2,500 - 4,999	14.34%
Amazon Fullfillment Center	2,500 - 4,999	8.78%
GENCO ATC Logistics & Electronics	2,500 - 4,999	8.78%
United States Postal Service	2,500 - 4,999	7.32%
Amazon Air	1,000 - 2,499	5.85%
Santandar Consumer USA	1,000 - 2,499	3.93%
Tarrant County College Northeast Campus	1,000 - 2,499	3.88%
Federal Aviation Administration	1,000 - 2,499	3.80%
		100.00%

Source: North Central Texas Council of Governments (map)
<https://data-nctcoggis.opendata.arcgis.com/datasets/employers/explore?location=32.943477%2C-97.351333%2C12.00>

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

Source: NCTCOG.org Demographic Data for Tarrant, Denton and Wise Counties, November 2012.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

SCHEDULE 17

Role ID	Staff	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>Teacher</i>												
087	Teacher	1,119.9	1,184.2	1,281.6	1,355.1	1,444.2	1,494.4	1,598.1	1,676.4	1,727.2	1,692.4	1,852.9
047	Substitute Teacher		-	-	-	-	-	-	-	1.6	10.6	13.9
	Total Teacher	1,119.9	1,184.2	1,281.6	1,355.1	1,444.2	1,494.4	1,598.1	1,676.4	1,728.8	1,703.0	1,866.8
<i>Professional Support</i>												
006	Audiologist	-	1.0	1.0	2.0	2.0	2.0	0.9	2.1	2.0	3.0	3.0
-	Department Head	10.9	13.0	11.8	19.7	18.3	19.1	-	-	-	-	-
008	School Counselor	32.5	37.8	37.2	42.5	42.1	49.3	55.4	52.3	59.7	62.0	68.4
011	Educational Diagnostician	16.0	17.0	17.0	19.0	20.0	21.0	25.0	30.0	32.8	35.8	37.0
013	Librarian	18.9	21.3	20.1	20.9	20.0	20.3	20.6	21.7	21.4	21.0	20.1
015	Music Therapist	-	-	-	-	-	-	-	1.0	1.0	1.0	1.0
016	Occupational Therapist	3.0	5.0	5.0	6.0	5.9	6.0	7.0	8.0	9.0	11.0	10.0
017	Certified Orientation and Mobility Specialist	-		0.6	0.2	0.5	0.5	1.0	0.6	1.0	1.0	1.0
018	Physical Therapist	2.0	2.0	3.0	4.0	4.1	4.0	4.0	4.0	4.0	4.0	5.0
022	School Nurse	24.0	24.0	25.0	26.9	26.5	24.0	27.0	27.1	28.9	30.0	29.5
023	LSSP/Psychologist	5.0	6.0	10.0	14.0	14.0	8.0	7.0	8.2	7.0	9.6	9.0
024	Social Worker	5.2	6.2	8.2	0.2	0.2	0.2	2.0	2.0	-	-	-
026	Speech Therapist	14.0	15.0	17.0	18.0	18.0	18.9	22.5	24.4	30.0	32.2	36.0
030	Truant Officer/Visiting Teacher	-	-	40.3	-	-	1.0	1.0	1.0	3.0	3.0	3.0
041	Teacher Facilitator	44.2	48.4	-	43.6	51.6	63.9	0.4	0.4	59.1	35.0	46.9
056	Athletic Trainer	2.5	0.6	2.6	2.7	3.5	3.3	76.5	72.6	3.7	4.4	3.7
-	Athletic Director	-	-	1.0	-	-	-	-	-	-	-	-
100	Instructional Materials Coordinator	-	-	-	-	-	-	-	0.1	1.0	1.0	1.0
101	Legal Services	-	-	-	-	-	1.0	3.4	3.5	1.0	1.0	1.9
102	Communications Professional	-	-	-	-	-	6.0	1.0	1.0	7.0	6.0	5.0
103	Research/Evaluation Professional	-	-	-	-	-	-	-	1.0	1.0	1.0	3.8
105	Security	-	-	-	-	-	1.9	6.0	7.0	3.0	3.0	6.0
106	District/Campus Information Technology Professional	-	-	-	-	-	16.9	2.0	3.0	20.0	22.8	22.2
108	Transportation	-	-	-	-	-	-	18.9	19.0	-	6.0	4.7
109	Athletics	-	-	-	-	-	-	2.6	2.8	3.9	4.9	4.9
111	Maintenance	-	-	-	-	-	4.0	5.0	6.9	10.0	8.0	8.0
112	Business Services Professional	-	-	-	-	-	9.0	10.0	11.0	16.6	17.0	16.0
113	Other District Exempt Professional Auxiliary	-	-	-	-	-	-	8.0	9.9	4.0	5.9	18.0
114	Other Campus Exempt Professional Auxiliary	-	-	-	-	-	10.0	3.2	8.0	8.0	7.9	7.6
-	Other Campus Professional Personnel	0.2	-	2.0	2.0	3.0	-	-	-	-	-	-
-	Other Non-Instructional District	83.3	94.2	91.5	38.9	43.2	-	-	-	-	-	-
-	Work-Based Learning Site Coordinator	0.8	0.7	0.5	0.3	0.6	0.4	-	-	-	-	-
120	Instructional Coach	-	-	-	-	-	-	-	-	-	21.8	21.0
	Total Professional Support	262.5	292.1	293.7	260.9	273.4	290.5	310.4	328.6	338.1	359.3	393.7
<i>Campus Administration</i>												
003	Assistant Principal	28.5	30.1	34.0	37.5	46.0	48.0	51.9	52.0	56.4	55.1	62.0
020	Principal	23.3	23.0	25.3	25.4	25.7	27.1	28.2	30.0	30.0	31.0	31.5
	Total Campus Administration	51.8	53.0	59.3	62.9	71.7	75.1	80.1	82.0	86.4	86.1	93.5

Source: PEIMS

Note:

Any roles with 'zero' data is based on position assignment changes.

Formatting revised in 2022-23 to correspond with PEIMS submissions.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

SCHEDULE 17

<u>Role ID</u>	<u>Staff</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>Central Administration</i>												
004	Assistant/Associate/Deputy Superintendent	3.0	3.0	3.0	3.8	6.0	6.0	6.0	4.0	3.0	3.0	2.0
012	District Instructional Program Director or Executive Director	5.5	5.5	11.9	12.0	12.0	16.0	11.3	15.2	20.0	18.0	17.0
027	Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
028	Teacher Supervisor	-	-	1.9	2.0	2.0	2.0	2.0	2.0	1.0	1.0	-
043	Business Manager	2.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	1.0
045	Director Of Personnel/Human Resources	1.0	1.0	1.7	1.0		-	4.0	4.0	4.0	4.0	4.0
	Total Administration/Support	12.5	12.5	21.6	21.8	22.0	26.0	25.3	28.2	31.0	29.0	25.0
<i>Educational Aides</i>												
033	Educational Aide	122.0	135.8	154.9	177.6	186.2	197.5	219.0	237.9	240.6	243.8	281.9
	Total Educational Aide	122.0	135.8	154.9	177.6	186.2	197.5	219.0	237.9	240.6	243.8	281.9
<i>Auxiliary Staff</i>												
-	Auxiliary Staff	194.8	199.4	211.5	223.6	245.9	-	-	-	-	-	-
201	Business/Finance	-	-	-	-	-	3.0	2.0	2.0	1.0	1.0	4.0
202	Campus Office/Clerical	-	-	-	-	-	127.7	136.0	135.7	133.2	135.7	142.8
203	Central Office/Clerical	-	-	-	-	-	42.0	43.8	46.8	44.5	46.6	43.5
205	Human Resources	-	-	-	-	-	3.0	4.0	4.0	4.0	2.0	3.0
206	Information Technology	-	-	-	-	-	26.0	29.7	30.0	27.5	24.1	24.3
214	Maintenance	-	-	-	-	-	18.0	21.0	23.0	26.8	26.0	26.7
215	Plumber	-	-	-	-	-	4.0	5.0	5.0	5.0	4.0	4.0
216	Painter	-	-	-	-	-	3.0	3.0	3.0	3.0	2.0	2.0
217	HVAC	-	-	-	-	-	5.0	5.0	7.0	7.0	7.0	6.0
218	Electrician	-	-	-	-	-	8.0	7.0	7.0	6.0	6.0	6.0
219	Warehouse	-	-	-	-	-	3.0	2.0	2.0	2.0	3.0	3.0
220	Safety/Security	-	-	-	-	-	-	-	2.0	2.0	2.0	9.7
221	Transportation	-	-	-	-	-	-	-	-	-	183.1	204.2
222	Other Non-Exempt Auxiliary (Inc. Non-Exempt Aux. Volunteers)	-	-	-	-	-	8.9	13.9	13.7	14.9	8.0	7.7
	Total Auxiliary Staff	194.8	199.4	211.5	223.6	245.9	251.6	272.4	281.2	276.9	450.5	486.9
	Total Staff (FTEs)	1,763.4	1,877.0	2,022.7	2,101.9	2,243.4	2,335.0	2,505.3	2,634.3	2,701.8	2,871.7	3,147.8

Source: PEIMS

Note:

Any roles with 'zero' data is based on position assignment

NORTHWEST INDEPENDENT SCHOOL DISTRICT
EXPENDITURES, ENROLLMENT AND PER PUPIL COST
LAST TEN FISCAL YEARS

SCHEDULE 18

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Expenses	Cost Per Pupil	Teaching Staff	Pupil- Teacher Ratio
2023	29,248	\$ 301,364,357	\$ 10,304	\$ 464,586,378	\$ 15,884	1,867	15.67
2022	27,583	272,144,195	9,866	334,971,900	12,144	1,664	16.58
2021	25,383	268,265,936	10,569	361,895,439	14,257	1,627	15.60
2020	25,040	242,303,390	9,677	472,478,798	18,869	1,659	15.09
2019	24,141	239,013,024	9,901	412,802,319	17,100	1,598	15.11
2018	23,163	226,218,304	9,766	389,776,392	16,828	1,578	14.68
2017	22,044	200,771,697	9,056	327,746,898	12,225	1,516	14.54
2016	20,900	193,508,179	9,259	293,296,623	14,033	1,428	14.64
2015	19,760	176,946,871	8,955	297,255,086	15,043	1,329	14.87
2014	18,893	161,065,748	8,525	266,435,862	14,102	1,238	15.26

Note: Expenditures for computing per pupil cost are a total of actual expenditures as prescribed by the Texas Education Agency's Financial Accountability System Resource Guide. These include the General and Special Revenue Funds excluding objects of Debt Service, Capital Outlay and Intergovernmental charges. Enrollment and Percentage of Free and Reduced comes from PEIMS Snapshot
Teacher Staff comes from Schedule 17

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19

	Original	Fiscal Year Ended									
Schools	Construction	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools											
Beck	1998										
Square feet		91,953	91,953	91,953	91,953	91,953	91,953	87,032	87,032	87,032	87,032
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		725	773	756	806	841	837	845	816	744	737
Cox	2013			2,013							
Square feet		98,866	98,866	98,866	98,866	98,866	98,866	98,866	98,866	98,866	98,866
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		791	744	768	769	707	626	551	447	351	345
Granger	2007										
Square feet		95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418	95,418
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		755	770	766	791	787	929	937	922	908	903
*Haslet	1992, 2020										
Square feet		100,431	100,431	100,431	100,431	78,420	78,420	78,420	78,420	78,420	78,420
Capacity		850	850	850	850	650	650	650	650	650	650
Enrollment		884	861	492	492	474	704	626	445	420	404
Hatfield	1998										
Square feet		61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652
Capacity		450	450	450	450	450	450	450	450	450	450
Enrollment		613	553	432	397	393	519	481	456	410	371
Hughes	2005										
Square feet		98,028	98,028	98,028	98,028	98,028	80,124	80,124	80,124	80,124	80,124
Capacity		850	850	850	850	850	650	650	650	650	650
Enrollment		672	700	619	685	701	659	623	585	570	541
Justin	1992										
Square feet		81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		605	611	613	595	659	593	574	540	522	507
Lakeview	1983										
Square feet		85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671	85,671
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		547	591	548	610	593	630	586	569	568	566
Love	2009										
Square feet		97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924	97,924
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		766	677	655	712	744	617	662	717	715	680
Nance	2005										
Square feet		80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124	80,124
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		516	541	612	598	631	603	552	499	481	452

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
SCHEDULE 19 (Continued)

Schools	Original	Fiscal Year Ended									
	Construction	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools Continued											
Peterson	2008										
Square feet		98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142	98,142
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		703	683	740	802	746	781	747	866	807	761
Prairie View	1998										
Square feet		78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		631	612	516	482	452	442	443	423	437	450
*Roanoke	2010										
Square feet		97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411	97,411
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		677	652	615	651	769	755	758	709	752	725
Seven Hills	1998										
Square feet		75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968
Capacity		650	650	650	650	650	650	650	650	650	650
Enrollment		667	619	558	532	562	562	599	534	568	553
Sendra Ranch	2008										
Square feet		100,447	100,447	100,447	100,447	81,000	81,000	81,000	81,000	81,000	81,000
Capacity		850	850	850	850	650	650	650	650	650	650
Enrollment		693	588	607	644	657	568	587	590	603	596
Schluter	2011										
Square feet		101,834	101,834	101,834	101,834	101,834	101,834	101,834	83,099	83,099	83,099
Capacity		850	850	850	850	850	850	850	650	650	650
Enrollment		701	699	943	921	824	747	658	635	543	526
JC Thompson	2011										
Square feet		104,676	104,676	104,676	104,676	83,099	83,099	83,099	83,099	83,099	83,099
Capacity		850	850	850	850	650	650	650	650	650	650
Enrollment		816	814	725	734	620	703	622	566	543	532
Lizzie Curtis	2018										
Square feet		107,026	107,026	107,026	107,026	107,026	-	-	-	-	-
Capacity		850	850	850	850	850	-	-	-	-	-
Enrollment		683	649	707	641	566	-	-	-	-	-
Lance Thompson	2019										
Square feet		100,431	100,431	100,431	100,431	100,431	-	-	-	-	-
Capacity		850	850	850	850	850	-	-	-	-	-
Enrollment		825	724	501	380	566	-	-	-	-	-
Berkshire	2021										
Square feet		101,509	101,509	-	-	-	-	-	-	-	-
Capacity		850	850	-	-	-	-	-	-	-	-
Enrollment		714	642	-	-	-	-	-	-	-	-

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
SCHEDULE 19 (Continued)

	Original	Fiscal Year Ended									
Schools	Construction	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Middle Schools											
Chisholm	1998										
Square feet		176,057	176,057	176,057	176,057	171,361	171,361	171,361	171,361	171,361	171,361
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		684	614	531	485	474	1,060	1,022	977	896	902
Medlin	1998										
Square feet		183,786	183,786	183,786	183,786	170,889	170,889	170,889	170,889	170,889	170,889
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		991	995	1,036	1,102	1,117	1,105	1,143	1,121	1,071	1,081
Pike	1993										
Square feet		210,883	210,883	210,883	210,883	192,414	192,414	192,414	192,414	192,414	192,414
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,150	1,151	1,062	1,017	1,000	1,060	850	770	759	746
Tidwell	2010										
Square feet		181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,039	1,079	1,051	1,033	946	1,215	1,161	1,124	1,048	1,046
Wilson	2012										
Square feet		199,500	199,500	199,500	199,500	199,500	199,500	199,500	199,500	199,500	199,500
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment		1,414	1,307	953	958	924	1,034	991	838	855	852
Adams	2018										
Square feet		198,818	198,818	198,818	198,818	198,818	-	-	-	-	-
Capacity		1,200	1,200	1,200	1,200	1,200	-	-	-	-	-
Enrollment		1,383	1,385	1,488	1,372	1,196	-	-	-	-	-
High Schools											
Byron Nelson	2009										
Square feet		646,201	646,201	646,201	623,732	502,234	502,234	502,234	502,234	502,234	502,234
Capacity		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment		2,809	2,679	2,582	2,456	2,463	2,449	2,512	2,524	2,515	2,563
Northwest	1984										
Square feet		600,697	600,697	600,697	600,697	542,427	542,427	542,427	542,427	542,427	542,427
Capacity		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment		2,264	2,098	1,942	1,896	1,756	1,709	1,972	2,194	2,753	2,821
*Steele	1992										
Square feet		55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567	55,567
Capacity		450	450	450	450	450	450	450	450	450	450
Enrollment		226	193	225	193	181	133	128	130	109	119
VR Eaton	2016										
Square feet		622,018	622,018	622,018	590,157	525,602	525,602	525,602	525,602	-	-
Capacity		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-
Enrollment		3,273	2,940	2,672	2,476	2,367	2,181	1,567	982	-	-

Source: Northwest Independent School District, Facilities, Planning & Construction

Note:

•Roanoke Elementary School was relocated to a new facility 2010-2011 with Steele Accelerated High School occupying the old Roanoke Elementary School campus.

•Haslet Elementary School was relocated to a new facility 2020-2021

•Enrollment excludes Denton JJAEP, Tarrant JJAEP, and Legacy Learning Center

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FEDERAL AWARDS SECTION

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A Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Northwest Independent School District
Fort Worth, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northwest Independent School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Northwest Independent School District's basic financial statements, and have issued our report dated November 11, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Hankins Eastup Deaton Tomm Seay & Scarborough". The signature is written in a cursive, flowing style.

Hankins, Eastup, Deaton, Tomm, Seay & Scarborough, LLC
Denton, Texas
November 11, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Northwest Independent School District
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northwest Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Northwest Independent School District's major federal programs for the year ended June 30, 2023. Northwest Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northwest Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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



Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
November 11, 2023

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: No
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No
7. Major programs include:

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

32.009 Emergency Connectivity Fund

84.041 Federal Flood Control (Impact Aid)

Child Nutrition Cluster:
10.553 School Breakfast Program
10.555 National School Lunch Program - Cash Assistance
10.555 National School Lunch Program - NonCash Assistance
10.555 Supply Chain Assistance
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
FEDERAL COMMUNICATIONS COMMISSION			
<u>Direct Programs</u>			
Emergency Connectivity Fund (ECF)	32009	ECF202204086	\$ 1,847,560
Total Direct Programs			1,847,560
TOTAL FEDERAL COMMUNICATIONS COMMISSION			1,847,560
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041	01-061911	271,645
Total Direct Programs			271,645
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101061911	1,065,355
*IDEA - Part B, Formula	84.027	236600010619116600	3,306,681
*COVID 19 - IDEA, Part B, Formula - (ARP)	84.027X	225350010619115350	1,190
*COVID 19 - IDEA, Part B, Formula - (ARP)	84.027X	235350010619115350	867,798
Total Assistance Listing Number 84.027			4,175,669
Total Special Education Cluster (IDEA)			4,238,512
Career and Technical - Basic Grant	84.048	22420006061911	16,155
Career and Technical - Basic Grant	84.048	23420006061911	90,872
Total Assistance Listing Number 84.048			107,027
*IDEA - Part B, Preschool	84.173	236610010619116610	33,804
*COVID 19 - IDEA, Part B, Preschool- (ARP)	84.173X	225360010619115360	740
*COVID 19 - IDEA, Part B, Preschool- (ARP)	84.173X	235360010619115360	28,299
Total Assistance Listing Number 84.173			62,843
Total Special Education Cluster (IDEA)			4,238,512
Title III, Part A - English Language Acquisition	84.365A	23671001061911	197,503
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22694501061911	81,774
ESEA, Title II, Part A, Teacher Principal Training	84.367A	23694501061911	97,159
Total Assistance Listing Number 84.367			178,933
ESEA, Title IV, Part A	84.424A	23680101061911	2,385
COVID 19 - ESSER I - School Emergency Relief	84.425D	20521001061911	4,207
COVID 19 - ESSER III - School Emergency Relief	84.425U	21528001061911	4,195,754
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042061911	30,494
COVID 19 - Supplemental ESSER Fund	84.425U	21588043061911	6,129,006
Total Assistance Listing Number 84.425			10,359,461
Total Passed Through Texas Education Agency			16,149,176
TOTAL U.S. DEPARTMENT OF EDUCATION			16,420,821
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Education Agency</u>			
School Health Support (ELC Reopening Schools)	93.323	HHS001114100001	27,555
Medicaid Administrative Claiming Program - MAC	93.778	01-061911	15,969
Total Passed Through Texas Education Agency			43,524
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			43,524

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402301	769,826
*National School Lunch Program - Cash Assistance	10.555	71302301	3,593,132
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302301	472,262
*Supply Chain Assistance	10.555	71302301	130,353
Total Assistance Listing Number 10.555			<u>4,195,747</u>
Total Child Nutrition Cluster			<u>4,965,573</u>
Total Passed Through the Texas Department of Agriculture			<u>4,965,573</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>4,965,573</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 23,277,478</u></u>
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

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

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).
- Assistance listing numbers for commodity assistance are the Assistance listing numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$1,515,896.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$23,277,478
SHARS Revenue reported in the General Fund	2,577,876
Tax Credit Revenue reported in the Debt Service Fund	-
Plus Revenue Received for COVID Funds for Prior Year	-
Total Federal Program Revenue	<u>\$25,855,354</u>