

'25

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Northwest
INDEPENDENT SCHOOL DISTRICT

Fiscal Year Ended June 30, 2025
Northwest Independent School District • Fort Worth • Texas

**Northwest
Independent School District**
Fort Worth, Texas

**Annual
Comprehensive
Financial Report**

Fiscal Year Ended June 30, 2025

Prepared by the Financial Services Department

Jonathan Pastusek
Chief Financial Officer

Shannon Barton
Executive Director of Financial Services

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025**

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Certificate of Board

Northwest Independent School District

Fort Worth, TX

(Denton County)

County District Number 061911

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one) _____ approved _____ disapproved for the fiscal year ended June 30, 2025 at a meeting of the Board of Trustees of such school district on the 8th day of December, 2025.

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 if necessary)



INTRODUCTORY SECTION

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December 8, 2025

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

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to the requirement, we hereby issue the Annual Comprehensive Financial Report of the Northwest Independent School District (the district) for the fiscal year ended June 30, 2025.

The Annual Comprehensive Financial Report consists of four major sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, a copy of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for 2024, a copy of the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for 2024, a list of principal consultants and advisors and an organizational chart. The financial sections include the auditor's report, the basic financial statements, including the Government Wide Financial Statements and the Governmental Fund Financial Statements. Also included are the combining schedules and required supplementary information. The statistical section includes selected financial and demographic information, generally presented in a multi-year basis. The single audit section includes the schedule of federal awards, schedule of state awards, auditor's reports and the schedule of findings for current and prior years.

This report consists of management's representations concerning the finances of the district. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the district has established a comprehensive internal control framework that is designed both to protect the district's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the district's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the district's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Hankins, Eastup, Deaton, Tonn, Seay and Scarborough, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the district's financial statements for the fiscal year ending June 30, 2025. The goal of the independent audit is to provide reasonable assurance that the financial statements of the district are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The district's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

In the late 1800's, schools began appearing in the area amid railroads, general stores, and livery stables. Descendants of early settlers recall tales of early schoolhouses and how in 1949 the one-school districts in Justin, Haslet, Rhome, and Roanoke joined hands to form the Northwest Independent School District. Newark was annexed in 1973. Residents of the district elect a seven-member Board of Trustees (the Board), each of which serves for three years. Monthly meetings of the Board are posted and advertised as prescribed under

state law so that the Board may fulfill its charge to the students, parents, staff, and taxpayers of the district. Special meetings or study sessions are scheduled as needed. The Board has final control over all school matters except as limited by state law.

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

The district operates twenty-three elementary schools, seven middle schools, four high schools, an alternative education program campus, and an outdoor learning center. Enrollment for the 2024-2025 school year was 32,098 students as of the PEIMS snapshot in October 2024. A total of 2,029 seniors graduated from the district in 2025.

A high degree of professionalism exists among our employees, and an on-going culture of recognizing student and staff excellence continues to foster a positive and collaborative environment. The district's instructional programs are designed to ensure that all students meet or exceed grade-level expectations. Emphasis is placed on higher level thinking skills, including research methodologies, problem-solving, and the ability to think independently, critically and creatively.

The district attracts highly qualified personnel because of its commitment to excellence. During the 2024-2025 school year, the district employed 3,677 employees consisting of 2,238 professionals, 531 educational aides, and 538 auxiliary staff. Professional employees include 2,102 classroom teachers with an average of 18 years of experience. Thirty (30) percent of the teaching staff has earned a master's degree and eight (8) percent of the teaching staff has earned a doctorate degree. The average student/teacher ratio is 15.2 in the district. Texas law mandates that no more than 22 students can be assigned to one classroom teacher in kindergarten through fourth grade. The district set district policy with a TEA waiver exception of a 24-to-1 limit for kindergarten through fourth grades.

Strategic Planning

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

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

Our Core Beliefs – Kids come first; continuous learning is essential to prepare for college and career opportunities; each student's success is the shared responsibility of students, families, schools and communities; and learning is influenced by environment.

District Improvement Plan – Northwest ISD's annual development of a District Improvement Plan helps maintain the direction of the district as we empower learners and leaders to positively impact the world. In accordance with the Texas Education Code, the superintendent is to annually develop the District Improvement Plan, with the Board of Trustees annually approving the performance objectives. The 2020-2021 District Improvement Plan is an extension of the district's Strategic Framework. As part of our strategic initiative, the emphasis in developing the District Improvement Plan was again placed on focusing on identified imperatives for the coming school year. It was approved by the Northwest ISD Board of Trustees on September 9, 2024.

Budget Process

The annual budget serves as the foundation for the district's financial planning and control. The district budget process is instructionally driven and guided by the strategic plan. District budget planning begins with the Executive Cabinet and the Board of Trustees holding goal setting sessions. The budget calendar and five-year forecast are reviewed with the Board of Trustees. Also, campuses annually prepare the required campus improvement plans.

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

After the completed campus and program budget packages have been returned, they are reviewed in detail by the Superintendent with the senior staff. The review focuses on the instructional impact and goals. The Board of Trustees regularly receives budget updates that include any revisions to the earlier five-year financial forecast. The Texas Legislatures meet biannually and revisions to school finance are reviewed with the Board of Trustees.

The Board of Trustees received budget updates that included any revisions to the original Five-Year Financial Forecast. The Preliminary Budget including the Personnel & Compensation Plan was reviewed in detail throughout April. The 2024-2025 Personnel &

Compensation Plan was then adopted April 22nd. Early adoption provides advantages in teacher recruitment and allows for the salary detail to be loaded into the adopted budget. Compensation for 2024-2025 increased two percent of midpoint from 2023-2024.

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.

Budget Adoption – The Central Appraisal Districts ("CAD") 2024 Certified Estimate Appraisal Roll Totals occurred in early June and the rollback tax rate was calculated shortly thereafter. The required legal notice was published on June 1, 2024. The Board of Trustees held the required public meeting and adopted the budget on June 24, 2024.

Tax Rate Adoption – The Central Appraisal Districts ("CAD") Certification of the 2024 Appraisal Records occurred in late July and the Denton County Tax Assessor-Collector calculated the effective and rollback tax rates shortly thereafter. The required legal notice was published on May 25, 2024. The Board of Trustees held the required public meeting and adopted the tax rate on July 24, 2024.

The district maintains budgetary controls throughout all of its financial systems. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the general fund, debt service fund, and child nutrition program (which is included in special revenue funds). In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to the expenditure of funds. The functional level is specified by Board policy as the legal level of encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are accounts payable and treated as expenditures in the prior year upon receipt of the goods and services.

Tax Rate - There was one election in November 2024: The Voter-Approval Tax Rate Election (VATRE) on Prop A. The VATRE represented the district's request to increase the M&O rate by .03 from .6669 to .6969, this increase would generate an approximate \$15.8 million in additional revenue. When the VATRE did not pass, the M&O tax rate reverted to the state-compressed rate of \$0.6669. The current total tax rate \$1.0879 in NISD is the lowest it has been in over 20 years. The decrease shown in the M&O rate since 2019 is a result of the compression from House Bill 3, the state's property tax relief bill. Compared to other fast-growth districts in North Texas, NISD has the lowest overall tax rate (\$1.0879), largest geographic area (234 square miles) and greatest potential for growth (34% built out). The total rate is \$1.0879 for purposes of the adopted budget. The district provides homestead exemptions, over 65 exemptions, disabled persons exemptions and disabled veterans exemptions to qualified taxpayers. A ten-year comparison of tax rates is presented in the statistical section.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered within the broader perspective of the specific environment in which the district operates.

Introduction – The Northwest Independent School District, uniquely situated northwest of the Fort Worth/Dallas Metroplex, lies within one of the fastest growing areas in Texas. Northwest continues to add about 1,200 new students to its total enrollment population each year. With such a growth rate, NISD ranks among the top in the state for enrollment increases. Northwest stretches across 234 square miles and is located in Denton, Tarrant and Wise Counties, Texas.

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

Population – The population of the Northwest Independent School District in 2000 was 35,364 as compared to 121,519 in 2025.

District Educational Campuses – The district is considered a fast-growth district in the state of Texas. Serving 32,098 students in pre-kindergarten through twelfth grade. The district operates three comprehensive high schools, an accelerated high school, seven middle schools, twenty-three elementary schools, and a special programs center. In the 1997-1998 school year, the district had one high school, one middle school and five elementary schools. To accommodate rapid growth, the district has constructed additional educational facilities as follows: three elementary schools and two middle schools in 1998-1999; two elementary schools in 2005-2006; one elementary school in 2007-2008; two elementary schools in 2008-2009; one high school and one elementary school in 2009-2010; one middle school and the first replacement elementary school, the old elementary school was remodeled into the fourth high school in 2010-2011; two elementary schools in 2011-2012; one middle school in 2012-2013; one elementary school in 2013-2014; and an additional comprehensive high school that opened in 2015-2016; a middle school and an elementary school in 2018-2019; an elementary school in 2019-2020; a replacement elementary school in 2020-2021; an elementary school in 2021-2022; two additional elementary schools, two replacement elementary schools and the district's seventh middle school in 2023-2024. The district's twenty-third elementary school, Perrin Elementary, opened in 2024-2025. The ages of the instructional school buildings range from one to forty-two years (original dates of construction included within schedule 19).

Dedication for the impressive and newly renovated Outdoor Learning Center on October 20, 2016 provided the community with exploration of the property. The OLC features several buildings and trails designed to facilitate new vantage points of nature. The facility, which is composed of five buildings on 193 acres reopened for the 2016-2017 academic year with a plan to foster unique learning experience not found anywhere else.

The Northwest ISD Aquatic Center opened in January of 2021. For the first time in Northwest ISD history, swimmers representing the district can now train in a home facility. The Aquatic Center features a 50-meter competition pool and 25-meter practice pool as well as an athletic training center and sports medicine facility. The facility will feature uses for all age levels.

Jobs, Energy, Technology and Innovation Program – In December 2024, Northwest ISD entered into a landmark partnership with Bell Textron Inc., representing the first project approved in Texas under the state’s Jobs, Energy, Technology and Innovation (JETI) law. This milestone agreement reflects the district’s proactive engagement in state-level economic development initiatives designed to attract high-value industries while ensuring long-term fiscal responsibility and community benefit.

Through the JETI agreement, Bell Textron will invest approximately \$429 million to construct an advanced aerospace manufacturing facility within the district’s boundaries. Under the terms of the agreement, Bell will receive a limited reduction in its school district Maintenance & Operations (M&O) property tax valuation for a ten-year period, while continuing to pay full Interest & Sinking (I&S) taxes that support the repayment of school bonds. This balanced incentive structure enables the district to promote economic development and job creation without compromising its commitment to sound financial stewardship.

The JETI partnership establishes a model for how public education and private industry can align to achieve shared objectives in workforce development and regional growth. For Northwest ISD, the collaboration offers direct educational benefits that extend well beyond traditional classroom instruction. Bell Textron will provide internship placements, site-based training, and mentorship opportunities that connect students with real-world applications in aerospace, engineering, automation, and advanced manufacturing. These experiences will enhance learning outcomes across the district’s Career and Technology Education (CTE) programs, the STEM Academy at Northwest High School, the Aviation Academy at Eaton High School, and the forthcoming Transportation, Automation & Logistics Academy at the district’s fourth comprehensive high school, opening in 2027.

This innovative partnership underscores the district’s strategic vision to integrate education, technology, and industry. By leveraging state incentive legislation to attract cutting-edge employers, Northwest ISD not only strengthens its economic base but also cultivates future-ready graduates equipped to thrive in a rapidly evolving global workforce.

Employment Data – Texas and DFW’s unemployment rates stayed steady from 2024 to 2025. Northwest ISD counties were in line with the unemployment rate for the United States, with an average of 4.2%.

Historical Employment Data 2nd Quarter Averages

	2025	2024	2023	2022	2021
Tarrant County					
Civilian Labor Force	1,209,254	1,118,489	1,150,412	1,121,430	1,089,781
Total Employment	1,159,775	1,133,821	1,103,312	1,076,340	1,024,774
Unemployment	49,479	48,668	47,100	45,090	65,007
Percent Unemployment	4.1%	4.1%	4.1%	4.0%	6.0%
Denton County					
Civilian Labor Force	601,881	588,830	577,017	550,142	510,939
Total Employment	578,515	566,255	555,022	526,684	485,654
Unemployment	23,366	22,575	21,995	19,550	25,285
Percent Unemployment	3.9%	3.8%	3.8%	3.6%	5.00%
Wise County					
Civilian Labor Force	41,108	40,082	39,023	36,984	32,490
Total Employment	39,509	38,543	37,530	35,613	30,744
Unemployment	1,599	1,539	1,493	1,371	1,746
Percent Unemployment	3.9%	3.8%	3.8%	3.7%	5.40%

State of Texas					
Civilian Labor Force	15,770,054	15,435,521	15,064,579	14,613,867	14,085,435
Total Employment	15,162,847	14,817,758	14,462,262	14,017,743	13,126,958
Unemployment	643,357	608,911	612,941	601,111	926,279
Percent Unemployment	4.3%	4.2%	4.4%	4.3%	6.6%
Source: https://fred.stlouisfed.org/					

Area Developments

Bell Textron Inc. – Advanced Manufacturing and JETI Agreement – Bell Textron Inc. begins its longstanding partnership with the Northwest ISD region through a \$429 million investment in a new advanced manufacturing facility established under the company’s Job Expansion and Technology Initiative (JETI) agreement with the district. This facility represents a significant advancement in aerospace manufacturing and technology development, further solidifying the region’s reputation as a center for innovation and industry excellence. The project is projected to create more than 520 high-wage aerospace and advanced manufacturing positions, contributing substantially to the local and regional economy. Over the next decade, the initiative is anticipated to generate in excess of \$13 million in tax revenue for the district, enhancing the district’s financial capacity to support instructional programs and capital improvements. This strategic partnership exemplifies the alignment between public education and industry, fostering mutually beneficial opportunities that connect classroom learning with workforce needs. Through this collaboration, Northwest ISD students will gain greater exposure to career pathways in aviation technology, engineering, and related technical fields, reinforcing the district’s commitment to preparing students for success in a dynamic, innovation-driven economy.

MTU Maintenance – Aviation, Maintenance, Repair & Overhaul Expansion – MTU Maintenance, a global leader in aircraft engine maintenance, repair, and overhaul services, has announced a \$120 million expansion at Perot Field Fort Worth Alliance Airport. This significant investment represents a major advancement in the region’s aerospace infrastructure and underscores continued confidence in the area’s skilled workforce and business climate. The expansion is projected to create approximately 1,200 direct jobs and an additional 2,000 indirect jobs, further strengthening the region’s position as a national hub for aviation technology, manufacturing, and maintenance services. This growth not only enhances the local economy but also supports sustained regional development through the creation of high-wage, technical career opportunities. For Northwest ISD, this expansion carries meaningful implications for workforce and community development. The project will increase demand for housing and local services while elevating the need for highly skilled professionals in engineering, advanced manufacturing, and STEM-related disciplines. These fields directly align with the district’s Career and Technology Education (CTE) programs, creating pathways that connect students’ academic preparation with emerging employment opportunities in one of the region’s most dynamic industries.

Hillwood – Alliance Westport 14 Industrial Facility – Hillwood, the master developer of AllianceTexas, has completed construction of a 766,994-square-foot industrial facility within the Westport sector. The project is designed to attract advanced logistics, distribution, and light manufacturing tenants, further enhancing the area’s position as one of the premier industrial and commerce centers in North Texas. This new facility offers flexible, state-of-the-art industrial space that accommodates a range of high-value employers seeking to leverage the region’s multimodal transportation infrastructure and skilled workforce. By fostering business growth and attracting diversified tenants, the development supports sustained economic vitality and strengthens the regional supply chain network. For Northwest ISD, the continued expansion of AllianceTexas contributes directly to long-term financial stability by broadening the local commercial tax base. The project also supports workforce development through the creation of mid-level logistics, warehouse management, and operations positions—employment sectors that align closely with the district’s Career and Technology Education (CTE) programs and its emphasis on preparing students for in-demand careers in business and industry.

Hillwood – Alliance Westport 24 Industrial Facility – Continuing its strategic investment in industrial and economic growth, Hillwood has initiated development of the 1.1 million-square-foot Alliance Westport 24 industrial facility, launched in 2024. This large-scale project is designed to accommodate major logistics, e-commerce, and advanced manufacturing tenants seeking access to the region’s robust transportation network and skilled labor force. The Alliance Westport 24 development represents a significant addition to the AllianceTexas portfolio, reinforcing its role as one of the most dynamic industrial corridors in the nation. The facility’s scale and design are intended to attract national and international corporations, further diversifying the area’s employment base and supporting long-term regional competitiveness. For Northwest ISD, continued industrial expansion within the district contributes to sustained growth in property valuation and commercial tax revenue. These developments enhance economic stability and provide lasting benefits to the community through job creation, infrastructure improvements, and expanded public amenities. Additionally, the resulting increase in employment opportunities across logistics, operations, and technical fields complements the district’s Career and Technology Education (CTE) initiatives, ensuring students are prepared to meet evolving workforce demands.

Wistron Corporation – AI and Electronics Manufacturing – Wistron Corporation, a global technology manufacturer headquartered in Taiwan, announced a \$761 million investment to construct two advanced AI supercomputing and electronics manufacturing facilities within the AllianceTexas development. This major project represents a significant addition to the region’s expanding technology and innovation corridor, reinforcing its status as a destination for high-tech industry and global investment. The facilities are expected to create more than 800 high-skilled jobs in fields such as artificial intelligence, semiconductor production, and advanced electronics assembly. This development further diversifies the regional economy and enhances the area’s reputation as a hub for next-generation manufacturing and applied technology. For Northwest ISD, the presence of a global technology leader within district boundaries strengthens opportunities for collaboration between public education and industry. The project supports the district’s focus on STEM education, workforce readiness, and career pathway development by expanding access to partnerships, internships, and real-world learning experiences in advanced manufacturing, engineering, and computing. The initiative also contributes to sustained growth in the district’s commercial tax base, promoting continued investment in educational programs and community infrastructure.

Southwire Company – Wire and Cable Operation Hub – Southwire Company, one of North America’s largest producers of wire and cable products, has opened a 1.18 million-square-foot operations center within the AllianceTexas Logistics Park. This major facility strengthens the region’s position as a national leader in electrical supply chain management and industrial logistics, providing a critical link in the distribution of essential infrastructure materials across the country. The operations hub employs approximately 250 individuals in a range of technical, logistics, and production roles, offering stable, high-quality employment opportunities for the local workforce. Southwire’s investment reinforces the area’s continued growth as a center for advanced manufacturing and distribution, supporting both regional economic resilience and industrial diversification. For Northwest ISD, this development contributes to sustained community and economic stability through the expansion of skilled trades and logistics employment sectors. The presence of large-scale employers such as Southwire provides real-world connections to the district’s Career and Technology Education (CTE) programs, particularly in manufacturing, electrical systems, and supply chain management—further aligning educational pathways with workforce demand.

Hillwood Mobility Innovation Zone (MIZ) – Smart Infrastructure Development – The Hillwood Mobility Innovation Zone (MIZ) received an \$80 million federal Infrastructure for Rebuilding America (INFRA) grant in 2024 to advance the development of smart-port systems and autonomous vehicle infrastructure within AllianceTexas. This significant federal investment underscores the region’s national prominence in next-generation logistics and transportation technology. The Mobility Innovation Zone serves as a premier testing and deployment environment for automated freight, connected vehicle systems, and intelligent infrastructure solutions. Through this initiative, Hillwood and its partners aim to modernize freight movement and supply chain efficiency, integrating advanced technologies that improve safety, sustainability, and operational performance across the AllianceTexas development. For Northwest ISD, the project’s impact extends beyond infrastructure enhancement. The continued growth of technology-driven industries within the district broadens the local tax base, promotes sustainable economic development, and strengthens partnerships that bridge education with emerging career fields. By positioning the area as a national leader in logistics innovation and autonomous transportation, the initiative creates new opportunities for students pursuing careers in engineering, data science, and smart mobility systems.

Roanoke Sports Complex – The 122-acre Roanoke Sports Complex represents a significant enhancement to the region’s recreational and community infrastructure. Designed to accommodate a wide range of athletic and community activities, the complex features state-of-the-art facilities for baseball, soccer, lacrosse, and multipurpose field sports. Its modern design and centralized location provide convenient access to high-quality amenities that serve both youth athletics and broader community recreation programs. Beyond its recreational value, the Roanoke Sports Complex functions as a regional destination for tournaments, special events, and family-centered activities. The facility is expected to draw visitors from across North Texas, generating positive economic impacts for local businesses and hospitality services while reinforcing the area’s reputation as a vibrant, family-oriented community. For Northwest ISD, the development of the complex contributes to the overall quality of life for students and families within the district. By reducing travel distances for athletic participation and expanding access to organized sports, the complex supports student wellness, teamwork, and community engagement. It also fosters local pride and strengthens neighborhood connections, aligning with the district’s broader commitment to supporting healthy, well-rounded student development and community partnerships.

Centurion American – Alpha Ranch Master-Planned Community – Centurion American Development Group has announced plans for Alpha Ranch, a major master-planned community located within the Northwest ISD boundaries. The development is projected to include approximately 4,000 new homes upon completion, with construction on the initial 1,300 homes scheduled to begin in 2025. The community’s long-term plan also incorporates future school sites, parks, and neighborhood amenities designed to support family living and community engagement. Alpha Ranch represents one of the largest residential projects currently underway in the region and reflects the district’s ongoing designation as a fast-growth community. The scale of development is anticipated to contribute significantly to residential expansion across the district, directly influencing future student enrollment trends and long-range facility planning efforts. For Northwest ISD, large-scale residential growth such as Alpha Ranch presents both opportunity and responsibility. The development will expand the district’s tax base and strengthen local economic activity while simultaneously increasing demand for new instructional space, transportation infrastructure, and support services. Through proactive planning and community partnerships, the district continues to align its resources and capital projects to meet the needs of a rapidly growing population and maintain the high educational standards expected by its families and community stakeholders.

BNSF Railway – Alliance Intermodal Expansion – BNSF Railway reported a 405% year-over-year increase in international trade throughout at the Alliance Intermodal Facility, reaching an estimated \$834 million in 2024. This extraordinary growth reflects a major expansion of the region’s logistics, freight, and international trade capacity, further solidifying the AllianceTexas area as a critical hub for national and global commerce. The rapid increase in intermodal volume enhances the region’s competitiveness in global supply chain operations and reinforces the importance of transportation infrastructure investments within the district’s surrounding area. The expansion also stimulates ongoing development in supporting sectors, including road and utility improvements, industrial park growth, and workforce housing—each contributing to a stronger and more diversified local economy. For Northwest ISD, this level of industrial and logistical growth carries direct implications for long-term district planning. Increased employment opportunities and accompanying residential development influence enrollment projections, facility capacity, and community service demands. The continued success of the Alliance Intermodal Facility underscores the interconnected nature of economic development and public education, as the district works to anticipate and plan for the needs of a rapidly evolving and economically vibrant region.

Kroger Marketplace – Bonds Ranch & Sendera Ranch – Kroger has announced the development of two new Kroger Marketplace stores located in the Bonds Ranch and Sendera Ranch areas, bringing full-service grocery destinations to two of the district’s fastest-growing communities. Each Marketplace location will feature a pharmacy, fuel center, and a range of specialty departments, providing convenient access to essential goods and services for area residents. The addition of these modern retail centers significantly enhances the commercial infrastructure within the district’s boundaries. By reducing travel distances for daily shopping and services, the new Marketplaces support the quality of life for families in rapidly expanding neighborhoods and reflect the district’s continuing evolution from suburban growth to a more self-sustaining regional economy. Beyond serving community needs, both Kroger Marketplace developments are expected to serve as retail anchors that attract complementary commercial investment, including dining, personal services, and small business enterprises. This growth supports a stronger local tax base and contributes to the district’s long-term financial stability by reinforcing the connection between residential development, retail expansion, and sustainable community planning.

North City Development – North City is an emerging mixed-use development designed to integrate retail, dining, entertainment, and community spaces into a cohesive destination that serves families and residents across the region. Featuring popular establishments such as Velvet Taco, Paris Baguette, and Andretti Karting & Games, the development offers a vibrant combination of local and national brands that promote social interaction, leisure, and community engagement. The project’s design emphasizes walkability, convenience, and a high-quality environment that supports both daytime and evening activity. By blending entertainment venues with family-oriented dining and retail, North City contributes to the creation of a dynamic community center that enhances the area’s overall livability. For Northwest ISD, developments like North City strengthen the district’s appeal to current and prospective residents by expanding access to modern amenities and lifestyle opportunities. The continued growth of mixed-use projects within the district’s boundaries supports broader community development goals, attracting future employers, stimulating local commerce, and fostering a strong sense of identity and place for families who live and work in the region.

Continued growth – The Northwest ISD area continues to experience remarkable residential, commercial, and industrial growth, driven by its strategic location within the AllianceTexas corridor and its reputation as one of the fastest-growing regions in North Texas. Over the past several years, steady investment from national and international companies has transformed the area into a hub for aerospace, logistics, technology, and advanced manufacturing. Major employers have expanded operations within the district’s boundaries, bringing thousands of new jobs and strengthening the regional economy. Residential development continues at an accelerated pace, with new master-planned communities such as Alpha Ranch, Berkshire, and Sendera Ranch adding thousands of new homes to accommodate the growing workforce. This population increase is complemented by significant retail and community projects, including the North City mixed-use district, new Kroger Marketplace locations, and the future H-E-B at Robson Ranch, all of which enhance convenience and quality of life for families within Northwest ISD. The district’s proximity to Alliance Airport and the expanding highway network positions it at the center of future growth in North Tarrant, Denton, and Wise Counties. As these developments continue, Northwest ISD remains proactive in planning for new schools, upgraded facilities, and strategic partnerships with local cities and businesses to support sustainable growth. The combination of strong economic development, robust housing expansion, and community investment underscores the district’s ongoing transformation into one of the most desirable and dynamic regions in the state of Texas.

Community Development – Residential growth in the district continues at a robust pace. The district continues to record over 3,000 annual new-home closings, with strong starts and build-out underway across many subdivisions. The district is tracking more than 70 subdivisions currently under construction, with another 30-plus planned, and groundwork in progress on thousands of future lots.

Growth is not just in single-family homes, the multi-family sector is active too, with 2,000 plus units under construction and several thousand more in planning. Lot inventory and future build-out remain significant, future lot counts in the tens of thousands point to many more years of residential expansion ahead. The housing offering remains broad; from entry-level homes to luxury estates and mixed-use living, the district’s 234 square miles across Tarrant, Denton and Wise counties allow for everything from large-lot country living to more traditional suburban neighborhoods.

State Funding

Demographic predictions indicate that the district's enrollment will reach 34,430 by the 2026-2027 school year as outlined below. State funding is provided through the Foundation School Program, which provides each school district with a minimum level of funding (a "Basic Allotment") for each student in average daily attendance ("ADA"). For fiscal year 2024-2025, the Basic Allotment is \$6,160 for each student in average daily attendance. The allotment is adjusted by several different weights to address varying economic conditions, district size and sparsity of district's student population. The basic allotment has effectively remained unchanged since 2019. For the 2024-2025 fiscal year, this means the funding baseline for many operation costs (salaries, utilities, instructional materials, maintenance) remains at the same per-student figure as prior years. The district continues to face inflationary and cost pressures even as the foundational funding levels remain stagnant.

State Equalization – Funding for school districts in the State is provided primarily from State and local sources. State funding for all school districts is provided through a set of funding formulas comprising the "Foundation School Program", as well as two facilities funding programs. Generally, the Finance System is designed to promote wealth equalization among school districts by balancing State and local sources of funds available to school districts. In particular, because districts with relatively high levels of property wealth per student can raise more local funding, such districts receive less State aid, and in some cases, are required to disburse local funds to equalize their overall funding relative to other school districts. Conversely, because districts with relatively low levels of property wealth per student have limited access to local funding, the Finance System is designed to provide more State funding to such districts. Thus, as a school district's property wealth per student increases, State funding to the school district is reduced. As a school district's property wealth per student declines, the Finance System is designed to increase that district's State funding. The Finance System provides a similar equalization system for facilities funding wherein districts with the same tax rate for debt service raise the same amount of combined State and local funding. The district's wealth per student is greater than the equalized wealth value. Accordingly, the District has been required to exercise one of the permitted wealth equalization options. As a district with wealth per student in excess of equalized wealth value, the district reduces its wealth per student by exercising Option 3 (purchase of attendance credits) pursuant to Chapter 49 of the Texas Education Code, as amended. District voters previously authorized Option 3 as a means of equalizing wealth at an election held within the district. As a so-called "Chapter 49 district", the district does not receive any State funding to pay debt service requirements on its outstanding indebtedness, including bonds.

Capital Projects – In May 2023, voters approved a \$1,995,500,000 bond package including funding for educational facilities, capital improvements, home stadiums and field renovations, and providing technology devices. Northwest ISD held a bond referendum with a focus on accommodating the growing student population, which is expected to increase over 8,000 students in the coming years and an estimated one-tenth increase of the Interest & Sinking tax rate. We are among the fastest-growing districts in the Dallas-Fort Worth area. The District's Long-Range Planning Committee, made up of 46 members – including parents, grandparents, business leaders, volunteers, and other community members - focused on addressing ongoing residential growth as well as the needs of aging and evolving facilities. 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. With the start of the 2023-2024 school year, Northwest ISD opened five new campuses, including two replacements and two new elementary schools as well as one new middle school. The campuses included: Carter Elementary, Daniel Elementary, Hatfield Elementary, Seven Hills Elementary, and Worthington Middle School.

Enrollment Projections - Methodology

Enrollment projections are generated using new home census information and specific neighborhood forecasts provided through a contract with Zonda Education. The projections are updated annually, 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 regard to 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 bond issues near depletion and new bonds are issued.

This year, the district is projected to grow 1,177 students for a 3.67 percent increase. District projected growth is expected to reach 44,704 students by 2033-2034. Northwest has added 11,122 students between 2015-2016 and 2024-2025.

Demographics

<u>Year</u>	<u>Total</u>	<u>Elementary</u> <u>(EC-5th)</u>	<u>Middle</u> <u>(6th-8th)</u>	<u>High School</u> <u>(9th-12th)</u>
Actual:				
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	6,067	7,556
2021-2022	27,583	11,766	6,418	8,129
2022-2023	29,248	13,036	6,661	8,603
2023-2024	30,801	13,984	6,988	9,003
2024-2025	32,022	15,480	7,241	9,301
Projections:				
2025-2026	33,196	16,108	7,636	9,451
2026-2027	34,430	16,838	7,770	9,822
2027-2028	35,771	17,575	8,006	10,190
2028-2029	37,207	18,359	8,304	10,544
2029-2030	38,718	19,234	8,526	10,959
2030-2031	40,065	20,012	8,801	11,252
2031-2032	41,540	20,831	9,086	11,622
2032-2033	43,055	21,629	9,587	11,839
2033-2034	44,704	22,408	9,989	12,307

Zonda Demographics 2025 1st QTR Data

Major Initiatives and Accomplishments

This is the 23rd year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system of Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

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

School FIRST – Financial Integrity Rating System of Texas

<u>Description</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
School FIRST Rating	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement	Superior Achievement

State Accountability System

Starting with 2011-2012 school year the Texas Education Agency transitioned from TAKS to State of Texas Assessment of Academic Readiness ("STAAR") for students in grades 3-9 while students in grades 10 and 11 took TAKS. Part of the new assessment system

required students entering ninth grade during the 2011-2012 school year or after to pass the End of Course Exams (“EOC”) in order to graduate. With the new STAAR program, the TAKS exit-level tests were replaced with 15 end-of-course assessments.

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.

Description	STAAR	STAAR	STAAR	STAAR	STAAR
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025*
All Subjects	79%	82%	83%	81%	80%
Reading/ELA	78%	83%	85%	83%	83%
Mathematics	78%	84%	79%	77%	76%
Writing	73%	Combined with Reading/ELA	Combined with Reading/ELA	Combined with Reading/ELA	Combined with Reading/ELA
Science	85%	84%	83%	80%	82%
Social Studies	85%	87%	85%	85%	83%
Overall District Rating	Not Rated: Declared State of Disaster	B	B	B	B
*Preliminary Values					

A-F accountability was established by the legislature in 2017. This helps provide a clear picture of how well the districts and campuses are educating students. To ensure the A-F accountability remained fair, state law required it to be refreshed. This refreshment of the A-F system helps ensure Texas will remain a national leader in preparing students for success after graduation and better reflect its three objectives. This includes rigor for students, transparency for parents and the public, and fairness for schools. Ratings take into consideration State Assessments, graduation rates, and College Career and Military Readiness (CCMR) outcomes. The ratings are based on three domains: Student Achievement, School Progress and Closing the Gaps, all of which compare student performance.

Campus Rating	2020-21	2021-2022	2022-2023	2023-2024	2024-2025*
Met Standard	Not Rated	29	28	31	31
Earned one or more Distinctions	Not Rated	10	5	5	8
Total Distinctions Earned	Not Rated	18	8	14	16

Improvement Required	Not Rated	0	1	3	3
District Rating	Declared State of Disaster	Met Standard	Met Standard	Met Standard	Met Standard
*Preliminary values					

Financial Policies

The Annual Comprehensive Financial Report for the year ended June 30, 2025 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). All funds of the district are covered by this report. The district's financial policies address accounting and fiscal operations of the district, with an emphasis on asset, procurement, and budget management.

Internal Controls

The management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of "reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

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

As part of the district's single audit, tests are made to determine the adequacy of the internal control structure, including the 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, 2025 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The district maintains budgetary controls, and the objective is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board of Trustees. The annual expenditure budget serves as the foundation for the district's financial planning and control. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency (TEA). The Board legally adopts a budget for the General Fund, Debt Service Fund and Child Nutrition Fund. 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 basis, based on grant regulations or applicable bond ordinances.

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

Student, Staff, and District Accomplishments

Student Accomplishments

- Cooper Lutkenhaus, a student at Northwest High School, broke the U.S. high school 800m indoor record with a time of 1:46.86.
- Fourteen Destination Imagination Texas Lone Star Finals teams advanced to the statewide finals, with three advancing to Globals in Kansas City.
- Twenty-three students in Northwest Independent School District were recognized as National Merit Commended Scholars for exceptional academic achievement.
- Ninety-one student-athletes across four district high schools signed collegiate letters of intent in 2024-25, including commitments to Division I universities in football, volleyball, and track.
- Eaton High School Varsity Volleyball reached the UIL State Semifinals, continuing a streak of regional dominance.
- Byron Nelson High School E-sports placed in the top five statewide in the PlayVS Texas Rocket League Championship.
- Future Farmers of America students from Eaton, Byron Nelson, and Northwest achieved Top 10 finishes in livestock judging, ag mechanics, and agriscience fair at the State Future Farmers of America Convention.
- Eaton High School won top honors - Supreme Grand Champion in Agricultural Mechanics at the Fort Worth Stock Show & Rodeo.
- Theatre students at Northwest High School received multiple awards at the UIL One-Act Play Regionals for performance and technical excellence.
- Band, choir, and orchestra programs at Byron Nelson, Eaton, and Northwest each earned UIL Sweepstakes Awards (superior ratings across all categories).
- Middle school students at Adams Middle School and Medlin Middle School won first place in the VEX Robotics North Texas Regional and advanced to state-level robotics competition.
- Steele Early College High School seniors collectively earned over 4,000 college credit hours via partnerships with NCTC and TCC.
- Northwest ISD was represented by twelve student-athletes in the state UIL Track and Field Championships. Byron Nelson High School and Eaton High School were represented in the State Championship for Cross Country.
- Byron Nelson High School and Eaton High School were represented in the State UIL Swimming and Diving Championships.
- Eaton High School and Steele Early College High School won numerous honors at the UIL Speech and Debate team competitions.
- Northwest High School, STEM Academy student, was nominated to all four military academies, marking a momentous achievement that reflects exceptional academic performance, leadership and dedication to service.
- NHStv (Northwest High Schools Creative Media Production Academy) was named Best Daily Live News Show at the Student Television Network Convention, a prestigious Broadcast Excellence Award with the highest-scoring entry nationwide.

Staff Accomplishments

- Brytni Rocha (Prairie View Elementary) and David Wolf (Eaton High) were named 2025 NISD Teachers of the Year for instructional innovation and student mentorship.
- Chelsea Conner, Ricky King, Christy Matthews, and Lulu Taylor earned the Dr. David Hicks Excellence in Education Awards for leadership and classroom excellence.
- Carolyn Carminati and Emily Trinke received the district's inaugural SHINE Awards, based on student nominations recognizing inspiring educators.
- Fine Arts Coordinator Ryan Stachowski was named a Texas Music Educators Association (TMEA) Leadership Fellow for his state-level contributions to arts education.
- Eaton High School football coach Ellis Miller was selected as Region 1-6A Assistant Coach of the Year by the Texas High School Coaches Association.
- NISD librarians implemented district-wide reading challenges and received recognition from the Texas Library Association for community engagement.
- The counselor team at Worthington Middle School earned the CREST Award for Counseling Excellence, marking the district's fifth campus to receive this honor.
- Transportation and maintenance teams were recognized for maintaining a perfect safety audit from the Texas Department of Transportation.
- Special Education specialists hosted a statewide symposium on inclusive education, drawing participation from 20 + districts.

District/Campus Accomplishments

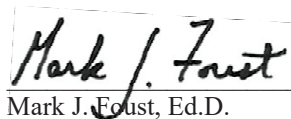
- NISD was named a 2024 Texas Art Education Association (TAEA) District of Distinction — one of only 84 districts statewide to receive the honor.
- The district earned the Career & Technical Education District of Distinction Award from CTAT for outstanding industry certification growth and career partnerships.
- The NISD Board of Trustees was named Region 11 School Board of the Year, recognizing exceptional governance and community service.
- The Finance Department achieved a "Superior" rating from Texas's FIRST financial accountability system for the tenth consecutive year.
- Perrin Elementary and the new Pike Middle School opened in August 2024, supporting district growth surpassing 31,600 students.
- Bond-funded projects advanced on schedule, adding new campuses and expanding facilities to serve 8,400 additional students by 2027.
- Northwest ISD Education Foundation (NEF) awarded more than \$425,000 in classroom grants and student scholarships to support innovation and equity in learning.
- The district's Communications Department won multiple Texas School Public Relations Association (TSPRA) awards for excellence in digital storytelling.
- NISD's CTE Academies expanded programs in aviation, cybersecurity, health sciences, and welding, increasing industry certification opportunities by 18%.
- Northwest ISD maintained a rating of "B" for 2024-25 (overall), according to state accountability reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence in Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. The GFOA and ASBO award is for school districts whose annual comprehensive financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the current year's annual comprehensive report meets the Certificate of Achievement and Certificate of Excellence programs' requirements and will be submitted for review to determine award eligibility.

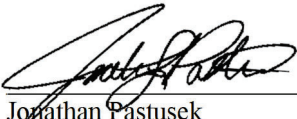
Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Financial Services Department. We would like to express our sincere appreciation to all members of the departments who assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of, and belief in, our public schools, and principals and teachers who provide the quality education for which the District has become known.

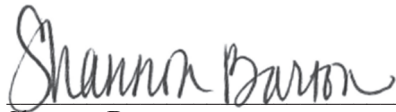
Respectfully submitted,



Mark J. Foust, Ed.D.
Superintendent of Schools



Jonathan Pastusek
Chief Financial Officer



Shannon Barton
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, 2024

Christopher P. Morill

Executive Director/CEO



The Certificate of Excellence in Financial Reporting
is presented to

Northwest Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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

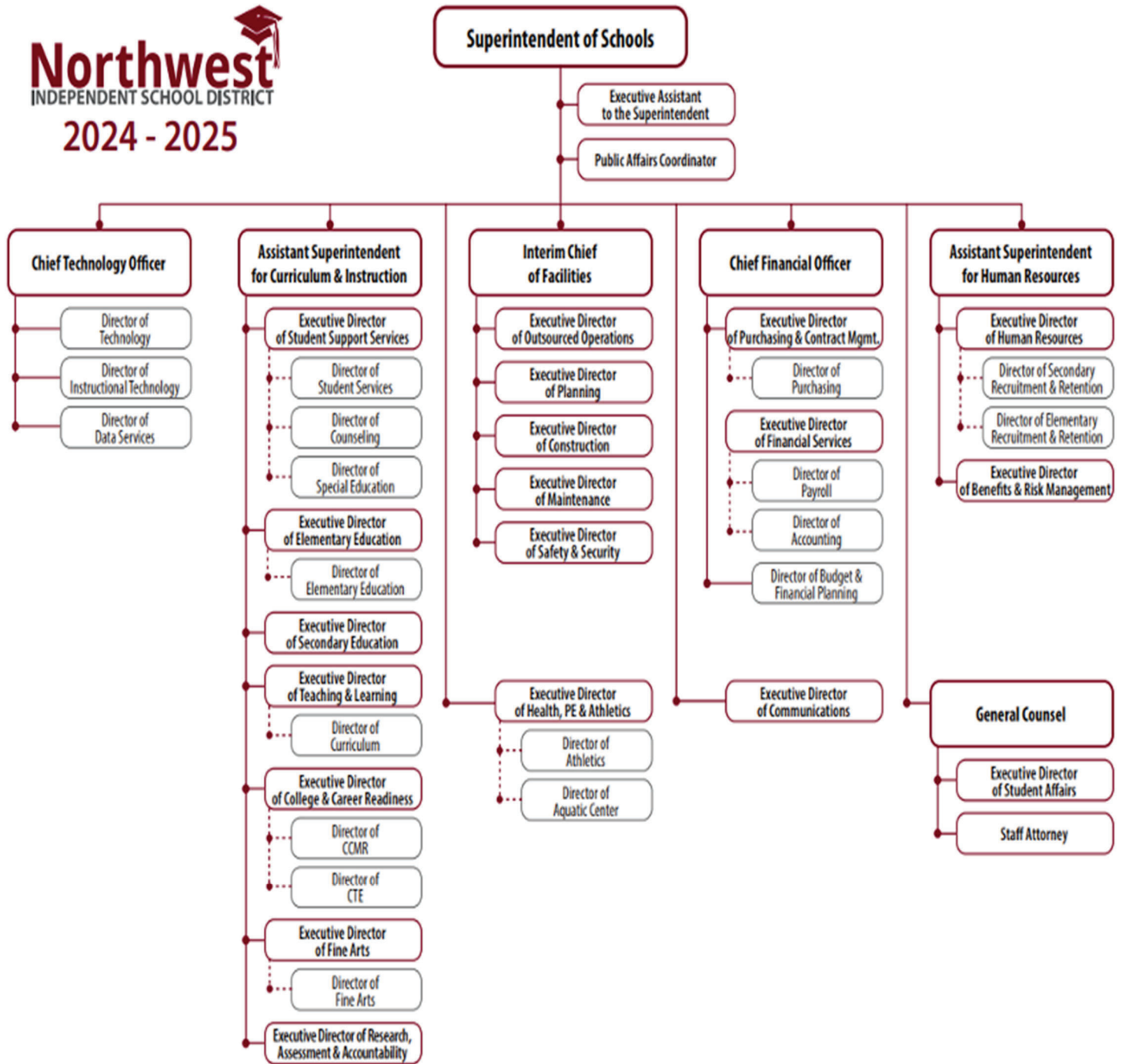


A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



2024-2025 BOARD OF TRUSTEES



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



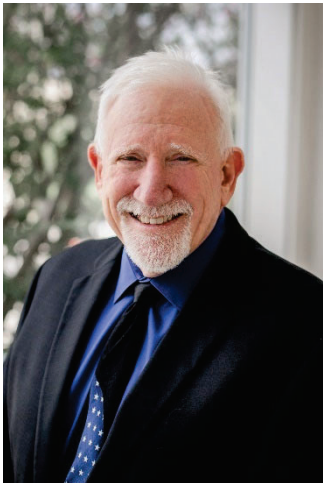
Lillian Rauch, Ph.D.
Vice President, Place 6
Retired Educator
Elected 2014
Term Ends 2026



Judy Copp
Secretary, Place 4
Retired Educator
Elected 2012
Term Ends 2028



DeAnne Hatfield
Member, Place 1
Retired School Administrator
Elected 2019
Term Ends 2027



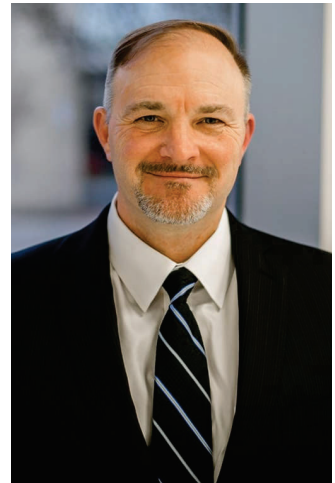
Mark Schluter
Member, Place 2
Senior Project Engineer Elected
2006
Term Ends 2027



Jeff Dearing
Member, Place 3
Financial Advisor
Elected 2025
Term Ends 2028



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



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

If You Wish to Address the Board: The public may address the board during the public participation portion of the board meeting. Remarks may be related to any topic, whether agenda items or non-agenda items, and are usually limited to three minutes. Those wishing to speak during public participation may sign the roster in the room within the hour preceding the meeting.

NORTHWEST INDEPENDENT SCHOOL DISTRICT

School Board and Administrators

Board of Trustees

Jennifer Murphy.....	President
Lillian Rauch, Ph.D.	Vice President
Judy Copp	Secretary
DeAnne Hatfield.....	Member
Mark Schluter	Member
Jeff Dearing	Member
R. Stephen Sprowls.....	Member

Administration

Mark J. Foust, Ed.D.	Superintendent of Schools
Kim Barker.....	Assistant Superintendent for Human Resources
Cara Carter.....	Chief Technology Officer
Michael Griffin, Ed.D.....	Assistant Superintendent for Curriculum and Instruction
Christie Hobbs	General Counsel
Jonathan Pastusek	Chief Financial Officer
Sarah Stewart	Interim Chief of Facilities
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	James M. Steele Early College High School
Diana Foster.....	Special Programs Center
Paige Cantrell.	Medlin Middle School
Patricia Lutkenhaus	Gene Pike Middle School
Jennifer Higgins.....	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
Natalie Childress.....	C.W. Worthington Middle School
John Booles.....	Molly Livengood Carter Elementary School
Donna Busby	Haslet Elementary School
Jessica McDonald, Ed.D.....	Johnie R. Daniel Elementary School
Stephen Garretson, Ph.D.....	Justin Elementary School
Shanel Jones	Berkshire 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, Ed.D.	Sendera Ranch Elementary School
Danielle Grimes	O.A. Peterson Elementary School
Aaron McAdams.....	Clara Love Elementary School
Edwina West-Dukes	J.C. Thompson Elementary School
Donae Raymundo	Carl E. Schluter Elementary School
Chrisa Oakley	Wayne A. Cox Elementary School
Jennifer Putnam	Lizzie Curtis Elementary School
Amy Lawson.....	Lance Thompson Elementary School
Carrie Pierce	Alan & Andra Perrin Elementary School

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

Consultants and Advisors

<u>ACCOUNTANTS</u>	<u>FINANCIAL ADVISORS</u>
Hankins, Eastup, Deaton, Tonn, Seay & Scarborough	Hilltop Securities
902 N Locust Street	1201 Elm Street, Suite 3500
Denton, TX 76202	Dallas, Texas 75270
<u>ARCHITECTS</u>	<u>GENERAL COUNSEL</u>
Glenn Partners	Abernathy, Roeder, Boyd & Joplin
5646 Milton Street, Suite 426	P.O. Box 1210
Dallas, Texas 75206	1700 Redbud Boulevard, Suite 300
	McKinney, Texas 75069
Huckabee	
801 Cherry Street, Suite 500	Buechler & Associates, P.C.
Fort Worth, Texas 76102	3660 Stoneridge Road, Suite D-101
	Austin, Texas 78746
Perkins + Will	
10100 N. Central Expressway, Suite 300	Underwood Law Firm
Dallas, Texas 75231	1008 Macon Street, Suite 101
	Fort Worth, Texas 76102
<u>BOND COUNSEL</u>	
McCall, Parkhurst & Horton, LLP	Walsh Gallegos
717 North Harwood	P.O. Box 168046
Dallas, Texas 75201	Irving, Texas 75016-0846
<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, 2025 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, 2025, 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, the budgetary comparison and the Teacher Retirement System schedules 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 30, 2025 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 30, 2025

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
(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, 2025. 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 40.

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 \$200,934,545.
- The District's total net position increased by \$46,110,617 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 \$651,436,665. Over 17% of this total amount (\$113,727,640) 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 \$113,731,890 was 34.23% 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 during fiscal year 2025; therefore, the District paid no amounts 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. 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 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 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 primary purpose of the District's overall financial condition and operations 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, 2025.

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 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-two 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 nineteen 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.
- **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. 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, 2025 was \$200,934,545. 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 \$147,902,482 at June 30, 2025. 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 (\$98,707,125) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position at June 30, 2025 is a deficit of \$43,675,062.

Changes in Net Position. The District's total revenues of its governmental activities were \$581,345,519. A significant portion, approximately 69.6%, of the revenue comes from property taxes. Another 8.4% comes from state aid - formula grants while 2.6% relates to charges for services. This reflects a \$55.5 million increase in revenues from 2023-2024, primarily from increases in property tax revenue that was the result of a 6.49% increase in assessed valuations. The total revenues were used to fund the cost of all programs and services in the amount of \$535,234,902, and to pay down the District's debt. Expenses increased \$70,710,886 from the prior year. That increase consisted primarily of a \$17.7 million increase in instructional expenses a, \$15.9 million increase in debt service interest, and a \$33.9 million increase in facilities maintenance expenses.

Governmental Activities. The District's total net position of its governmental activities increased \$46,110,617 during the current fiscal year from the result of current year operations. The total cost of all government activities for the fiscal year ended June 30, 2025 was \$535,234,902. 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 \$81,064,846 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$454,170,056, which were primarily funded by property taxes in the amount of \$404,850,350 and state revenue of \$48,974,287.

Table I
NET POSITION

	Governmental Activities		
	2025	2024	Change
Current and other assets	\$ 780,424,789	\$ 786,118,598	\$ (5,693,809)
Capital assets	2,064,056,984	1,648,291,538	415,765,446
Total assets	2,844,481,773	2,434,410,136	410,071,637
Deferred outflows of resources	143,660,279	131,879,970	11,780,309
Total assets and deferred outflows of resources	2,988,142,052	2,566,290,106	421,851,946
Long-term liabilities	2,556,303,349	2,233,763,112	322,540,237
Other liabilities	156,393,249	111,155,039	45,238,210
Total liabilities	2,712,696,598	2,344,918,151	367,778,447
Deferred inflows of resources	72,510,909	64,548,027	7,962,882
Total liabilities and deferred inflows of resources	2,785,207,507	2,409,466,178	375,741,329
Net Position (Deficit):			
Net investments in capital assets	147,902,482	109,433,084	38,469,398
Restricted	98,707,125	91,884,965	6,822,160
Unrestricted	(43,675,062)	(44,494,121)	819,059
Total Net Position	\$ 202,934,545	\$ 156,823,928	\$ 46,110,617

Capital assets are up significantly from the prior year due to ongoing construction activity related to the building of new campuses and other facilities.

Long-term liabilities are up significantly due to new bond issuances to provide funding for construction-related projects.

Changes in deferred outflows of resources and deferred inflows of resources relate primarily to changes in the District's share of State pension and OPEB liabilities.

Table II
CHANGES IN NET POSITION

	Governmental Activities		
	2025	2024	Change
Revenues:			
Program Revenues:			
Charges for services	\$ 15,219,165	\$ 13,338,066	\$ 1,881,099
Operating grants and contributions	65,845,681	53,679,939	12,165,742
General Revenues:			
Maintenance and operations taxes	248,249,699	237,387,811	10,861,888
Debt service taxes	156,600,651	149,110,320	7,490,331
State aid - formula grants	48,974,287	37,106,954	11,867,333
Interest earnings	45,890,711	34,977,451	10,913,260
Miscellaneous	565,325	249,712	315,613
Total Revenue	<u>581,345,519</u>	<u>525,850,253</u>	<u>55,495,266</u>
Expenses:			
Instruction, curriculum and media services	246,931,269	229,188,540	17,742,729
Instructional and school leadership	24,859,995	23,255,307	1,604,688
Student support services	38,687,488	34,770,314	3,917,174
Food services	17,490,931	16,536,041	954,890
Extracurricular activities	19,626,609	20,851,913	(1,225,304)
General administration	8,909,578	9,799,103	(889,525)
Plant maintenance, security and data process	84,649,999	50,736,724	33,913,275
Community services	961,985	852,086	109,899
Debt services	88,178,764	72,300,554	15,878,210
Intergovernmental charges	4,938,284	6,233,434	(1,295,150)
Total Expenses	<u>535,234,902</u>	<u>464,524,016</u>	<u>70,710,886</u>
Increase in Net Position	46,110,617	61,326,237	(15,215,620)
Net Position - beginning of year	156,823,928	84,203,302	72,620,626
Restatement	-	11,294,389	(11,294,389)
Net Position - end of year	<u>\$ 202,934,545</u>	<u>\$ 156,823,928</u>	<u>\$ 46,110,617</u>

The cost of all governmental activities for the current fiscal period was \$535,234,902. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$404,850,350 because some of the costs were paid by those who directly benefited from the programs (\$15,219,165) or by State equalization funding (\$65,845,681).

Expenses increased \$70,710,886 due to additional interest payments on long-term debt, additional instructional costs due to increases in enrollment, and additional plant maintenance, security and data processing costs as the result of new facilities.

The prior year restatement of \$11,294,389 consisted of an increase in capital assets and accumulated depreciation due to the implementation of GASB Implementation Guide No. 2021-1 concerning the capitalization of purchases of groups of assets.

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 \$651,436,665 a decrease of \$46,203,450 from the prior fiscal year. Approximately 18% of this total amount (\$115,676,729) 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 (\$98,707,125), or for capital projects (\$427,465,367), or for Federal grants (\$2,808,162), or already spent on prepaid items (\$1,262,747) or inventories (\$118,798).

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 \$113,731,890, while the total fund balance was \$115,096,077. 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 34.23% of the total general fund expenditures, while the total fund balance represents 34.64% of that same amount.

The fund balance of the District's general fund increased by \$4,773,290 during the current fiscal year, compared to a \$892,888 decrease in the previous year. Key factors related to this change are as follows:

- Property tax revenue increased \$10,898,874 or 4.60% due primarily to a \$2,295,430,300 or 6.49% increase in assessed property tax valuations in the District.
- State Foundation and per capita funding increased \$12,329,183 due to an increase in average daily attendance as a result of growth in enrollment.
- Expenditures increased \$23,272,944 or 7.53% from the prior year. The majority of the increase (\$17,133,571) occurred in instructional expenditures due to additional payroll and supplies costs for new school openings.

The debt service fund has a total fund balance of \$98,707,125, 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 \$6,822,160, compared to a \$17,387,800 increase in the previous year. Property tax revenues were \$7,553,405 higher than the previous year due to the increase in assessed property tax valuations, while debt service principal and interest expenditures were \$19,961,378 higher due to first-time payments in the current fiscal year on recent bond issuances.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund decreased by \$58,316,347 due primarily to \$400,000,000 proceeds from current year bond sales offset by \$490,744,650 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, 2024). 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 \$115,096,077 differs from the General Fund's budgetary fund balance of \$75,460,967 reported in the budgetary comparison schedule. For the year ended June 30, 2025, actual general fund expenditures on a budgetary basis were \$332,216,755, below the original budget expenditures of \$336,956,114 and the revised final budget of \$360,274,435. The majority of the actual variance of \$28,057,680 consists of savings achieved in payroll costs in several areas, primarily instructional. Actual revenue on a budgetary basis was \$337,083,777 compared to the original budget of \$321,085,418 and a revised budget of \$325,412,615. The actual variance was \$11,671,162 over the final budgeted projections. The majority of that additional revenue resulted from additional property taxes as a result of a higher-than-expected collection rate, and more State Foundation funding than was expected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had \$2,064,056,984 (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 \$415,765,446, or 25.2%, above last year.

This fiscal year's major additons include:

Continuing construction costs on six new elementary schools, paid for with proceeds of general obligation bonds	\$ 87,998,321
Continuing construction costs on renovations/additions at three existing high schools, paid for with proceeds of general obligation bonds	74,738,953
Continuing construction costs on a new high school, paid for with proceeds of general obligation bonds	73,897,391
Continuing construction costs on a new administration building, paid for with proceeds of general obligation bonds	48,834,033
Continuing construction costs on two new middle schools, paid for with proceeds of general obligation bonds	62,333,767
TOTAL	<u><u>\$ 347,802,465</u></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 \$2,205,085,000 in bonds outstanding versus \$1,909,537,569 last year—an increase of 15.5%. New debt incurred during the fiscal period consisted of one building bond series. The District’s underlying rating for unlimited tax bonds is “Aa3” 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 2026 budget and tax rates, including the economy, student enrollment growth, and funding levels by the State of Texas.

The District has adopted a balanced budget for 2025-2026 for the general fund. Budgeted revenues for the general fund are \$14,519,236 higher than actual 2024-2025 revenues, and budgeted expenditures are \$19,386,347 higher than actual 2024-2025 expenditures.

The District has adopted a balanced budget for 2025-2026 for the debt service fund. Budgeted revenues for the debt service fund are \$7,298,867 higher than actual 2024-2025 revenues and budgeted expenditures are \$14,020,830 higher than actual 2024-2025 expenditures.

The 2025 tax rate was set at \$1.0841 per \$100 valuation. (\$0.6631 maintenance and operations and \$0.4210 debt service). The maintenance and operations rate decreased from \$0.6669 the prior year and the debt service rate remained the same.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



BASIC FINANCIAL STATEMENTS

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 25,051,316
1120 Current Investments	727,794,780
1220 Property Taxes - Delinquent	7,144,851
1230 Allowance for Uncollectible Taxes	(535,863)
1240 Due from Other Governments	17,468,332
1250 Accrued Interest	267,818
1290 Other Receivables, Net	1,852,010
1300 Inventories	118,798
1410 Prepayments	1,262,747
Capital Assets:	
1510 Land	124,979,166
1520 Buildings, Net	1,090,863,124
1530 Furniture and Equipment, Net	47,808,032
1540 Other Capital Assets, Net	9,434,433
1580 Construction in Progress	790,972,229
1000 Total Assets	<u>2,844,481,773</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	58,324,103
1705 Deferred Outflow Related to TRS Pension	49,136,165
1706 Deferred Outflow Related to TRS OPEB	36,200,011
1700 Total Deferred Outflows of Resources	<u>143,660,279</u>
LIABILITIES	
2110 Accounts Payable	85,259,104
2150 Payroll Deductions and Withholdings	1,234
2160 Accrued Wages Payable	34,046,405
2180 Due to Other Governments	177,779
2200 Accrued Expenses	35,832,875
2300 Unearned Revenue	1,075,852
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	58,962,056
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	2,346,281,933
2540 Net Pension Liability (District's Share)	93,940,730
2545 Net OPEB Liability (District's Share)	57,118,630
2000 Total Liabilities	<u>2,712,696,598</u>
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	24,346,477
2606 Deferred Inflow Related to TRS OPEB	48,164,432
2600 Total Deferred Inflows of Resources	<u>72,510,909</u>
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	147,902,482
3850 Restricted for Debt Service	98,707,125
3900 Unrestricted	(43,675,062)
3000 Total Net Position	<u><u>\$ 202,934,545</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, 2025

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6 Primary Gov. Governmental Activities
		3 Charges for Services	4 Operating Grants and Contributions	
	Expenses			Net (Expense) Revenue and Changes in Net Position
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 234,189,411	\$ 1,969,858	\$ 18,348,772	\$ (213,870,781)
12 Instructional Resources and Media Services	4,098,690	-	189,860	(3,908,830)
13 Curriculum and Instructional Staff Development	8,643,168	-	1,006,855	(7,636,313)
21 Instructional Leadership	3,309,831	-	331,850	(2,977,981)
23 School Leadership	21,550,164	-	1,150,720	(20,399,444)
31 Guidance, Counseling, and Evaluation Services	17,928,085	-	5,169,698	(12,758,387)
32 Social Work Services	650,684	-	22,762	(627,922)
33 Health Services	3,860,892	497,219	208,309	(3,155,364)
34 Student (Pupil) Transportation	16,247,827	-	4,207,194	(12,040,633)
35 Food Services	17,490,931	9,572,940	5,739,817	(2,178,174)
36 Extracurricular Activities	19,626,609	622,252	4,711,336	(14,293,021)
41 General Administration	8,909,578	296,373	362,269	(8,250,936)
51 Facilities Maintenance and Operations	64,528,506	2,260,523	7,185,425	(55,082,558)
52 Security and Monitoring Services	9,118,142	-	2,800,550	(6,317,592)
53 Data Processing Services	11,003,351	-	223,309	(10,780,042)
61 Community Services	961,985	-	713,370	(248,615)
72 Debt Service - Interest on Long-Term Debt	85,697,541	-	13,274,867	(72,422,674)
73 Debt Service - Bond Issuance Cost and Fees	2,481,223	-	-	(2,481,223)
93 Payments Related to Shared Services Arrangements	348,030	-	198,718	(149,312)
95 Payments to Juvenile Justice Alternative Ed. Prg.	12,216	-	-	(12,216)
97 Payments to Tax Increment Fund	1,858,525	-	-	(1,858,525)
99 Other Intergovernmental Charges	2,719,513	-	-	(2,719,513)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 535,234,902	\$ 15,219,165	\$ 65,845,681	(454,170,056)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			248,249,699
DT	Property Taxes, Levied for Debt Service			156,600,651
SF	State Aid - Formula Grants			48,974,287
IE	Investment Earnings			45,890,711
MI	Miscellaneous Local and Intermediate Revenue			565,325
TR	Total General Revenues			500,280,673
CN	Change in Net Position			46,110,617
NB	Net Position - Beginning			156,823,928
NE	Net Position - Ending			\$ 202,934,545

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 2,052,503	\$ 1,535,543	\$ 9,688,136
1120 Investments - Current	127,647,331	97,216,584	502,732,986
1220 Property Taxes - Delinquent	4,652,698	2,492,153	-
1230 Allowance for Uncollectible Taxes	(348,952)	(186,911)	-
1240 Due from Other Governments	15,984,831	-	-
1250 Accrued Interest	-	-	267,818
1260 Due from Other Funds	1,443,593	-	728
1290 Other Receivables	1,765,677	-	-
1300 Inventories	118,798	-	-
1410 Prepayments	1,245,389	-	-
1000 Total Assets	<u>\$ 154,561,868</u>	<u>\$ 101,057,369</u>	<u>\$ 512,689,668</u>
LIABILITIES			
2110 Accounts Payable	\$ 1,736,173	\$ -	\$ 83,223,480
2150 Payroll Deductions and Withholdings Payable	1,234	-	-
2160 Accrued Wages Payable	33,348,305	-	-
2170 Due to Other Funds	728	-	7,220
2180 Due to Other Governments	107,344	70,435	-
2200 Accrued Expenditures	-	5,947	44,512
2300 Unearned Revenue	36,510	-	-
2000 Total Liabilities	<u>35,230,294</u>	<u>76,382</u>	<u>83,275,212</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	4,235,497	2,273,862	-
2600 Total Deferred Inflows of Resources	<u>4,235,497</u>	<u>2,273,862</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	118,798	-	-
3430 Prepaid Items	1,245,389	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	427,465,367
3480 Retirement of Long-Term Debt	-	98,707,125	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	-	-	1,949,089
3600 Unassigned Fund Balance	113,731,890	-	-
3000 Total Fund Balances	<u>115,096,077</u>	<u>98,707,125</u>	<u>429,414,456</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 154,561,868</u>	<u>\$ 101,057,369</u>	<u>\$ 512,689,668</u>

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

Other Funds		Total Governmental Funds	
\$	9,833,301	\$	23,109,483
	197,879		727,794,780
	-		7,144,851
	-		(535,863)
	1,483,501		17,468,332
	-		267,818
	-		1,444,321
	86,333		1,852,010
	-		118,798
	17,358		1,262,747
<u>\$</u>	<u>11,618,372</u>	<u>\$</u>	<u>779,927,277</u>
\$	299,451	\$	85,259,104
	-		1,234
	698,099		34,046,404
	1,436,374		1,444,322
	-		177,779
	-		50,459
	965,441		1,001,951
<u></u>	<u>3,399,365</u>	<u></u>	<u>121,981,253</u>
<u></u>	<u>-</u>	<u></u>	<u>6,509,359</u>
<u></u>	<u>-</u>	<u></u>	<u>6,509,359</u>
	-		118,798
	17,358		1,262,747
	2,808,162		2,808,162
	-		427,465,367
	-		98,707,125
	5,397,737		5,397,737
	-		1,949,089
	(4,250)		113,727,640
<u></u>	<u>8,219,007</u>	<u></u>	<u>651,436,665</u>
<u>\$</u>	<u>11,618,372</u>	<u>\$</u>	<u>779,927,277</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 651,436,665
1 Assets and liabilities of the internal service funds are not included in the fund financial statements.	1,663,696
2 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	2,466,108,354
3 Accumulated depreciation is not reported in the fund financial statements.	(402,051,370)
4 Bonds payable are not reported in the fund financial statements.	(2,205,085,000)
5 Bond premiums are not recognized in the fund financial statements.	(198,591,247)
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.	(35,578,280)
7 Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	6,509,359
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 \$93,940,730, a Deferred Resource Inflow related to TRS in the amount of \$24,346,377, and a Deferred Resource Outflow related to TRS in the amount of \$49,136,165. This amounted to a decrease in the Net Position in the amount of \$69,150,942.	(69,150,942)
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 \$57,118,630, a Deferred Resource Inflow related to TRS OPEB in the amount of \$48,164,432, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$36,200,011. This amounted to a net decrease in Net Position in the amount of \$69,083,051.	(69,083,051)
10 Deferred charge on bond refundings is not recognized in the fund financial statements.	58,324,103
11 Accrued vacation benefits have not been recorded in the fund financial statements.	(1,567,742)
29 Net Position of Governmental Activities	\$ 202,934,545

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, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 267,901,617	\$ 160,248,707	\$ 35,580,811
5800 State Program Revenues	67,274,776	10,912,397	-
5900 Federal Program Revenues	1,907,384	-	-
5020 Total Revenues	337,083,777	171,161,104	35,580,811
EXPENDITURES:			
Current:			
0011 Instruction	197,286,795	-	607,393
0012 Instructional Resources and Media Services	3,466,674	-	123,792
0013 Curriculum and Instructional Staff Development	8,021,574	-	-
0021 Instructional Leadership	3,137,356	-	-
0023 School Leadership	19,991,497	-	-
0031 Guidance, Counseling, and Evaluation Services	13,856,658	-	-
0032 Social Work Services	646,320	-	-
0033 Health Services	2,936,575	-	17,068
0034 Student (Pupil) Transportation	14,266,022	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	9,213,837	-	1,714,892
0041 General Administration	8,681,474	-	-
0051 Facilities Maintenance and Operations	34,420,555	-	-
0052 Security and Monitoring Services	4,240,966	-	1,705,947
0053 Data Processing Services	6,793,743	-	-
0061 Community Services	310,493	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	75,162,569	-
0072 Interest on Long-Term Liabilities	-	89,230,916	-
0073 Bond Issuance Cost and Fees	-	45,656	2,435,567
Capital Outlay:			
0081 Facilities Acquisition and Construction	206,650	-	490,744,650
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	149,312	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	12,216	-	-
0097 Payments to Tax Increment Fund	1,858,525	-	-
0099 Other Intergovernmental Charges	2,719,513	-	-
6030 Total Expenditures	332,216,755	164,439,141	497,349,309
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	4,867,022	6,721,963	(461,768,498)
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	370,710,000
7912 Sale of Real and Personal Property	158,980	-	-
7915 Transfers In	-	100,197	1,016,584
7916 Premium or Discount on Issuance of Bonds	-	-	31,825,764
8911 Transfers Out (Use)	(2,712)	-	(100,197)
8949 Other (Uses)	(250,000)	-	-
7080 Total Other Financing Sources (Uses)	(93,732)	100,197	403,452,151
1200 Net Change in Fund Balances	4,773,290	6,822,160	(58,316,347)
0100 Fund Balance - July 1 (Beginning)	110,322,787	91,884,965	487,730,803
3000 Fund Balance - June 30 (Ending)	\$ 115,096,077	\$ 98,707,125	\$ 429,414,456

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

		Total	
Other		Governmental	
Funds		Funds	
\$	14,359,222	\$	478,090,357
	6,953,429		85,140,602
	12,457,390		14,364,774
	33,770,041		577,595,733
	5,967,330		203,861,518
	10,354		3,600,820
	528,089		8,549,663
	134,670		3,272,026
	4,445		19,995,942
	3,775,776		17,632,434
	-		646,320
	25,105		2,978,748
	-		14,266,022
	16,446,770		16,446,770
	2,747,442		13,676,171
	102		8,681,576
	-		34,420,555
	2,748,317		8,695,230
	33,814		6,827,557
	634,374		944,867
	-		75,162,569
	-		89,230,916
	-		2,481,223
	-		490,951,300
	198,718		348,030
	-		12,216
	-		1,858,525
	-		2,719,513
	33,255,306		1,027,260,511
	514,735		(449,664,778)
	-		370,710,000
	-		158,980
	2,712		1,119,493
	-		31,825,764
	-		(102,909)
	-		(250,000)
	2,712		403,461,328
	517,447		(46,203,450)
	7,701,560		697,640,115
\$	8,219,007	\$	651,436,665

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, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (46,203,450)
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.	465,672,697
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 the change in net position.	(49,907,251)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(5,363,774)
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.	454,389
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.	13,266,322
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.	286,841
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.	180,716
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.	75,162,569
Current year net changes 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.	8,954
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 8/31/2024 caused the ending net position to increase in the amount of \$8,108,568. Contributions made before the measurement date during the 2024 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 \$1,418,831. These contributions were replaced with the District's pension expense for the year of \$14,240,831, which caused a decrease in net position. The impact of all of these is to decrease net position by \$5,713,432.	(5,713,432)

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, 2025

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 \$1,730,603. These contributions were replaced with the District's OPEB expense for the year, which was \$(3,727,211) and caused an increase in net position. The impact of both of these is to increase net position by \$5,457,814.	5,457,814
Current year amortization of deferred change 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)
The par value of bonds sold 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.	(370,710,000)
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.	(31,825,764)
Change in Net Position of Governmental Activities	\$ 46,110,617

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, 2025

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,941,734
Total Assets	<u>1,941,734</u>
LIABILITIES	
Current Liabilities:	
Accrued Expenses	204,136
Unearned Revenues	<u>73,901</u>
Total Liabilities	<u>278,037</u>
NET POSITION	
Restricted Net Position	<u>1,663,696</u>
Total Net Position	<u><u>\$ 1,663,696</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, 2025

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,306,505
Total Operating Revenues	2,306,505
OPERATING EXPENSES:	
Professional and Contracted Services	152,397
Supplies and Materials	204,142
Other Operating Costs	750,666
Total Operating Expenses	1,107,205
Income Before Transfers	1,199,300
Transfers Out	(1,018,584)
Change in Net Position	180,716
Total Net Position - July 1 (Beginning)	1,482,980
Total Net Position - June 30 (Ending)	\$ 1,663,696

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, 2025

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 2,325,390
Cash Payments for Insurance Claims	(774,796)
Cash Payments for Other Operating Expenses	(286,241)
Net Cash Provided by Operating Activities	1,264,353
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers Out	(1,018,584)
Net Increase in Cash and Cash Equivalents	245,769
Cash and Cash Equivalents at Beginning of Year	1,695,964
Cash and Cash Equivalents at End of Year	\$ 1,941,733
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 1,199,300
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	1,361
Increase (decrease) in Accounts Payable	(286)
Increase (decrease) in Due to Other Funds	(79,878)
Increase (decrease) in Accrued Expenses	124,971
Increase (decrease) in Unearned Revenues	18,885
Net Cash Provided by Operating Activities	\$ 1,264,353

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, 2025

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 396,355
Other Receivables	<u>50</u>
Total Assets	<u>396,405</u>
LIABILITIES	
Accounts Payable	<u>825</u>
Total Liabilities	<u>825</u>
NET POSITION	
Restricted Net Position	<u>395,580</u>
Total Net Position	<u><u>\$ 395,580</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, 2025

	Custodial Fund
ADDITIONS:	
Received from Student Groups	\$ 692,576
Total Additions	<u>692,576</u>
DEDUCTIONS:	
Student Groups	<u>668,347</u>
Total Deductions	<u>668,347</u>
Change in Fiduciary Net Position	24,229
Total Net Position - July 1 (Beginning)	<u>371,351</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 395,580</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, 2025

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, 2025

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, 2025

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 and fiduciary 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, 2025

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, 2025

- 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, 2025

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	3-5 Years
Vehicles	7 Years

In May 2021, GASB Implementation Guide No. 2021-1 updated guidance to require the capitalization of purchases of certain groups of assets with individual values less than the capitalization threshold, effective for fiscal years beginning after June 15, 2023. In prior years, the District had expended purchase of groups of assets with individual values less than the District's capitalization threshold.

I. COMPENSATED ABSENCES

In June, 2022, GASB issued new accounting pronouncement, GASB Statement No. 101, "Compensated Absences", which was effective for fiscal years beginning after December 15, 2023. In compliance with this pronouncement, a liability has been recognized in the District's statement of net position for unused leave earned by District employees that is more likely than not (a likelihood of more than 50%) to be used by or paid to employees in future periods. The measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave. The liability for compensated absences in governmental fund financial statements is the amount, if material, that is to be liquidated with expendable available financial resources.

Texas state law provides a program consisting of five days per year of personal leave with no limit on accumulation and transferability among Texas school districts; school districts can provide additional personal leave beyond this minimum. This new accounting pronouncement does not apply to holiday leave or projected effects on defined benefit postemployment liabilities. Under previous accounting rules, a liability for compensated absences was recorded only if accumulated benefits were to be paid upon employee termination or retirement.

In prior years the District has recorded an accrued vacation liability because those accumulated benefits were paid to employees upon termination or retirement. The District has determined that there is no other unused leave at June 30, 2025 provided by the District that is more likely than not be used by or paid to employees in future years. Thus, the District's recording of compensated absences has not changed as a result of this new accounting principle.

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, 2025 the amount accrued and vested was \$1,567,742 and is reported as a long-term debt in the accompanying financial statements.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Beginning Balance <u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>June 30, 2025</u>
<u>\$1,576,696</u>	<u>\$ 0</u>	<u>\$ 8,954</u>	<u>\$1,567,742</u>

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.

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, 2025 was \$58,324,103.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 5.6451 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, 2025 was \$49,136,165.

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 9.4212 years. The amount of deferred outflows reported in the governmental activities for deferred OPEB expense at June 30, 2025 was \$36,200,011.

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, 2025 was \$6,509,359.

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 2025, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$24,346,477.

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 (9.4212 years for the 2024 measurement year). In fiscal year 2025, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$48,164,432.

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 2025, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

P. 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

- 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, 2025 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, 2025 for future construction needs.

- 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 42 and 43) and are described below:

General Fund

The General Fund has unassigned fund balance of \$113,731,890 at June 30, 2025. Prepaid items of \$1,245,389 and inventories of \$118,798 are considered nonspendable fund balance.

Other Major Funds

The Debt Service Fund has restricted funds of \$98,707,125 at June 30, 2025 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$427,465,367 at June 30, 2025 consisting primarily of unspent bond funds, and \$1,949,089 set aside for capital replacements.

Other Funds

The fund balance of \$5,329,211 of the Campus Activity Fund, \$26,242 in the NISD Education Foundation, and \$42,304 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 \$2,821,250 in the Child Nutrition Fund is shown as restricted for the food service program.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$25,447,620 and the bank balance was \$28,257,194. The District's deposits at June 30, 2025 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.

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, 2025, the District's cash balances totaled \$28,257,194. 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

At June 30, 2025, the District held its investments in the Texpool and Texas Range investment pools, 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 and Texas Range at year-end was AAAm (Standard & Poor's).
- 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 and Texas Range 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, 2025, 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The District's investments at June 30, 2025, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
TexPool investment pool	\$214,640,668	\$214,640,668
Texas Range investment pool	414,092,946	414,092,946
Certificates of Deposit	25,576,574	25,576,574
Commercial paper	<u>73,286,673</u>	<u>73,286,673</u>
Total	<u>\$727,596,861</u>	<u>\$727,596,861</u>

Fair Value Measurements

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

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

Assets and Liabilities Measured at Fair Value on a Recurring Basis

<u>Fair Value Measurements Using</u>				
<u>Investments by Fair Value level:</u>	<u>Balance at 6/30/25</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Commercial paper	\$73,286,673	\$73,286,673	\$ -	\$ -
Certificates of deposit	<u>25,576,574</u>	<u>25,576,574</u>	<u>-</u>	<u>-</u>
Total	<u>\$98,863,247</u>	<u>\$98,863,247</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 and Texas Range (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost. There are no limitations or restrictions on participant withdrawals.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 99,193,027	\$ 25,786,139	\$ -	\$ 124,979,166
Construction in Progress	614,517,988	412,670,535	(236,216,294)	790,972,229
Total capital assets, not being depreciated	713,711,015	438,456,674	(236,216,294)	915,951,395
Capital assets, being depreciated:				
Buildings and Improvements	1,197,093,719	236,819,950	-	1,433,913,669
Furniture and Equipment	64,188,627	26,505,148	-	90,693,775
Vehicles	25,442,296	107,219	-	25,549,515
Total capital assets, being depreciated	1,286,724,642	263,432,317	-	1,550,156,959
Less accumulated depreciation for:				
Buildings and Improvements	(307,518,003)	(35,532,542)	-	(343,050,545)
Furniture and Equipment	(30,605,062)	(12,280,681)	-	(42,885,743)
Vehicles	(14,021,054)	(2,094,028)	-	(16,115,082)
Total accumulated depreciation	(352,144,119)	(49,907,251)	-	(402,051,370)
Total capital assets being depreciated, net	934,580,523	213,525,066	-	1,148,105,589
Governmental activities capital assets, net	\$ 1,648,291,538	\$ 651,981,740	\$(236,216,294)	\$ 2,064,056,984

Construction in progress includes the following primary construction contracts in progress as of June 30, 2025:

Project	Estimated Cost to Complete	Expended to Date	Balance to Complete
Elementary School Construction	\$ 40,440,000	\$ 40,424,034	\$ 15,966
Elementary School Construction	48,180,658	47,599,936	580,722
Elementary School Construction	54,054,809	5,443,568	48,611,241
High School #4 Construction	465,114,998	63,661,634	401,453,364
Middle School Construction	105,206,035	58,741,931	46,464,104
Middle School Replacement	91,486,023	91,294,513	191,510
High School Renovations & Additions	192,615,293	176,331,655	16,283,638
High School Stadium/Auditorium	86,499,312	3,769,184	82,730,128
Elementary School Renovations & Addtns	20,817,877	17,553,495	3,264,382
Early Childhood Center	37,154,740	2,073,538	35,081,202
Administration Building Construction	94,225,882	67,259,002	26,966,880
Elementary & Early Childhood Center	52,636,154	46,874,875	5,761,279
HVAC Replacements – Multiple Campuses	31,393,372	17,799,259	13,594,113
High School Additions	119,974,753	9,928,513	110,046,240
Distribution Center Construction	4,297,000	4,230,570	66,430
Total	\$1,412,703,534	\$635,186,448	\$777,517,086

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Governmental activities:	
Instruction	\$29,409,675
Instructional Resources & Media Services	463,453
Curriculum & Instructional Staff Development	1,713
School Leadership	1,334,451
Guidance, Counseling & Evaluation Services	28,400
Health Services	847,020
Student Transportation	1,891,205
Food Services	1,044,161
Cocurricular/Extracurricular Activities	5,890,059
General Administration	171,308
Plant Maintenance and Operations	4,521,472
Security and Monitoring Services	162,899
Data Processing Services	4,139,463
Community Services	<u>1,972</u>
Total depreciation expense-Governmental activities	<u>\$49,907,251</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, 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2025:

Description	Interest Rate Payable	Amount Original Issue	Amounts Outstanding 7/1/2024	Additions	Refunded/ Retired	Amounts Outstanding 6/30/2025	Due Within One Year
Bonded Indebtedness:							
2008 Bldg/Ref CAB	2.43-4.89%	209,661	\$ 2,569	\$ -	\$ 2,569	\$ -	\$ -
2014 Building	2.00-5.00%	66,300,000	3,320,000	-	540,000	2,780,000	-
2015 Refunding	2.00-5.00%	83,565,000	15,580,000	-	3,825,000	11,755,000	4,105,000
2015 Building	1.00-5.00%	67,435,000	2,000,000	-	500,000	1,500,000	500,000
2015A Refunding	5.00%	118,740,000	36,500,000	-	11,530,000	24,970,000	12,280,000
2015B Refunding	1.50-5.00%	82,115,000	24,705,000	-	9,495,000	15,210,000	8,995,000
2016 Refunding	1.00-5.00%	49,510,000	27,305,000	-	530,000	26,775,000	555,000
2016A Refunding	2.00-5.00%	64,870,000	43,400,000	-	1,375,000	42,025,000	1,550,000
2017 Building	2.25-5.00%	90,520,000	18,465,000	-	100,000	18,365,000	100,000
2017 Refunding	2.00-5.00%	29,825,000	25,545,000	-	2,015,000	23,530,000	2,245,000
2018 Building	3.00-5.00%	94,890,000	83,465,000	-	1,245,000	82,220,000	1,255,000
2019 Building	3.00-5.00%	92,450,000	77,910,000	-	1,110,000	76,800,000	1,125,000
2019 Refunding	2.42-5.00%	96,759,995	91,830,000	-	1,100,000	90,730,000	1,340,000
2020 Bldg/Refunding	4.00-5.00%	181,545,000	171,365,000	-	2,235,000	169,130,000	585,000
2020A Refunding	1.84-5.00%	172,280,000	172,280,000	-	4,405,000	167,875,000	4,490,000
2021 Building	3.00-5.00%	183,060,000	155,890,000	-	920,000	154,970,000	1,575,000
2022 Refunding	3.293-5.00%	132,280,000	132,280,000	-	-	132,280,000	1,950,000
2022 Building	4.00-5.00%	192,345,000	161,975,000	-	-	161,975,000	515,000
2022A Building	5.00%	145,565,000	138,110,000	-	-	138,110,000	-
2023 Building	4.00-5.00%	377,455,000	369,950,000	-	-	369,950,000	-
2024 Building	5.00%	172,145,000	157,660,000	-	-	157,660,000	-
2024A Building	4.00-5.00%	370,710,000	-	370,710,000	34,235,000	336,475,000	2,590,000
Total Bonded Indebtedness			<u>1,909,537,569</u>	<u>370,710,000</u>	<u>75,162,569</u>	<u>2,205,085,000</u>	<u>45,755,000</u>
Accreted Interest	4.10-5.20%		286,841	-	286,841	-	-
Premiums on Bond Issuance			180,031,805	31,825,764	13,266,322	198,591,247	13,207,056
Accrued Vacation Benefits			<u>1,576,696</u>	<u>-</u>	<u>8,954</u>	<u>1,567,742</u>	<u>-</u>
Total Other Obligations			<u>181,895,342</u>	<u>31,825,764</u>	<u>13,562,117</u>	<u>200,158,989</u>	<u>13,207,056</u>
Total Obligations of District			<u>\$ 2,091,432,911</u>	<u>\$ 402,535,764</u>	<u>\$ 88,724,686</u>	<u>\$ 2,405,243,989</u>	<u>\$ 58,962,056</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, 2025.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
2026	\$ 45,755,000	\$ 94,875,417	\$ 140,630,417
2027	51,340,000	92,607,217	143,947,217
2028	53,790,000	90,080,467	143,870,467
2029	54,770,000	87,412,717	142,182,717
2030	61,425,000	84,699,717	146,124,717
2031-2035	362,960,000	382,930,343	745,890,343
2036-2040	460,100,000	303,828,770	763,928,770
2041-2045	584,825,000	200,454,229	785,279,229
2046-2049	530,120,000	61,800,800	591,920,800
	<u>\$ 2,205,085,000</u>	<u>\$ 1,398,689,677</u>	<u>\$ 3,603,774,677</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, 2025, \$83,310,000 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 \$2,719,513 in fiscal year 2025 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 2024-25 fiscal year was based was \$37,655,353,984. 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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The tax rates assessed for the year ended June 30, 2025, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.6669 and \$0.4210 per \$100 valuation, respectively, for a total of \$1.0879 per \$ 100 valuation.

Current tax collections for the year ended June 30, 2025 were 99.18% 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, 2025, property taxes receivable, net of estimated uncollectible taxes, totaled \$4,303,746 and \$2,305,242 for the General and Debt Service Funds, respectively. The uncollectible allowance has been estimated at 7.5% of outstanding property taxes at June 30, 2025.

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/learnng-resources/publications>; by writing to TRS at Attention Finance Division, PO Box 149676, Austin, TX, 78714-0185, or by calling (800)223-8778.

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 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. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

NORTHWEST INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

One-Time Stipends. Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment. A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2025 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

Contribution Rates

	<u>2025</u>
Member	8.25%
Non-Employer Contributing Entity (State)	8.25%
Employers	8.25%
Northwest ISD FY2025 Employer Contributions	\$ 9,527,399
Northwest ISD FY2025 Member Contributions	\$ 19,036,635
Northwest ISD FY2025 NECE On-Behalf Contributions	\$ 11,745,845

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.

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- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.
- All public schools must contribute 1.9 percent of the member's salary beginning in fiscal year 2025, 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.

Actuarial Assumptions. The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
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 2025	3.87%
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, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

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 9.54 percent of payroll in fiscal year 2025 and thereafter. 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, 2024 are summarized below:

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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%	4.4%	1.00%
Non-U.S. Developed	13%	4.2%	0.80%
Emerging Markets	9%	5.2%	0.70%
Private Equity	14%	6.7%	1.20%
Stable Value			
Government Bonds	16%	1.9%	0.40%
Absolute Return ⁴	0%	4.0%	0.00%
Stable Value Hedge Funds	5%	3.0%	0.20%
Real Return			
Real Estate	15%	6.6%	1.20%
Energy, Natural Resources	6%	5.6%	0.40%
Commodities	0%	2.5%	0.00%
Risk Parity			
Risk Parity	8%	4.0%	0.40%
Leverage			
Cash	2%	1.0%	0.00%
Asset Allocation Leverage	-6%	1.3%	-0.10%
Inflation Expectation	-		2.40%
Volatility Drag ³	-		-0.70%
Total	<u>100%</u>		<u>7.90%</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:	\$150,047,150	\$93,940,730	\$47,452,570

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, Northwest Independent School District reported a liability of \$93,940,730 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	\$ 93,940,730
State's proportionate share that is associated with the District	<u>127,318,352</u>
Total	<u>\$ 221,259,082</u>

¹ Target allocations are based on the FY24 policy model.

² Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

⁴ Absolute Return includes credit sensitive investments.

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The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 thru August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.1537889778%, an increase of 3.27% from its proportionate share of 0.1489091061% at August 31, 2023.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation.

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2025. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2025. SB 10 and House Joint Resolution 2 (HRJ 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

The amount of pension expense recognized by the District in the reporting period was \$8,451,221.

For the year ended June 30, 2025 Northwest Independent School District recognized pension expense of \$15,216,698 and revenue of \$15,216,698 for support by the State.

At June 30, 2025, 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	\$ 5,177,885	\$ 733,444
Changes in actuarial assumptions	4,850,361	650,268
Difference between projected and actual investment earnings	22,555,851	21,984,818
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	8,443,500	977,947
Contributions paid to TRS subsequent to the measurement date of the net pension liability	8,108,568	-
Total	\$49,136,165	\$24,346,477

Northwest Independent School District recognized \$8,108,568 as deferred outflows of resources related to pensions resulting the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

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Measurement Year ended August 31:	Pension Expense Amount	
2025	\$ 2,036,784	
2026	12,023,846	
2027	3,041,540	
2028	(1,028,426)	
2029	607,376	
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 benefit Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/learning-resources/publications>; by writing to TRS at Attention Finance Division, PO Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

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

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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 participating employers based upon active employee compensation. 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 salary. 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, which is 0.75 percent of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>	
	<u>2025</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/private Funding remitted by Employers	1.25%
Northwest ISD FY25 Employer Contributions	\$1,730,603
Northwest ISD FY25 Member Contributions	\$1,499,860
Northwest ISD FY25 NECE On-behalf Contributions	\$2,141,883

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.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024.

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 updated based on the experience study performed for TRS for the period ending August 31, 2021.

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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

The active mortality rates were based on PUB (2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from the mortality projection scale MP-2021.

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Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death"
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	2.95% to 8.95%, including inflation
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 3.87% was used to measure the total OPEB liability. This is a decrease of 0.26 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-year GO Index" as of August 31, 2024 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the Net OPEB Liability:	\$67,859,603	\$57,118,630	\$48,439,763

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the 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:	\$46,514,644	\$57,118,630	\$70,936,682

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2025, the District reported a liability of \$57,118,630 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

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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	\$ 57,118,630
State's proportionate share that is associated with the District	<u>71,568,889</u>
Total	<u>\$128,687,519</u>

The Net OPEB Liability was measured as of August 31, 2023 and rolled forward to August 31, 2024. 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 from September 1, 2023 thru August 31, 2024.

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.1881902683%, an increase of 4.04% compared to the August 31, 2023 proportionate share of 0.1808811160%.

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 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

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 \$5,230,699.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(9,302,632) and revenue of \$(9,302,632) for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (the amounts shown below will be the cumulative layers for the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 10,947,724	\$ 28,505,293
Changes in actuarial assumptions	7,310,510	18,637,148
Difference between projected and actual investment earnings	54,784	214,735
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	16,385,908	807,256
Contributions paid to TRS subsequent to the measurement date	1,501,085	-
Total	\$36,200,011	\$48,164,432

Northwest Independent School District recognized \$1,501,085 as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the measurement year ended August 31, 2025. The net amount of the employer's balances of deferred outflows and inflows of resources (not including the contributions paid subsequent to the measurement date) related to OPEB will be recognized as OPEB expenses as follows:

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Year ended June 30:	OPEB Expense Amount	
2026	\$ (5,112,373)	
2027	(2,525,408)	
2028	(4,184,016)	
2029	(3,822,929)	
2030	(1,409,987)	
Thereafter	3,589,207	

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, 2025, the contribution made on behalf of the District was \$1,513,905.

NOTE 12. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2025, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ 7,220	\$ 728
Special Revenue Funds	1,436,373	-
Capital Projects Fund:		
General Fund	728	7,220
Special Revenue Funds:		
General Fund	-	1,436,373
TOTAL	<u>\$ 1,444,321</u>	<u>\$ 1,444,321</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.

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Interfund transfers in the governmental funds for the year ended June 30, 2025 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfer to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund:		
Special Revenue Fund	\$ 2,712	\$ -
Special Revenue Fund:		
General Fund	-	2,712
Capital Projects Fund:		
Debt Service Fund:	100,197	-
Internal Service Fund	-	1,016,584
Debt Service Fund:		
Capital Projects Fund	-	100,197
Internal Service Fund:		
Capital Projects Fund	1,016,584	-
TOTAL	<u>\$ 1,119,493</u>	<u>\$ 1,119,493</u>

The purpose of the \$1,016,584 transfer was to transfer excess funds from the workers compensation and unemployment internal service funds to the capital projects fund for future capital replacement needs. The purpose of the \$2,712 transfer was to transfer funds from the general fund to the child nutrition fund to cover negative student account balances. The purpose of the \$100,197 transfer was to transfer capitalized interest received from a sale of building bonds from the capital projects fund to the debt service fund.

NOTE 13. SELF-INSURANCE

During the period ended June 30, 2025, 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:

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	Fiscal Year Ended <u>June 30, 2024</u>	Fiscal Year Ended <u>June 30, 2025</u>
Unpaid claims, beginning	\$ 200,088	\$ 79,165
Incurring claims (including IBNR's)	265,047	398,449
Claims Payments	<u>(385,970)</u>	<u>(273,478)</u>
Unpaid claims, ending	<u>\$ 79,165</u>	<u>\$ 204,136</u>

Estimates of claims payable and of claims incurred, but not reported at June 30, 2025 are reflected as accounts payable and accrued expenses in the medical and workers compensation insurance fund. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The plan is funded to discharge liabilities of the Fund as they become due.

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

NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2025, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 4,652,698	\$ 15,984,831	\$ 1,443,593	\$ 1,765,677	\$ 23,846,799
Debt Service Fund	2,492,153	-	-	-	2,492,153
Capital Projects Fund	-	-	728	-	728
Special Revenue Fund	-	1,483,501	-	86,333	1,569,834
Total - Governmental Activities	<u>\$ 7,144,851</u>	<u>\$ 17,468,332</u>	<u>\$ 1,444,321</u>	<u>\$ 1,852,010</u>	<u>\$ 27,909,514</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 535,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,863</u>

Payables at June 30, 2025, were as follows:

	Accounts	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Total Payables
Governmental Activities:					
General Fund	\$ 1,736,173	\$ 33,349,539	\$ 728	\$ 107,344	\$ 35,193,784
Debt Service Fund	-	-	-	70,435	70,435
Capital Projects Fund	83,223,480	-	7,220	-	83,230,700
Special Revenue Funds	299,451	698,100	1,436,373	-	2,433,924
Total - Governmental Activities	<u>\$ 85,259,104</u>	<u>\$ 34,047,639</u>	<u>\$ 1,444,321</u>	<u>\$ 177,779</u>	<u>\$ 120,928,843</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2025, 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	\$ 15,984,831	\$ -	\$ -	\$ 15,984,831
Debt Service	-	-	-	-
Special Revenue	124,268	1,359,233	-	1,483,501
Total	<u>\$ 16,109,099</u>	<u>\$ 1,359,233</u>	<u>\$ -</u>	<u>\$ 17,468,332</u>

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, 2025, the estimated rebate liability on outstanding bond series was \$15,211,536.

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.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 246,949,315	\$ -	\$ 155,804,425	\$ -	\$ 402,753,740
Food sales	-	9,572,540	-	-	9,572,540
Investment income	6,404,128	305,927	3,905,772	35,580,811	46,196,638
Penalties, interest and other tax related income	1,105,185	-	537,037	-	1,642,222
Co-curricular student activities	622,252	4,388,213	-	-	5,010,465
TIF funds	1,239,016	-	-	-	1,239,016
Tuition and fees	1,969,858	-	-	-	1,969,858
Gifts and bequests	-	92,542	-	-	92,542
Facilities rentals	2,237,752	-	-	-	2,237,752
Erate revenue	6,946,469	-	-	-	6,946,469
Insurance proceeds	22,771	-	-	-	22,771
Other	404,871	-	1,473	-	406,344
Total	<u>\$ 267,901,617</u>	<u>\$ 14,359,222</u>	<u>\$ 160,248,707</u>	<u>\$ 35,580,811</u>	<u>\$ 478,090,357</u>

NOTE 19. UNEARNED REVENUE

Unearned revenue of the governmental funds at year-end consisted of the following:

	General Fund	Special Revenue Fund	Total
State Instructional Materials	\$ -	\$ 42,961	\$ 42,961
Student Lunch Accounts	-	384,066	384,066
Pre-K Tuition	36,510	-	36,510
Medicaid Admin Claim	-	317,954	317,954
Summer School LEP	-	73,650	73,650
Advanced Placement Incentives	-	7,915	7,915
Ready to Read	-	80	80
Visually Impaired SSVI	-	7,126	7,126
Math Academies	-	2,100	2,100
Unspent Grant Funds	-	129,589	129,589
Total	<u>\$ 36,510</u>	<u>\$ 965,441</u>	<u>\$ 1,001,951</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 20. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>Total Grant or Entitlement</u>
General Fund:	
Medicaid Reimbursement (SHARS)	\$ 497,219
Impact Aid	1,123,454
Indirect Costs	<u>286,711</u>
Total for General Fund	<u>\$1,907,384</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, 2025.

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 capital 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. During the year ended June 30, 2025, the District contributed no costs to the fiscal agent.

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 capital 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. During the year ended June 30, 2025, the District contributed \$149,312 to the fiscal agents as its share of the costs of the joint ventures.

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 capital 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, 2025, the District contributed \$12,216 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 accounts for the fiscal agent's activities of the shared services arrangement in special revenue fund 459 using Model 3 in the SSA section of the Resource Guide. During the year ended June 30, 2025, there was \$220,718 of expenditures related to this autism grant.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$331,954,694	\$33,255,306	\$ -	\$ 29,503,106	\$ 394,713,106
Capital Outlay	262,061	-	-	465,410,636	465,672,697
Debt Service:					
Principal	-	-	75,162,569	-	75,162,569
Interest and Fiscal Charges	-	-	87,276,572	2,435,567	91,712,139
Total Expenditures	<u>\$332,216,755</u>	<u>\$33,255,306</u>	<u>\$164,439,141</u>	<u>\$497,349,309</u>	<u>\$1,027,260,511</u>

NOTE 24. SUBSEQUENT EVENT

On July 1, 2025 the District sold \$783,305,000 Series 2025 unlimited tax building bonds to provide \$800,000,000 funds for various facilities construction and renovation projects ongoing in the District.

NOTE 25. AGREEMENT FOR LIMITATION ON TAXABLE VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

On December 16, 2024, the Northwest Independent School District Board of Trustees entered into an agreement with Bell Textron, Inc, pursuant to Texas Government Code Chapter 403.612 to limit the taxable value of property for school district maintenance and operations taxes. The limitation on the local ad valorem taxable property values will not commence until the valuations made on January 1 following the construction completion date of a new manufacturing operation to be constructed by Bell Textron, Inc. within the District. Subject to requirements regarding investment amount and the number of jobs provided by Bell Textron, Inc as a result of the new construction, a 10-year incentive will begin after the construction completion date, during which time the taxable value of the eligible property for the District's maintenance and operations ad valorem tax each year shall not exceed 50 percent of the market value (as defined in Section 1.04 of the Texas Tax Code) of the property for that tax year.

There were no taxable value limitations received by Bell Textron, Inc from the District for the year ended June 30, 2025, as the construction completion date has not been reached. The applications, the agreements, and state reporting requirement documentation can be viewed relative to the above agreements at the Texas Comptroller's website:

<http://www.comptroller.texas.gov/economy/development/prop-tax/jeti>

If either entity fails to comply with terms of the agreement, Northwest Independent School District shall be entitled to recapture all of the ad valorem tax revenue lost as a result of this agreement together with penalty and interest.

Other commitments of the entities and Northwest Independent School District are disclosed in the documentation at Northwest Independent School District or the Texas Comptroller's website.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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**

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NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 281,755,326	\$ 262,264,239	\$ 267,901,617	\$ 5,637,378
5800 State Program Revenues	36,663,454	60,481,738	67,274,776	6,793,038
5900 Federal Program Revenues	2,666,638	2,666,638	1,907,384	(759,254)
5020 Total Revenues	321,085,418	325,412,615	337,083,777	11,671,162
EXPENDITURES:				
Current:				
0011 Instruction	200,112,740	214,342,607	197,286,795	17,055,812
0012 Instructional Resources and Media Services	3,489,467	3,549,797	3,466,674	83,123
0013 Curriculum and Instructional Staff Development	8,116,219	8,810,125	8,021,574	788,551
0021 Instructional Leadership	3,241,704	3,492,882	3,137,356	355,526
0023 School Leadership	19,550,846	21,540,102	19,991,497	1,548,605
0031 Guidance, Counseling, and Evaluation Services	13,861,785	14,740,782	13,856,658	884,124
0032 Social Work Services	655,691	675,966	646,320	29,646
0033 Health Services	2,920,156	3,160,405	2,936,575	223,830
0034 Student (Pupil) Transportation	13,840,548	15,572,260	14,266,022	1,306,238
0036 Extracurricular Activities	9,253,415	9,496,036	9,213,837	282,199
0041 General Administration	9,024,811	9,576,372	8,681,474	894,898
0051 Facilities Maintenance and Operations	36,189,788	37,708,338	34,420,555	3,287,783
0052 Security and Monitoring Services	4,149,899	4,510,456	4,240,966	269,490
0053 Data Processing Services	6,712,154	7,248,326	6,793,743	454,583
0061 Community Services	283,165	427,696	310,493	117,203
Capital Outlay:				
0081 Facilities Acquisition and Construction	370,582	361,582	206,650	154,932
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	135,000	199,314	149,312	50,002
0095 Payments to Juvenile Justice Alternative Ed. Prg.	45,000	45,000	12,216	32,784
0097 Payments to Tax Increment Fund	2,011,144	2,011,144	1,858,525	152,619
0099 Other Intergovernmental Charges	2,992,000	2,805,245	2,719,513	85,732
6030 Total Expenditures	336,956,114	360,274,435	332,216,755	28,057,680
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,870,696)	(34,861,820)	4,867,022	39,728,842
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	158,980	158,980
8911 Transfers Out (Use)	-	-	(2,712)	(2,712)
8949 Other (Uses)	-	-	(250,000)	(250,000)
7080 Total Other Financing Sources (Uses)	-	-	(93,732)	(93,732)
1200 Net Change in Fund Balances	(15,870,696)	(34,861,820)	4,773,290	39,635,110
0100 Fund Balance - July 1 (Beginning)	110,322,787	110,322,787	110,322,787	-
3000 Fund Balance - June 30 (Ending)	\$ 94,452,091	\$ 75,460,967	\$ 115,096,077	\$ 39,635,110

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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.153788977%	0.148909106%	0.131655584%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 93,940,730	\$ 102,286,188	\$ 78,160,535
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	127,318,352	134,135,501	114,767,744
Total	<u>\$ 221,259,082</u>	<u>\$ 236,421,689</u>	<u>\$ 192,928,279</u>
District's Covered Payroll	\$ 215,522,247	\$ 192,647,930	\$ 170,724,834
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.59%	53.06%	45.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.50%	73.15%	75.62%

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, 2024 for year 2025, August 31, 2023 for year 2024, 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, and August 31, 2015 for year 2016.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	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
0.128660246%	0.125821173%	0.136715977%	0.130173473%	0.125247008%	0.11808398%	0.1196401%
\$ 32,765,212	\$ 67,387,254	\$ 71,069,239	\$ 71,650,639	\$ 40,047,246	\$ 44,622,180	\$ 42,291,183
51,157,357	108,111,233	97,809,096	99,195,944	57,248,134	66,264,758	62,165,127
\$ 83,922,569	\$ 175,498,487	\$ 168,878,335	\$ 170,846,583	\$ 97,295,380	\$ 110,886,938	\$ 104,456,310
\$ 166,313,393	\$ 157,134,281	\$ 146,925,846	\$ 134,532,007	\$ 126,800,958	\$ 117,539,637	\$ 109,517,942
19.70%	42.89%	48.37%	53.26%	31.58%	37.96%	38.62%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 9,527,399	\$ 8,491,483	\$ 7,343,685
Contribution in Relation to the Contractually Required Contribution	(9,527,399)	(8,491,483)	(7,343,685)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 230,747,647	\$ 212,398,231	\$ 188,560,294
Contributions as a Percentage of Covered Payroll	4.13%	4.00%	3.89%

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.

2022	2021	2020	2019	2018	2017	2016
\$ 6,033,066	\$ 5,142,060	\$ 5,114,363	\$ 4,804,304	\$ 4,317,863	\$ 4,048,709	\$ 3,703,805
(6,033,066)	(5,142,060)	(5,114,363)	(4,804,304)	(4,317,863)	(4,048,709)	(3,703,805)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 168,992,602	\$ 161,406,461	\$ 156,279,846	\$ 144,894,154	\$ 133,094,908	\$ 125,214,930	\$ 116,272,847
3.57%	3.19%	3.27%	3.32%	3.24%	3.23%	3.19%

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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.188190268%	0.180881111%	0.16325463%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 57,118,630	\$ 40,044,013	\$ 39,089,699
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	71,568,889	48,319,257	47,683,292
Total	<u>\$ 128,687,519</u>	<u>\$ 88,363,270</u>	<u>\$ 86,772,991</u>
District's Covered Payroll	\$ 215,522,247	\$ 192,647,930	\$ 170,724,834
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	26.50%	20.79%	22.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

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 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.160169428%	0.160341574%	0.162979034%	0.151517618%	0.138470178%
\$ 61,784,506	\$ 60,953,073	\$ 77,074,785	\$ 75,654,134	\$ 60,215,486
82,777,469	81,906,320	102,415,145	119,591,064	103,611,938
<u>\$ 144,561,975</u>	<u>\$ 142,859,393</u>	<u>\$ 179,489,930</u>	<u>\$ 195,245,198</u>	<u>\$ 163,827,424</u>
\$ 166,313,393	\$ 157,134,281	\$ 146,925,846	\$ 134,532,007	\$ 126,800,958
37.15%	38.79%	52.46%	56.24%	47.49%
6.18%	4.99%	2.66%	1.57%	0.91%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 1,730,603	\$ 1,632,049	\$ 1,414,213
Contribution in Relation to the Contractually Required Contribution	(1,730,603)	(1,632,049)	(1,414,213)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 230,747,647	\$ 212,399,231	\$ 188,560,294
Contributions as a Percentage of Covered Payroll	0.75%	0.77%	0.75%

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

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

2022	2021	2020	2019	2018
\$ 1,278,293	\$ 1,209,494	\$ 1,176,920	\$ 1,086,632	\$ 954,768
(1,278,293)	(1,209,494)	(1,176,920)	(1,086,632)	(954,768)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 168,992,602	\$ 161,406,461	\$ 156,279,846	\$ 144,894,154	\$ 133,094,908
0.76%	0.75%	0.75%	0.75%	0.72%

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

PENSION LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

OPEB LIABILITY:

Changes of benefit terms:

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

Changes of assumptions:

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

- The discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change increased 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.

226 IDEA – Part B, Discretionary – Funds granted for special education private residential placements.

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

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

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

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

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

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 Texas Home Visiting Grant – Funds provided to help pregnant women and parents of young children improve health and well-being for themselves and their families.

385 Visually Impaired – Funds granted for visually impaired students.

397 Advanced Placement Incentives/Teacher Training Reimbursements – Funds provided to support professional development of teacher teaching advanced classes.

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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.

459 SSA Special Education Autism Grant - Funds granted to provide services to students with autism.

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, 2025

Data Control Codes		211	224	225	226
		ESEA I, A	IDEA - Part B	IDEA - Part B	IDEA - Part B
		Improving	Formula	Preschool	Discretionary
		Basic Program			
ASSETS					
1110	Cash and Cash Equivalents	\$ 248,558	\$ 356,882	\$ 3,153	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	387,112	722,957	6,434	18,337
1290	Other Receivables	-	277	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 635,670</u>	<u>\$ 1,080,116</u>	<u>\$ 9,587</u>	<u>\$ 18,337</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	248,558	356,882	3,153	-
2170	Due to Other Funds	387,112	723,234	6,434	18,337
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>635,670</u>	<u>1,080,116</u>	<u>9,587</u>	<u>18,337</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 635,670</u>	<u>\$ 1,080,116</u>	<u>\$ 9,587</u>	<u>\$ 18,337</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	272 Medicaid Admin. Claim MAC	288 Summer School LEP	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI
\$ 3,461,305	\$ -	\$ 37,077	\$ 52,429	\$ 234,788	\$ 73,650	\$ -	\$ 7,126
-	-	-	-	-	-	-	-
21,385	29,744	51,015	64,499	-	-	57,750	-
942	-	-	-	83,166	-	-	-
13,088	-	1,275	-	-	-	-	-
<u>\$ 3,496,720</u>	<u>\$ 29,744</u>	<u>\$ 89,367</u>	<u>\$ 116,928</u>	<u>\$ 317,954</u>	<u>\$ 73,650</u>	<u>\$ 57,750</u>	<u>\$ 7,126</u>
\$ 291,404	\$ -	\$ 1,275	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	37,077	52,429	-	-	-	-
-	29,744	51,015	64,499	-	-	57,750	-
384,066	-	-	-	317,954	73,650	-	7,126
<u>675,470</u>	<u>29,744</u>	<u>89,367</u>	<u>116,928</u>	<u>317,954</u>	<u>73,650</u>	<u>57,750</u>	<u>7,126</u>
13,088	-	1,275	-	-	-	-	-
2,808,162	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(1,275)	-	-	-	-	-
<u>2,821,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,496,720</u>	<u>\$ 29,744</u>	<u>\$ 89,367</u>	<u>\$ 116,928</u>	<u>\$ 317,954</u>	<u>\$ 73,650</u>	<u>\$ 57,750</u>	<u>\$ 7,126</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		397	410	429	459
		Advanced	State	Other State	SSA
		Placement	Instructional	Special	Autism
		Incentives	Materials	Revenue Funds	Grant
ASSETS					
1110	Cash and Cash Equivalents	\$ 4,940	\$ 42,961	\$ (23,945)	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	-	124,268	-
1290	Other Receivables	-	-	-	-
1410	Prepayments	2,975	-	-	-
1000	Total Assets	<u>\$ 7,915</u>	<u>\$ 42,961</u>	<u>\$ 100,323</u>	<u>\$ -</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 119	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	98,024	-
2300	Unearned Revenue	7,915	42,961	2,180	-
2000	Total Liabilities	<u>7,915</u>	<u>42,961</u>	<u>100,323</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3430	Prepaid Items	2,975	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	(2,975)	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 7,915</u>	<u>\$ 42,961</u>	<u>\$ 100,323</u>	<u>\$ -</u>

461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 5,137,985	\$ 24,294	\$ 172,098	\$ 9,833,301
197,879	-	-	197,879
-	-	-	1,483,501
-	1,948	-	86,333
-	-	20	17,358
<u>\$ 5,335,864</u>	<u>\$ 26,242</u>	<u>\$ 172,118</u>	<u>\$ 11,618,372</u>
\$ 6,653	\$ -	\$ -	\$ 299,451
-	-	-	698,099
-	-	225	1,436,374
-	-	129,589	965,441
<u>6,653</u>	<u>-</u>	<u>129,814</u>	<u>3,399,365</u>
-	-	20	17,358
-	-	-	2,808,162
5,329,211	26,242	42,284	5,397,737
-	-	-	(4,250)
<u>5,329,211</u>	<u>26,242</u>	<u>42,304</u>	<u>8,219,007</u>
<u>\$ 5,335,864</u>	<u>\$ 26,242</u>	<u>\$ 172,118</u>	<u>\$ 11,618,372</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,590,506	4,047,414	37,219	18,337
5020 Total Revenues	1,590,506	4,047,414	37,219	18,337
EXPENDITURES:				
Current:				
0011 Instruction	1,590,506	285,066	37,219	18,337
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	3,728,534	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	33,814	-	-
0061 Community Services	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	1,590,506	4,047,414	37,219	18,337
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

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	272 Medicaid Admin. Claim MAC	288 Summer School LEP	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI
\$ 9,869,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53,472	-	-	-	-	-	-	7,610
5,389,829	203,896	392,533	242,269	22,330	-	513,057	-
15,312,757	203,896	392,533	242,269	22,330	-	513,057	7,610
-	59,656	-	163,211	-	-	49,604	4,383
-	-	-	-	-	-	-	-
-	9,640	392,533	79,058	-	-	-	2,070
-	134,600	-	-	-	-	-	70
-	-	-	-	-	-	-	-
-	-	-	-	-	-	43,470	1,087
-	-	-	-	22,330	-	-	-
16,446,770	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	419,983	-
-	-	-	-	-	-	-	-
16,446,770	203,896	392,533	242,269	22,330	-	513,057	7,610
(1,134,013)	-	-	-	-	-	-	-
2,712	-	-	-	-	-	-	-
(1,131,301)	-	-	-	-	-	-	-
3,952,551	-	-	-	-	-	-	-
\$ 2,821,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	459 SSA Autism Grant
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	8,945	3,654,124	3,008,560	220,718
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	8,945	3,654,124	3,008,560	220,718
EXPENDITURES:				
Current:				
0011 Instruction	-	3,654,124	23,840	-
0012 Instructional Resources and Media Services	-	-	80	-
0013 Curriculum and Instructional Staff Development	8,945	-	22,431	22,000
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0052 Security and Monitoring Services	-	-	2,748,317	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	213,892	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	198,718
6030 Total Expenditures	8,945	3,654,124	3,008,560	220,718
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

	461 Campus Activity Funds	481 NISD Education Foundation	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$	4,397,224	\$ 77,480	\$ 15,062	\$ 14,359,222
	-	-	-	6,953,429
	-	-	-	12,457,390
	4,397,224	77,480	15,062	33,770,041
	-	66,788	14,596	5,967,330
	-	9,989	285	10,354
	-	-	(8,588)	528,089
	-	-	-	134,670
	-	-	4,445	4,445
	-	102	2,583	3,775,776
	-	-	2,775	25,105
	-	-	-	16,446,770
	2,748,251	-	(809)	2,747,442
	-	102	-	102
	-	-	-	2,748,317
	-	-	-	33,814
	-	499	-	634,374
	-	-	-	198,718
	2,748,251	77,480	15,287	33,255,306
	1,648,973	-	(225)	514,735
	-	-	-	2,712
	1,648,973	-	(225)	517,447
	3,680,238	26,242	42,529	7,701,560
\$	5,329,211	\$ 26,242	\$ 42,304	\$ 8,219,007

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INTERNAL SERVICE FUNDS

711 Student Devices – account for funds related to the issuance of maintenance of netbooks to district students.

712 Marketing & Advertising – account for funds related to marketing activities of the district.

753 Insurance – account for district 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, 2025

	711 Student Devices	712 Marketing & Advertising
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 893,168	\$ 394,688
Total Assets	<u>893,168</u>	<u>394,688</u>
LIABILITIES		
Current Liabilities:		
Accrued Expenses	-	-
Unearned Revenues	<u>-</u>	<u>73,901</u>
Total Liabilities	<u>-</u>	<u>73,901</u>
NET POSITION		
Restricted Net Position	<u>893,168</u>	<u>320,787</u>
Total Net Position	<u><u>\$ 893,168</u></u>	<u><u>\$ 320,787</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ -	\$ 612,532	\$ 41,346	\$ 1,941,734
-	612,532	41,346	1,941,734
-	204,136	-	204,136
-	-	-	73,901
-	204,136	-	278,037
-	408,396	41,345	1,663,696
\$ -	\$ 408,396	\$ 41,345	\$ 1,663,696

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	711 Student Devices	712 Marketing & Advertising
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 222,749	\$ 18,253
Total Operating Revenues	<u>222,749</u>	<u>18,253</u>
OPERATING EXPENSES:		
Professional and Contracted Services	-	165
Supplies and Materials	202,214	1,928
Other Operating Costs	<u>-</u>	<u>3,417</u>
Total Operating Expenses	<u>202,214</u>	<u>5,510</u>
Income Before Transfers	20,535	12,743
Transfers Out	<u>-</u>	<u>(2,000)</u>
Change in Net Position	20,535	10,743
Total Net Position - July 1 (Beginning)	872,633	310,044
Total Net Position - June 30 (Ending)	<u><u>\$ 893,168</u></u>	<u><u>\$ 320,787</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ -	\$ 1,600,040	\$ 465,463	\$ 2,306,505
-	1,600,040	465,463	2,306,505
-	152,232	-	152,397
-	-	-	204,142
-	664,558	82,691	750,666
-	816,790	82,691	1,107,205
-	783,250	382,772	1,199,300
-	(645,670)	(370,914)	(1,018,584)
-	137,580	11,858	180,716
-	270,816	29,487	1,482,980
\$ -	\$ 408,396	\$ 41,345	\$ 1,663,696

NORTHWEST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	711 Student Devices	712 Marketing & Advertising
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 222,749	\$ 37,138
Cash Payments for Insurance Claims	-	-
Cash Payments for Other Operating Expenses	(202,214)	(5,510)
Net Cash Provided by (Used for) Operating Activities	<u>20,535</u>	<u>31,628</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	-	(2,000)
Net Increase (Decrease) in Cash and Cash Equivalents	20,535	29,628
Cash and Cash Equivalents at Beginning of Year	872,633	365,060
Cash and Cash Equivalents at End of Year	<u><u>\$ 893,168</u></u>	<u><u>\$ 394,688</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income:	\$ 20,535	\$ 12,743
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	-
Increase (decrease) in Accounts Payable	-	-
Increase (decrease) in Due to Other Funds	-	-
Increase (decrease) in Accrued Expenses	-	-
Increase (decrease) in Unearned Revenues	-	18,885
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 20,535</u></u>	<u><u>\$ 31,628</u></u>

753	771	772	
Insurance	Workers Compensation	Unemployment	Total Internal Service Funds
\$ -	\$ 1,600,040	\$ 465,463	\$ 2,325,390
-	(692,105)	(82,691)	(774,796)
(78,517)	-	-	(286,241)
(78,517)	907,935	382,772	1,264,353
-	(645,670)	(370,914)	(1,018,584)
(78,517)	262,265	11,858	245,769
78,517	350,267	29,487	1,695,964
\$ -	\$ 612,532	\$ 41,345	\$ 1,941,733
\$ -	\$ 783,250	\$ 382,772	\$ 1,199,300
1,361	-	-	1,361
-	(286)	-	(286)
(79,878)	-	-	(79,878)
-	124,971	-	124,971
-	-	-	18,885
\$ (78,517)	\$ 907,935	\$ 382,772	\$ 1,264,353

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, 2025

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	\$ 8,079,759	\$ 8,079,759	\$ 9,869,456	\$ 1,789,697
5800 State Program Revenues	46,996	46,996	53,472	6,476
5900 Federal Program Revenues	4,362,957	4,362,957	5,389,829	1,026,872
5020 Total Revenues	12,489,712	12,489,712	15,312,757	2,823,045
EXPENDITURES:				
Current:				
0035 Food Services	14,365,732	18,765,732	16,446,770	2,318,962
6030 Total Expenditures	14,365,732	18,765,732	16,446,770	2,318,962
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,876,020)	(6,276,020)	(1,134,013)	5,142,007
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	2,712	2,712
1200 Net Change in Fund Balances	(1,876,020)	(6,276,020)	(1,131,301)	5,144,719
0100 Fund Balance - July 1 (Beginning)	3,952,551	3,952,551	3,952,551	-
3000 Fund Balance - June 30 (Ending)	\$ 2,076,531	\$ (2,323,469)	\$ 2,821,250	\$ 5,144,719

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, 2025

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	\$ 170,130,517	\$ 170,130,517	\$ 160,248,707	\$ (9,881,810)
5800 State Program Revenues	8,551,973	8,551,973	10,912,397	2,360,424
5020 Total Revenues	178,682,490	178,682,490	171,161,104	(7,521,386)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	40,927,570	40,927,570	75,162,569	(34,234,999)
0072 Interest on Long-Term Liabilities	129,000,730	129,000,730	89,230,916	39,769,814
0073 Bond Issuance Cost and Fees	71,700	71,700	45,656	26,044
6030 Total Expenditures	170,000,000	170,000,000	164,439,141	5,560,859
1100 Excess of Revenues Over Expenditures	8,682,490	8,682,490	6,721,963	(1,960,527)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	100,197	100,197
1200 Net Change in Fund Balances	8,682,490	8,682,490	6,822,160	(1,860,330)
0100 Fund Balance - July 1 (Beginning)	91,884,965	91,884,965	91,884,965	-
3000 Fund Balance - June 30 (Ending)	\$ 100,567,455	\$ 100,567,455	\$ 98,707,125	\$ (1,860,330)

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OTHER COMPLIANCE SCHEDULES

Other Compliance Schedules include various schedules required by the Texas Education Agency that are not required disclosures in the Annual Comprehensive Financial Report.

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
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	0.854600	0.420000	30,420,877,138
2024	0.669200	0.421000	35,359,923,684
2025 (School year under audit)	0.666900	0.421000	37,655,353,984
1000 TOTALS			
9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone (See Footnote)			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 1,033,089	\$	\$ 41,480	\$ 14,315	\$ (75,239)	\$ 902,055	
174,629		7,303	2,897	(532)	163,897	
166,041		6,939	3,002	-	156,100	
227,478		11,606	5,022	(6,665)	204,185	
265,908		15,674	7,272	1,640	244,602	
297,760		44,313	20,311	(3,367)	229,769	
449,320		124,101	59,773	7,407	272,853	
689,164		(613,643)	(301,580)	(1,010,941)	593,446	
2,575,793		(2,277,689)	(1,432,916)	(5,261,845)	1,024,553	
-	409,652,596	249,067,874	157,231,331	-	3,353,391	
<u>\$ 5,879,182</u>	<u>\$ 409,652,596</u>	<u>\$ 246,427,958</u>	<u>\$ 155,609,427</u>	<u>\$ (6,349,542)</u>	<u>\$ 7,144,851</u>	
		<u>\$ 1,239,016</u>				

\$ 461,271

NORTHWEST INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$12,635,950
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$7,719,099

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$2,249,259
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$1,202,760



STATISTICAL SECTION

This is 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. The schedules fall within the following categories:

Financial Trend Data

The 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:	2025	2024	2023	2022
Governmental activities				
Net investment in capital assets	\$ 147,902,482	\$ 109,433,084	\$ 49,473,505	\$ 49,301,782
Restricted	98,707,125	91,884,965	74,497,165	70,316,214
Unrestricted	(43,675,062)	(44,494,121)	(39,767,368)	(53,896,261)
Total primary government net position (deficit)	<u>\$ 202,934,545</u>	<u>\$ 156,823,928</u>	<u>\$ 84,203,302</u>	<u>\$ 65,721,735</u>

Note: FYE 2024 ending net position includes a restatement due to the implementation of GASB Implementation Guide 2021-1 in the amount of \$11,294,389.

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

Source: District's financial records.

2021	2020	2019	2018	2017	2016
\$ (11,400,314)	\$ (5,042,817)	\$ (29,199,186)	\$ (33,890,083)	\$ (71,696,653)	\$ (23,184,957)
70,371,929	61,170,787	55,537,296	44,712,830	42,627,513	41,478,223
(64,506,740)	(66,606,092)	(31,435,163)	(30,711,856)	69,131,471	35,105,595
\$ (5,535,125)	\$ (10,478,122)	\$ (5,097,053)	\$ (19,889,109)	\$ 40,062,331	\$ 53,398,861

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

SCHEDULE 2

Fiscal Year:	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
Instruction	\$ 234,189,411	\$ 216,641,495	\$ 187,282,644	\$ 167,392,895	\$ 173,346,518
Instruction Resources & Media Services	4,098,690	4,435,852	3,393,508	3,332,605	3,261,056
Curriculum and Staff Development	8,643,168	8,111,193	7,229,135	6,981,681	7,134,217
Instructional Leadership	3,309,831	3,123,472	2,858,752	2,810,097	3,049,467
School Leadership	21,550,164	20,131,835	17,980,614	17,029,272	17,346,003
Guidance, Counseling & Evaluation Services	17,928,085	15,349,325	12,753,453	12,100,955	12,277,043
Social Work Services	650,684	552,268	450,309	404,427	457,647
Health Services	3,860,892	3,855,430	3,512,427	2,772,949	2,920,291
Student (Pupil) Transportation	16,247,827	15,013,291	14,364,628	10,963,645	10,824,309
Food Services	17,490,931	16,536,041	13,952,537	12,389,074	8,521,261
Cocurricular/Extracurricular Activities	19,626,609	20,851,913	19,918,945	11,739,998	10,784,586
General Administration	8,909,578	9,799,103	9,286,550	8,459,944	9,189,948
Plant Maintenance and Operations	64,528,506	38,505,894	81,297,706	26,339,366	39,295,140
Security and Monitoring Services	9,118,142	4,284,594	2,741,248	2,201,116	2,584,271
Data Processing Services	11,003,351	7,946,236	5,891,418	5,763,468	5,395,861
Community Services	961,985	852,086	441,469	203,843	285,390
Debt Service - Interest on Long-Term Debt	85,697,541	68,278,265	50,685,957	27,865,099	37,211,852
Debt Service - Bond Issuance Cost & Fees	2,481,223	4,022,289	1,204,937	3,988,053	64,041
Contracted Instructional Services	-	857,545	25,612,394	7,975,251	14,340,703
Payments to Fiscal Agent/Member Districts of SSA	348,030	1,022,404	133,175	116,000	83,800
Payments to Juvenile Justice Alternative Education Prog	12,216	17,363	20,097	39,924	4,386
Payments to Tax Increment Fund	1,858,525	1,746,370	1,813,706	1,926,065	1,776,627
Other Intergovernmental Charges	2,719,513	2,589,752	1,760,769	2,176,173	1,741,022
Total primary government expenses	535,234,902	464,524,016	464,586,378	334,971,900	361,895,439
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	1,969,858	1,546,696	281,638	376,263	184,112
Health services	497,219	197,397	2,577,889	1,996,636	3,059,857
Student transportation	-	-	-	-	-
Food services	9,572,940	8,978,135	7,929,940	4,079,636	3,134,405
Extracurricular activities	622,252	617,625	648,923	648,096	384,928
General administration	296,373	306,533	1,518,893	1,658,722	622,510
Facilities maintenance	2,260,523	1,691,680	1,808,631	1,468,131	166,689
Community services	-	-	-	-	-
Operating grants and contributions	65,845,681	53,679,939	49,075,815	51,208,722	37,744,995
Total primary government program revenues	81,064,846	67,018,005	63,841,729	61,436,206	45,297,496
Net (Expense)Revenue					
Total primary government net expense	\$ (454,170,056)	\$ (397,506,011)	\$ (400,744,649)	\$ (273,535,694)	\$ (316,597,943)

Source: District's financial records.

2020	2019	2018	2017	2016
\$ 171,897,747	\$ 156,297,811	\$ 97,411,111	\$ 145,855,827	\$ 122,168,515
3,412,594	3,322,911	2,061,453	3,061,696	2,681,310
11,164,411	10,566,697	4,875,078	6,957,502	5,885,439
3,101,335	2,408,137	1,213,788	1,384,516	1,081,077
12,981,905	12,337,732	8,444,933	12,420,128	10,145,301
11,614,848	10,656,773	5,697,928	9,622,661	7,941,408
374,397	265,795	221,461	255,926	904,931
2,867,564	2,707,826	1,539,175	2,346,245	2,009,949
10,040,889	10,748,392	9,950,650	8,720,929	7,252,742
8,346,944	9,288,034	8,091,202	8,051,120	9,175,595
10,689,926	9,892,666	8,323,837	10,042,711	7,718,196
9,795,822	8,609,714	5,332,880	5,901,273	4,458,804
29,169,662	25,372,009	16,496,477	18,152,263	17,255,030
2,077,149	2,544,313	1,692,346	1,611,157	1,248,060
6,911,184	6,380,344	4,188,626	6,179,105	4,752,113
238,664	247,446	109,181	206,999	154,935
38,369,564	35,757,709	29,514,645	25,024,932	23,170,568
3,682,397	878,907	1,214,331	1,481,200	3,072,446
4,859,626	4,456,091	-	-	-
91,700	179,000	12,000	106,000	20,000
11,646	5,518	6,764	6,319	-
1,741,202	1,742,623	975,287	917,928	839,876
1,655,016	1,471,898	1,279,807	1,186,516	848,664
345,096,192	316,138,346	208,652,960	269,492,953	232,784,959
233,062	631,946	261,089	168,908	90,828
3,274,531	4,588,898	1,236,937	893,439	921,133
-	-	-	-	-
5,448,424	6,537,656	5,906,944	5,822,270	5,469,920
434,758	522,319	530,952	572,504	476,021
1,166,707	-	-	-	-
696,913	775,747	503,742	495,257	514,659
-	-	-	-	-
31,158,936	32,662,214	(7,739,306)	23,962,854	24,157,031
42,413,331	45,718,780	700,358	31,915,232	31,629,592
\$ (302,682,861)	\$ (270,419,566)	\$ (207,952,602)	\$ (237,577,721)	\$ (201,155,367)

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

SCHEDULE 3

Fiscal Year:	2025	2024	2023	2022
Net (Expense)/Revenue				
Total primary government net expense	\$ (454,170,056)	\$ (397,506,011)	\$ (400,744,649)	\$ (273,535,694)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	248,249,699	237,387,811	261,230,087	222,864,060
Property taxes levied for capital projects	156,600,651	149,110,320	128,182,843	107,231,550
State aid - formula grants	48,974,287	37,106,954	16,228,883	13,341,689
Miscellaneous	565,325	249,712	251,594	327,861
Investment earnings	45,890,711	34,977,451	20,270,311	1,027,394
Loss on disposition of capital assets	-	-	(6,937,502)	-
Transfers in (out)	-	-	-	-
Total primary government	500,280,673	458,832,248	419,226,216	344,792,554
Change in Net Position				
Total primary government	\$ 46,110,617	\$ 61,326,237	\$ 18,481,567	\$ 71,256,860

Source: District's financial records.

2021	2020	2019	2018	2017	2016
\$ (316,597,943)	\$ (302,682,861)	\$ (270,419,566)	\$ (207,952,602)	\$ (237,577,721)	\$ (201,155,367)
204,728,927	194,521,793	182,823,647	156,878,029	138,928,782	131,549,000
93,125,689	90,028,391	79,019,328	67,699,018	55,070,829	51,759,384
23,316,174	8,666,078	17,197,629	25,361,540	28,336,530	27,014,580
227,546	502,107	391,804	681,617	583,167	556,092
142,604	3,583,423	5,779,214	3,088,434	1,321,883	1,100,734
-	-	-	-	-	-
-	-	-	-	-	(1,210,442)
321,540,940	297,301,792	285,211,622	253,708,638	224,241,191	210,769,348
\$ 4,942,997	\$ (5,381,069)	\$ 14,792,056	\$ 45,756,036	\$ (13,336,530)	\$ 9,613,981

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

SCHEDULE 4

Fiscal Year:	2025	2024	2023	2022
General Fund				
Nonspendable	\$ 1,364,187	\$ 1,720,280	\$ 1,548,535	\$ 1,469,010
Assigned	0	15,870,695	2,988,875	-
Unassigned	113,731,890	92,731,812	106,678,265	98,435,947
Total general fund	<u>\$ 115,096,077</u>	<u>\$ 110,322,787</u>	<u>\$ 111,215,675</u>	<u>\$ 99,904,957</u>
All Other Governmental Funds				
Nonspendable	\$ 17,358	\$ 5,045	\$ 38,121	\$ 11,805
Restricted				
Federal or State Funds Grant Restriction	2,808,162	3,952,551	4,323,305	4,279,531
Capital Acquisition and Contractual Obligation	427,465,367	486,819,946	189,422,088	377,831,023
Retirement of Long-Term Debt	98,707,125	91,884,965	74,497,165	70,316,214
Other Restricted		-	-	-
Committed				
Other Committed	5,397,737	3,749,009	3,649,293	3,512,525
Assigned				
Construction	1,949,089	910,857	854,596	-
Unassigned	(4,250)	(5,045)	(38,121)	(7,825)
Total all other governmental funds	<u>\$ 536,340,588</u>	<u>\$ 587,317,328</u>	<u>\$ 272,746,447</u>	<u>\$ 455,943,273</u>

Source: District's financial records.

2021	2020	2019	2018	2017	2016
\$ 1,289,856	\$ 1,155,057	\$ 1,297,327	\$ 1,180,541	\$ 300,110	\$ 293,148
-	25,166,846	-	-	61,990,965	39,424,756
82,533,696	63,740,807	97,837,399	94,960,888	50,251,198	37,050,333
\$ 83,823,552	\$ 90,062,710	\$ 99,134,726	\$ 96,141,429	\$ 112,542,273	\$ 76,768,237
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,048,622	712,382	940,789	1,066,210	1,039,729	1,063,965
83,859,437	176,947,859	116,709,700	120,226,251	107,729,973	76,269,887
70,371,929	61,170,787	55,537,296	42,093,843	39,182,199	39,323,668
-	-	-	-	-	-
3,154,167	3,244,442	2,742,981	2,618,987	2,294,939	2,154,555
-	-	-	-	-	38,095,832
-	-	-	-	-	-
\$ 158,434,155	\$ 242,075,470	\$ 175,930,766	\$ 166,005,291	\$ 150,246,840	\$ 156,907,907

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

SCHEDULE 5

Fiscal Year:	2024	2023	2022	2021
Local and Intermediate Sources				
Local maintenance and debt service tax	\$ 404,395,962	\$ 385,943,683	\$ 388,917,302	\$ 330,747,101
Food service sales	9,572,540	8,978,135	7,929,940	4,079,636
Other local revenue	64,121,855	47,315,637	30,177,405	9,870,261
Total Local and Intermediate Sources	478,090,357	442,237,455	427,024,647	344,696,998
State Programs Revenues	85,140,602	66,465,943	33,790,144	27,882,897
Federal Sources				
Federal Program Revenues	8,953,702	7,528,697	20,893,878	22,009,830
Food services	5,411,072	5,732,105	4,961,476	11,121,527
Total Federal Sources	14,364,774	13,260,802	25,855,354	33,131,357
Total Revenues	\$ 577,595,733	\$ 521,964,200	\$ 486,670,145	\$ 405,711,252

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.

2020	2019	2018	2017	2016	2015
\$ 284,327,474	\$ 261,222,889	\$ 224,673,410	\$ 194,478,502	\$ 184,486,074	\$ 168,848,144
5,448,424	6,537,656	5,905,520	5,822,270	5,469,920	5,168,771
10,770,578	10,183,817	9,300,393	7,063,662	6,396,427	9,122,029
300,546,476	277,944,362	239,879,323	207,364,434	196,352,421	183,138,944
23,249,785	32,900,331	39,825,326	41,130,734	40,473,309	35,409,112
9,314,806	11,570,709	6,140,018	4,804,615	5,577,704	9,430,583
2,617,112	2,531,622	2,202,242	2,217,746	2,156,429	2,064,862
11,931,918	14,102,331	8,342,260	7,022,361	7,734,133	11,495,445
\$ 335,728,179	\$ 324,947,024	\$ 288,046,909	\$ 255,517,529	\$ 244,559,863	\$ 230,043,501

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

SCHEDULE 6

Fiscal Year:	2025	2024	2023	2022
Expenditures by Function				
Instruction	\$ 203,861,518	\$ 186,082,893	\$ 169,683,768	\$ 147,192,674
Instruction Resources & Media Services	3,600,820	3,927,742	2,955,595	3,009,162
Curriculum and Staff Development	8,549,663	7,936,082	7,197,589	6,256,413
Instructional Leadership	3,272,026	3,047,415	2,845,113	2,470,280
School Leadership	19,995,942	18,442,132	16,765,686	14,983,129
Guidance, Counseling & Evaluation Services	17,632,434	14,829,471	12,651,328	10,759,535
Social Work Services	646,320	542,653	448,999	406,554
Health Services	2,978,748	2,943,959	2,660,174	2,439,833
Student (Pupil) Transportation	14,266,022	13,029,641	12,509,352	10,963,645
Food Services	16,446,770	15,545,142	13,120,100	12,389,074
Cocurricular/Extracurricular Activities	13,676,171	15,035,067	14,123,472	11,106,661
General Administration	8,681,576	9,502,414	9,094,961	7,521,692
Plant Maintenance and Operations	34,420,555	33,947,065	30,604,606	25,680,302
Security and Monitoring Services	8,695,230	4,195,980	2,718,559	2,140,181
Data Processing Services	6,827,557	6,379,364	5,424,221	5,273,375
Community Services	944,867	837,337	438,032	180,827
Debt Service - Principal on Long-Term Debt	75,162,569	69,762,765	71,085,162	61,106,147
Debt Service - Interest on Long-Term Debt	89,230,916	74,665,157	56,543,032	47,057,053
Debt Service - Bond Issuance Cost & Fees	2,481,223	4,022,289	1,204,937	3,988,053
Facilities Acquisition and Construction	490,951,300	310,119,681	349,169,169	106,342,449
Contracted Instructional Services	0	857,545	25,612,394	7,975,251
Payments to Fiscal Agent/Member Districts of SSA	348,030	1,022,404	133,175	116,000
Payments to Juvenile Justice Alternative Education Program	12,216	17,363	20,097	39,924
Payments to Tax Increment Fund	1,858,525	1,746,370	1,813,706	1,926,065
Other Governmental Charges	2,719,513	2,589,752	1,760,769	2,176,173
Total Expenditures	<u>\$ 1,027,260,511</u>	<u>\$ 801,027,683</u>	<u>\$ 810,583,996</u>	<u>\$ 493,500,452</u>
Debt service as a percentage of noncapital expenditures	29.27%	29.42%	25.15%	27.94%

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.

2021	2020	2019	2018	2017	2016
\$ 145,649,773	\$ 141,124,853	\$ 132,460,146	\$ 122,597,571	\$ 115,295,893	\$ 110,969,993
2,829,813	2,894,093	2,919,470	2,465,800	2,499,301	3,145,350
6,144,437	9,217,397	9,101,312	6,038,773	5,724,325	5,397,640
2,596,790	2,538,532	2,068,363	1,445,781	1,111,723	980,556
14,695,882	10,596,040	10,565,026	10,224,943	9,858,220	9,118,778
10,272,596	9,270,767	8,898,315	8,216,292	7,570,097	7,072,496
444,920	358,677	259,530	250,753	253,047	904,931
2,475,374	2,343,383	2,298,873	1,897,804	1,848,694	1,804,524
10,824,309	10,040,889	16,914,310	24,692,313	8,720,929	7,335,213
8,521,261	8,364,251	9,288,034	8,091,202	8,060,370	9,175,595
9,933,716	9,768,289	9,067,129	9,287,239	9,351,768	9,764,314
8,078,801	6,491,469	6,678,662	5,999,413	5,643,100	4,689,496
23,204,075	21,129,350	20,140,987	17,987,879	17,753,235	17,280,200
2,091,816	1,997,450	2,045,595	1,633,493	1,745,219	1,276,852
5,233,906	5,976,033	6,094,699	5,248,109	5,166,996	4,448,888
252,131	191,917	212,573	140,939	168,780	143,353
28,118,002	36,930,688	24,874,905	27,626,649	20,587,528	16,862,238
56,233,686	41,709,877	42,306,868	38,389,599	35,764,763	38,855,162
64,041	3,682,397	878,907	1,214,331	1,481,200	1,261,367
95,026,661	139,493,256	97,873,485	94,053,651	66,924,947	41,101,137
14,340,703	4,859,626	4,456,091	-	-	-
83,800	91,700	179,000	12,000	106,000	20,000
4,386	11,646	5,518	6,764	6,319	-
1,776,627	1,741,202	1,742,623	975,287	917,928	839,876
1,741,022	1,655,016	1,471,898	1,279,807	1,186,516	848,664
\$ 450,638,528	\$ 472,478,798	\$ 412,802,319	\$ 389,776,392	\$ 327,746,898	\$ 293,296,623
22.76%	24.72%	21.44%	23.63%	22.26%	19.41%

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:	2025	2024	2023	2022
Other Financing Sources (Uses)				
General long-term debt issued	\$ 370,710,000	\$ 549,600,000	\$ 145,565,000	\$ 516,669,904
Sale of capital assets	158,980	6,956	6,440	199
Transfers in	1,119,493	1,272,671	854,596	399,987
Premium or Discount on Issuance of Bonds	31,825,764	41,872,448	5,601,707	44,872,551
Other Resources		-	-	-
Transfers out	-102,909	(10,599)	-	(974,230)
Other (Uses)	-250,000	-	-	(157,588,688)
Total other financing sources (uses)	403,461,328	592,741,476	152,027,743	403,379,723
Net change in fund balances	\$ (46,203,450)	\$ 313,677,993	\$ (171,886,108)	\$ 313,590,523

Source: District's financial records.

	2021	2020	2019	2018	2017	2016
\$	-	\$ 454,734,955	\$ 92,450,000	\$ 125,180,000	\$ 155,390,000	\$ 320,883,475
	523	43	290	99	976	207,455
	19,021	14,009,988	2,935,176	20,355,199	39,098,875	578,569
	-	71,304,230	8,308,085	10,236,901	21,407,287	56,707,584
	-	-	-	-	-	20,790
	(1,345,252)	(15,750,370)	(2,919,484)	(20,355,199)	(39,098,875)	(1,789,011)
	-	(330,475,539)	-	(34,329,910)	(75,455,925)	(301,443,783)
	(1,325,708)	193,823,307	100,774,067	101,087,090	101,342,338	75,165,079
\$	89,880,473	\$ 57,072,688	\$ 12,918,772	\$ (642,393)	\$ 29,112,969	\$ 26,428,319

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

SCHEDULE 8

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Minerals Assessed Value
2025	38,953,066,742	13,578,201,203	391,878,829
2024	35,530,095,137	12,431,531,444	1,392,121,840
2023	28,732,922,424	10,561,735,558	841,284,023
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	11,267,448,561	4,496,773,890	705,687,214
2016	9,644,355,000	3,118,392,000	1,296,365,000

Source: Official Statement June 24, 2025 page 27, 28

Less: Exemptions	Total Taxable Value	Total Direct Rate
14,798,569,038	38,124,577,736	1.0879
13,275,049,704	36,078,698,717	1.0902
9,715,064,867	30,420,877,138	1.2746
6,771,775,587	25,525,613,080	1.2920
6,454,667,805	22,197,028,362	1.4663
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

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
2025	0.66690	0.42100	1.08790
2024	0.66920	0.42100	1.09020
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

Note: Per \$100 of assessed valuation

Source: Official Statement June 24, 2025 page 29, 31

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
0.18787	0.67250	0.18750	0.41540	1.06250	0.22000	0.30804	0.35007
0.18949	0.67250	0.19450	0.41547	1.06381	0.22000	0.30804	0.34264
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

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

SCHEDULE 10

2025

Name of Taxpayer	Nature of Property	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Winner LLC/Facebook Procurement LLC	Technology	\$ 2,289,681,525	6.01%
Amazon.Com Services LLC	Retail	416,107,349	1.09%
CS Kinross Lake Parkway LLC	Financial/Banking	402,534,373	1.06%
Citicorp Technology Inc- 2695	Financial/Banking	322,408,702	0.85%
Southern Glazer's Wine & Spirits of TX	Retail	279,242,866	0.73%
AT&T Mobility LLC	Telephone Utility	213,549,176	0.56%
Amerisource Bergen Drug Corp	Wholesale Supplier/Distribution	212,896,054	0.56%
BT-OH LLC/United Parcel Service Inc.	Shipping/Freight	171,631,148	0.45%
AT Industrial Owner 1/3/4/5/6/7 Holdco LP	Commercial Development	167,029,737	0.44%
DD Willow Springs LLC/DD Revelstoke LLC	Commercial Development	147,632,380	0.39%
		\$ 4,622,713,310	# 12.13%
Total Assessed Taxable Value		\$ 38,124,577,736	100.00%

Source: Official Statement June 24, 2025 page 30 and the Northwest ISD's Comprehensive Annual Financial Report for fiscal year 2015-16
Note: County reduced reporting to top ten in year 2016

2016

Name of Taxpayer	Nature of Property	Total Market Assessed Valuation	Total Taxable Assessed Valuation	Percent of Total Taxable Assessed Valuation
Amerisource Bergen Drug Corp	Pharmaceutical Industry	\$ 257,983,741	\$ 230,230,090	1.97%
Devon Energy Production Co LP	Oil & Gas	207,680,797	207,680,797	1.77%
Citicorp Technology Inc - 2695	Technology/Financial Servi	149,229,569	149,229,569	1.27%
Galderma Laboratories	Pharmaceutical Industry	85,323,857	85,323,857	0.73%
Cardinal Health 110 LLC	Healthcare	76,471,059	64,838,540	0.55%
Quicksilver Resources Inc	Oil & Gas	61,839,610	61,839,610	0.53%
Dry Creek Apartments LTD	Commercial	50,388,200	50,388,200	0.43%
Oncor Electric Delivery Co	Utility	49,201,580	49,201,580	0.42%
PR III/Crow Building B&D LP	Commercial & Industrial	48,436,206	48,436,206	0.41%
AT Industrial Owner 4 LLC	Commercial & Industrial	47,101,500	47,101,500	0.40%
Total		\$ 1,033,656,119.00	994,269,949	8.49%
Total Assessed Taxable Valuation			11,705,540,348	100%

Note: County reduced reporting to top ten in year 2016
Source: County Property Appraiser

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
2025	\$ 409,652,596	\$ 406,299,205	99.18%	\$ -	\$ 406,299,205	99.18%
2024	385,493,888	382,918,095	99.35%	1,551,240	384,469,335	99.73%
2023	385,861,625	384,420,987	99.63%	847,192	385,268,179	99.85%
2022	330,950,290	327,958,835	99.10%	2,718,602	330,677,437	99.92%
2021	297,082,527	292,316,927	98.40%	4,536,461	296,853,388	99.92%
2020	281,754,073	278,998,353	99.02%	2,511,118	281,509,471	99.91%
2019	261,004,729	258,015,957	98.85%	2,784,587	260,800,544	99.92%
2018	222,006,398	220,578,985	99.36%	1,271,313	221,850,298	99.93%
2017	191,995,031	190,344,367	99.14%	1,486,767	191,831,134	99.91%
2016	181,552,257	179,826,814	99.05%	1,572,007	181,398,821	99.92%

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

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

SCHEDULE 12

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				
2025	2,403,676,247	2,304,969,122	34.810%	121,519	\$ 20,615	54.19
2024	1,909,537,569	1,817,652,604	30.806%	117,157	\$ 16,299	41.31
2023	1,429,700,334	1,355,203,169	13.721%	112,755	\$ 12,680	3.75
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

Source: Northwest Independent School District OFFICIAL STATEMENT dated June 24, 2025 page 6, 27, 28, 73

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

NORTHWEST INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF June 30, 2025

SCHEDULE 13

Taxing Jurisdiction	Taxable Assessed Value	Total Tax Supported Debt	Estimated % Applicable	District Overlapping Tax Supported Debt
Alpha Range WC&ISD	\$ 132,082,806	\$ 17,545,000	100.00%	\$ 17,545,000
Argyle, Town of	1,569,615,002	7,460,000	7.25%	540,850
Belmont FWSD #1	1,378,705,810	93,515,000	25.08%	23,453,562
Brookfield WC & ISD	243,836,010	31,905,000	100.00%	31,905,000
Canyon Falls WC&ID #2	567,996,230	41,645,000	74.49%	31,021,361
Denton County	192,279,876,723	773,065,000	12.96%	100,189,224
Far North Fort Worth MUD #1	363,323,780	47,800,000	100.00%	47,800,000
Flower Mound, Town of	16,991,582,936	143,280,000	0.66%	945,648
Fort Worth, City of	121,923,036,056	929,240,000	16.57%	153,975,068
Grapevine, City of	13,616,782,087	152,370,000	0.32%	487,584
Haslet, City of	2,041,533,918	21,708,000	100.00%	21,708,000
Justin, City of	1,127,604,934	39,650,000	100.00%	39,650,000
Keller, City of	8,435,801,556	68,775,000	0.44%	302,610
New Fairview MUD #1	148,805,614	17,155,000	100.00%	17,155,000
New Fairview, City of	283,129,479	5,860,000	67.51%	3,956,086
Newark, City of	106,869,819	394,000	100.00%	394,000
Northlake Municipal Mgmt Dist	858,957,859	99,710,000	100.00%	99,710,000
Northlake Town of	3,277,649,475	113,090,000	87.82%	99,315,638
Rhome, City of	262,419,371	19,831,000	97.43%	19,321,343
Roanoke, City of	3,912,011,083	88,830,000	100.00%	88,830,000
Rolling V Ranch WC & ID No. 1	59,683,059	12,575,000	100.00%	12,575,000
Rolling V Ranch WC & ID No. 2	80,663,357	6,600,000	100.00%	6,600,000
Southlake, City of	12,018,504,389	72,291,000	3.59%	2,595,247
Tarrant County	289,157,254,040	345,130,000	5.36%	18,498,968
Tarrant County College District	317,260,797,092	569,915,000	5.36%	30,547,444
Tarrant County Hospital District	289,640,276,553	438,230,000	5.36%	23,489,128
Tarrant Regional Water District	117,810,406,451	48,940,000	7.29%	3,567,726
Tradition MUD #2B	282,513,200	43,720,000	100.00%	43,720,000
Trophy Club MUD #1	2,736,501,304	4,290,000	79.01%	3,389,529
Trophy Club, Town of	3,235,404,068	20,800,000	99.06%	20,604,480
Westlake, Town of	2,743,887,709	43,332,000	19.33%	8,376,076
Wise County	13,834,340,132	0.00	15.94%	0
Total Overlapping Debt				\$ 972,169,571
Northwest ISD	\$ 37,609,997,647	\$ 2,403,676,247	100.00%	\$ 2,403,676,247
Total Direct Debt				\$ 2,403,676,247
Total Direct and Overlapping Tax Supported Debt				\$ 3,375,848,818
Total Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation				8.98%
Per Capita Direct and Overlapping Tax Supported Debt				\$ 27,780

Source: Northwest Independent School District OFFICIAL STATEMENT dated June 24, 2025 page 31

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

SCHEDULE 14

Fiscal Year:	2025	2024	2023	2022
Debt Limit	\$ 3,765,535,398	\$ 3,535,992,368	\$ 3,042,087,713	\$ 2,552,561,308
Total net debt applicable to limit	2,106,377,875	1,718,339,764	1,355,203,169	1,284,904,282
Legal debt margin	\$ 1,659,157,523	\$ 1,817,652,604	\$ 1,686,884,544	\$ 1,267,657,026
Total net debt applicable to the limit as a percentage of debt limit	55.94%	48.60%	44.55%	50.34%

Current Fiscal Year: Legal debt margin calculation

Taxable Assessed Value - October 2023 (100% of Actual)	\$ 37,655,353,984
Debt limit (10% of assessed value)	3,765,535,398
Total bonded debt	\$ 2,205,085,000
Less restricted for retirement of bonded debt	98,707,125
Total amount of debt applicable to debt limit	2,106,377,875
Legal debt margin	\$ 1,659,157,523

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.

2021		2020		2019		2018		2017		2016	
\$	2,219,702,836	\$	1,986,119,838	\$	1,750,305,557	\$	1,492,418,476	\$	1,242,050,900	\$	1,170,554,035
	970,549,810		1,007,868,954		882,708,178		828,576,536		764,224,829		697,495,888
\$	1,249,153,026	\$	978,250,884	\$	867,597,379	\$	663,841,940	\$	477,826,071	\$	473,058,147

43.72%

50.75%

50.43%

55.52%

61.53%

59.59%

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⁾
2025	121,519	6,621,570,310 *	54,490 *	3.9%
2024	117,157	6,198,659,713	52,909	4.1%
2023	112,755	5,690,744,850	50,470	3.6%
2022	153,957	10,207,810,971	66,303	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	7,064,932,819	53,117	3.5%
2017	127,776	6,635,663,232	51,932	3.6%
2016	121,355	6,229,394,860	51,332	3.7%

Note:

(1) Source: Northwest Independent School District OFFICIAL STATEMENT dated June 24, 2025 page 27

(2) Source: Denton County ACFR - Demographic and Economic Statistics - Schedule 13

(3) Source: <https://fred.stlouisfed.org/series> Qtr 2 average for Denton County

* Estimate - Denton County 2025 ACFR not available

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

SCHEDULE 16

Employer	2025	
	Employees	Percentage of Average Total Employment
Charles Schwab Corp	7,900	25.42%
Fidelity Investments	3,700	11.91%
Northwest ISD	3,677	11.83%
Fidelity Investments	3,200	10.30%
Amazon Fullfillment Center	3,000	9.65%
Genco	3,000	9.65%
Amazon Air	2,000	6.44%
Federal Aviation Administration	1,300	4.18%
AT&T Wireless Distribution	1,200	3.86%
TD Ameritrade	1,100	3.54%
Amentum (previously DynCorp)	1,000	3.22%
		<u>100.00%</u>

Source: Northwest ISD's 2016 Comprehensive Annual Financial Report

Source: North Central Texas Council of Governments (NCTCOG.org) Demographic Data
for Tarrant, Denton and Wise Counties

2016		
Employer	Employees	Percentage of Average Total Employment
Fidelity Investments	5,000 - 7,499	19.74%
Amazon	2,500 - 4,999	13.16%
GENCO ATC Logistics & Electronics	2,500 - 4,999	13.16%
DynCorp International - GSDS	1,000 - 2,499	6.58%
Flextronics	1,000 - 2,499	6.58%
Northwest ISD	1,000 - 2,499	6.58%
TD Ameritrade, Inc.	1,000 - 2,499	6.58%
Texas Motor Speedway	1,000 - 2,499	6.58%
A T & T	500 - 999	2.63%
Burlington Northern & Santa Fe Railway	500 - 999	2.63%
Deloitte University	500 - 999	2.63%
Federal Express Corp - So Regional	500 - 999	2.63%
GE Manufacturing Solutions	500 - 999	2.63%
LG Electronics Alabama, Inc	500 - 999	2.63%
Mercedes-Benz Financial Services, LLC	500 - 999	2.63%
Walmart.com	500 - 999	2.63%
		100.00%

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<i>Teacher</i>											
087	Teacher	1,355.1	1,444.2	1,494.4	1,598.1	1,676.4	1,727.2	1,692.4	1,852.9	1,982.7	2,079.2
047	Substitute Teacher	-	-	-	-	-	1.6	10.6	13.9	6.1	23.1
	Total Teacher	1,355.1	1,444.2	1,494.4	1,598.1	1,676.4	1,728.8	1,703.0	1,866.8	1,988.8	2,102.2
<i>Professional Support</i>											
006	Audiologist	2.0	2.0	2.0	0.9	2.1	2.0	3.0	3.0	3.5	4.0
-	Department Head	19.7	18.3	19.1	-	-	-	-	-	-	-
008	School Counselor	42.5	42.1	49.3	55.4	52.3	59.7	62.0	68.4	67.7	76.6
011	Educational Diagnostician	19.0	20.0	21.0	25.0	30.0	32.8	35.8	37.0	47.6	57.0
013	Librarian	20.9	20.0	20.3	20.6	21.7	21.4	21.0	20.1	23.1	23.7
015	Music Therapist	-	-	-	-	1.0	1.0	1.0	1.0	1.6	2.0
016	Occupational Therapist	6.0	5.9	6.0	7.0	8.0	9.0	11.0	10.0	12.2	13.0
017	Certified Orientation and Mobility Specialist	0.2	0.5	0.5	1.0	0.6	1.0	1.0	1.0	1.0	1.0
018	Physical Therapist	4.0	4.1	4.0	4.0	4.0	4.0	4.0	5.0	3.0	4.0
022	School Nurse	26.9	26.5	24.0	27.0	27.1	28.9	30.0	29.5	33.0	33.5
023	LSPP/Psychologist	14.0	14.0	8.0	7.0	8.2	7.0	9.6	9.0	11.8	17.9
024	Social Worker	0.2	0.2	0.2	2.0	2.0	-	-	-	4.7	5.0
026	Speech Therapist	18.0	18.0	18.9	22.5	24.4	30.0	32.2	36.0	47.9	55.6
041	Teacher Facilitator	-	-	-	-	-	-	-	-	57.1	62.3
056	Athletic Trainer	-	-	-	-	-	-	-	-	6.9	5.4
-	Athletic Director	-	-	-	-	-	-	-	-	-	-
100	Instructional Materials Coordinator	-	-	-	-	0.1	1.0	1.0	1.0	1.0	1.0
101	Legal Services	-	-	1.0	3.4	3.5	1.0	1.0	1.9	3.0	3.0
102	Communications Professional	-	-	6.0	1.0	1.0	7.0	6.0	5.0	7.1	8.0
103	Source: Official Statement August 15, 2024 page	-	-	-	-	1.0	1.0	1.0	3.8	4.0	4.0
105	Security	-	-	1.9	6.0	7.0	3.0	3.0	6.0	5.9	6.0
106	District/Campus Information Technology Professional	-	-	16.9	2.0	3.0	20.0	22.8	22.2	25.8	25.0
108	Transportation	-	-	-	18.9	19.0	-	6.0	4.7	6.0	6.0
109	Athletics	-	-	-	2.6	2.8	3.9	4.9	4.9	6.8	4.3
111	Maintenance	-	-	4.0	5.0	6.9	10.0	8.0	8.0	9.5	13.0
112	Business Services Professional	-	-	9.0	10.0	11.0	16.6	17.0	16.0	24.0	22.0
113	Other District Exempt Professional Auxiliary	-	-	-	8.0	9.9	4.0	5.9	18.0	20.8	25.2
114	Other Campus Exempt Professional Auxiliary	-	-	10.0	3.2	8.0	8.0	7.9	7.6	14.2	19.8
-	Other Campus Professional Personnel	2.0	3.0	-	-	-	-	-	-	-	-
-	Other Non-Instructional District	38.9	43.2	-	-	-	-	-	-	-	-
-	Work-Based Learning Site Coordinator	0.3	0.6	0.4	-	-	-	-	-	-	-
117	Licensed Professional Counselor	-	-	-	-	-	-	-	-	2.0	2.0
120	Instructional Coach	-	-	-	-	-	-	21.8	21.0	21.0	31.6
	Total Professional Support	214.6	218.2	222.3	232.5	254.6	272.3	316.9	340.1	472.2	531.9
<i>Campus Administration</i>											
003	Assistant Principal	37.5	46.0	48.0	51.9	52.0	56.4	55.1	62.0	66.9	75.5
020	Principal	25.4	25.7	27.1	28.2	30.0	30.0	31.0	31.5	33.9	33.5
	Total Campus Administration	62.9	71.7	75.1	80.1	82.0	86.4	86.1	93.5	100.9	109.0

Source: PEIMS PDM1-110-006

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

SCHEDULE 17

Role ID	Staff	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>Central Administration</i>											
004	Assistant/Associate/Deputy Superintendent	3.8	6.0	6.0	6.0	4.0	3.0	3.0	2.0	3.0	2.0
012	District Instructional Program Director or Executive Director	12.0	12.0	16.0	11.3	15.2	20.0	18.0	17.0	18.0	19.0
027	Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
028	Teacher Supervisor	2.0	2.0	2.0	2.0	2.0	1.0	1.0	-	-	-
043	Business Manager	2.0	1.0	1.0	1.0	2.0	2.0	2.0	1.0	2.0	1.0
045	Director Of Personnel/Human Resources	1.0		-	4.0	4.0	4.0	4.0	4.0	3.0	4.0
Total Administration/Support		21.8	22.0	26.0	25.3	28.2	31.0	29.0	25.0	27.0	27.0
<i>Educational Aides</i>											
033	Educational Aide	177.6	186.2	197.5	219.0	237.9	240.6	243.8	281.9	340.7	368.7
Total Educational Aide		177.6	186.2	197.5	219.0	237.9	240.6	243.8	281.9	340.7	368.7
<i>Auxiliary Staff</i>											
-	Auxiliary Staff	223.6	245.9	-	-	-	-	-	-	-	-
201	Business/Finance	-	-	3.0	2.0	2.0	1.0	1.0	4.0	7.0	9.6
202	Campus Office/Clerical	-	-	127.7	136.0	135.7	133.2	135.7	142.8	155.9	165.3
203	Central Office/Clerical	-	-	42.0	43.8	46.8	44.5	46.6	43.5	41.9	43.0
204	Child Nutrition	-	-	-	-	-	-	-	-	1.0	-
205	Human Resources	-	-	3.0	4.0	4.0	4.0	2.0	3.0	6.0	5.0
206	Information Technology	-	-	-	-	-	-	-	-	27.0	26.9
214	Maintenance	-	-	-	-	-	-	-	-	28.0	30.0
215	Plumber	-	-	-	-	-	-	-	-	5.0	5.0
216	Painter	-	-	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0
217	HVAC	-	-	5.0	5.0	7.0	7.0	7.0	6.0	8.0	5.0
218	Electrician	-	-	8.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0
219	Warehouse	-	-	3.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
220	Safety/Security	-	-	-	-	2.0	2.0	2.0	9.7	11.0	13.6
221	Transportation	-	-	-	-	-	-	183.1	204.2	201.8	213.2
222	Other Non-Exempt Auxiliary (Inc. Non-Exempt Aux. Volunteers)	-	-	8.9	13.9	13.7	14.9	8.0	7.7	9.0	9.9
Total Auxiliary Staff		223.6	245.9	203.6	216.7	223.2	217.6	396.4	431.9	513.6	538.4
Total Staff (FTEs)		2,055.7	2,188.3	2,218.8	2,371.7	2,502.3	2,576.7	2,775.2	3,039.2	3,443.1	3,677.2

Source: PEIMS PDM1-110-006

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

SCHEDULE 18

Fiscal Year	Enrollment	Operating Expenditures	Per Pupil Cost	Expenses	Per Pupil Cost	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2025	32,098	362,545,898	11,295	535,234,902	16,675	2,079	15.44	20.52%
2024	30,736	332,456,312	10,817	464,524,016	15,113	1,983	15.50	20.09%
2023	29,248	301,364,357	10,304	464,586,378	15,884	1,853	15.78	19.49%
2022	27,583	272,144,195	9,866	334,971,900	12,144	1,692	16.30	16.23%
2021	25,383	268,265,936	10,569	361,895,439	14,257	1,727	14.70	15.25%
2020	25,040	242,303,390	9,677	472,478,798	18,869	1,676	14.94	15.18%
2019	24,141	239,013,024	9,901	412,802,319	17,100	1,598	15.11	15.36%
2018	23,163	226,218,304	9,766	389,776,392	16,828	1,494	15.50	18.68%
2017	22,044	200,771,697	9,056	327,746,898	12,225	1,444	15.26	18.10%
2016	20,900	193,508,179	9,259	293,296,623	14,033	1,355	15.42	18.52%

Note:

1. 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.

2. Enrollment and Percentage of Free and Reduced comes from PEIMS

3. Teacher Staff comes from Schedule 17

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

SCHEDULE 19

Schools	Original	Fiscal Year Ended									
	Construction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary Schools											
Beck	1998										
Square feet		91,953	91,953	91,953	91,953	91,953	91,953	91,953	91,953	87,032	87,032
Capacity		850	850	850	850	850	850	850	850	850	850
Enrollment		642	677	725	773	756	806	841	837	845	816
Cox	2013										
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		701	728	791	744	768	769	707	626	551	447
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		637	713	755	770	766	791	787	929	937	922
*Haslet	1992, 2020										
Square feet		100,431	100,431	100,431	100,431	100,431	100,431	78,420	78,420	78,420	78,420
Capacity		850	850	850	850	850	850	650	650	650	650
Enrollment		733	675	884	861	492	492	474	704	626	445
*Hatfield	1998, 2023										
Square feet		101,509	101,509	61,652	61,652	61,652	61,652	61,652	61,652	61,652	61,652
Capacity		850	850	450	450	450	450	450	450	450	450
Enrollment		756	757	613	553	432	397	393	519	481	456
Hughes	2005										
Square feet		98,028	98,028	98,028	98,028	98,028	98,028	98,028	80,124	80,124	80,124
Capacity		850	850	850	850	850	850	850	650	650	650
Enrollment		672	671	672	700	619	685	701	659	623	585
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		667	660	605	611	613	595	659	593	574	540
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		487	524	547	591	548	610	593	630	586	569
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		648	922	766	677	655	712	744	617	662	717
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		533	531	516	541	612	598	631	603	552	499
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		655	680	703	683	740	802	746	781	747	866

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

Original		Fiscal Year Ended									
Schools	Construction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary Schools Continued											
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		720	723	631	612	516	482	452	442	443	423
*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		705	722	677	652	615	651	769	755	758	709
*Seven Hills	1998, 2023										
Square feet		101,509	101,509	75,968	75,968	75,968	75,968	75,968	75,968	75,968	75,968
Capacity		850	850	650	650	650	650	650	650	650	650
Enrollment		707	693	667	619	558	532	562	562	599	534
Sendera Ranch	2008										
Square feet		100,447	100,447	100,447	100,447	100,447	100,447	81,000	81,000	81,000	81,000
Capacity		850	850	850	850	850	850	650	650	650	650
Enrollment		813	846	693	588	607	644	657	568	587	590
Schluter	2011										
Square feet		101,834	101,834	101,834	101,834	101,834	101,834	101,834	101,834	101,834	83,099
Capacity		850	850	850	850	850	850	850	850	850	650
Enrollment		752	747	701	699	943	921	824	747	658	635
JC Thompson	2011										
Square feet		104,676	104,676	104,676	104,676	104,676	104,676	83,099	83,099	83,099	83,099
Capacity		850	850	850	850	850	850	650	650	650	650
Enrollment		726	770	816	814	725	734	620	703	622	566
Lizzie Curtis	2018										
Square feet		107,026	107,026	107,026	107,026	107,026	107,026	107,026	-	-	-
Capacity		850	850	850	850	850	850	850	-	-	-
Enrollment		783	762	683	649	707	641	566	-	-	-
Lance Thompson	2019										
Square feet		100,431	100,431	100,431	100,431	100,431	100,431	100,431	-	-	-
Capacity		850	850	850	850	850	850	850	-	-	-
Enrollment		701	642	825	724	501	380	566	-	-	-
Berkshire	2021										
Square feet		101,509	101,509	101,509	101,509	-	-	-	-	-	-
Capacity		850	850	850	850	-	-	-	-	-	-
Enrollment		688	745	714	642	-	-	-	-	-	-
Carter	2023										
Square feet		101,509	101,509	-	-	-	-	-	-	-	-
Capacity		850	850	-	-	-	-	-	-	-	-
Enrollment		680	593	-	-	-	-	-	-	-	-
Daniel	2023										
Square feet		101,509	101,509	-	-	-	-	-	-	-	-
Capacity		850	850	-	-	-	-	-	-	-	-
Enrollment		593	462	-	-	-	-	-	-	-	-
Perrin											
Square feet	2025	101,509	-	-	-	-	-	-	-	-	-
Capacity		850	-	-	-	-	-	-	-	-	-
Enrollment		565	-	-	-	-	-	-	-	-	-

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

Schools	Original Construction	Fiscal Year Ended									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Middle Schools											
Chisholm	1998										
Square feet		176,057	176,057	176,057	176,057	176,057	176,057	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		878	823	684	614	531	485	474	1,060	1,022	977
Medlin	1998										
Square feet		183,786	183,786	183,786	183,786	183,786	183,786	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		1,109	1,091	991	995	1,036	1,102	1,117	1,105	1,143	1,121
Pike	1993										
Square feet		210,883	210,883	210,883	210,883	210,883	210,883	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		1,137	1,083	1,150	1,151	1,062	1,017	1,000	1,060	850	770
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		1,062	1,042	1,039	1,079	1,051	1,033	946	1,215	1,161	1,124
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		941	970	1,414	1,307	953	958	924	1,034	991	838
Adams	2018										
Square feet		198,818	198,818	198,818	198,818	198,818	198,818	198,818	-	-	-
Capacity		1,200	1,200	1,200	1,200	1,200	1,200	1,200	-	-	-
Enrollment		915	977	1,383	1,385	1,488	1,372	1,196	-	-	-
Worthington	2023										
Square feet		220,710	220,710	-	-	-	-	-	-	-	-
Capacity		1,200	1,200	-	-	-	-	-	-	-	-
Enrollment		1,201	1,061	-	-	-	-	-	-	-	-

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

Original		Fiscal Year Ended									
Schools	Construction	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
High Schools											
Byron Nelson	2009										
Square feet		646,201	646,201	646,201	646,201	646,201	623,732	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		2,969	2,834	2,809	2,679	2,582	2,456	2,463	2,449	2,512	2,524
Northwest											
Square feet	1984	600,697	600,697	600,697	600,697	600,697	600,697	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		2,672	2,493	2,264	2,098	1,942	1,896	1,756	1,709	1,972	2,194
*Steele											
Square feet	1992	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		309	251	226	193	225	193	181	133	128	130
VR Eaton											
Square feet	2016	622,018	622,018	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	2,500	2,500
Enrollment		3,288	3,170	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
- Hatfield Elementary School was relocated to a new facility 2023-2024
- Seven Hills Elementary School was relocated to a new facility 2023-2024



SINGLE AUDIT SECTION

Members:
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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, 2025, 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 30, 2025.

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 Tonn Seay & Scarborough". The signature is written in a cursive, flowing style.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
November 30, 2025

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 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, 2025. 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, 2025.

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 30, 2025

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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: None
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:
Child Nutrition Cluster:
10.553 School Breakfast Program
10.555 National School Lunch Program – Cash Assistance
10.555 National School Lunch Program – Noncash Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
8. 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, 2025

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

None

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041	01-061911	\$ 1,123,454
Total Direct Programs			1,123,454
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	24-610101061911	15,153
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	25-610101061911	1,639,290
Total Assistance Listing Number 84.010			1,654,443
*IDEA - Part B, Formula	84.027	25-6600010619116600	4,210,120
*IDEA - Part B, Discretionary	84.027 A	25-6600010619116673	18,337
Total Assistance Listing Number 84.027			4,228,457
*IDEA - Part B, Preschool	84.173	25-6610010619116610	38,592
Total Special Education Cluster (IDEA)			4,267,049
Career and Technical - Basic Grant	84.048	24-420006061911	52,336
Career and Technical - Basic Grant	84.048	25-420006061911	159,755
Total Assistance Listing Number 84.048			212,091
Title III, Part A - English Language Acquisition	84.365 A	25-671001061911	252,008
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	24-694501061911	85,906
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	25-694501061911	322,404
Total Assistance Listing Number 84.367			408,310
ESEA, Title IV, Part A	84.424 A	24-680101061911	27,414
ESEA, Title IV, Part A	84.424 A	25-680101061911	69,401
Total Assistance Listing Number 84.424			96,815
Total Passed Through Texas Education Agency			6,890,716
TOTAL U.S. DEPARTMENT OF EDUCATION			8,014,170
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS-000537900208	22,330
Total Medicaid Cluster			22,330
MIECHV Maternal Infant & Early Childhood Home Visiting	93.870	X1054742	287,233
ECSB Preschool Development Grant Birth Through Five	93.434	9OTP0088	132,750
Total Passed Through Texas Health and Human Services Commission			442,313
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			442,313

NORTHWEST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(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	71402401	866,975
*National School Lunch Program - Cash Assistance	10.555	71302401	3,913,419
*National School Lunch Prog. - Non-Cash Assistance	10.555	71302401	630,678
Total Assistance Listing Number 10.555			<u>4,544,097</u>
Total Child Nutrition Cluster			<u>5,411,072</u>
Total Passed Through the Texas Department of Agriculture			<u>5,411,072</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>5,411,072</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 13,867,555</u></u>
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

NORTHWEST INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-Through Entity Identifying Number</u>	<u>State Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through State of Texas:			
Texas Health and Human Services:			
Texas Home Visiting Grant	N/A	HHS00105400010	\$ 129,648
Texas Home Visiting Grant	N/A	HHS00105400010	106,314
Total Passed Through Texas Health and Human Services			<u>235,962</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>235,962</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State of Texas:			
Passed Through Education Service Center Region 11:			
Supplemental Funds for Students with Visual Impairments	N/A	01-061911	7,610
Total Passed Through Education Service Center Region 11			<u>7,610</u>
Passed Through Texas Education Agency:			
Foundation Allotment	N/A	10012501	34,963,154
Available State Funding Allotment	N/A	20012501	17,745,775
State Existing Debt Allotment	N/A	10022502	10,912,397
Textbook & Kindergarten Materials	N/A	25002501	3,654,124
School Safety Standards	N/A	23039601061911	1,036,369
2023-2025 Safety and Facilities Enhancement	N/A	23039701061911	904,709
Safe Cycle 2	N/A	23039703061911	807,239
Innovative Services Students with Autism	N/A	230389057110006	229,591
Child Nutrition Lunch Matching	N/A	3002501	53,472
Dyslexia Grant	N/A	23038904061911	20,439
Math Academics	N/A	2812404	5,250
Teacher Training Reimbursement	N/A	2502103	8,945
Total Passed Through Texas Education Agency			<u>70,341,464</u>
Passed Through Texas Teacher Retirement System:			
On-behalf Retirement Contributions for Teachers	N/A	0-0161911	14,555,566
Total Passed Through Texas Teacher Retirement System			<u>14,555,566</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>84,904,640</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 85,140,602</u>

NORTHWEST INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

- For all Federal and State programs and awards, 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, Federal resources related to the United States Department of Defense ROTC program and the United States Department of Education's Impact Aid, and State resources related to Foundation funding, Available funding and teacher on-behalf retirement contributions.
- **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 and State grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

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

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 and State 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 \$286,711.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$13,867,555
SHARS Revenue reported in the General Fund	<u>497,219</u>
Total Federal Program Revenue	<u>\$14,364,774</u>

