

ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2022*

Arlington, Texas



Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2022**

ARLINGTON INDEPENDENT SCHOOL DISTRICT

690 East Lamar Blvd, Arlington, Texas 76011

Prepared By The Financial Services Department:

**Darla Moss
Chief Financial Officer**

ARLINGTON INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



ARLINGTON INDEPENDENT SCHOOL DISTRICT

Board of Trustees and Administration

BOARD OF TRUSTEES

Mrs. Melody Fowler	President
Mr. Justin Chapa	Vice President
Ms. Sarah McMurrough	Secretary
Mrs. Kecia Mays	
Dr. Aaron Reich	
Mr. David Wilbanks	
Mr. John Hibbs	

ADMINISTRATION

SUPERINTENDENT

Marcelo Cavazos, Ph.D.

CHIEF ACADEMIC OFFICER

Steven Wurtz, Ph.D.

CHIEF FINANCIAL OFFICER

Darla Moss

CHIEF SCHOOLS OFFICER

Tracie Brown, Ed.D.

ASSISTANT SUPERINTENDENT OF FINANCIAL SERVICES

Carla Martin

ASSISTANT SUPERINTENDENT OF ADMINISTRATION

Michael Hill, Ed.D.

ASSISTANT SUPERINTENDENT OF TECHNOLOGY

Eric Upchurch

ASSISTANT SUPERINTENDENT OF HUMAN RESOURCES

Scott Kahl

ASSISTANT SUPERINTENDENT OF RESEARCH AND ACCOUNTABILITY

Natalie Lopez, Ed.D.

ASSISTANT SUPERINTENDENT OF SCHOOL LEADERSHIP (ELEMENTARY)

Christi Buell, Ed.D.

ASSISTANT SUPERINTENDENT OF SCHOOL LEADERSHIP (SECONDARY)

Laina McDonald, Ed.D.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

ASSISTANT SUPERINTENDENT OF FACILITY SERVICES

Wm. Kelly Horn

EXECUTIVE DIRECTOR OF FINANCIAL SERVICES

Bridget Lewis

DIRECTOR OF BUDGET AND FINANCIAL SERVICES

Sheena Joslyn

DIRECTOR OF ACCOUNTING

Samella Wilson

CHIEF INTERNAL AUDITOR

Tim Edwards, CIA, CFE

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

BOARD OF TRUSTEES

Melody Fowler - President

Melody Fowler was elected to the Board in 2018. She is married to Larry Fowler and they have one son that is a graduate of AISD. Mrs. Fowler earned a Bachelor of Arts from the University of Texas at Austin and her Masters of Arts from Texas Woman's University. She has taught for over 30 years at both public school and at the college level. Mrs. Fowler currently works at Arlington Baptist University as VP of Institutional Effectiveness and a Professor of English.

Mrs. Fowler has volunteered to serve on many Arlington and AISD boards. She serves on the Executive Committee for Arlington Life Shelter, Chair of Hospitality for MPAC Arlington, Fun Run and Gala Committees for Open Arms Health Clinic. She also belongs to The Rotary Club of Arlington, Greater Arlington Chamber of Commerce, and the Women's Alliance. Mrs. Fowler volunteered extensively for AISD PTA's serving as room mom, grade rep, Site-Based Decision Making Teams, and President of the PTA at both the junior high and high school levels. She is a recipient of the PTA Life Membership.

Justin Chapa - Vice President

Mr. Chapa began serving on the Board in September 2017. He and his wife, Anna, are Arlington natives, graduates of Sam Houston High School, and parents of AISD students. Mr. Chapa earned a Bachelors in Government, with honors, from Harvard University, a Masters in Education from the Stanford Graduate School of Education, and a Juris Doctorate from Stanford Law School. He works as an attorney at the law firm of O'Melveny & Myers, LLP and has been named a "Rising Star" in Appellate law by Super Lawyers, a publication of Thomson Reuters. Before attending Stanford, Mr. Chapa taught 12th Grade Government and Economics at Rivera High School in Brownsville, Texas, through Teach for America.

Mr. Chapa has a long history of service to the Arlington and AISD community. He has served on the Board of Directors of United Way of Tarrant County, the Arlington ISD Education Foundation, the Arlington Public Library Foundation, and Leadership Arlington, through which he helped direct the Youth Leadership Arlington Program. Before joining the Board, Mr. Chapa served on the AISD's Financial Futures Committee, Citizens Bond Oversight Committee, and Capital Needs Steering Committee. Along with a friend, Mr. Chapa co-founded a scholarship program for seniors at Sam Houston High School that has awarded almost \$40,000 since its inception in 2007.

Sarah McMurrough - Secretary

Sarah McMurrough was elected to the board in May of 2021. She is married to Dr. Chris McMurrough, and they are the proud parents of two sons. Mrs. McMurrough graduated from AISD's Bowie High School and returned to Arlington to begin her teaching career after receiving her Bachelors in Education from Texas State University-San Marcos. Mrs. McMurrough taught 4th grade in Arlington ISD for 12 years, where she was honored as Teacher of the Year at Lynn Hale Elementary, AWARE Award (2nd-4th Grade) Winner, and Arlington Optimist Teacher of the Year. She is the founding sponsor of *Little Ladies*, a student organization that promotes positive self-esteem and leadership development for upper elementary-aged girls at Little Elementary.

Mrs. McMurrough now supports 3rd-5th grade ELAR teachers as a districtwide literacy coach in Mansfield ISD. She presents professional development sessions, curates ELAR curriculum resources, and directly supports teachers and students in classrooms throughout the district. Outside of work, Mrs. McMurrough volunteers as a Sunday school teacher at Westminster Presbyterian Church in Arlington and a PTA member at Little Elementary. Mrs. McMurrough is also the grant committee chairperson for the Theta Alpha Chapter of Delta Kappa Gamma, an international society of key women educators.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

BOARD OF TRUSTEES (continued)

Kecia Mays

Kecia Mays was elected to the Board in 2014. She has been married for 26 years and has three sons. Mrs. Mays graduated from Texas A&M University with a BBA in Accounting and was a Supervisor employed with the Texas Comptroller of Public Accounts - Audit Division for 31 years and 4 months, until her retirement in April 2022.

Mrs. Mays has served in a leadership capacity for several local PTAs and as a Field Service Rep for the Texas PTA. She has received both the PTA Life Membership and PTA Extended Life Membership Awards. Mrs. Mays has served on the Board for the Dream Weaver Foundation, Black Former Students Association of Texas A&M University, and the Arlington Education Foundation. She currently serves on the Board for the Arlington Life Shelter, Dental Health Arlington, Tarrant County United Way, Water from the Rock – Mt. Olive Baptist Church and The Travel & Sport Legacy Foundation. Kecia Mays enjoys attending her sons sporting events, going to the movies and community advocacy.

Dr. Aaron Reich

Dr. Reich has served on the Board since May of 2009. He has lived in Arlington for 29 years and is married with two children, both products of AISD. He and his wife of 28 years have two businesses in Arlington; a CPA practice (his wife, Debra J. Freiheit, CPA, MS) and TRINU Healthcare (a professional development, education, and consulting firm for healthcare). Dr. Reich has been an invited lecturer on a local, state, and national level. He received his Doctor of Pharmacy degree from Creighton University, Omaha, Nebraska and came to Texas via his post graduate residency at UT MD Anderson Cancer Center in Houston.

Dr. Reich has served on many non-profit Boards of Directors and committees, mostly related to his professional practice and healthcare education. He is an active parent, President and co-founder of Positive Influence, a non-profit organization dedicated to parental and father figure involvement programs for primary and secondary education. He serves as Past-President of the Board of Directors for Theatre Arlington, is a Director for Arlington Children's Toys, aka, Arlington Margarita Society, amongst other Boards and Charities. He is a member of the First United Methodist Church, Ft. Worth, and enjoys his family, community advocacy, the outdoors, and traveling.

David Wilbanks

David Wilbanks was elected to the Board in 2019 and currently works as a business consultant assisting clients with their financial data systems. He and his wife are both Tarrant County natives. Their son and daughter are proud graduates of AISD schools, and both are currently attending UTA. Mr. Wilbanks graduated from the University of Texas at Austin with a BS in Electrical and Computer Engineering. He also attended UTA for post-graduate work in business and marketing before moving to Silicon Valley to start his software career. Mr. Wilbanks moved back to Texas in 1995 and chose Arlington to make his home and start his own software company. After retiring early and moving abroad for a few years, Mr. Wilbanks and his family chose to move back to Arlington so their children could graduate from AISD schools.

Mr. Wilbanks has served on a number of educational committees and boards in Arlington over the years; including the Arlington ISD education Foundation, AISD's Financial Futures Committee, Citizens Bond Oversight Committee, and the Capital Needs Steering Committee. He also served a number of years on the board of the Butler Dads Club and is a *PTA Life Membership Award* winner. Mr. Wilbanks is a proud member of the Arlington Texas Exes and is a past president of the chapter.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

BOARD OF TRUSTEES (continued)

John Hibbs

Mr. Hibbs was elected to the Board in May 2010. He has worked in the eye care industry for more than 32 years and currently is the Vice President of Commercial Sales US for Contamac Optics located in the UK. He is also a licensed Contact Lens Examiner. Mr. Hibbs is a 1985 graduate of Texas Christian University where he received a B.A. degree.

John Hibbs and his wife Mary have been married for 37 years. They have one son and two daughters, all of whom have attended the Arlington Independent School District. Prior to being elected to the School Board, John received both the PTSA Lifetime Membership and PTSA Extended Life Membership awards for his volunteerism within the AISD. He received the Girls Inc. Of Tarrant County Strong Man of the Year award. He currently serves as a director of the Arlington Children's Toy Charities Board and serves in a leadership role in the Children's Ministry at Lake Arlington Baptist Church. His passion is his family and the community he serves.

ADMINISTRATION

Dr. Marcelo Cavazos - Superintendent

Dr. Marcelo Cavazos started his teaching career as an English teacher in the Mission Consolidated ISD in 1990. In 1992, he moved to McAllen ISD where he taught English and government. He was named the secondary language arts supervisor for Mercedes ISD in 1993 and became associate adviser for San Benito Consolidated ISD in 1995. Cavazos went to work for the Texas Education Agency Department of School Finance and Support in 1998.

He joined the AISD in 1999 as associate superintendent for instruction and served as interim deputy superintendent for seven months before being named deputy superintendent in February 2009. He has previously served as a lecturer for the University of Texas at Arlington's Department of Educational Leadership and Policy Studies. Cavazos served as interim superintendent for six months before being named superintendent December 6, 2012. He holds a bachelor's and a master's degree from the University of Texas -Pan American and a doctorate from the University of Texas at Austin.

In addition to his professional accomplishments, Cavazos is active in the community. He is on the TASB Risk Management Fund Board, SafeHaven of Tarrant County Board, Workforce Solutions for Tarrant County Board, River Legacy Foundation Board, and the Arlington ISD Education Foundation Board. He is an ex-officio member of the Arlington Chamber of Commerce Board. Cavazos is a member of the Rotary Club of Arlington, an associate member of the Greater Arlington Lions Club, a Lifetime Supporting Member of the Texas Lions Camp, a Melvin Jones Fellow with Lions Club International Foundation, a member of the Knights of Columbus and active at St Matthew Catholic Church. He received the 2009 Arlington MLK Celebration Sharing the Dream Award for Education, the 2012 YMCA Citizen of the Year Award, the 2012 Educator Award from the Asian-American Chamber of Commerce, the 2013-2014 Elks Distinguished Citizenship Award from the Arlington Elks Lodge No. 2114, the 2016 Seat 21 Honoree by the Texas Rangers Baseball Foundation, the 2016 Texas Superintendent of the Year and was the Texas nominee for the 2017 AASA Superintendent of the Year Award. He has been married to Nora for 21 years; his children Theresa and Diego attend school at Arlington High School and Gunn Junior High School

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

ADMINISTRATION (continued)

Dr. Steven Wurtz - Chief Academic Officer

Dr. Steven Wurtz has served Arlington ISD as the Chief Academic Officer since October 2014. Prior to that within AISD, he led as an Area Superintendent of Elementary Schools supervising 26 schools and providing executive coaching to campus principals to facilitate implementation of research-based instructional leadership practices. Dr. Wurtz served in various administration positions with Grand Prairie ISD and Irving ISD. His teaching experience included service as both an elementary bilingual/ESL and Gifted and Talented teacher. Dr. Wurtz holds a bachelor's degree in Spanish from Brigham Young University and a master's degree in Educational Leadership and Policy Studies from the University of Texas at Arlington. In 2010, he earned a doctorate from Dallas Baptist University in Educational Leadership.

As Chief Academic Officer, he is responsible for developing and collaboratively actualizing the district's learning framework designed to empower and engage all students through relevant, innovative and rigorous learning experiences. He facilitates the articulation of the district's instructional and curricular direction, is responsible for the development and supervision of campus and academic service department leaders and ensures the efficient operation and implementation of academic systems aligned with the district's adopted strategic plan.

Dr. Wurtz currently serves on the Texas Learning Collaborative and was formerly a member of the state board of directors and state advocacy committee for the Texas Elementary Principals and Supervisors Association (TEPSA). He served as the president-elect for the TEPSA 10 Board and second vice president for the TEPSA District 11 board. Dr. Wurtz is a member of the TEPSA, ASCD, serves as a member of district lead staff for the Texas School Alliance and as a district representative for the Arlington/Holdsworth Center Steering Committee.

Darla Moss - Chief Financial Officer

Darla Moss joined the Arlington Independent School District in March 2020, as the Chief Financial Officer. She brings more than 36 years of financial experience to the position of Chief Financial Officer, where she leads a team of experienced professionals in managing the district's over \$1 billion annual operating funds (inclusive of food service, debt service, natural gas, and construction funds) and overseeing and managing fiscal operations. Prior to joining Arlington ISD she served as the Chief Financial Officer for the Midland ISD for just under three years. Darla joined Midland after thirteen years of service at the Liberty- Eylau Independent School District in Texarkana, Texas. She started her work as an accountant at Liberty-Eylau before being named Controller. After seven years with the District, she was named the Chief Financial Officer and served in the role for six years prior to joining Midland. She worked in accounting positions in both manufacturing and retail prior to her work in the Texas public school system. She graduated from Texas A&M University-Texarkana with a Bachelor of Business Administration in Accounting and a Master of Science in Accounting.

As Chief Financial Officer, she leads and manages the Finance Division of the district, which includes more than 1280 team members including finance and accounting, construction and facilities management, maintenance and facilities, food and nutrition services, contracts and purchasing, and warehouse operations. Her responsibilities include providing managerial direction to several essential district functions that include financial reporting, investments and cash management, debt management, and oversight of a \$966 million bond program.

Darla holds a certificate from the Texas Association of School Business Officials (TASBO) as a Registered School Business Administrator. She is a member of TASBO, and Government Finance Officers Association (GFOA). She currently serves on the Board of Directors of the Local Government Investment Cooperative ("LOGIC") as secretary. She previously served on the Board of Directors of Edwards Risk Management and as a board member of The Scholars.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

ADMINISTRATION (continued)

Carla Martin - Assistant Superintendent of Financial Services

Carla Martin was named Assistant Superintendent of Financial Services in May 2022. Prior to joining Arlington ISD, she was the Executive Director of Financial Services at Midland ISD for four years, Director of Financial Services for one year, and the Federal Funds Accountant for two years. Prior to her work in the Texas public school system, she was an internal auditor in the oil and gas services industry and the hospitality and gaming industry. She graduated from The University of Nevada, Las Vegas, with a Bachelor of Science in Business Administration in Accounting and earned a Master of Business Administration (MBA) from The University of Texas Permian Basin. She is active with TASBO and holds the RTSBA certification.

Dr. A. Tracie Brown - Chief Schools Officer

Dr. A. Tracie Brown was appointed as Chief Schools Officer in June 2021. Prior to joining Arlington ISD, Dr. Brown served in Dallas Independent School District for 18 years. In 2010-11, Dr. Brown left DISD to help launch SMU's Ed-Entrepreneur Center with the Teaching Trust. As Leadership Development Director, she worked collaboratively with SMU to construct a Master's degree program for those who wanted to specialize in urban school leadership. Dr. Brown also served as founding principal of C.A. Tatum Jr. Elementary School (a blue-ribbon nominated school) and S.S. Conner Elementary School in Dallas and as Assistant Principal and Dean of Instruction at Mata Elementary and Hood Middle School. Dr. Brown was a secondary Reading/Language Arts teacher for 7 years before joining administration. Dr. Brown served as the Senior Area Superintendent and Assistant Superintendent before being promoted to Chief Schools Officer in June. Dr. Brown oversees the Office of School Leadership, which also includes School Improvement and Leadership Development. Dr. Brown received a Bachelor of Science degree in Mass Communications from Texas Woman's University, a Master of Science in Educational Leadership from Texas A&M-Commerce, and her doctorate from Southern Methodist University in Educational Policy and Leadership.

Dr. Michael Hill - Assistant Superintendent of Administration

Dr. Michael Hill was named Assistant Superintendent of Administration in February of 2013. He started his teaching career in 1996 as an Economics/Government teacher in the Union Parish School System in Louisiana. In 1997, he moved to Fort Worth ISD where he taught and coached at Paschal High School. In 2002 he moved to Arlington ISD, taught, and coached at Bowie High School. Later he moved into administration at Bowie High School as an assistant principal, serving in that capacity for 3 years. Dr. Hill then became the Academic Associate Principal at Timberview High School in the Mansfield ISD. He served in that capacity for a little less than two years before returning to Arlington ISD as the principal at Juan Seguin High School, where he served in that capacity from January 2011 until February 2013. Michael earned his Doctorate in k-12 Leadership from Dallas Baptist University in December of 2019. He holds a master's degree in Educational Leadership and Policy Studies and a superintendent certification from the University of Texas at Arlington and a bachelor's degree from Grambling State University in Louisiana.

Eric Upchurch - Assistant Superintendent of Technology

Eric Upchurch has spent his career in Information Technology within public sector industries spanning Healthcare to Municipal Government. In April 2020, Eric was named Assistant Superintendent of Technology for Arlington ISD. Prior to this appointment, Eric was a Sr. Manager within the City of Fort Worth IT Solutions Infrastructure Engineering department responsible for strategic management of the Data Center facilities, the Network Operations Center team, the IT Service Desk operation, and IT Change Management. Eric has a Master of Science in Information Science and is currently a Ph.D. candidate at the University of North Texas where he served as Teaching Fellow for the College of Information, Information Science Graduate department from 2015-2017.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

ADMINISTRATION (continued)

Scott Kahl - Assistant Superintendent of Human Resources

Scott Kahl has served as the Assistant Superintendent of Human Resources for Arlington ISD since January of 2014. Prior to his current role, Scott was the Human Resources Manager for Ecolab in Irving, Texas. Additional experiences include his position as the Human Resources Manager of Parker Hannifin's Fort Worth facility and approximately 15 years at National Semiconductor in Arlington where he last served as the Human Resources Director. His previous experiences with the school district include multiple years as a Board Member of the Arlington ISD Education Foundation and as a community member serving on the curriculum committee. He has also served multiple previous terms as a Board Member for the Tarrant County Workforce Board. He has a Bachelor's degree in Industrial Psychology from St. Mary's College of California and a Master of Science degree in Industrial Psychology from San Francisco State University.

Dr. Natalie Lopez - Assistant Superintendent of Research and Accountability

Dr. Natalie Lopez was named Assistant Superintendent of Research and Accountability in June of 2021. Dr. Lopez has served in the Research and Accountability department for four years, first as the Coordinator of Research and Evaluation, and then as the Director of Research and Analysis. She has eleven years of experience teaching secondary math and holds a Principal as Instructional Leader (EC-12) certificate. Dr. Lopez holds a bachelor's degree from The University of Texas at Austin, a master's degree in Educational Administration from The University of Texas at Arlington, and a doctorate in Educational Leadership and Policy from The University of Texas at Arlington.

Dr. Christi Buell - Assistant Superintendent of School Leadership (Elementary)

Dr. Christi Buell currently serves as the Assistant Superintendent of Elementary Schools. Dr. Buell served as an Area Superintendent in AISD from February 2014 – June 2021. Prior to that, she was a Principal at Mary Moore Elementary in Arlington ISD. She has also served as an Executive Director of School Leadership in Dallas ISD, Dallas, Texas; a Principal Coach, Curriculum Supervisor and Elementary Principal in Hillsborough County, Tampa, Florida; an Elementary Principal in Millard Public Schools, Omaha, Nebraska; a K-8 Principal in Franklin Special School District, Franklin, Tennessee; an Elementary Principal in Wylie ISD, Wylie, Texas; and an Assistant Principal and Elementary Teacher in Garland ISD, Garland, Texas. She holds a bachelor's degree from Texas A&M University, a master's degree from East Texas State University and a doctorate from Texas A&M University-Commerce. She also holds both Mid-Management and Superintendent Certifications.

Dr. Laina McDonald - Assistant Superintendent of School Leadership (Secondary)

Dr. Laina McDonald began serving in AISD in July of 2019 as an Area Superintendent and is currently serving as the Assistant Superintendent of School Leadership - Secondary. Dr. McDonald supervises the school improvement department and the elementary strategic support network. Dr. McDonald served in various central administration positions with Irving ISD and Castleberry ISO. Her experience includes serving as a High School Principal, Executive Director for Curriculum and Instruction, and Assistant Superintendent for Leadership Development. Her teaching experience included high school and teaching at the collegiate level. Dr. McDonald holds a bachelor's degree from Cameron University and a master's degree in Education from Wayland Baptist University. Dr. McDonald earned a doctorate from Texas A&M-Commerce in Educational Leadership in 2013 and holds a Texas Mid-management and Superintendents certification.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Board of Trustees and Administration (continued)

ADMINISTRATION (continued)

Wm. Kelly Horn - Assistant Superintendent of Facility Services

Kelly Horn has served as the Assistant Superintendent of Facility Services since June of 2021. He began his service in the Arlington Independent School District in November 2015, as the Executive Director of Plant Services. Prior to joining Arlington ISD, he served in Irving ISD for seven years as the Director of Facility Services and six years as the Construction Project Manager. Before moving into school business industry, he served as a marketing, sales, and distribution executive in the engineered products industry. He has over 30 years of experience in product engineering and facility services management. He graduated from Texas A&M University with a Bachelor of Science in Industrial Distribution.

Kelly Horn has served as president-elect on the boards of the Association for Learning Environments (A4LE), North Texas Chapter, and the North Texas Facilities Services Association (NTFSA), a TASBO affiliate. He is active with the Texas Association of School Business Officials (TASBO) and is RTSBA (Registered Texas School Business Administrator) certified.

Bridget Lewis - Executive Director of Financial Services

Bridget Lewis has served as the Executive Director of Financial Services since June of 2022. She began her service in the Arlington Independent School District in February 2021 as the Director of Accounting. Prior to joining the District, she worked seven years as the Business Manager for Everman ISD. She has an additional nine years of accounting experience working for Region 11, Manara Academy, and Kennedale ISD. Bridget earned her BBA in Business from Northwood University, MBA from American InterContinental University and her Registered Texas School Business Administrator Certification from TASBO.

Samella Wilson - Director of Accounting

Samella Wilson joined the District in September 2022. She began her public school district career with Fort Worth Independent School District. She recently was Assistant Director of Accounting Services at Dallas Independent School District. Prior to Samella's public-school experience, she worked in Higher Education finance. Samella earned her BS in Business Administration with an emphasis in Accounting from Mississippi Valley State University and her MBA from Delta State University.

Sheena Joslyn - Director of Budget and Financial Services

Sheena Joslyn joined the District in July 2019. She began her public school district career with Birdville Independent School District. She has also worked for both Kennedale and Palacios Independent School Districts. Prior to Sheena's public school experience, she was in the United States Air Force and worked in collections and banking. Sheena earned her BBA in Business from Stephen F. Austin State University and her MBA from Texas Woman's University.

Tim Edwards - Chief Internal Auditor

Tim Edwards was appointed as the Chief Internal Auditor for AISD in December 2010. Previously, he served as the Chief Internal Auditor for a university system, was the Senior Manager of Corporate Audit for a Fortune 500 corporation, and led the start-up of an Internal Audit function for the largest real estate association management company in the country. Mr. Edwards has a BBA degree in Corporate Finance and is a Certified Internal Auditor and Certified Fraud Examiner.

CERTIFICATE OF BOARD

Arlington Independent School District

Name of School District

Tarrant

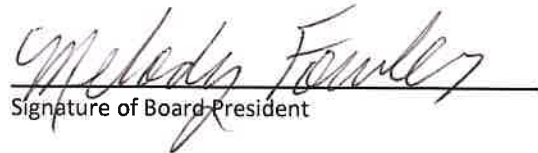
County

220-901-11

Co. - Dist. No.

We, the undersigned, certify that the attached auditors' reports of the above named school district were reviewed and ✓
approved _____ disapproved for the year ended June 30, 2022, at a meeting of the board of school trustees of such school
district on the 17th day of November 2022.


Signature of Board Secretary


Signature of Board President



November 17, 2022

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

The Texas Education Code requires that all independent school districts file a complete set of financial statements within 150 days of the close of each fiscal year with the Texas Education Agency (“TEA”). The financial statements are in conformity with generally accepted accounting principles (“GAAP”), and a firm of licensed certified public accountants is required to audit them in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Arlington Independent School District (“District” or “AISD”) for the fiscal year ended June 30, 2022.

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 of the information presented in this report. To the best of our knowledge and belief, we assert that this financial report is complete and reliable in all material respects.

The District’s financial statements have been audited by Whitley Penn, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

GAAP also 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 the 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.

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

District Profile

The Arlington Independent School District was established as a political subdivision of the State of Texas and incorporated in 1902. It lies halfway between Dallas and Fort Worth and serves students in four cities - the City of Arlington, the Tarrant County portion of the City of Grand Prairie, the Town of Pantego, and the City of Dalworthington Gardens. It is fully accredited by the TEA and is regulated by the Texas Education Code as established by the Texas State Legislature. The District is not a component unit of any other entity, nor does it have any component units within its overall structure.

The Arlington Independent School District is the 13th largest school district in Texas. The District currently operates six traditional high schools, two collegiate high schools, one Career and Technical Center, an Agricultural Science Center, Center for Visual and Performing Arts, 10 junior high schools, 47 traditional elementary schools, three fine arts/dual language academies, Pre-k at 51 locations, one elementary leadership academy, one elementary STEM academy, one elementary world language academy, three alternative schools and AISD Athletics Center. During the 2021-22 school year, the District employed 7,891 full-time equivalent staff members, of which 3,924 were classroom teachers. Enrollment for the 2021-22 year was 56,311 as reported to the State through the Public Education Information Management System ("PEIMS"). This enrollment figure represents a decrease of approximately 1% from the enrollment figure reported through PEIMS the previous year. Enrollment for 2022-23 is expected to be 55,603 at the fall PEIMS snapshot date, which is 1.5% less than the 2021-22 official enrollment.

The age of the District's facilities varies greatly. In 2013, The District performed a facilities assessment to evaluate the physical condition and educational adequacy of all facilities. The 2014 Bond Program addressed deficiencies identified through the assessment and provided for the District's facilities needs through the year 2019. The 2019 bond further addresses facility needs in the district. The 2019 Bond Program is discussed in the Major Initiatives section.

The mission of the Arlington Independent School District is to empower and engage all students to be contributing, responsible citizens striving for their maximum potential through relevant, innovative and rigorous learning experiences. The District provides regular, special education, career/technology, gifted/talented, and bilingual/ESL curricula in order to meet the needs of the diverse student population. Additionally, a broad range of electives, extra-curricular, and concentrated advanced academic programs are also offered to enhance learning opportunities beyond core curriculum. AISD currently offers the International Baccalaureate World School Program at four of its high schools. The District also offers an Advanced Placement program that gives students the opportunity to graduate with 30 or more college credits and also offers dual-credit choices so that students at each high school can take advantage of earning on-site AISD and Tarrant County College credits. The district does not administer or fund any charter schools.

Governance

The District is under the control and management of a board of seven trustees, each of whom is elected by the District's registered voters to serve a three-year term. All of the trustees are elected at-large and serve without compensation. The elections are staggered so that not all positions are up for election during the same year.

In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, organizing the Board and electing its officers. The Board is also charged with setting the tax rate, acting on real property matters, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

Local Economy

Arlington's diverse economy and unique location within the D/FW Metroplex drive the city's growth. Arlington hosts employers from a variety of industries, including defense contractors, an automobile manufacturer, high tech companies, higher education institutions, major finance companies, medical facilities and entertainment companies. The area's major transportation systems afford area businesses easy access to cities throughout the world. Arlington is only fifteen minutes from D/FW International Airport, one of the busiest airports in the world. Interstate Highways 20 and 30 are the major east/west arteries through the city. Access to Interstate Highway 35, traversing the United States from Mexico to Canada, is also convenient. Rail transportation is available for both public transportation and freight. Arlington is known as the "premier entertainment hub of the region." Each year approximately 6.8 million people visit Arlington. The five main entertainment attractions are: Six Flags Over Texas amusement park; Texas Ranger's Globe Life Ballpark, Six Flags, Hurricane Harbor water park, Texas Live!, and AT&T Stadium, home of the Dallas Cowboys. AT&T Stadium has hosted numerous NFL and college games, major concerts, the 2019 PBR Global Cup, the Cotton Bowl, and Super Bowl XLV. AT&T stadium will host Kenny Chesney for his 2020 Chillaxification tour.

Relevant Financial Policies

Factors affecting financial control

Management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, misuse or theft, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Control

The annual budget serves as the foundation for the District's financial planning and control. Texas State law requires the Board president to call a Board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting must be published at least 10 days but not more than 30 days before the public meeting. The budget must be adopted prior to June 30.

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, Natural Gas Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Food Service Fund. 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 expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are an assignment of fund balance and are treated as expenditures in the subsequent year upon receipt of goods and services.

Major Initiatives

Academic Achievement

Arlington ISD is committed to providing all students with a rigorous, innovative and highly relevant learning experience that captures learners' creativity and provides them with a pathway to develop skills aligned to their post-secondary life goals. This effort includes the development and effective implementation of a guaranteed and viable curriculum and meaningful programming that foster the implementation of researched-based instructional practices in the classroom.

The budgetary impact for 2022-2023 includes:

- 2nd cohort of students at the Gunn Junior High Fine Arts/Dual Language Academy.
- Additional cohorts at three new elementary academy programs – Crow Leadership, Percy STEM and Wimbish World Language Academy.
- Coaching and professional development for Best Practices and Active Learning Cycle training;
- 2nd cohort at Bowie High School P-Tech program
- New cohort at Lamar High School P-Tech program
- Planning years for upcoming P-Tech programs at Sam Houston and Seguin High Schools
- Expansion of two-way Dual Language programming
- Expansion of Dual Credit program options
- Curricular and programmatic enhancements
- Expansion of services and resources to support learners' social and emotional health

College Readiness

A key component of the district's Powered by Possibilities strategic plan is for students to be prepared to excel at their school of choice by providing leading-edge learning experiences. That belief guides the college readiness portion of the academic services priorities.

The budgetary impact for 2022-2023 includes:

- 4th cohort of students at Arlington College and Career High School, an early college high school program, in partnership with Tarrant Community College.
- Opening of the P-TECH program at Lamar High School

Workforce Readiness

For workforce readiness, the Academic Services division will focus efforts around initiatives to help students be prepared to enter the workforce after graduation by increasing workforce certification opportunities aligned with industry needs. The goal is to provide a pathway for students to acquire gainful employment through relevant curricular and intern-based learning experiences.

The budgetary impact for 2022-2023 includes:

- 4th cohort of students at Arlington College and Career High School, an early college high school program, in partnership with Tarrant Community College.
- Opening of P-TECH at Lamar High School
- Planning years for P-TECH for Sam Houston and Seguin High Schools
- Expansion of CTE programs and workforce partnerships

Leadership, Citizenship and Responsibility

The Arlington ISD proactively in developing programs that teach leadership, citizenship and how to act responsibly. The Year 5 focus includes:

- Expand PK-12 service-learning opportunities.
- Expand community partnership program with faith-based, civic, business, nonprofit, government and higher education groups.
- Enhance volunteer opportunities districtwide.

The budgetary impact for 2021-2022 includes leadership development within AISD.

Long-term Financial Planning

The Board recognizes the significance of adopting balanced budgets, sustaining a strong fund balance, and long-range financial planning. The Board has adopted a policy that sets forth parameters for annual budget development and targets the unassigned General Operating fund balance at two-months of operating expenditures. The parameters include prioritizing resources into programs that promote student achievement growth, maintaining competitive compensation to attract and retain a highly qualified workforce, board approval of staffing ratios, balancing the budget with limited use of surplus fund balance for one-time expenditures, and prioritizing any necessary reductions in areas that have the least impact on instruction. General operating needs and capital needs are interdependent and must be considered together in order to effectively plan for and address the District's long-range financial needs.

Community involvement in long-range financial planning is a District priority. A Financial Futures Committee comprised of staff and citizens meet periodically to study the District's strategic plan, budget cost drivers, enrollment and property value trends, and the state school finance system to understand how those issues affect AISD's budget, tax rates, instructional programming and long-range financial planning. The scope and purpose of the committee is to provide the Board with findings and recommendations from community stakeholders relating to budgets and long-range financial planning to support the District's Strategic Plan.

The objectives of our long-range planning include investing in capital priorities, balancing the budget and enhancing instructional opportunities for all students. The District is committed to involving its stakeholders in financial planning efforts to ensure that the work is transparent, aligns with our strategic plan and meets community priorities.

We have a responsibility to the students of AISD to provide an education that allows them to graduate exceptionally prepared for college, career and citizenship. We are here to meet that responsibility and to serve our students and our staff.

Awards and Acknowledgements

Innovative programs, teachers and volunteers are all key to the success of AISD students. Under the new accountability system, TEA rates each district and campus as A – F. In 2020, AISD received a A rating with an overall score of 96 out of 100.

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Arlington Independent School District for its comprehensive annual financial report for the year ended June 30, 2021. This was the 43rd consecutive year that the Arlington Independent School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published a comprehensive annual financial report that was easy to read and was efficiently organized. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the Association of School Business Officials International (“ASBO”) awarded a Certificate of Excellence in Financial Reporting by School Systems to the Arlington Independent School District for the 33rd consecutive year. The Certificate of Excellence in Financial Reporting for School Systems Program is a voluntary program sponsored by ASBO to foster excellence in the preparation and issuance of school system financial reports. A Certificate of Excellence is awarded to those school systems that have voluntarily submitted their comprehensive annual financial report (“CAFR”) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel of review members concluded that the Arlington Independent School District’s financial report met the criteria for excellence in financial reporting. We believe that our current CAFR continues to meet the requirements of the Certificate of Excellence in Financial Reporting by School Systems program, and we are submitting it to ASBO to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darla Moss".

Darla Moss
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Dr. Marcelo Cavazos".

Dr. Marcelo Cavazos
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arlington Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Arlington Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



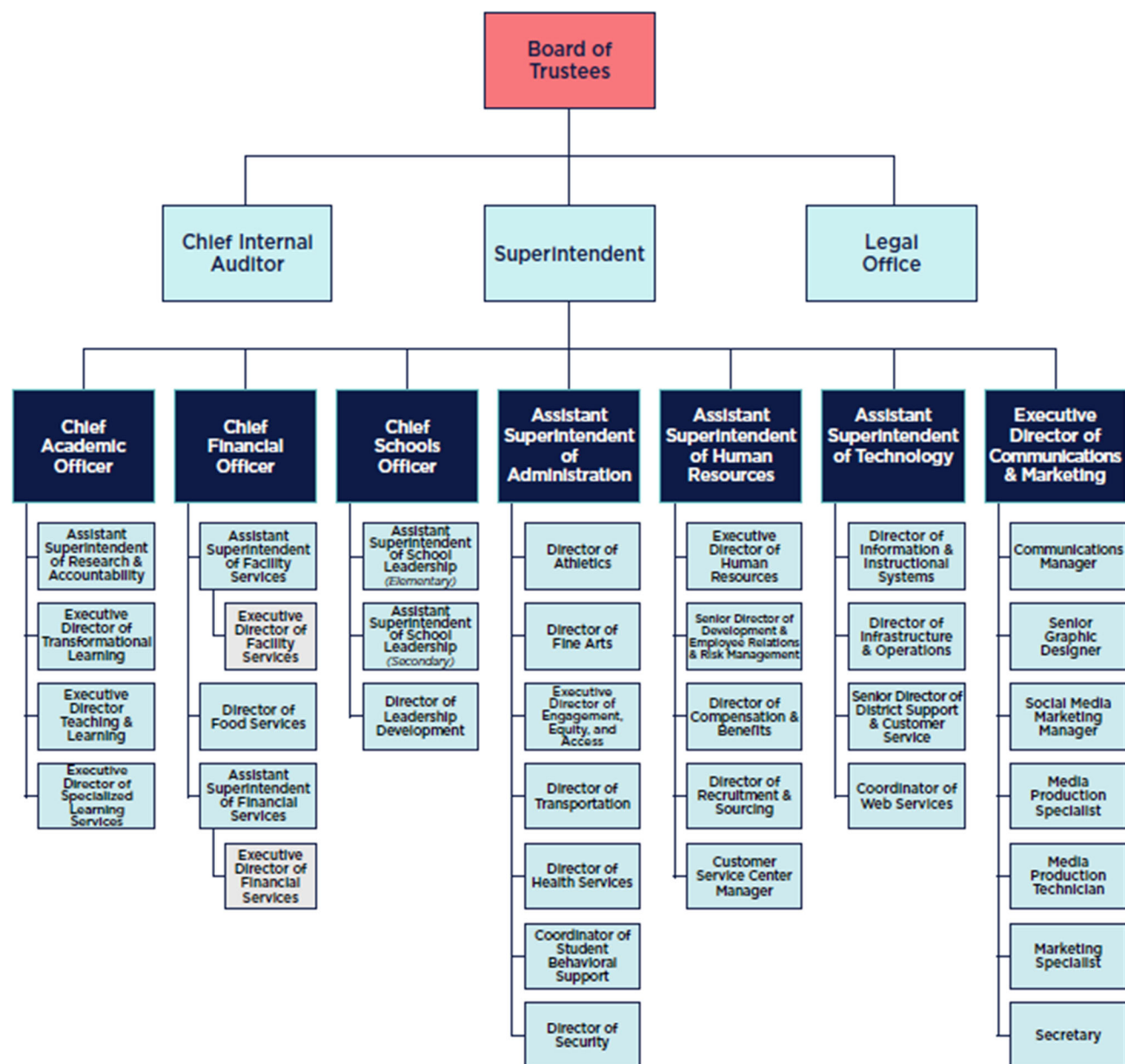
A handwritten signature in black ink, reading 'Will Sutter'.

William A. Sutter
President

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

David J. Lewis
Executive Director

Arlington Independent School District ORGANIZATIONAL CHART 2022-2023





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Arlington Independent School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, the respective budgetary comparison schedule for the general fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, and 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, required TEA schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Fort Worth, Texas
November 17, 2022



ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Comprehensive Financial Report, the management of Arlington Independent School District ("the District") offer readers this narrative discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this analysis.

FINANCIAL HIGHLIGHTS

- At the close of the year ended June 30, 2022, the District's assets and deferred outflows exceeded liabilities and deferred inflows, resulting in a net position of \$159 million.
- The government-wide statements reported total revenues of \$792 million, which exceeded total expenditures of \$735 million and resulted in an increase of net position by \$56 million.
- The District's governmental funds financial statements reported combined ending fund balances of \$877 million, which is \$143 million greater than the previous year. \$165 million, or 19%, is available for spending at the District's discretion (unassigned balance).
- The General Fund had \$609 million in revenue, which primarily consisted of local property taxes and state aid, and \$2 million in extraordinary items of insurance proceeds. Expenditures of \$559 million resulted in an increase in fund balance by \$52 million from the previous year. Unassigned fund balance for the general fund was \$164 million or 29% of total general fund expenditures.
- In November 2019, Arlington voters approved a \$966 million bond package. Proceeds from the bond issue will be used to build new facilities, upgrade and renovate existing facilities, address safety and security districtwide, upgrade technology infrastructure and equipment, provide fine arts equipment, and purchase transportation and white fleet service vehicles. This bond program is planned as a five-year program. The District issued \$176 million of Unlimited Tax School Building and Refunding Bonds, Series 2022, in February 2022. \$166.7 million of Series 2022 were for the third issuance of the Bond 2019 program. In addition, \$9.6 million of Series 2022 were for the purpose of refunding a portion of outstanding debt of the Series 2012 and Series 2013 bonds.
- During the 2021-2022 school year, many districts in the state experienced losses in average daily attendance (ADA) due to low rates of attendance caused by the 2020 coronavirus pandemic (COVID-19). Because ADA is a major component of state aid, to mitigate the potential reduction in state funding, the Texas Education Agency (TEA) provided a mechanism to stabilize percentage attendance rates comparable to a more typical school year. This one-time adjustment focused on a target percentage attendance rate (TPAR) based on the district's first four six-week attendance period of the 2019-2020 school year. The TPAR adjustment resulted in approximately \$13 million in state aid the District would not have otherwise received.
- The Elementary and Secondary School Emergency Relief II Fund (ESSER II), authorized under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2020, provided supplemental appropriations to prevent, prepare for, and respond to COVID-19. The District was allocated \$60 million of ESSER II funds, for the period March 13, 2020 through September 30, 2023. The District received \$23 million for expenses incurred during the 2020-2021 school year, recognized as 2021-2022 revenue in the General Fund. In addition, \$11 million was spent at the close of the fiscal year ended June 30, 2022.
- The American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ESSER III), authorized under the American Rescue Plan (ARP) Act of 2021, provided funding in safely reopening and sustaining operations of schools while meeting the academic, social, emotional, and mental health needs of students resulting from COVID-19. The District was allocated \$134 million of ESSER III funds, available through September 30, 2024, with \$26 million spent at the close of the fiscal year ended June 30, 2022.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of a series of financial statements, notes to those statements, and other supplementary information.

Basic Financial Statements

The basic financial statements include two types of statements that present different views of the District. Major features of the District's *government-wide* and *fund financial* statements, including the portion of the District government they cover and the types of information they contain, are summarized below:

Type of Statement	Government-Wide	Fund Financials		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not propriety or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or custodian for someone else's resources
Required Financial Statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenditures, and changes in fund net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year-end, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during the year, regardless of when cash is received or paid.	Agency funds do not report revenue and expenditures. Fiduciary funds present all revenues and expense during the year regardless of when cash is received or paid.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- **Government-wide financial statements** provide information about the activities of the District as a whole and present both a long-term and short-term view of the District's finances.
 - The government-wide financial statements include the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). These statements are designed to provide readers with a broad overview of the District's finances. The government-wide statements apply the accrual basis of accounting, which is similar to the accounting basis used by most private-sector companies. The Statement of Net Position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
 - The two government-wide financial statements report the District's net position and changes in them. Net position (the difference between assets, deferred inflows/outflows and liabilities) 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, additional factors should be considered, such as changes in the District's property tax base, state funding, or its average daily attendance and the condition of the District's facilities
- **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, as opposed to the District as a whole. Laws and bond covenants require the District to establish some funds, such as grants received under the Every Student Succeeds Act from the U.S. Department of Education. The District's administration establishes other funds to help it control and manage money for specific purposes. The three kinds of funds used by the District - governmental, proprietary and fiduciary - use different accounting approaches:
 - **Governmental funds** - Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (an accounting method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps users determine the availability of financial resources to finance the District's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
 - **Proprietary funds** - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Fund financial statements tell how goods or services of the District were sold to external customers and how funds were accumulated and costs were allocated internally among various functions. There are two proprietary fund types: (1) Enterprise funds and (2) Internal service funds. The District operates one enterprise fund that accounts for its Natatorium. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District has two internal service funds, the Print Shop and the Workers' Compensation Funds.
 - **Fiduciary funds** - provides financial information about activities for which the District acts solely as a trustee, or fiduciary, or agent, for money raised by student activities. These resources can be used only for the student groups that raised the funds; therefore, they are recorded in custodial funds. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Other Supplementary Information

This annual report contains other supplementary information in addition to the basic financial statements and the notes to the financial statements. Management's Discussion and Analysis (this section) is required supplementary information under governmental accounting standards. The report sections labeled "Required TEA Schedules" and "Federal Awards Section" contain data used by monitoring or regulatory agencies for assurance that the District is using supplied funds in compliance with the terms of grants. The unaudited "Statistical Section," includes selected financial and demographic information, generally presented on a multi-year basis.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. The District's capital assets, which consist of the District's land, building, building improvements, furniture, and equipment, represent about 52 percent of total assets. The remaining assets consist mainly of cash, investments, and state revenue receivable. The District's long-term liabilities, which consist of the District's bonds payable, net pension liability, and net OPEB liability, represent about 93 percent of total liabilities. The remaining liabilities include payables on accounts and salaries and benefits.

The District's net position at June 30, 2022, totaled \$159 million. A large portion of net position, \$231 million, reflects the District's investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of \$37 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit \$108 million.

NET POSITION
(in thousands)

	Governmental Activities (in '000s)					
	2022		2021		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 996,266	48%	\$ 840,571	44%	\$ 155,695	19%
Capital assets	1,086,118	52%	1,065,936	56%	20,182	2%
Total Assets	2,082,383	100%	1,906,507	100%	175,876	9%
Total Deferred Outflows of Resources	100,919	100%	103,102	100%	(2,183)	100%
Current liabilities	127,427	7%	111,993	7%	15,434	33%
Long term liabilities	1,640,582	93%	1,608,755	93%	31,827	67%
Total Liabilities	1,768,009	100%	1,720,748	100%	47,261	3%
Total Deferred Inflows of Resources	255,813	100%	185,285	100%	70,528	100%
Net Position						
Net Investment in capital assets	231,351		248,973		(17,622)	
Restricted	37,247		51,069		(13,822)	
Unrestricted	(109,117)		(196,466)		87,349	
Total Net Position	\$ 159,480		\$ 103,576		\$ 55,904	

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Changes in Net Position. Total net position of the District increased by \$61 million over last year. The District added capital assets of \$20 million, and the District's long-term liabilities increased by \$27 million. This increase is attributed primarily to the increase in the liabilities due in more than one year for the 2022 bond issuance and refunding of \$167 million, offset by retirement of debt.

Governmental Activities

Funding for government-wide activities is by the specific program revenue or through general revenues such as property taxes and investment earning. Revenues from governmental activities totaled \$792 million for fiscal year 2022. The costs of all governmental programs and services were \$735 million.

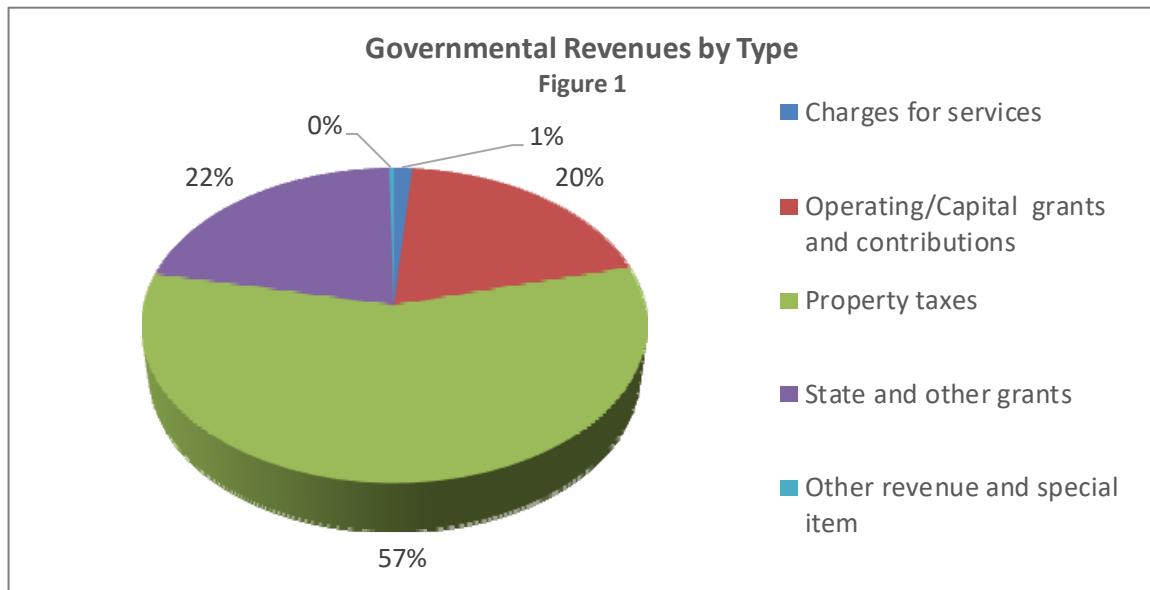
The net effect of these items resulted in an increase in net position of \$61 million. Key elements of this change are illustrated in the following table:

CHANGES IN NET POSITION
(in thousands)

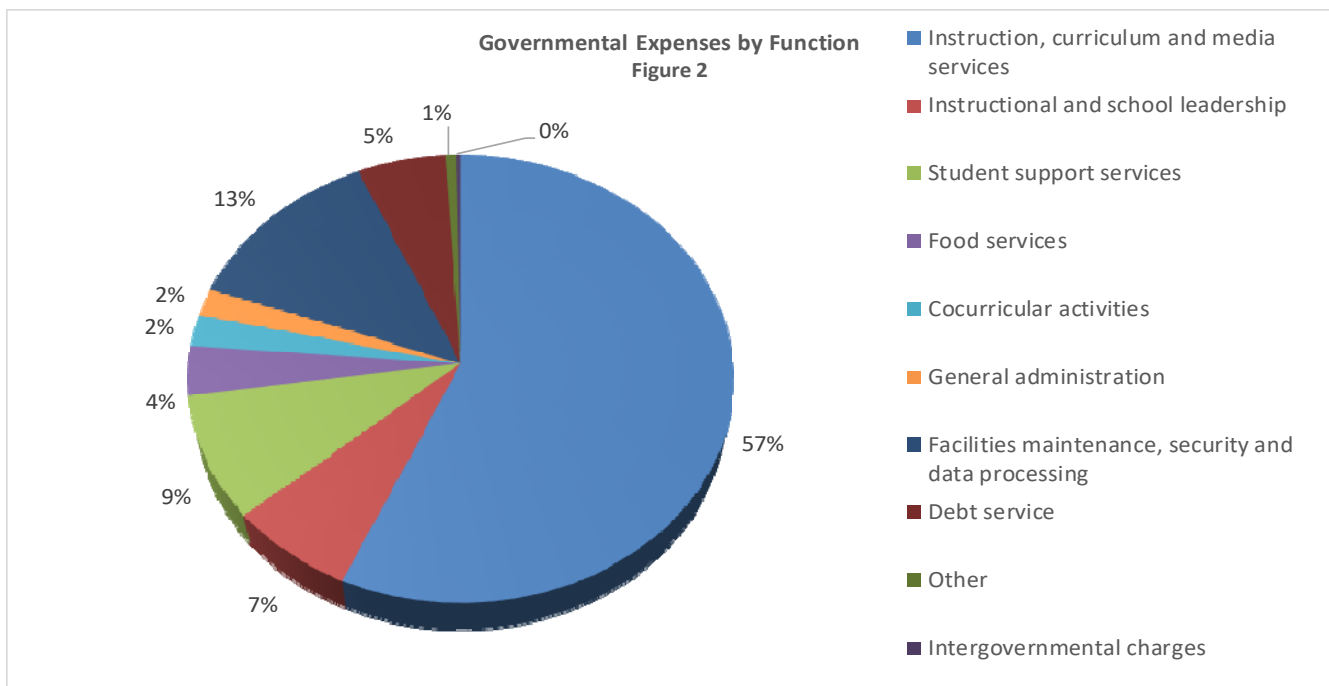
	Governmental Activities					
	2022		2021		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues						
Program Revenues:						
Charges for services	\$ 10,568	1%	\$ 3,495	0%	\$ 7,073	202%
Operating grants	155,230	20%	102,323	14%	52,907	52%
General Revenues:		0%		0%		
Property taxes	451,999	57%	442,987	60%	9,012	2%
State Aid - Formula Grants	168,771	21%	190,358	26%	(21,587)	-11%
Grants and contributions not restricted	-	0%	1,438	0%	(1,438)	-100%
Investment earnings	1,576	0%	851	0%	725	85%
Other	1,114	0%	2,053	0%	(939)	-46%
Extraordinary items	2,444	0%	550	0%	1,894	344%
Total Revenues	791,702	100%	744,055	100%	47,647	6%
Expenses						
Instruction, curriculum and media services	417,071	57%	420,461	59%	(3,390)	-1%
Instructional and school leadership	51,928	7%	49,747	7%	2,181	4%
Student support services	65,829	9%	62,839	9%	2,990	5%
Food services	26,649	4%	25,477	4%	1,172	5%
Cocurricular activities	16,271	2%	11,746	2%	4,525	39%
General administration	14,721	2%	12,775	2%	1,946	15%
processing	95,064	13%	81,175	11%	13,889	17%
Community services	2,261	0%	2,751	0%	(490)	-18%
Debt service	40,831	6%	38,678	5%	2,153	6%
Facilities planning	3,002	0%	6,313	1%	(3,311)	-52%
Intergovernmental charges	2,171	0%	2,327	0%	(156)	-7%
Total Expenses	735,798	100%	714,289	100%	21,509	3%
Increase (Decrease) in Net Position	55,904		29,766		26,138	
Net Position - Beginning	103,576		73,810		29,766	
Net Position - Ending	\$ 159,480		\$ 103,576		\$ 55,904	

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Revenues. The District's total revenues for governmental activities were \$792 million, representing an increase of \$48 million from the previous year. A majority of this increase is due to the federal supplement of ESSER II and ESSER III funds with some increase in local property tax revenue. As illustrated in Figure I, 57% of the District's revenue comes from local property taxes, 21% from state aid, and 20% from operating grants and contributions.



Expenses. The District's total expenses were \$731 million, representing an increase of \$17 million from the previous year. The majority of this increase is attributable to salary increases for the 2020-2021 fiscal year and additional costs incurred for safe reopening and response to COVID-19. As illustrated in Figure II, the District's primary functional expenses are Instruction (53%), Plant Maintenance & Operations (9%), School Leadership (5%), Guidance, Counseling, and Evaluation (5%), and Interest on Long-Term Debt (5%).



ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Business-Type Activities

The District began operating the Natatorium in fiscal year 2021. For fiscal year 2022, revenues totaled \$161,508 for user charges. The expenses totaled \$110,139 resulting an ending net position of \$181,935

	NET POSITION		
	Business-Type Activities		
	2022	2021	Increase (Decrease)
	Amount	Amount	Amount
Total Assets	\$ 189,690	\$ 136,929	\$ 52,761
Total Liabilities	7,755	6,364	1,391
Unrestricted Net Position	<u>\$ 181,935</u>	<u>\$ 130,565</u>	<u>\$ 54,152</u>

	CHANGE IN NET POSITION		
	Business-Type Activities		
	2022	2021	Increase (Decrease)
	Amount	Amount	Amount
Revenue	161,509	143,108	18,401
Expenses	<u>110,139</u>	<u>12,543</u>	<u>97,596</u>
Increase in Net Position	51,370	130,565	115,997
Net position - beginning	130,565	-	
Net position - ending	<u>\$ 181,935</u>	<u>\$ 130,565</u>	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

At the end of the fiscal year, the District's governmental funds reported combined fund balance of \$877 million, an increase of \$143 million in comparison with the prior year. \$165 million, or 19%, constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it is classified as non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending. Non-spendable funds have already been used to purchase inventories and prepaid items (\$3 million). Restricted funds are restricted for federal, state and local grants (\$12 million), for capital acquisition (\$494 million), and to pay debt service (\$53 million). The District's committed fund balance consists of the Natural Gas Fund (\$15 million) and campus activity funds (\$2 million). In addition, on March 10, 2022, the Board committed \$11 million for the expansion of the full day prekindergarten program to all four year old students for fiscal years 2023-2024 and 2024-2025. The District's assigned fund balance includes ensuring sixty days of cash flow (\$60 million), implementation of the full day prekindergarten program for fiscal year 2022-2023 (\$5 million), and supplemental capital project funds (\$53 million). Assignments reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$164 million, while the total fund balance was \$297 million, which is an increase of \$52 million from previous year. As a measure of the general fund's liquidity, unassigned fund balance is 29% of total fund expenditures.

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The fund balance of the District's general fund increased by \$52 million during the fiscal year. Key factors in this growth are as follows:

- Revenues totaled \$608 million which is a 5% increase from the previous year. Property values increased by 4% from previous year, resulting in an increase in property tax revenues by \$5 million. State aid decreased by \$21 million due to decreased ADA.
- Expenses totaled \$559 million which is a 2% increase from the previous year. To recruit and retain the best possible employees, the Board of Trustees approved a 4% increase of midpoint salary for all employees.
- The District received \$23 million in ESSER II funds for expenses incurred during the 2020-2021 school year. This reimbursement was recognized as revenue in the General Fund for the 2021-2022 fiscal year. In addition, expenses totaling \$10 million were moved to ESSER II, reducing overall General Fund expenses. Finally, indirect cost revenue from ESSER I, ESSER II, and ESSER III contributed \$5 million not available in the prior year.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$53 million at year-end, all of which is restricted to service the District's outstanding debt. Fund balance decreased by \$6 million from previous year mainly due to additional redemptions of Series 2012 and Series 2013 from fund balance.

Capital Projects Fund. The Capital Projects Fund ended the current fiscal year with a fund balance of \$498 million. \$3.8 million of this fund balance is assigned as it is related to non-bond funded capital projects. The remaining fund balance is restricted to liquidate contracts and to pay for capital acquisitions primarily for ongoing projects from the 2014 bond program and for new projects under the 2019 bond program. The Capital Projects fund balance increased by \$90 million during the year, the net result of bond sales and project expenditures. Although capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and as discussed in Note IV. E. to the financial statements.

Natural Gas Special Revenue Fund. The Natural Gas Fund has a total fund balance of \$14.7 million at year-end, all of which is committed for special projects. Fund balance increased by a net of \$1.4 million over the previous year primarily due to interest earnings and royalties.

Budgetary Highlights

The District is required to adopt an annual appropriated budget for the General Fund, the Debt Service Fund, and the Child Nutrition Program. A budgetary comparison statement has been provided for these funds to demonstrate compliance with statutory requirements. In addition, the District adopts an annual budget for the Capital Projects Fund and the Natural Gas Fund.

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

- ***Variances of original expenditure budget compared to amended budget.***
The amended expenditure budget decreased \$4 million from the original budget. The original budget was prepared prior to the official notification from TEA regarding the allocation of ESSER II funds. The District moved General Fund expenses totaling \$10 million to ESSER II for the fiscal year. In addition, an amendment to re-appropriate \$1 million in campus budget allocations not spent at the end of the preceding year (referred to as "carryover funds") was conducted in the first semester of the school year. The final amendment was based on the knowledge of the fiscal year.
- ***Variances of amended budget to actual expenditures.***
Expenditures were \$21 million less than final budgeted amounts. This was primarily due to the impact of vacancies throughout the district for the fiscal year.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- **Variances of amended revenue budget compared to actual revenue.**

Revenues exceeded the final budget by \$21 million. State revenue exceeded the revised budget by \$10 million due to the District budgeting conservatively regarding the announced TPAR adjustment. Federal program revenues exceeded the revised budget by \$8 million due to the finalization of ESSER II prior period expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the District had \$1.086 billion invested (net of accumulated depreciation) in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, maintenance, and food service. This amount represents a \$20 million, or 2%, increase over prior year.

CAPITAL ASSETS
(Net of Depreciation, in thousands)

	Governmental Activities				Increase	
	2022	%	2021	%	(Decrease)	%
Land	\$ 87,550	8%	\$ 82,354	8%	\$ 5,196	6%
Buildings and improvements	831,308	77%	876,337	82%	(45,029)	-5%
Furniture and equipment	26,229	2%	30,598	3%	(4,369)	-14%
Construction in progress	140,897	0%	76,648	7%	64,249	84%
Right-to-use assets under lease	134	13%	-	0%	134	100%
Total	<u>\$ 1,086,118</u>	100%	<u>\$ 1,065,937</u>	100%	<u>\$ 20,181</u>	2%

During the 2020-21 year approximately \$4 million was spent on projects related to the 2014 bond program and \$99 million was spent on projects related to the 2019 bond program.

The following information details the expenses for 2014 Bond projects during the 2021-2022 fiscal year:

Center for Visual and Performing Arts (253)	\$339,303
District-wide Athletic Center (254)	\$18,273
Service Center Roof Replacement (255)	\$49,000

The following information details the expenses for 2019 Bond projects during the 2021-2022 fiscal year:

Gunn Fine Arts / Dual Language Academy	\$17,186,208
Crow Elementary School Addition and Renovation	\$2,627,297
Food & Nutrition Service Center Addition and Renovation	\$41,023
Enterprise Centre Addition and Renovation	\$1,168,241
New Webb Elementary School Construction	\$17,078,590
New Thornton Elementary School Construction	\$13,982,521
New Berry Elementary School Construction	\$10,518,298
Shackelford JHS and Jones Fine Arts & Dual Language Academy	\$3,067,529
Martin High School Addition and Renovation	\$344,161
Glaspie Field Addition and Renovation	\$59,984
Playgrounds – Phase I	\$721,974
Playgrounds – Phase II	\$545,793
Arlington High School Fine Arts & Dual Language Academy	\$1,253,497
Sam Houston High School Addition and Renovation	\$602,951
Bailey Junior High School Addition and Renovation	\$693,104

ARLINGTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Duff Elementary School	\$365,151
South Davis Elementary School	\$102,243
Adams Elementary School	\$21,961
Hale Elementary School	\$97,151
Atherton Elementary School	\$75,042
Foster Elementary School	\$133,899
Johns Elementary School	\$182,736
New Carter Junior High School Construction	\$596,749
Short Elementary School	\$316,305
Land Purchase	\$92,450
Furniture, Fixtures & Equipment	\$2,260,325
Technology	\$18,032,505
Fine Arts	\$254,002
Transportation (Buses / White Fleet)	\$1,385,554

Outstanding Debt

The District maintained its high underlying credit ratings of AA from Standard and Poor's Corporation and Aa1 from Moody's Investor Service, Inc. The District's bonds qualify for the AAA State's Permanent School Fund Guarantee. These ratings result in lower debt issuance costs for the District.

At fiscal year end, the District had total debt outstanding of \$1.3 billion versus \$1.2 billion in prior year. Most of the District's debt is for bonded debt, all of which is considered to be direct tax supported debt. The increase is the net result of the issuance of \$176 million of Unlimited Tax School Building and Refunding Bonds, Series 2022, in February 2022. \$166.7 million of Series 2022 were for the third issuance of the Bond 2019 program. In addition, \$9.6 million of Series 2022 were for the purpose of refunding a portion of outstanding debt of the Series 2012 and Series 2013 bonds. As of June 30, 2022, the District has \$263,538,700 of the authorized \$966 million bond funds that remain unissued.

More detailed information about the District's outstanding debt is presented in Note IV.F. to the financial statements.

OUTSTANDING DEBT

(in thousands)

	Governmental Activities		
	2022	2021	Increase (Decrease)
Bonds Payable	\$ 1,185,950	\$ 1,085,150	\$ 100,800
Bond Premiums	169,325	146,301	23,024
Accreted interest	4,863	4,791	72
Lease liability	1,464	2,006	(542)
Accrued Service Benefits	144	265	(121)
Notes Payable	29	36	(7)
Total	<u>\$ 1,361,775</u>	<u>\$ 1,238,549</u>	<u>\$ 123,226</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors And Next Year's Budget And Rates

The District's 2022-2023 budget was developed under the 2022-2027 Powered by Possibilities Strategic Plan. The Strategic Plan focuses on four performance objective categories:

- Personalized Learning Experiences
- Increase Focus and Student Achievement
- Social and Emotional Wellbeing, and
- Equitable Access.

These four performance objective categories frame the district's academic programming work for the 2022-2023 school year and beyond, intentionally promote budget development around high impact areas of improvement and inform strategic planning as the District strives to become a premiere school district and a leader in education.

The District's property values grew by 5% and the Maintenance & Operations (M&O) tax rate decreased from \$1.0601 to \$1.0080 per \$100 valuation. The Interest and Sinking (I&S) tax rate remained at \$0.3007 per \$100 valuation. Based on enrollment and attendance trends and the addition of the launch of the Universal Pre-K initiative and a new P-TECH program, the District is budgeting for enrollment of 55,603 students at 91.5% attendance.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department at Arlington Independent School District, 690 East Lamar Blvd, Arlington, Texas 76011.



BASIC FINANCIAL STATEMENTS



ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

Exhibit A-1

Data Control Codes		Governmental Activities	Business-Type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 843,438,136	\$ 189,970	\$ 843,628,106
1120	Current investments	29,860,816	-	29,860,816
1225	Property taxes receivables, net	10,275,874	-	10,275,874
1240	Due from other governments	77,474,967	-	77,474,967
1250	Accrued interest	161,326	-	161,326
1260	Internal balances	280	(280)	-
1290	Other receivables, net	5,013,223	-	5,013,223
1300	Inventories	4,643,122	-	4,643,122
1410	Prepaid items	628,937	-	628,937
1490	Other current assets	55,868	-	55,868
	Capital assets not subject to depreciation:			
1510	Land	87,549,874	-	87,549,874
1580	Construction in progress	140,896,763	-	140,896,763
	Capital assets net of depreciation:			
1520	Buildings and improvements, net	831,307,868	-	831,307,868
1530	Furniture and equipment, net	26,228,995	-	26,228,995
1550	Right-to-use assets under lease	134,077	-	134,077
1910	Long-term investments	24,713,281	-	24,713,281
1000	Total Assets	2,082,383,407	189,690	2,082,573,097
Deferred Outflows of Resources				
	Deferred charge on refunding	9,931,236	-	9,931,236
	Deferred outflows - pension	55,317,082	-	55,317,082
	Deferred outflows - other post-employment benefits (OPEB)	35,671,145	-	35,671,145
1700	Total Deferred Outflows of Resources	100,919,463	-	100,919,463
Liabilities				
2110	Accounts payable	24,232,414	7,755	24,240,169
2140	Interest payable	18,017,875	-	18,017,875
2150	Payroll deductions and withholdings	9,566,678	-	9,566,678
2160	Accrued wages payable	56,464,052	-	56,464,052
2180	Due to other governments	9,343,619	-	9,343,619
2190	Due to others	2,128,878	-	2,128,878
2200	Accrued expenses	6,917,840	-	6,917,840
2300	Unearned revenue	755,921	-	755,921
	Noncurrent Liabilities:			
2501	Due within one year	57,432,094	-	57,432,094
2502	Due in more than one year	1,304,342,659	-	1,304,342,659
2540	Net pension liability	94,001,973	-	94,001,973
2545	Net other post-employment benefits (OPEB) liability	184,805,089	-	184,805,089
2000	Total Liabilities	1,768,009,092	7,755	1,768,016,847
Deferred Inflows of Resources				
	Deferred gain on refunding	2,704,235	-	2,704,235
	Deferred inflows - pensions	111,782,099	-	111,782,099
	Deferred inflows - other post-employment benefits (OPEB)	141,327,011	-	141,327,011
2600	Total Deferred Inflows of Resources	255,813,345	-	255,813,345
Net Position				
3200	Net investment in capital assets	231,350,616	-	231,350,616
	Restricted for:			
3820	Federal and state programs	366,666	-	366,666
3840	Food service	112,465	-	112,465
3850	Debt service	36,767,894	-	36,767,894
3900	Unrestricted	(109,117,208)	181,935	(108,935,273)
3000	Total Net Position	\$ 159,480,433	\$ 181,935	\$ 159,662,368

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Exhibit B-1
Page 1 of 2

Data Control Codes	Functions/ Programs	Expenses	Program Revenue	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 389,963,936	\$ -	\$ 63,310,497
12	Instructional resources and media services	7,883,680	-	1,012,387
13	Curriculum and staff development	19,223,240	-	13,248,645
21	Instructional leadership	17,464,181	-	5,064,444
23	School leadership	34,463,426	-	3,656,710
31	Guidance, counseling, and evaluation services	34,018,949	-	5,457,561
32	Social work services	3,785,746	-	1,062,899
33	Health services	7,299,056	-	18,662,140
34	Student transportation	20,725,520	636,427	1,384,906
35	Food service	26,649,275	830,591	32,992,958
36	Extracurricular activities	16,270,896	4,723,008	471,606
41	General administration	14,720,804	1,340,570	1,009,948
51	Plant, maintenance and operations	64,686,927	433,307	2,711,449
52	Security and monitoring services	10,504,356	-	999,721
53	Data processing services	19,872,521	2,603,685	857,716
61	Community services	2,260,693	-	2,021,621
72	Interest on long-term debt	38,126,285	-	1,305,276
73	Debt issuance costs and fees	2,704,362	-	-
81	Facilities planning	3,002,397	-	-
95	Payments to Juvenile Justice Alternative Education Programs	65,274	-	-
99	Intergovernmental charges	2,106,007	-	-
TG	Total Governmental Activities	<u>735,797,531</u>	<u>10,567,588</u>	<u>155,230,484</u>
	Business-Type Activities:			
01	Natatorium	110,139	161,509	-
TB	Total Business-Type Activities	<u>110,139</u>	<u>161,509</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 735,907,670</u>	<u>\$ 10,729,097</u>	<u>\$ 155,230,484</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Exhibit B-1
Page 2 of 2

Data Control Codes	Functions/ Programs	Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
		Governmental Activities	Business-type Activities	Total
	Governmental Activities:			
11	Instruction	\$ (326,653,439)	\$ -	\$(326,653,439)
12	Instructional resources and media services	(6,871,293)	-	(6,871,293)
13	Curriculum and staff development	(5,974,595)	-	(5,974,595)
21	Instructional leadership	(12,399,737)	-	(12,399,737)
23	School leadership	(30,806,716)	-	(30,806,716)
31	Guidance, counseling, and evaluation services	(28,561,388)	-	(28,561,388)
32	Social work services	(2,722,847)	-	(2,722,847)
33	Health services	11,363,084	-	11,363,084
34	Student transportation	(18,704,187)	-	(18,704,187)
35	Food service	7,174,274	-	7,174,274
36	Extracurricular activities	(11,076,282)	-	(11,076,282)
41	General administration	(12,370,286)	-	(12,370,286)
51	Plant, maintenance and operations	(61,542,171)	-	(61,542,171)
52	Security and monitoring services	(9,504,635)	-	(9,504,635)
53	Data processing services	(16,411,120)	-	(16,411,120)
61	Community services	(239,072)	-	(239,072)
72	Interest on long-term debt	(36,821,009)	-	(36,821,009)
73	Debt issuance costs and fees	(2,704,362)	-	(2,704,362)
81	Facilities planning	(3,002,397)	-	(3,002,397)
95	Payments to Juvenile Justice Alternative Education Programs	- (65,274)	-	- (65,274)
99	Intergovernmental charges	(2,106,007)	-	(2,106,007)
TG	Total Governmental Activities	(569,999,459)	-	(569,999,459)
	Business-Type Activities:			
01	Natatorium		51,370	51,370
TB	Total Business-Type Activities	-	51,370	51,370
TP	Total Primary Government	(569,999,459)	51,370	(569,948,089)
	General Revenues			
	Taxes:			
MT	Property taxes, levied for general purposes	351,841,337	-	351,841,337
DT	Property taxes, levied for debt service	100,157,196	-	100,157,196
SF	State-aid formula grants not restricted	168,770,767	-	168,770,767
IE	Investment earnings	1,576,143	-	1,576,143
MI	Miscellaneous	1,114,419	-	1,114,419
TR	Total General Revenues	623,459,862	-	623,459,862
E1	Extraordinary item - Winter storm insurance proceeds	2,443,884	-	2,443,884
CN	Change in net position	55,904,287	51,370	55,955,657
NB	Net Position - Beginning	103,576,146	130,565	103,706,711
NE	Net Position - Ending	\$ 159,480,433	\$ 181,935	\$ 159,662,368

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
	Assets			
1110	Cash and cash equivalents	\$ 312,202,238	\$ 50,941,052	\$ 305,914,230
1120	Investments	-	-	178,227,975
	Receivables:			
1210	Property taxes receivable - current	4,510,488	1,279,411	-
1220	Property taxes receivable - delinquent	11,370,315	3,249,864	-
1230	Allowance for uncollectible taxes (credit)	(7,939,088)	(2,195,116)	-
1240	Receivables from other governments	47,609,566	-	-
1250	Accrued interest	-	-	161,326
1260	Due from other funds	7,838,412	1,549,057	8,621,093
1290	Other receivables	4,903,691	-	-
1310	Inventories	2,177,266	-	-
1410	Prepaid items	628,937	-	-
1490	Other current assets	55,868	-	-
1910	Long-term investments	-	-	24,713,281
1000	Total Assets	\$ 383,357,693	\$ 54,824,268	\$ 517,637,905
	Liabilities, Deferred Inflows, and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ 2,518,830	\$ -	\$ 16,453,164
2150	Payroll deduction and withholdings	9,566,678	-	-
2160	Accrued wages payable	47,879,814	-	-
2170	Due to other funds	6,297,156	-	2,888,633
2180	Payable to other governments	9,259,875	38,499	-
2190	Due to student groups	2,126,711	-	-
2200	Accrued expenditures	2,710,725	-	-
2300	Unearned revenue	195,157	-	-
2000	Total Liabilities	80,554,946	38,499	19,341,797
	Deferred Inflows of Resources			
	Deferred inflows - property taxes	6,170,455	1,898,501	-
2600	Total Deferred Inflows of Resources	6,170,455	1,898,501	-
	Fund Balances:			
	Non-Spendable:			
3410	Inventories	2,177,266	-	-
3430	Prepaid items	628,937	-	-
	Restricted:			
3450	Federal/ State grant funds	-	-	-
3470	Capital acquisitions and contractual oblig.	-	-	494,495,988
3480	Debt service	-	52,887,268	-
	Committed:			
3545	Other	11,006,281	-	-
	Assigned:			
3590	Other	118,265,050	-	3,800,120
3600	Unassigned	164,554,758	-	-
3000	Total Fund Balances	296,632,292	52,887,268	498,296,108
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 383,357,693	\$ 54,824,268	\$ 517,637,905

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

Exhibit C-1
Page 2 of 2

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Natural Gas Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Fund
\$ 14,556,945	\$ 5,687,172	\$ 689,301,637
-	-	178,227,975
-	-	5,789,899
-	-	14,620,179
-	-	(10,134,204)
-	29,865,401	77,474,967
-	-	161,326
105,480	12,154,555	30,268,597
53,800	71,757	5,029,248
-	2,465,856	4,643,122
-	-	628,937
-	-	55,868
-	-	24,713,281
<u>\$ 14,716,225</u>	<u>\$ 50,244,741</u>	<u>\$ 1,020,780,832</u>
\$ 1,203	\$ 1,143,889	\$ 20,117,086
-	-	9,566,678
-	12,527,889	60,407,703
-	21,578,347	30,764,136
-	45,245	9,343,619
-	2,167	2,128,878
-	-	2,710,725
-	560,762	755,919
<u>1,203</u>	<u>35,858,299</u>	<u>135,794,744</u>
-	-	8,068,956
-	-	8,068,956
-	-	2,177,266
-	-	628,937
-	12,273,539	12,273,539
-	-	494,495,988
-	-	52,887,268
14,715,022	2,112,903	27,834,206
-	-	122,065,170
-	-	164,554,758
<u>14,715,022</u>	<u>14,386,442</u>	<u>876,917,132</u>
<u>\$ 14,716,225</u>	<u>\$ 50,244,741</u>	<u>\$ 1,020,780,832</u>



ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

Exhibit C-2

**Data
Control
Codes**

	Total fund balance, governmental funds (from C-1)	\$	876,917,129
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation are reported in the governmental activities of the Statement of Net Position.		1,086,117,577
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes (net of allowance for uncollectible accounts) are deferred in the fund financial statements.		8,068,956
3	Long-term liabilities, including bonds payable and net pension and OPEB liabilities, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.		(1,651,372,689)
4	Deferred inflows of resources and deferred outflow of resources related to pension and OPEB.		(162,120,883)
5	Addition of Internal Service Fund net position.		<u>1,870,343</u>
19	Total Net Position - Governmental Activities (See B-1)	\$	<u><u>159,480,433</u></u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit C-3
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local and intermediate sources	\$ 358,481,352	\$ 100,344,099	\$ 810,468
5800	State program revenues	199,348,517	975,327	-
5900	Federal program revenues	50,675,491	329,949	-
5020	Total Revenues	608,505,360	101,649,375	810,468
Expenditures				
Current:				
0011	Instruction	332,741,360	-	14,061,928
0012	Instruction resources and media services	7,136,277	-	-
0013	Curriculum and staff development	6,579,753	-	-
0021	Instructional leadership	13,326,301	-	-
0023	School leadership	32,724,375	-	-
0031	Guidance, counseling and evaluation services	30,222,617	-	-
0032	Social work services	2,948,993	-	-
0033	Health services	7,243,060	-	-
0034	Student transportation	18,422,686	-	1,343,644
0035	Food services	271,065	-	-
0036	Extracurricular activities	11,979,120	-	-
0041	General administration	13,866,173	-	-
0051	Facilities maintenance and operations	56,963,443	-	3,113,613
0052	Security and monitoring services	9,439,320	-	-
0053	Data processing services	11,509,861	-	7,546,832
0061	Community services	474,631	-	-
Debt service:				
0071	Principal on long-term debt	662,656	63,820,000	-
0072	Interest on long-term debt	47,516	44,034,954	-
0073	Bond issuance costs and fees	-	113,026	1,295,668
Capital outlay:				
0081	Facilities acquisition and construction	82,512	-	82,340,773
Intergovernmental:				
0095	Payments to juvenile justice alt. ed. prgm.	65,274	-	-
0099	Other intergovernmental charges	2,106,007	-	-
6030	Total Expenditures	558,813,000	107,967,980	109,702,458
1100	Excess (deficiency) of revenues over expenditures	49,692,360	(6,318,605)	(108,891,990)
Other Financing Sources (Uses)				
7911	Issuance of debt	-	9,650,000	166,720,000
7912	Sale of real or personal property	-	-	75,004
7916	Premium or discount on issuance of bonds	-	2,111,335	31,518,796
8949	Payment to Bond Refunding Escrow Agent	-	(11,684,693)	-
7080	Total Other Financing Sources (Uses)	-	76,642	198,313,800
Special Item				
7919	Extraordinary items (resource)	2,443,884	-	-
	Total Special Item	2,443,884	-	-
1200	Net change in fund balances	52,136,244	(6,241,963)	89,421,810
1000	Fund Balance - July 1 (Beginning)	244,496,048	59,129,231	408,874,295
3000	Fund Balance - June 30 (Ending)	\$ 296,632,292	\$ 52,887,268	\$ 498,296,105

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit C-3

Page 2 of 2

480			
Natural Gas	Nonmajor	Total	
Special	Governmental	Governmental	
Revenue Fund	Funds	Funds	
\$ 1,374,104	\$ 5,170,222	\$ 466,180,245	
-	2,626,178	202,950,022	
-	109,175,102	160,180,542	
<u>1,374,104</u>	<u>116,971,502</u>	<u>829,310,809</u>	
-	46,960,036	393,763,324	
-	564,870	7,701,147	
-	13,769,429	20,349,182	
-	5,113,445	18,439,746	
-	1,590,340	34,314,715	
-	4,154,157	34,376,774	
-	952,990	3,901,983	
-	48,645	7,291,705	
-	45,872	19,812,202	
-	30,071,349	30,342,414	
-	3,961,711	15,940,831	
16,205	382,776	14,265,154	
-	118,224	60,195,280	
-	451,989	9,891,309	
-	148,769	19,205,462	
-	2,340,069	2,814,700	
-	-	64,482,656	
-	-	44,082,470	
-	-	1,408,694	
-	-	82,423,285	
-	-	65,274	
-	-	2,106,007	
<u>16,205</u>	<u>110,674,671</u>	<u>887,174,314</u>	
<u>1,357,899</u>	<u>6,296,831</u>	<u>(57,863,505)</u>	
-	-	176,370,000	
-	-	75,004	
-	-	33,630,131	
-	-	(11,684,693)	
-	-	198,390,442	
-	-	2,443,884	
-	-	2,443,884	
1,357,899	6,296,831	142,970,821	
<u>13,357,123</u>	<u>8,089,611</u>	<u>733,946,308</u>	
<u>\$ 14,715,022</u>	<u>\$ 14,386,442</u>	<u>\$ 876,917,129</u>	

ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Exhibit C-4

**Data
Control
Codes**

	Net change in fund balances - total governmental funds (from C-3)	\$ 142,970,821
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlays	\$ 85,410,991
2	Governmental activities depreciation expense	(65,384,402)
3	Disposal of asset	(110,231)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,011,492)
5	The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(133,832,782)
6	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	4,546,478
7	Changes in net pension and net OPEB liabilities and related deferred outflows and inflows	23,282,470
8	Internal service funds are used by management to charge the costs of printing and risk management, to individual funds. The net revenue (expense) of the internal service funds is reported as governmental activities. (See D-2)	32,434
	Change in net position of governmental activities (see B-1)	\$ 55,904,287

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit C-5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts,	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Local revenues	\$ 353,888,434	\$ 355,095,540	\$ 358,481,352	\$ 3,385,812
State program revenues	204,823,462	188,985,264	199,348,517	10,363,253
Federal program revenues	12,482,985	42,746,665	50,675,491	7,928,826
Total Revenues	571,194,881	586,827,469	608,505,360	21,677,891
Expenditures				
Current:				
Instruction	351,843,518	341,019,096	332,741,360	8,277,736
Instructional resources and media services	6,963,206	7,524,478	7,136,277	388,201
Curriculum and staff development	7,542,644	7,866,893	6,579,753	1,287,140
Instructional leadership	12,411,211	13,802,165	13,326,301	475,864
School leadership	34,041,805	33,238,263	32,724,375	513,888
Guidance, counseling and evaluation services	32,358,201	31,007,083	30,222,617	784,466
Social work services	2,284,378	3,088,104	2,948,993	139,111
Health services	7,854,573	7,730,543	7,243,060	487,483
Student transportation	17,825,195	18,690,095	18,422,686	267,409
Food services	-	421,065	271,065	150,000
Extracurricular activities	12,800,799	12,956,836	11,979,120	977,716
General administration	13,837,073	14,176,724	13,866,173	310,551
Facilities maintenance and operations	56,627,083	61,568,009	56,963,443	4,604,566
Security and monitoring services	10,398,307	10,435,320	9,439,320	996,000
Data processing services	13,680,484	12,190,652	11,509,861	680,791
Community services	519,079	640,045	474,631	165,414
Debt Service:				
Principal on long-term debt	589,164	764,164	662,656	101,508
Interest on long-term debt	-	280,000	47,516	232,484
Capital outlay:				
Facilities acquisition and construction	-	277,785	82,512	195,273
Intergovernmental:				
Payments to Juvenile Justice Alt. Ed. Prgm.	30,000	225,000	65,274	159,726
Other governmental charges	2,458,600	2,608,600	2,106,007	502,593
Total Expenditures	584,065,320	580,510,920	558,813,000	21,697,920
Excess (deficiency) of revenues over expenditures	(12,870,439)	6,316,549	49,692,360	43,375,811
Special Item				
Extraordinary items (Uses)	-	-	2,443,884	2,443,884
Net change in fund balances	(12,870,439)	6,316,549	52,136,244	45,819,695
Fund Balances - Beginning	244,496,048	244,496,048	244,496,048	-
Fund Balances - Ending	\$ 231,625,609	\$ 250,812,597	\$ 296,632,292	\$ 45,819,695

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

Exhibit D-1

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 189,970	\$ 5,753,315
Receivables:		
Due from other funds	-	495,819
Other receivables	-	-
Total Assets	<u>189,970</u>	<u>6,249,134</u>
Liabilities		
Current liabilities:		
Accounts payable	6	171,676
Due to other funds	280	
Accrued wages payable	7,748	-
Accrued expenses	-	4,207,115
Total Liabilities	<u>8,034</u>	<u>4,378,791</u>
Net Position		
Unrestricted	<u>181,936</u>	<u>1,870,343</u>
Total Net Position	<u>\$ 181,936</u>	<u>\$ 1,870,343</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

Exhibit D-2

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Operating Revenues		
Charges for Services	\$ 161,508	\$ 2,101,989
Total Operating Revenues	<u>161,508</u>	<u>2,101,989</u>
Operating Expenses		
Payroll costs	82,647	-
Purchased and contracted services	721	165,260
Supplies and materials	5,549	138,110
Claims expense and other operating expenses	21,222	1,766,184
Total Operating Expenses	<u>110,139</u>	<u>2,069,554</u>
Operating Income (Loss)	<u>51,369</u>	<u>32,435</u>
Non-Operating Revenues (Expenses)		
Investment earnings	-	12,922
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>12,922</u>
Change in Net Position	51,369	45,357
Net Position - July 1 (Beginning)	<u>130,567</u>	<u>1,824,986</u>
Net Position - June 30 (Ending)	<u>\$ 181,936</u>	<u>\$ 1,870,343</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

Exhibit D-3

	Enterprise Fund - Natatorium	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 261,508	\$ 1,997,932
Cash payments for insurance claims	-	(1,437,387)
Cash payments to suppliers for goods and services	(87,527)	(147,470)
Cash payments for other operating expenses	(16,004)	(165,260)
Net Cash Provided by (Used for) Operating Activities	157,977	247,815
Cash Flows from Investing Activities:		
Interest on investments	-	12,922
Net Cash Provided by (Used for) Investing Activities	-	12,922
Net Change in Cash and Cash Equivalents	157,977	260,737
Cash and Cash Equivalents at Beginning of Year	31,993	5,492,578
Cash and Cash Equivalents at End of Year	\$ 189,970	\$ 5,753,315
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 51,369	\$ 32,435
Change in Assets, Liabilities, Deferred Inflows and Outflows:		
(Increase) decrease in Receivables	100,000	-
(Increase) decrease in Interfund Receivables	4,938	(104,057)
Increase (decrease) in accrued wages	1,384	-
Increase (decrease) in Accounts payable	6	70,507
Increase (decrease) in Interfund payables	280	248,930
Increase (decrease) in Interfund Payables	-	-
Net Cash Provided by (Used for) Operating Activities	\$ 157,977	\$ 247,815

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2022

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 5,317,090
Total Assets	<u>5,317,090</u>
Liabilities	
Accounts payable	53,834
Due to Others	<u>2,248,658</u>
Total Liabilities	<u>2,302,492</u>
Net Position	
Restricted for Student Activities	<u>\$ 3,014,598</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2022

Exhibit E-2

	<u>Custodial Fund</u>
Contributions	
Revenues from student activities	<u>\$ 1,858,838</u>
Total Contributions	<u>1,858,838</u>
Total Additions	<u>1,858,838</u>
Deductions	
Payments for student activities	<u>1,786,882</u>
Total Deductions	<u>1,786,882</u>
Change in net position	71,956
Net Position - Beginning	<u>2,942,642</u>
Net Position - Ending	<u><u>\$ 3,014,598</u></u>

Note 1 - Summary of Significant Accounting Policies

The Arlington Independent School District ("District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents. The District prepares its basic financial statements in conformity with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in Statement on Auditing Standards No. 69, as amended by Statement on Auditing Standards No.'s 91 and 93 of the American Institute of Certified Public Accountants; and it complies with the most recent requirements of the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide" or FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education in the City of Arlington and portions of the Cities of Grand Prairie and Dalworthington Gardens, and the Town of Pantego. Because members of the Board are elected by the public, they have the authority to make decisions, appoint administrators and managers, and significantly influence operations; and they have primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*. The District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities include programs supported primarily by taxes, charges to school districts for services, state funds, grants and other intergovernmental revenues.

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

Interfund activities between governmental funds, and between governmental funds and proprietary funds, appear in the governmental and proprietary fund financial statements. However, all interfund transactions between governmental funds have been eliminated on the government-wide statements. Interfund transactions between governmental funds and internal service funds have not been eliminated to the extent that services have been provided and used. Interfund transactions remain in the government-wide statements for activities between governmental funds and proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

Major Governmental Funds

General Fund - The General Fund is the District's general operating fund. It is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the schools except for costs incurred by programs accounted for in the Special Revenue Funds, Capital Projects Fund, Debt Service Fund, and Proprietary Funds. The General Fund is a budgeted fund, and any fund balances are considered resources available for current operations.

Debt Service Fund - The Debt Service Fund, which is a budgeted fund, accounts for the resources accumulated and payments made on long-term general obligation debt of government funds. Revenues include collections on general property taxes, state funding under the Instructional Facilities and Existing Debt Allotments, and earnings on investments of the fund. Expenditures of the fund are for retirement of bond principal and payment of interest on bonded debt. The fund balance represents amounts that will be used for retirement of bonds and payment of interest in the future.

Capital Projects Fund - The Capital Projects Fund accounts for all proceeds of bond issues and earnings on investments of the fund. Revenue from the sale of bonds is used for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and replacing transportation, technology, and various other equipment. This is a budgeted fund.

Natural Gas Special Revenue Fund - During recent years, the District has engaged in leasing the mineral rights to its various properties for the extraction of natural gas. This activity has resulted in a significant inflow of contract signing bonuses and royalty payments for the District. During the year ended August 31, 2011, the Board of Trustees committed these inflows for future special projects.

Proprietary Funds

Business-type Fund - The District only has one business-type activity which accounts for the activity the District's Natatorium. The revenues are derived from external user charges.

Internal Service Fund - The Internal Service Fund accounts for the management of the District's Print Shop and worker's compensation insurance. The cost of these activities is allocated to the other funds of the District on a cost reimbursement basis. These are not budgeted funds.

Fiduciary Fund

Custodial Fund - The District accounts for resources held for others in a custodial capacity in custodial funds. The fund is used to account for assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. Upon implementation of GASB 84, these funds reported detail of additions to and deductions from custodial funds in the Statement of Changes in Fiduciary Net Position.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual are principally certain inter-governmental revenues, property taxes and investment income. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Funds received from federal, state and other grants designated for payment of specific District expenditures are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The proprietary fund types are accounted for on an economic resources measurement focus. Operating revenues and expenses are distinguished from nonoperating 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 internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The custodial fund uses the economic resources measurement focus and utilizes the accrual basis of accounting for reporting its assets and liabilities.

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

D. Implementation of New Standards

GASB Statement No. 87 *Leases* was issued in June 2017 and was effective for periods beginning after June 15, 2021. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has evaluated the effects of this Statement and has determined that it does impact to the financial statements. The District has incorporated such leases into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Implementation of New Standards (continued)

GASB Statement No. 89 *Accounting for Interest Cost Incurred before the end of a Construction Period*, was issued in June 2018 and was effective for periods beginning after December 15, 2020. This Statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost was incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement should be handled prospectively. The District has determined that it does not impact its financial statements.

GASB Statement No. 93 *Replacement of Interbank Offered Rates* was issued in June 2020 and had various effective dates. The Statement establishes accounting and financial reporting requirements related to the replacement of the interbank offered rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. During the current fiscal year paragraphs 13 and 14 were effective and pertained to lease modifications. The District has determined that it does not impact its financial statements.

No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The District has determined that this Statement does not impact the financial statements.

The GASB issued **Statement No. 98** *The Annual Comprehensive Financial Report* in October 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The requirements of the Statement are effective for fiscal years ending after December 15, 2021. The District implemented this pronouncement in the prior year.

E. Deposits and Investments

1. Cash and cash equivalents

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

2. Investments

Investments consist largely of money market funds and government investment pools. The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less are reported as cash and cash equivalents.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: 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. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Receivables and payables

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line of the government-wide statement of net position.

Property taxes are levied each year by October 1 based upon property valuations as of January 1. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Tax collections are prorated between the General Fund and Debt Service Fund based on the tax rate adopted by the Board. The District is permitted under the Texas Education Code to levy taxes up to \$1.0864 per \$100 of assessed valuation for general governmental services other than debt service on general obligation bonds. The tax rate which may be levied to service general obligation bonds is not limited. For the current fiscal year, the Board of Trustees set tax rates applicable to general governmental services and to debt service of \$1.060100 per \$100 valuation and \$0.30070 per \$100 valuation, respectively, based on a net assessed valuation of \$33,355,504,880.

Delinquent property tax receivables are prorated between the General Fund and Debt Service Fund based on rates adopted for the year of the levy. Allowance for uncollectible tax receivables is based on historical experience in collecting property taxes. Management periodically reviews outstanding property taxes and establishes an allowance adequate to reflect the anticipated net collectible balance. The District is prohibited from writing off property taxes without specific statutory authority from the Texas Legislature. The property tax receivable allowance is equal to 69.0% of total outstanding property taxes at June 30, 2022.

G. Inventories and prepaid items

In the General Fund, inventory is valued at cost, using the weighted-average method. A computerized inventory system automatically updates inventory values. This valuation is not materially different from the first-in, first-out valuation method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

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

In the nonmajor special revenue fund, inventory is valued at cost, using the weighted-average method, except for food commodities, which are recorded at market values supplied by the Texas Department of Human Services. Commodities are received at no cost to the District; however, their fair market value is recorded as inventory and revenue when received. As the commodities are consumed, inventory is relieved, and expenditures are charged.

Note 1 - Summary of Significant Accounting Policies (continued)

H. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District does not have any public domain ("infrastructure") capital assets. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives, as well as the cost of land, are not depreciated.

Capital assets are depreciated over the estimated useful lives of the assets on a straight-line basis over the following estimated useful lives:

Buildings and improvements	20-40 years
Furniture and equipment	5-12 years
Right-to-use assets	2-5 years

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

I. Compensated absences

All administrative and full-time hourly employees of the District receive up to three weeks of vacation each calendar year. If the employee does not use the vacation time by December 31 of the following year, it is lost and may not be carried forward. Employees may accumulate as many as fifty days of local personal leave, which can be carried forward from year to year. The time is forfeited if not used before the employee leaves the District. Therefore, no accrual for compensated absences is included in the accompanying financial statements.

J. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the appropriate effective interest and straight-line methods.

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

K. Accrued service benefits

Accrued service benefits are accrued as a liability in the government-wide financial statements. Eligibility for accrued service benefits for the employees of the Arlington Independent School District is determined by length of continuous service with the District and approval for retirement benefits under provisions of the Teacher Retirement System of Texas.

Benefits are available to employees hired before January 1, 1985 and are based on years of experience with the District, accumulated eligible local sick leave days and accumulated ineligible local sick leave days.

Note 1 - Summary of Significant Accounting Policies (continued)

L. 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* represent a consumption of net assets that applies to future periods (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. The District has three items that qualify for reporting in this category:

- Deferred outflows of resources for refunding – Reported in the government-wide financial statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- 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 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. 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 remaining 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.
- Deferred outflows of resources for other post-employment benefits (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 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to other post-employment benefits 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 deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the OPEB plan.

A *deferred inflow of resources* is an represents an acquisition of net assets to future periods (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. 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 or resources in the period that the amounts become available.
- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows 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.
- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows 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.

Note 1 - Summary of Significant Accounting Policies (continued)

M. Pensions

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 District will continue to make the required pension contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the net pension liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and the Special Revenue funds.

N. Other Post-Employment Benefits.

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

The District will continue to make the required OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the net OPEB liability on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and the Special Revenue funds.

O. Net position and fund balances

Net position on the Statement of Net Position include the following:

Net investment in capital assets – the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt and is directly attributable to the acquisition, construction, or improvement of these capital assets.

Restricted for federal and state programs – the component of net position that reports the difference between assets and liabilities related to federal and state programs that consist of assets with constraints placed on their use by granting agencies.

Restricted for debt service – the component of net position that reports the difference between assets, deferred inflows of resources and liabilities adjusted on a government-wide basis that consists of assets with constraints placed on their use by the bond covenants.

Unrestricted net position – the difference between the assets, deferred inflows of resources and liabilities that are not reported in net position net investment in capital assets, or restricted net position.

Note 1 - Summary of Significant Accounting Policies (continued)

O. Net position and fund balances (continued)

Net position flow assumption - Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, governmental funds report fund balances as either a non-spendable fund balance or a spendable fund balance.

Non-spendable Fund Balance

Non-spendable fund balance is that portion of fund balance that is not expendable. Examples of non-spendable fund balance include inventories and prepaid items.

Spendable Fund Balance

Spendable fund balance includes restricted, committed, assigned, and unassigned components. These components can be described as follows:

Restricted fund balance – the component of the spendable fund balance constrained to a specific purpose by a provider, such as a creditor, grantor, contributor, or law or regulation of other governments. Restricted fund balance includes funds for debt service, construction programs, and resources from other granting agencies.

Committed Fund Balance – the component of the spendable fund balance constrained to a specific purpose by Board. A Board resolution is required to establish a fund balance commitment. Only the action that constitutes the most binding constraint of the Board can be considered a commitment for fund balance classification purposes. The Board has committed the funds in the natural gas fund of \$13.4 million and \$2.0 million for campus activity funds.

Assigned Fund Balance – the component of the spendable fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Superintendent. Board Policy CE (Local) was amended in August 2011 by the Board of Trustees to provide the Superintendent with this authorization. The District has assigned fund a total of \$77.2 million in the General Fund. This amount includes \$0.8 million for encumbrances; \$5.3 million for expansion for pre-k classrooms; \$7.8 million and \$63.3 million for July and August 2022 expenditures for special revenue fund reimbursements and the General Fund, respectively. The District assigned \$3.8 million of its Capital Projects Fund balance for future locally funded capital projects. That is, these projects are not funded with bond funds.

Unassigned Fund Balance – the component of the spendable fund balance which may be spent for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures. The General fund is the only fund that reports a positive unassigned fund balance.

The District strives to maintain an unassigned fund balance in the general fund equal to a minimum of 16.67% of the District's general fund operating expenditures. In the event that unassigned fund balance falls below the target level, the Board shall, within 24 months, adopt a plan to restore this balance to the target level.

Note 1 - Summary of Significant Accounting Policies (continued)

O. Net position and fund balances (continued)

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

P. Data control codes

The data control codes refer to the account code structure prescribed by the TEA. 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.

Q. Leases

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

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

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

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

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

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

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation of *total fund balances – governmental funds* to *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.” The details are as follows:

Land	87,549,874
Construction in progress	140,896,763
Buildings and improvements	1,424,769,521
Less: Accumulated depreciation- buildings and improvements	(593,461,653)
Furniture and equipment	122,753,091
Less: Accumulated depreciation- furniture and equipment	(96,524,096)
Right-to-use assets under lease	134,077
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position- governmental activities	<u>\$ 1,086,117,577</u>

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (continued)

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position (continued)

The final element of that reconciliation explains that “long-term liabilities, including bonds payable and net pension and OPEB liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.” The details are as follows:

Bonds payable	\$ (1,185,949,956)
Less: Deferred charge on refunding (to be amortized as interest expense)	9,931,236
Add: Deferred gain on refunding (to be amortized as interest expense)	(2,704,234)
Add: Issuance premium (to be amortized over life of debt)	(169,324,818)
Add: Accumulated accretion on capital appreciation bonds	(4,863,138)
Accrued service benefits	(28,521)
Notes payable	(922,552)
Lease liability	(685,768)
Accrued interest payable	(18,017,875)
Net pension liability	(94,001,973)
Net OPEB liability	(184,805,090)
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	<u>\$ (1,651,372,689)</u>

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *total net changes in fund balance – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details are as follows:

Debt issued or incurred:	
General obligation bonds	\$ (176,370,000)
Plus premium	(33,630,131)
Deferred Gain/Charge on refunding	-
Principal repayments:	
General obligation bonds	63,820,000
Payment to escrow agent for refunding	11,684,693
Lease liability and note payable	662,656
Net adjustment to increase (decrease) changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (133,832,782)</u>
	-

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities (continued)

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.” The details are as follows:

Accrued service benefits	\$ 7,755
Accrued interest	(1,744,818)
Amortization of bond premiums	7,288,605
Amortization of deferred charge on refunding	(932,611)
Accretion on capital appreciation bonds	<u>(72,453)</u>
Net adjustment to decrease changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,546,478</u>

Note 3 - Stewardship Compliance and Accountability

Budgets and Budgetary Accounting

The District is legally required to adopt budgets for the General Fund, Debt Service Fund, Capital Projects Fund, and Child Nutrition. Each budget is presented and accounted for on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The District is not legally required to adopt Special Revenue Fund budgets.

The District follows these procedures preparing and approving its annual budget:

1. The superintendent or his designate prepares a budget covering all estimated revenues and proposed expenditures of the District for the next succeeding fiscal year. The budget is prepared by generic fund type and function.
2. Ten days after public notice of the meeting has been given, a public hearing is held, allowing the public to comment on the proposed budget.
3. A public meeting of the Board of Trustees is called for the purpose of adopting the budget. The State Board of Education requires that the budget be prepared no later than June 30th of each year.
4. Budget data must be received by the Texas Education Agency on or before December 15 each year. The legal level of budgetary control is at the function level within each generic fund type. Budget amounts are as originally adopted, or as amended by the Board, on June 18, 2020. Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Changes can be made to the budget at any detail within the function level without an amendment approved by the Board. During the year, several budget amendments were made with Board approval. The most significant amendments were for carryover funding; issuance of bonds and supplemental appropriations for bond projects; mid-year adjustment of local and state revenues and appropriations and operating costs; and year-end adjustments to revise estimates of revenues and expenditures based on the latest information on student attendance, interest earnings, and operating costs. All budget appropriations lapse at year-end.

Note 4 - Deposits and Investments

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

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. The District maintains an investment policy which authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements and the State Treasurer's investment pool or similar public fund investment pools. 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.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The collateral shall always be held by an independent third party with whom the District has a current custodial agreement. The District is not exposed to custodial credit risk for its deposits as all are covered by depository insurance or securities pledged to the District and held by a third-party custodian.

At June 30, 2022, the carrying value of the District's deposits (other than the temporary investments listed below) was \$24,296,105 and the bank balance was \$37,201,250. The District's cash deposits at June 30, 2022, and during the year then ended, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District also held petty cash of \$9,717.

Investments

As of June 30, 2022, the District's investments consisted of balances held by Lone Star Local Government Investment Pool (LSIP), Texas Local Government Investment Pool (TexPool), and LOGIC Local Government Investment Pool.

LSIP is a Texas public investment pool sponsored by the Texas Association of School Boards (TASB) for investment of funds by state and local government entities, primarily local school districts. The Board has entered into an agreement with First Public, LLC (First Public), a Texas limited liability company and a member of the National Association of Securities Dealers, Securities Investor Protection Corporation, and Municipal Securities Rulemaking Board, pursuant to which First Public serves as administrator of LSIP's operations. American Beacon Advisors, Fort Worth, Texas, and Standish Mellon Asset Management Company, LLC, Pittsburgh, Pennsylvania, provide investment management services to LSIP regarding the investment and reinvestment of the pool's assets. The fund's credit quality is excellent as its portfolio is composed of U. S. government and U. S. agency securities. Investments in LSIP provide for investment in securities with maturities and returns generally greater than money market instruments. LSIP is marked-to-market daily to maintain an accurate net asset value. The District's fair value in LSIP is the same as the value of the pool shares.

Note 4 - Deposits and Investments (continued)

Investments (continued)

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the Trust Company) to provide a safe environment for the placement of local government funds. The portfolio consists of U.S. Treasury and government agency securities, repurchase agreements, certain mutual funds, collateralized repurchase and reverse repurchase agreements, no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized statistical rating organization, securities lending programs, and certificates of deposit. TexPool is overseen by the State Comptroller of Public Accounts and administered by Federated Investors, Inc. The State Street Bank is the custodial bank. TexPool follows chapter 2256 of the Texas Public Funds Investment Act. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value.

Local Government Investment Cooperative (LOGIC) (the "Pool") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and operates as a public funds investment pool under the Public Funds Investment Act. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants.

The Board of Trustees is LOGIC's governing body and is comprised of employees, officers or elected officials of Participant Government Entities or individuals who do not have a business relationship with the Pool and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Pool. The Portfolio assets are marked to market daily using the fair value method. Due to the fact that amortized cost, which generally approximates the market value of the assets, has been deemed to be a proxy for fair value, Portfolio assets are valued on the basis of the amortized cost valuation technique.

As noted in the District's Significant Accounting Policies, the District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. In addition, Lone Star, TexPool and LOGIC do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
Governmental Activities			
Local Government Investment Pools:			
TexPool	\$ 5,480,752	0.6%	23
LOGIC	427,127,824	48.6%	32
Lone Star	391,885,791	44.6%	14
Total Local Government Investment Pools	<u>824,494,367</u>	<u>93.8%</u>	
U.S. Treasuries	44,574,096	5.1%	132
U.S. Government Agency Securities	10,000,000	1.1%	42
Total Investment Securities	<u>54,574,096</u>	<u>6.2%</u>	
Fiduciary Funds			
Investments:			
Local Government Investment Pools:			
TexPool	48,208	0.0%	23
Total Investments	<u>48,208</u>	<u>0.0%</u>	
Total Fiduciary Funds	<u>48,208</u>	<u>0.0%</u>	
Total	<u>\$ 879,116,671</u>	<u>100.0%</u>	29

Note 4 - Deposits and Investments (continued)

Investments (continued)

The District's temporary investments at June 30, 2022, are shown below:

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in the external investment pools (Lone Star, TexPool and LOGIC), are not exposed to custodial risk. External investment pools are not subject to custodial risk because investments are not evidenced by securities that exist in physical or book entry form. State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of June 30, 2022, the District's investments in Lone Star was rated AAA and, TexPool and LOGIC were rated AAAM.

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

Interest-rate Risk - This type of risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The District's investment policy does not allow the purchase of investments that would expose the District to interest-rate risk.

Concentration Risk - This type of risk is defined as positions of 5 percent or more in the securities of a single issuer. The District is not exposed to concentration risk because the investment portfolio mainly consists of external investment pools.

Note 5 - Receivables

Receivables due from other governments, as of June 30, 2022 for the District's major and nonmajor funds in the aggregate are as follows. All receivables are expected to be collected within one year.

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Natural Gas Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from the State of Texas/ Other Governments	\$ 47,609,566	\$ -	\$ -	\$ 24,534,807	\$ 72,144,373

The District expects to collect all receivables within one year of the end of the fiscal year period.

Note 6 - Interfund Receivables, Payables, and Transfers

The composite of interfund balances as of June 30, 2022, is as follows. All interfund balances are expected to be repaid within one year.

	Interfund Receivable	Interfund Payable	Net
Governmental Activities:			
General Fund	7,838,412	6,297,156	\$ 1,541,256
Debt Service Fund	1,549,057	-	1,549,057
Capital Projects Fund	8,621,093	2,888,633	5,732,460
Natural Gas Revenue Fund	105,480	-	105,480
Nonmajor Governmental Funds	12,154,555	21,578,347	(9,423,792)
Nonmajor Enterprise Funds	-	280	(280)
Internal Service Funds	495,819	-	495,819
	<u>\$ 30,764,416</u>	<u>\$ 30,764,416</u>	<u>\$ -</u>

These interfund balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made.

Note 7 - Capital Assets

A summary of changes in governmental activities capital assets for the year ended June 30, 2022 as follows:

	Balance June 30, 2021	Additions	Retirements and Transfers	Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 82,354,432	\$ 5,195,442	\$ -	\$ 87,549,874
Construction in progress	76,648,208	74,225,446	(9,976,891)	140,896,763
Total Capital assets, not being depreciated	<u>159,002,640</u>	<u>79,420,888</u>	<u>(9,976,891)</u>	<u>228,446,637</u>
Capital assets, being depreciated:				
Buildings and improvements	1,412,744,725	2,206,356	9,818,440	1,424,769,521
Furniture and equipment	119,637,464	3,783,747	(668,120)	122,753,091
Total Capital assets, being depreciated	<u>1,532,382,189</u>	<u>5,990,103</u>	<u>9,150,320</u>	<u>1,547,522,612</u>
Less accumulated depreciation for:				
Buildings and improvements	(536,409,079)	(57,197,422)	144,848	(593,461,653)
Furniture and Equipment	(89,039,661)	(8,055,927)	571,492	(96,524,096)
Total Accumulated depreciation	<u>(625,448,740)</u>	<u>(65,253,349)</u>	<u>716,340</u>	<u>(689,985,749)</u>
Governmental Capital Assets	<u>\$ 1,065,936,089</u>	<u>\$ 20,157,642</u>	<u>\$ (110,231)</u>	<u>\$ 1,085,983,500</u>

Note 7 - Capital Assets (continued)

Depreciation was charged to functions as follows:

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 39,063,709
Instructional resources & media services	837,796
Curriculum & instructional staff development	772,461
Instructional leadership	1,564,503
School leadership	3,841,829
Guidance, counseling & evaluation services	3,548,124
Social work services	346,211
Health services	850,332
Student (pupil) transportation	2,162,816
Food services	31,823
Cocurricular/extracurricular activities	1,406,344
General administration	1,627,883
Plant maintenance & operations	6,684,371
Security and monitoring services	1,108,173
Data processing services	1,351,253
Community services	55,721
	<u>\$ 65,253,349</u>

Construction Commitments

The District has active construction projects as of June 30, 2022. Construction in progress and remaining commitments as of June 30, 2022 are as follows:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
Gunn Junior High	\$ 70,000,000	\$ 65,957,684	\$ 4,042,316
Child Nutrition Renovation	7,627,020	-	7,627,020
Crow Elementary School	12,195,444	12,508,224	(312,780)
Duff Elementary	8,224,680	389,447	7,835,233
Webb Elementary School	33,650,000	18,818,326	14,831,674
South Davis Elementary School	1,752,000	109,147	1,642,853
Thornton Elementary School	33,500,000	15,294,346	23,771,203
Berry Elementary School	33,800,000	11,849,921	21,950,079
Shackelford JH & Jones Elementary School	11,898,076	8,355,959	3,542,117
Arlington HS	73,065,300	1,416,750	71,648,550
Martin HS & Athletic Field	31,072,000	1,764,303	29,307,697
Enterprise Center	13,724,788	-	13,724,788
Various School Projects		2,930,026	
	<u>\$ 330,509,308</u>	<u>\$ 139,394,133</u>	<u>\$ 199,610,750</u>

Note 8 - Long-Term Debt

Long-term debt of the District is comprised of bonds payable, capital leases payable, accrued service benefits, and one note payable. Debt service requirements for general obligation bonds are payable from fund balance and future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, state funding under the Instructional Facilities and Existing Debt Allotments and interest earnings. The General Fund has typically been used to liquidate capital leases and notes payable, in prior years.

The following is a summary of changes in long-term debt for governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Bonds payable	\$ 1,085,149,956	\$ 176,370,000	\$ (75,570,000)	\$ 1,185,949,956	\$ 56,880,000
Bond premiums	146,301,383	33,630,131	(10,606,696)	169,324,818	-
Accreted interest	4,790,685	72,453	-	4,863,138	-
Notes payable	2,005,846	-	(541,647)	1,464,199	555,135
Lease liability	265,130	-	(121,009)	144,121	-
Accrued service benefits	36,276	-	(7,755)	28,521	10,447
Total	<u>\$ 1,238,549,276</u>	<u>\$ 210,072,584</u>	<u>\$ (86,847,107)</u>	<u>\$ 1,361,774,753</u>	<u>\$ 57,432,094</u>

The notes payable is payable from the general fund. The same governmental funds used to pay the staff's salary have been used to liquidate the liability for compensated absences in the current and prior years.

On February 15, 2020, the District refunded Unlimited Tax School Building Bonds, Series 2012 and Unlimited Tax School Building Bonds, Series 2013 with Unlimited Tax School Building and Refunding Bonds, Series 2022 in the amount of \$9,6 million and a District contribution of \$5,000,000 and were also issued at a premium of \$2.1 million. The funds were placed in escrow. The difference between carrying value of the bonds and the amount placed in escrow was recognized as a deferred gain of \$2.7 million, which will be amortized over the life of the new debt or the refunded debt, which ever is shorter. The net present value savings related to the refunding bonds totaled \$2.4 million

The 2022 bonds also contained \$166.7 million school building bonds with a premium of \$31.5 million. Proceeds from the sale of the Bonds will be used for acquisition, construction and equipment of school buildings and the purchase of school sites and school buses.

Qualified School Construction Bonds ("QSCB's") are tax-credit bonds authorized through the American Recovery and Reinvestment Act. The QSCB program provides school districts the opportunity to issue interest free or very-low interest bonds to finance the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed. Purchasers of QSCB's issued in 2009 receive a federal tax credit instead of interest payments. Purchasers of QSCB's issued in 2011 receive interest payments from the issuer, and the issuer can elect to receive subsidy payments from the federal government equal to the lesser of (i) the amount of interest payable under such bond on such date, or (ii) the amount of interest which would have been payable under such bond on such date if such interest were determined at the applicable credit rate determined under section 54A(b)(3) of the Internal Revenue Code with respect to such bonds. The District received \$329,949 in subsidy payments from the federal government during the fiscal year ended June 30, 2021.

Note 8 - Long-Term Debt (continued)

Bonds Payable

Bonded indebtedness of the District is reflected in the Statement of Net Position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund in the fund financial statements.

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

Bond	Interest Rates	Original Amount	Range of Future Maturities	6/30/2021 Balances	Issued	Retired / Defeased	6/30/2022 Balances
2009 Refunding	3.00 to 4.25%	\$ 12,465,000	2015-24	\$ 215,000	\$ -	\$ (215,000)	\$ -
2009 QSCB	0.40%	36,320,000	2018-26	20,180,000	-	(4,035,000)	16,145,000
2011 QSCB	5.25 to 6.00%	13,655,000	2018-26	7,580,000	-	(1,515,000)	6,065,000
2012 Building	2.00 to 5.00%	24,885,000	2015-37	11,940,000	-	(11,940,000)	-
2013 Building	2.75 to 5.00%	16,390,000	2017-38	6,155,000	-	(6,155,000)	-
2013 Refunding	0.34 to 3.007%	76,482,234	2015-25	2,360,000	-	(2,360,000)	-
2014 Building	2.00 to 5.00%	16,180,000	2016-39	5,605,000	-	(460,000)	5,145,000
2014 Refunding	5.00%	72,020,000	2017-24	35,845,000	-	(13,120,000)	22,725,000
2014A Building	1.00 to 5.00%	159,485,000	2015-39	2,070,000	-	(1,015,000)	1,055,000
2015 Building	1.00 to 5.00%	220,300,000	2016-40	205,370,000	-	(7,645,000)	197,725,000
2016A Building	3.00 to 5.00%	109,420,000	2017-41	96,235,000	-	(3,430,000)	92,805,000
2016B Refunding	2.00 to 5.00%	46,475,000	2017-36	43,365,000	-	(3,145,000)	40,220,000
2017 Building	3.00 to 5.00%	79,345,000	2018-42	69,010,000	-	(2,905,000)	66,105,000
2018 Building	4.00 to 5.00%	33,630,000	2019-43	20,755,000	-	(2,245,000)	18,510,000
2020 Building	4.00 to 5.00%	273,790,000	2020-45	262,315,000	-	(6,955,000)	255,360,000
2020 Refunding	4.00 to 5.00%	137,794,956	2021-39	137,259,956	-	(745,000)	136,514,956
2021 Building	4.00 to 5.00%	158,890,000	2022-46	158,890,000	-	(7,685,000)	151,205,000
2022 Building and Re	2.00-4.00%	176,370,000			176,370,000	-	176,370,000
Total Bonds Payable				<u>\$ 1,085,149,956</u>	<u>\$ 176,370,000</u>	<u>\$ (75,570,000)</u>	<u>\$ 1,185,949,956</u>

The annual debt service for retirement of bond principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Totals
2023	\$ 49,400,000	\$ 48,724,673	\$ 98,124,673
2024	42,004,956	52,047,447	94,052,403
2025	44,645,000	45,407,513	90,052,513
2026	45,410,000	43,372,271	88,782,271
2027	47,010,000	41,298,883	88,308,883
2028-2032	256,405,000	171,685,049	428,090,049
2033-2037	296,520,000	115,393,782	411,913,782
2038-2042	266,110,000	56,976,014	323,086,014
2043-2047	138,445,000	14,047,400	152,492,400
	<u>\$ 1,185,949,956</u>	<u>\$ 588,953,032</u>	<u>\$ 1,774,902,988</u>

Note 8 - Long-Term Debt (continued)

Lease Liability

The District has copiers and stamp machines under lease agreements. The District used an incremental borrowing rate of 3.96 percent to determine the present value of such leases. The right-to-use assets under the lease were initially recorded at \$265,130 with accumulated amortization of \$131,530. The lease liability as of June 30, 2022 is \$144,121 and the future principal and interest payments are presented below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 140,823	\$ 3,198	\$ 144,021
2024	3,298	1,993	5,291
	<u>\$ 144,121</u>	<u>\$ 5,191</u>	<u>\$ 149,312</u>

Rebatable Arbitrage Payable

The Tax Reform Act of 1986 requires that the excess interest earned on tax-exempt bond proceeds over interest cost must be remitted to the federal government. These arbitrage interest earnings are paid from the Capital Projects Funds and must be remitted every five years from date of issue. During the fiscal year ended June 30, 2022, no arbitrage payments were made to the IRS. Furthermore, there was no rebatable arbitrage liability at June 30, 2022.

Accreted Interest

In accordance with general obligation bond indentures, the District is required to compute, at the time of levying the tax, a rate of tax sufficient to provide a fund each year to pay the principal and interest as bonds mature and interest payments are due.

A portion of the Series 2011A bond issues was Capital Appreciation Bonds. These bonds were issued at a discount, and there are no scheduled interest payments due until maturity of the bonds. A portion of the difference between the principal received at issuance and the total amount due at maturity is accreted each year until the total liability equals the cash due at maturity. The 2011A bonds matured in fiscal year 2021. The 2020 Taxable Refunding bonds issued July 30, 2020 were included premium capital appreciation bonds. The bonds were issued at a premium of \$2,574,956.

Accreted interest on bonds represents the accrued interest to date on the above issues and is summarized as follows:

<u>Issue</u>	<u>Amount Due at Maturity</u>	<u>Amount Received at Issue</u>	<u>Total To Be Accreted</u>	<u>Balance 6/30/21</u>	<u>Current Year Accretion</u>	<u>Additions / Maturities</u>	<u>Balance 6/30/22</u>
2020 Refunding	7,600,000	2,574,956	5,025,044	4,790,685	\$ 72,453	\$ -	\$ 4,863,138
	7,600,000						

Prior Year Defeasance of Debt

In prior years, the District defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2021, \$180,370,000 of defeased bonds remain outstanding.

Notes Payable

The notes payable represent loans with the State of Texas Energy Conservation Office. During the 2014 fiscal year, the District entered into a loan agreement with the State of Texas Energy Conservation Office. The proceeds of the loan will be disbursed to the District as costs are incurred by the District for energy conservation projects. The proceeds of the loan will not exceed \$4,984,031. Interest will accrue at a rate of 2.5% from the date of each disbursement to the District. The loan is expected to mature in fiscal year 2025.

Note 8 - Long-Term Debt (continued)

Notes Payable (continued)

The District is required by the agreement to submit quarterly principal and interest payments on both notes payable, based on seven-year amortizations. The total notes payable balance at year end and annual maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 555,316	\$ 33,847	\$ 589,163
2024	569,329	19,834	589,163
2025	339,554	5,466	345,020
	<u>\$ 1,464,199</u>	<u>\$ 59,147</u>	<u>\$ 1,523,346</u>

Note 9 – Worker’s Compensation Insurance (Self-Insured)

Insurance plans

The District contracts with the TASB Risk Management Fund (“the Fund”) to facilitate all claims. The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service. The District is protected against higher than expected claims costs through the purchase of stop loss coverage. Deposits in the amount of \$250,000 for a required Loss Deposit Fund are included in other current assets on the Statement of Net Position.

The Fund engages the service of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2021, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

The costs associated with the self-insured plan are reported as interfund transactions. Accordingly, they are treated as operating revenues of the Workers’ Compensation Fund and operating expenditures/expenses of the General Fund and Enterprise Fund. An actuarial study is performed on the plan to estimate the claims liability at the fiscal year-end. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The resultant liability calculation is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claim liabilities are evaluated periodically. The following summarizes the self-insured plan claims and liabilities for workers’ compensation:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2021	\$ 4,541,177	\$ 639,332	\$ (1,222,324)	\$ 3,958,185
2022	3,958,185	1,686,316	(1,437,386)	4,207,115

Note 10 - Defined Benefit Pension Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf> or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

Note 10 - Defined Benefit Pension Plan (continued)

Contributions

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

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

	Contribution Rates	
	2022	2021
Member (Employee)	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
District	7.75%	7.50%

	Fiscal Year (2022)
	TRS Contributions
Member (Employee)	\$ 18,173,802
Non-Employer Contributing Entity (State)	36,898,293
District	23,446,648

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 10 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

<u>Component</u>	<u>Result</u>
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
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, 2019. These assumptions are further described the 2021 TRS ACFR, which includes actuarial valuation report dated November 14, 2019.

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2021 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Note 10 - Defined Benefit Pension Plan (continued)

Discount Rate (continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class¹	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources & Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	<u>100.00%</u>		<u>6.90%</u>

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

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

Note 10 - Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 205,409,230	94,001,973	\$ 3,616,871

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

At June 30, 2022, the District reported a liability of \$94,001,973 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 94,001,973
State's proportionate share that is associated with the District	139,610,651
Total	<u>\$ 233,612,624</u>

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

At August 31, 2021, the District's proportion of the collective net pension liability was 0.3691% which was an increase of 0.0127% from its proportion measured as of August 31, 2020.

The General and Special Revenue Funds are used pay into TRS at the statutorily determined rates. The contributions are then applied to the net pension liability at the State level.

Note 10 - Defined Benefit Pension Plan (continued)

Changes Since the Prior Actuarial Valuation

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

For the year ended June 30, 2022, the District recognized pension expense of \$6,787,117. The District also recognized an additional on-behalf revenue and expense of \$558,146 representing for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 157,309	\$ (6,617,813)
Changes of assumption	33,227,861	(14,484,498)
Net difference between projected and actual earnings on pension plan investments	-	(78,819,434)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,401,680	(11,860,354)
District contributions subsequent to the measurement date	15,530,232	-
Total	<u>\$ 55,317,082</u>	<u>\$ (111,782,099)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$15,530,232 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Pension Expense
2023	\$ (12,601,119)
2024	(13,663,778)
2025	(20,443,344)
2026	(25,041,941)
2027	(354,830)
Thereafter	109,763
	<u>\$ (71,995,249)</u>

Note 11 - Defined Other Post-Employment Benefit Plans

Plan Description

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

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

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf> or by writing TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

TRS-Care Plan Premium Rates			
	Medicare		Non-Medicare
Retiree or Surviving Spouse	\$	135	\$ 200
Retiree and Spouse		529	689
Retiree or Surviving Spouse and Children		468	408
Retiree and Family		1,020	999

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Contributions

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

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

	Contribution Rates	
	2022	2021
Active Employee	0.65%	0.65%
Non-employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

	Fiscal Year (2022)	
	TRS Care Contributions	
Active Employee	\$	4,040,700
Non-employer Contributing Entity (State)		3,013,764
District		7,114,123

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

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

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

Additional Actuarial Methods and Assumptions:

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

Discount Rate

A single discount rate of 1.95 percent was used to measure the Total OPEB Liability. There was a decrease of .30 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds

Discount Rate Sensitivity Analysis

Discount Rate – The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the Net OPEB Liability. This is the District’s proportionate share.

1% Decrease in Discount Rate (0.95%)	Current Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
\$ 222,917,521	184,805,089	\$ 154,809,365

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

At June 30, 2022, the District reported a liability of \$184,805,089 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB liability	\$ 184,805,089
State's proportionate share that is associated with (employer)	247,597,635
Total	<u>\$ 432,402,724</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District’s proportion of the Net OPEB Liability was based on the District’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

Changes Since the Prior Actuarial Valuation (continued)

At June 30, 2022, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

At August 31, 2021, the District's proportion of the collective Net OPEB Liability was 0.4791% which was a decrease of 0.0067% from its proportion measured as of August 31, 2020.

The General and Special Revenue Funds are used pay into TRS at the statutorily determined rates. The contributions are then applied to the net OPEB liability at the State level.

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

District's proportionate share of the collective Net OPEB liability	\$ 184,805,089
State's proportionate share that is associated with (employer)	247,597,635
Total	<u>\$ 432,402,724</u>

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 (TOL) since the prior measurement period:

- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

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

For the year ended June 30, 2022, the District recognized negative OPEB expense of \$7,692,138. The District also recognized negative on-behalf expense and revenue of \$9,138,244 for support provided by the State.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,956,734	\$ (89,458,592)
Changes of assumption	20,469,334	(39,082,856)
Net difference between projected and actual earnings on OPEB plan investments	200,639	
Changes in proportion and differences between District contributions and proportionate share of contributions	3,650,110	(12,785,563)
District contributions subsequent to the measurement date	3,394,328	
Total	<u>\$ 35,671,145</u>	<u>\$ (141,327,011)</u>

Note 11 - Defined Other Post-Employment Benefit Plans (continued)

The \$3,394,328 reported as 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 year ending June 30, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	OPEB Expense Amount
2023	\$ (20,992,991)
2024	(20,997,516)
2025	(20,996,277)
2026	(16,131,711)
2027	(9,545,958)
Thereafter	(20,385,740)
	<u>\$ (109,050,193)</u>

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for 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. For the fiscal years ended June 30, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on-behalf of the District were \$1,816,655, \$2,172,566, and \$1,816,655, respectively. The information for the year ended June 30, 2022 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

The District purchases 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.

Notes 13 - Shared Service Arrangement

The District has entered into a Shared Service Agreement (SSA) for services and reporting procedures for students with auditory impairments attending the Arlington Regional Day School Program for the Deaf (RDSPD). The District is the fiscal agent and is responsible for applying for, receiving, collecting, expending, and distributing all funds, regardless of source, in accordance with budget adopted by the RDSPD. The District provides accounting services and reports. The member Districts are Kennedale Independent School District, Mansfield Independent School District and Venus Independent School District. The SSA is accounted for in Fund 435.

REQUIRED SUPPLEMENTARY INFORMATION

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Last Eight Measurement Years Ended August 31 ⁽¹⁾

Exhibit G-1

	2021	2020	2019	2018
District's proportion of the net pension liability	0.37%	0.36%	0.39%	0.39%
District's proportionate share of the net pension liability	\$ 94,001,973	\$ 190,880,824	\$ 202,083,399	\$ 215,929,798
State's proportionate share of the net pension liability associated with the District	139,610,651	283,342,941	276,296,260	308,845,844
Total	<u>\$ 233,612,624</u>	<u>\$ 474,223,765</u>	<u>\$ 478,379,659</u>	<u>\$ 524,775,642</u>
District's covered payroll (for Measurement Year)	\$ 448,577,062	\$ 422,631,242	\$ 411,615,670	\$ 408,126,343
District's proportionate share of the net pension liability as a percentage of it's covered payroll	20.96%	45.16%	49.10%	52.91%
Plan fiduciary net position as a percentage of the total pension liability *	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	51.08%	114.93%	114.93%	126.11%
	2017	2016	2015	2014
District's proportion of the net pension liability	0.40%	0.39%	0.39%	0.28%
District's proportionate share of the net pension liability	\$ 128,887,686	\$ 148,696,381	\$ 139,331,975	\$ 75,557,286
State's proportionate share of the net pension liability associated with the District	187,381,594	225,379,353	219,091,643	190,008,374
Total	<u>\$ 316,269,280</u>	<u>\$ 374,075,734</u>	<u>\$ 358,423,618</u>	<u>\$ 265,565,660</u>
District's covered payroll (for Measurement Year)	\$ 406,117,695	\$ 391,215,683	\$ 375,129,379	\$ 367,187,392
District's proportionate share of the net pension liability as a percentage of it's covered payroll	31.74%	38.01%	37.14%	20.58%
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	75.93%	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

⁽¹⁾ Ten years of data should be presented in this schedule, but data was unavailable prior to 2014 Net pension liability and related ratios will be presented as data becomes available.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Last Nine Fiscal Years ⁽¹⁾

Exhibit G-2

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 18,173,802	\$ 15,382,288	\$ 14,570,224	\$ 13,383,140	\$ 13,319,359
Contributions in relation to the contractual required	18,173,802	15,382,288	14,570,224	13,383,140	13,319,359
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	\$ 463,646,476	\$ 439,039,067	\$ 422,515,424	\$ 411,031,166	\$ 409,175,566
Contributions as a percentage of covered payroll	3.92%	3.50%	3.45%	3.26%	3.26%

	2017	2016	2015	2014
Contractually required contributions	\$ 13,061,085	\$ 12,378,352	\$ 11,065,220	\$ 6,868,636
Contributions in relation to the contractual required	13,061,085	12,378,352	11,065,220	6,868,636
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 402,410,725	\$ 388,883,913	\$ 373,526,450	\$ 363,736,625
Contributions as a percentage of covered payroll	3.25%	3.18%	2.96%	1.89%

⁽¹⁾ Ten years of data should be presented in this schedule, but data was unavailable prior to 2014

ARLINGTON INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information - Pension

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The single discount rate as of August 31, 2018 was a single blended rate of 6.907 percent. That has changed to the long-term rate of 7.25 percent as of August 31, 2019.
- There was no change to the discount rate for the measurement year ended August 31, 2020 or 2021.
- With the enactment of SB 3 by the 2019 Texas legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive \$2,700 increase in fiscal year 2020. This is an additional to the salary increase expected based on the actuarial assumptions.

Changes of Benefit Terms

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

Notes to Required Supplementary Information -

OPEB Changes of Assumptions

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

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The discount rate changed from 2.63 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

Changes of Benefit Terms

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Last Five Measurement Years Ended August 31 ⁽¹⁾

Exhibit G-3

	2021	2020	2019
District's proportion of the net OPEB liability	0.48%	0.47%	0.49%
District's proportionate share of the net OPEB liability	\$ 184,805,089	\$ 179,590,022	\$ 231,749,147
State's proportionate share of the net OPEB liability associated with the District	247,597,635	241,325,941	307,942,781
Total	<u>\$ 432,402,724</u>	<u>\$ 420,915,963</u>	<u>\$ 539,691,928</u>
District's covered-employee payroll (for Measurement Year)	\$ 448,577,062	\$ 422,631,242	\$ 411,615,670
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	41.20%	42.49%	56.30%
Plan fiduciary net position as a percentage of the total OPEB liability *	6.18%	4.99%	2.66%
Plan's net OPEB liability as a percentage of covered-employee payroll *	100.13%	101.46%	135.21%

	2018	2017
District's proportion of the net OPEB liability	0.50%	0.50%
District's proportionate share of the net OPEB liability	\$ 248,006,708	\$ 217,735,070
State's proportionate share of the net OPEB liability associated with the District	345,695,787	314,597,329
Total	<u>\$ 593,702,495</u>	<u>\$ 532,332,399</u>
District's covered-employee payroll (for Measurement Year)	\$ 408,126,343	\$ 406,117,695
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	60.77%	53.61%
Plan fiduciary net position as a percentage of the total OPEB liability *	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered-employee payroll *	146.64%	132.55%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

⁽¹⁾ Ten year of data should be presented in this schedule, but data was unavailable prior to 2017 Net OPEB liability and related ratios will be presented as data becomes available.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Last Nine Fiscal Years ⁽¹⁾

Exhibit G-4

	2022	2021	2020	2019	2018
Contractually required contributions	\$ 4,040,700	\$ 3,667,867	\$ 3,576,251	\$ 3,450,595	\$ 3,315,476
Contributions in relation to the contractual required contributions	<u>4,040,700</u>	<u>3,667,867</u>	<u>3,576,251</u>	<u>3,450,595</u>	<u>3,315,476</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 463,646,476	\$ 439,039,067.00	\$ 422,515,424.00	\$ 411,031,166.00	\$ 409,175,566.00
Contributions as a percentage of covered employee payroll	0.87%	0.84%	0.85%	0.84%	0.81%

	2017	2016	2015	2014
Contractually required contributions	\$ 2,580,445	\$ 2,659,382	\$ 2,325,049	\$ 2,264,533
Contributions in relation to the contractual required contributions	<u>2,580,445</u>	<u>2,659,382</u>	<u>2,325,049</u>	<u>2,264,533</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	<u>402,410,725</u>	<u>388,883,913</u>	<u>373,526,450</u>	<u>363,736,625</u>
Contributions as a percentage of covered employee payroll	0.64%	0.68%	0.62%	1.89%

⁽¹⁾ Ten year of data should be presented in this schedule, but data was unavailable prior to 2014 Net OPEB contributions and related ratios will be presented as data becomes available.



OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Fund Number	Fund Name & Description
206	McKinney - Vento Education for the Homeless Children and Youth - Variety of staff development and supplemental services.
211	Title I, Part A - Supplemental funds to schools with a high percentage of children from low income families to provide opportunities for all children to meet challenging state academic standards
220	Adult Basic Education - Provide or support programs for educational services to adults who are beyond compulsory school attendance age, are not enrolled in school and function at less than secondary completion level.
223	Temporary Assistance for Needy Families (TANF) - Funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF)
224	IDEA, Part B - Formula - Operate educational programs for children with disabilities.
225	IDEA, Part B - Preschool - Program for preschool children with disabilities.
240	Child Nutrition Program - School Breakfast, National School Lunch and CACF Programs serving students meals that qualify for free, reduced or full priced meals per the USDA guidelines.
242	Summer Feeding Program - Provide nutritious summer meals to low-income children when school is not in session.
244	Carl D. Perkins Technology - Provide career and technical education to develop new and/ or improve career and technical education programs for paid and unpaid employment.
255	ESEA, Title II, Part A - Effective Instruction - Increase student academic achievement through increasing the number of qualified teachers, assistant principals and principals.
263	ESEA, Title III, Part A - English Language Acquisition and Language Enhancement - Improve the education of limited English proficient children by assisting the children to learn English.
266	ESSER I - Educational Stabilization Fund under the CARES Act to support the District's ability to operate and instruct its students during the COVID-19 pandemic.
276	Instructional Continuity Grant - Designed to provide supplemental resources to districts to support improved student outcomes on targeted support and improvement campuses. The purpose of this grant is to increase the capacity of a district to facilitate instructional continuity and distance, remote, and/ or virtual learning for identified campuses that have been affected by campus closures due to COVID-19.
281	ESSER II - Educational Stabilization Fund under the CRRSA Act to support the District's ability to operate and instruct its students during the COVID-19 pandemic.

NONMAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS (continued)

Fund Number	Fund Name & Description
282	ESSER III - Educational Stabilization Fund under the ARP Act to support the District's ability to operate and instruct its students during the COVID-19 pandemic.
284	IDEA-Part B, Formula - ARPA - Federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities.
288	Title IV, part A - SSAEP - This grant is to provide students with a well-rounded education, support safe and healthy students, and support the effective use of technology.
289	Texas Literary Initiative - Improve school readiness and success in the areas of language and literacy for disadvantaged students.
315	SSA - IDEA B - Discretionary - Support ESC basic special education component, regional day school programs
340	SSA - IDEA C - Early Intervention (Deaf) - Provide educational programs for preschool children with hearing disabilities.
385	Visually Impaired State - Provide teachers and services to students who are visually impaired.
397	Advanced Placement Incentives - Professional development of teachers teaching advanced classes.
410	Instructional Materials Allotment - State funds allotted to school districts to purchase instructional materials and technology-related equipment and services.
429	Other State Programs - Supplemental state funds for various educational and support programs.
435	Regional Day School for the Deaf - Provide funding for staff and services to students with auditory
461	Campus Activity - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
492	National Semi Conductor Grant - funds provided by Project Lead the Way, Inc (PLTW) to be used for PLTW Computer Science Program.
497	Arlington Education Foundation - Nonprofit tax-exempt organization which raises private funds for the

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 1 of 7

		206	211	220	224
Data Control Codes		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	IDEA B - Formula
Assets:					
1110	Cash and cash equivalents	\$ -	\$ 2,981,394	\$ -	\$ -
1240	Receivables from other governments	27,064	3,030,139	148,674	2,501,101
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	246,837	-	-
1290	Other receivables	-	12,319	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	\$ 27,064	\$ 6,270,689	\$ 148,674	\$ 2,501,101
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 1,004	\$ 73,034	\$ 6,375	\$ 47,816
2160	Accrued wages payable	14,181	1,126,928	16,189	1,370,229
2170	Due to other funds	11,879	5,070,727	126,110	1,083,056
2180	Payable to other governments	-	-	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	27,064	6,270,689	148,674	2,501,101
Fund Balance:					
Restricted:					
3450	Federal/ State funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 27,064	\$ 6,270,689	\$ 148,674	\$ 2,501,101

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 2 of 7

		225	240	242	244
Data Control Codes		IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA	Carl D. Perkins Technology
Assets:					
1110	Cash and cash equivalents	\$ -	\$ 2,721,803	\$ -	\$ -
1240	Receivables from other governments	53,597	47,501	660,557	205,335
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	9,249,043	52,490	-
1290	Other receivables	-	21,343	-	-
1310	Inventories	-	2,465,856	-	-
1000	Total Assets	<u>\$ 53,597</u>	<u>\$ 14,505,546</u>	<u>\$ 713,047</u>	<u>\$ 205,335</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ 628,254	\$ 29,920	\$ -
2160	Accrued wages payable	31,706	108,834	193,837	-
2170	Due to other funds	21,891	2,000,000	-	205,335
2180	Payable to other governments	-	-	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>53,597</u>	<u>2,737,088</u>	<u>223,757</u>	<u>205,335</u>
Fund Balance:					
Restricted:					
3450	Federal/ State funds grant restrictions	-	11,768,458	489,290	-
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>11,768,458</u>	<u>489,290</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 53,597</u>	<u>\$ 14,505,546</u>	<u>\$ 713,047</u>	<u>\$ 205,335</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 3 of 7

Data Control Codes		255	263	266	276
		Title II-A - Supporting Effective Instruction	Title III-A ELA	ESSER I	Instructional Continuity Grant
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	247,284	684,469	51,473	-
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	12,070	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 247,284</u>	<u>\$ 696,539</u>	<u>\$ 51,473</u>	<u>\$ -</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 21,146	\$ 19,044	\$ -	\$ -
2160	Accrued wages payable	170,258	72,045	-	-
2170	Due to other funds	55,099	605,450	51,473	-
2180	Payable to other governments	-	-	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	781	-	-	-
2000	Total Liabilities	<u>247,284</u>	<u>696,539</u>	<u>51,473</u>	<u>-</u>
	Fund Balance:				
	Restricted:				
3450	Federal/ State funds grant restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 247,284</u>	<u>\$ 696,539</u>	<u>\$ 51,473</u>	<u>\$ -</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 4 of 7

		281	282	284	288
Data Control Codes		ESSER II	ESSER III	IDEA B - Formula APRA	Title IV, Part A - SSAEP
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	8,115,081	13,087,955	153,486	122,421
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 8,115,081</u>	<u>\$ 13,087,955</u>	<u>\$ 153,486</u>	<u>\$ 122,421</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 70,628	\$ 44,581	\$ -	\$ -
2160	Accrued wages payable	3,943,651	5,068,464	-	56,585
2170	Due to other funds	4,100,802	7,974,910	153,486	65,836
2180	Payable to other governments	-	-	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>8,115,081</u>	<u>13,087,955</u>	<u>153,486</u>	<u>122,421</u>
	Fund Balance:				
	Restricted:				
3450	Federal/ State funds grant restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 8,115,081</u>	<u>\$ 13,087,955</u>	<u>\$ 153,486</u>	<u>\$ 122,421</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 5 of 7

		289	315	385	397
Data Control Codes		Texas Literary Initiative	IDEA B - Discretionary	State Visual Impairment	Advanced Placement Incentive
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	39,366	14,094	22,105	-
1250	Accrued interest	-	-	-	-
1260	Due from other funds	198,628	23,297	-	10,502
1290	Other receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	\$ 237,994	\$ 37,391	\$ 22,105	\$ 10,502
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 7,389	\$ 31,319	\$ -	\$ -
2160	Accrued wages payable	5,370	6,072	-	-
2170	Due to other funds	-	-	22,105	-
2180	Payable to other governments	45,245	-	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	179,990	-	-	3,360
2000	Total Liabilities	237,994	37,391	22,105	3,360
Fund Balance:					
Restricted:					
3450	Federal/ State funds grant restrictions	-	-	-	7,142
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	-	-	-	7,142
4000	Total Liabilities and Fund Balance	\$ 237,994	\$ 37,391	\$ 22,105	\$ 10,502

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 6 of 7

		410	429	435	461
		Instructional	Other State	Regional Day	Campus Activity
		Materials	Programs	School for the	Funds
		Allotment		Deaf	
Data	Control				
Codes					
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ (16,025)
1240	Receivables from other governments	85,394	458,274	110,031	-
1250	Accrued interest	-	-	-	-
1260	Due from other funds	-	9,351	-	2,142,140
1290	Other receivables	-	10,000	-	16,025
1310	Inventories	-	-	-	-
1000	Total Assets	\$ 85,394	\$ 477,625	\$ 110,031	\$ 2,142,140
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 83,254	\$ 5,453	\$ 42,156	\$ 27,070
2160	Accrued wages payable	-	303,713	39,827	-
2170	Due to other funds	2,140	-	28,048	-
2180	Payable to other governments	-	-	-	-
2190	Due to student groups	-	-	-	2,167
2300	Unearned revenue	-	159,810	-	-
2000	Total Liabilities	85,394	468,976	110,031	29,237
Fund Balance:					
Restricted:					
3450	Federal/ State funds grant restrictions	-	8,649	-	-
Committed:					
3545	Other committed	-	-	-	2,112,903
Total Fund Balance		-	8,649	-	2,112,903
4000	Total Liabilities and Fund Balance	\$ 85,394	\$ 477,625	\$ 110,031	\$ 2,142,140

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

Exhibit H-1
Page 7 of 7

		492	497	
Data Control Codes		National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 5,687,172
1240	Receivables from other governments	-	-	29,865,401
1250	Accrued interest	-	-	-
1260	Due from other funds	15,601	206,666	12,154,555
1290	Other receivables	-	-	71,757
1310	Inventories	-	-	2,465,856
1000	Total Assets	\$ 15,601	\$ 206,666	\$ 50,244,741
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ 5,446	\$ 1,143,889
2160	Accrued wages payable	-	-	12,527,889
2170	Due to other funds	-	-	21,578,347
2180	Payable to other governments	-	-	45,245
2190	Due to student groups	-	-	2,167
2300	Unearned revenue	15,601	201,220	560,762
2000	Total Liabilities	15,601	206,666	35,858,299
Fund Balance:				
Restricted:				
3450	Federal/ State funds grant restrictions		-	12,273,539
Committed:				
3545	Other committed	-	-	2,112,903
Total Fund Balance		-	-	14,386,442
4000	Total Liabilities and Fund Balance	\$ 15,601	\$ 206,666	\$ 50,244,741

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 1 of 7

		206	211	220	224
Data Control Codes		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	IDEA B - Formula
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	247,560	15,963,123	829,965	11,903,502
5020	Total Revenues	247,560	15,963,123	829,965	11,903,502
Expenditures					
Current:					
0011	Instruction	11,008	7,616,962	665,382	9,926,239
0012	Instructional Resources and Media Services	-	372,341	-	-
0013	Curriculum and Instructional Staff Development	-	1,377,067	1,530	1,205,641
0021	Instructional Leadership	785	3,903,916	163,053	28,786
0023	School Leadership	-	1,768	-	-
0031	Guidance, Counseling and Evaluation Services	-	89,926	-	704,252
0032	Social work services	224,381	606,363	-	-
0033	Health Services	-	-	-	37,336
0034	Student Transportation	1,500	1,076	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant Maintenance and Operations	-	152	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	9,886	1,993,552	-	1,248
6030	Total Expenditures	247,560	15,963,123	829,965	11,903,502
1100	Excess (deficiency) of revenues overexpenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 2 of 7

		225	240	242	244
Data Control Codes		IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA	Carl D. Perkins Technology
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ 958,615	\$ -	\$ -
5800	State Program Revenues	-	48,401	-	-
5900	Federal Program Revenues	228,173	34,334,045	1,067,784	683,577
5020	Total Revenues	228,173	35,341,061	1,067,784	683,577
Expenditures					
Current:					
0011	Instruction	228,173	-	-	171,703
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	166,759
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	345,115
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	29,492,855	578,494	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant Maintenance and Operations	-	117,844	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	228,173	29,610,699	578,494	683,577
1100	Excess (deficiency) of revenues overexpenditures	-	5,730,362	489,290	-
1200	Net change in fund balances	-	5,730,362	489,290	-
0100	Fund Balance - July 1 (Beginning)	-	6,038,096	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 11,768,458	\$ 489,290	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 3 of 7

Data Control Codes		255	263	266	276
		Title II-A - Supporting Effective Instruction	Title III-A ELA	ESSER I	Instructional Continuity Grant
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	2,715,259	2,232,341	54,651	2,278
5020	Total Revenues	2,715,259	2,232,341	54,651	2,278
Expenditures					
Current:					
0011	Instruction	-	667,485	54,651	2,278
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	2,107,426	1,267,715	-	-
0021	Instructional Leadership	-	42,001	-	-
0023	School Leadership	607,833	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	12,923	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	36	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	242,181	-	-
6030	Total Expenditures	2,715,259	2,232,341	54,651	2,278
1100	Excess (deficiency) of revenues overexpenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 4 of 7

		281	282	284	288
Data Control Codes		ESSER II	ESSER III	IDEA B - Formula APRA	Title IV, Part A - SSAEP
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	11,598,540	25,983,802	287,348	890,830
5020	Total Revenues	11,598,540	25,983,802	287,348	890,830
Expenditures					
Current:					
0011	Instruction	11,175,832	13,280,337	274,021	538,304
0012	Instructional Resources and Media Services	-	-	-	166,104
0013	Curriculum and Instructional Staff Development	314,192	7,397,045	-	79,145
0021	Instructional Leadership	32,279	773,907	-	(516)
0023	School Leadership	59,590	920,953	-	-
0031	Guidance, Counseling and Evaluation Services	16,647	2,895,377	13,327	34,349
0032	Social work services	-	48,802	-	73,444
0033	Health Services	-	-	-	-
0034	Student Transportation	-	43,260	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0041	General administration	-	382,776	-	-
0051	Plant Maintenance and Operations	-	228	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	148,769	-	-
0061	Community Services	-	92,348	-	-
6030	Total Expenditures	11,598,540	25,983,802	287,348	890,830
1100	Excess (deficiency) of revenues overexpenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 5 of 7

		289	315	385	397
Data Control Codes		Texas Literary Initiative	IDEA B - Discretionary	State Visual Impairment	Advanced Placement Incentive
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	24,015	30,583
5900	Federal Program Revenues	55,789	96,535	-	-
5020	Total Revenues	55,789	96,535	24,015	30,583
Expenditures					
Current:					
0011	Instruction	42,089	96,535	24,023	18,383
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	2,195	-	-	12,199
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	196	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	6,359
0032	Social work services	-	-	-	-
0033	Health Services	11,309	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	55,789	96,535	24,023	36,941
1100	Excess (deficiency) of revenues overexpenditures	-	-	(8)	(6,358)
1200	Net change in fund balances	-	-	(8)	(6,358)
0100	Fund Balance - July 1 (Beginning)	-	-	8	13,500
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 7,142

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 6 of 7

		410	429	435	461
Data Control Codes		Instructional Materials Allotment	Other State Programs	Regional Day School for the Deaf	Campus Activity Funds
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 4,026,510
5800	State Program Revenues	660,656	1,024,624	831,900	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	660,656	1,024,624	831,900	4,026,510
Expenditures					
Current:					
0011	Instruction	663,443	529,284	831,046	-
0012	Instructional Resources and Media Services	-	92	-	-
0013	Curriculum and Instructional Staff Development	-	5,034	-	-
0021	Instructional Leadership	-	2,343	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	35,882	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	3,940,178
0041	General administration	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	451,989	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	854	-
6030	Total Expenditures	663,443	1,024,624	831,900	3,940,178
1100	Excess (deficiency) of revenues overexpenditures	(2,787)	-	-	86,332
1200	Net change in fund balances	(2,787)	-	-	86,332
0100	Fund Balance - July 1 (Beginning)	2,787	8,649	-	2,026,571
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 8,649	\$ -	\$ 2,112,903

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

Exhibit H-2
Page 7 of 7

	492	497	
	National Semi	Arlington	Total Nonmajor
	Conductor	Education	Governmental
	Grant	Foundation	Funds
Revenues			
Local and Intermediate Sources	\$ -	\$ 185,097	\$ 5,170,222
State Program Revenues	5,999	-	2,626,178
Federal Program Revenues	-	-	109,175,102
Total Revenues	5,999	185,097	116,971,502
Expenditures			
Current:			
Instruction	5,999	136,859	46,960,036
Instructional Resources and Media Services	-	26,333	564,870
Curriculum and Instructional Staff Development	-	240	13,769,429
Instructional Leadership	-	132	5,113,445
School Leadership	-	-	1,590,340
Guidance, Counseling and Evaluation Services	-	-	4,154,157
Social work services	-	-	952,990
Health Services	-	-	48,645
Student Transportation	-	-	45,872
Food Services	-	-	30,071,349
Cocurricular/ Extracurricular Activities	-	21,533	3,961,711
General administration	-	-	382,776
Plant Maintenance and Operations	-	-	118,224
Security and Monitoring Services	-	-	451,989
Data Processing Services	-	-	148,769
Community Services	-	-	2,340,069
Total Expenditures	5,999	185,097	110,674,671
Excess (deficiency) of revenues overexpenditures	-	-	6,296,831
Net change in fund balances	-	-	6,296,831
Fund Balance - July 1 (Beginning)	-	-	8,089,611
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 14,386,442

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

Exhibit H-3

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Assets			
Current Assets:			
Cash and cash equivalents	321,058	\$ 5,432,257	\$ 5,753,315
Receivables:			
Due from other funds	59,892	435,927	495,819
Total Current Assets	<u>380,950</u>	<u>5,868,184</u>	<u>6,249,134</u>
Total Assets	<u>380,950</u>	<u>5,868,184</u>	<u>6,249,134</u>
Liabilities			
Current Liabilities:			
Accounts payable	9,170	162,506	171,676
Accrued expenses	-	4,207,115	4,207,115
Total Current Liabilities	<u>9,170</u>	<u>4,369,621</u>	<u>4,378,791</u>
Total Liabilities	<u>9,170</u>	<u>4,369,621</u>	<u>4,378,791</u>
Net Position			
Unrestricted	371,780	1,498,563	1,870,343
Total Net Position	<u>\$ 371,780</u>	<u>\$ 1,498,563</u>	<u>\$ 1,870,343</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

Exhibit H-4

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Operating Revenues			
Charges for services	\$ 335,805	\$ 1,766,184	\$ 2,101,989
Total Operating Revenues	<u>335,805</u>	<u>1,766,184</u>	<u>2,101,989</u>
Operating Expenses			
Purchased and contracted services	165,260	-	165,260
Supplies and materials	138,110	-	138,110
Claims expense and other operating expenses	-	1,766,184	1,766,184
Total Operating Expenses	<u>303,370</u>	<u>1,766,184</u>	<u>2,069,554</u>
Operating Income (Loss)	<u>32,435</u>	<u>-</u>	<u>32,435</u>
Non-Operating Revenues (Expenses)			
Earnings - temporary deposits and investments	-	12,922	12,922
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>12,922</u>	<u>12,922</u>
Change in Net Position	32,435	12,922	45,357
Net Position - July 1 (Beginning)	<u>339,345</u>	<u>1,485,641</u>	<u>1,824,986</u>
Net Position - June 30 (Ending)	<u>\$ 371,780</u>	<u>\$ 1,498,563</u>	<u>\$ 1,870,343</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2022

Exhibit H-5

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 297,409	\$ 1,700,523	\$ 1,997,932
Cash payments for insurance claims	-	(1,437,387)	(1,437,387)
Cash payments to suppliers	(147,470)	-	(147,470)
Cash payments for other operating expenses	(165,260)	-	(165,260)
Net Cash Provided by (Used for) Operating Activities	<u>(15,321)</u>	<u>263,136</u>	<u>247,815</u>
Cash Flows from Investing Activities:			
Interest on investments	-	12,922	12,922
Net Cash Provided by Investing Activities	<u>-</u>	<u>12,922</u>	<u>12,922</u>
Net Increase (decrease) in Cash and Cash Equivalents	(15,321)	276,058	260,737
Cash and Cash Equivalents at Beginning of Year	336,379	5,156,199	5,492,578
Cash and Cash Equivalents at End of Year	<u>\$ 321,058</u>	<u>\$ 5,432,257</u>	<u>\$ 5,753,315</u>
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by operating Activities:			
Operating Income (Loss)	\$ 32,435	\$ -	\$ 32,435
Change in Assets and Liabilities:			
Decrease (increase) in Interfund Receivables	(38,396)	(65,661)	(104,057)
Increase (decrease) in Accounts Payable	(9,360)	79,867	70,507
Increase (decrease) in Accrued Expenses	-	248,930	248,930
Net Cash Provided by (Used for) Operating Activities	<u>\$ (15,321)</u>	<u>\$ 263,136</u>	<u>\$ 247,815</u>

REQUIRED TEA SCHEDULES

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 Accountability System Resource Guide* of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. This section fulfills the requirements for certain forms and formats required to be filed with the Texas Education Agency.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2022

Exhibit J-1
Page 1 of 2

	1	2	3	10
Last Ten Fiscal Years	Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 7/1/2021
	Maintenance	Debt Service		
2013 and prior	Various	Various	Various	\$ 9,461,226
2014	1.040000	0.261000	20,220,917,724	531,593
2015	1.040000	0.252170	21,265,403,194	493,147
2016	1.040000	0.308110	21,317,959,305	799,469
2017	1.040000	0.372950	22,961,131,839	712,321
2018	1.040000	0.350080	24,852,974,721	832,874
2019	1.040000	0.328670	27,724,047,506	1,742,242
2020	0.970000	0.328670	31,092,102,305	1,819,986
2021	1.086400	0.300700	32,074,210,610	5,606,535
2022	1.060100	0.300700	33,355,504,880	-
1000 TOTALS				<u><u>\$ 21,999,393</u></u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2022

Exhibit J-1
Page 2 of 2

	20	31	32	40	50
Last Ten Fiscal Years	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2022
2012 and prior	\$ -	\$ 69,734	\$ 17,802	\$ (2,016,379)	\$ 7,357,311
2014	-	8,198	1,988	(455)	520,952
2015	-	10,887	3,225	(1,721)	477,314
2016	-	15,949	5,719	1,136	778,937
2017	-	4,972	1,674	(28,948)	676,727
2018	-	(24,629)	(7,783)	(96,773)	768,513
2019	-	233,019	73,641	(166,039)	1,269,543
2020	-	194,329	65,845	(520,799)	1,039,013
2021	-	610,920	169,094	(3,094,652)	1,731,869
2022	<u>453,901,710</u>	<u>349,091,219</u>	<u>99,020,592</u>	<u>-</u>	<u>5,789,899</u>
1000 TOTALS	<u>\$ 453,901,710</u>	<u>\$ 350,214,598</u>	<u>\$ 99,351,797</u>	<u>\$ (5,924,630)</u>	<u>\$ 20,410,078</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-2
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET,
AMENDED FINAL AND ACTUAL - CHILD NUTRITION
For the Year Ended June 30, 2022**

Data Control Codes		Child Nutrition			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 4,451,155	\$ 963,308	\$ 958,615	\$ (4,693)
5800	State program revenues	175,000	48,440	48,401	(39)
5900	Federal program revenues	25,372,867	34,732,954	34,334,045	(398,909)
	Total Revenues	<u>29,999,022</u>	<u>35,744,702</u>	<u>35,341,061</u>	<u>(403,641)</u>
	Expenditures:				
0035	Food services	30,037,810	30,037,810	29,492,855	544,955
0051	Facilities maintenance and operations	139,596	139,597	117,844	21,753
	Total Expenditures	<u>30,177,406</u>	<u>30,177,407</u>	<u>29,610,699</u>	<u>566,708</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>(178,384)</u>	<u>5,567,295</u>	<u>5,730,362</u>	<u>163,067</u>
1200	Change in fund balance	(178,384)	5,567,295	5,730,362	163,067
100	Fund Balance - July 1 (beginning)	<u>6,038,096</u>	<u>6,038,096</u>	<u>6,038,096</u>	<u>-</u>
3000	Fund Balance - June 30 (ending)	<u>\$ 5,859,712</u>	<u>\$ 11,605,391</u>	<u>\$ 11,768,458</u>	<u>\$ 163,067</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-3
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET,
 AMENDED FINAL AND ACTUAL - DEBT SERVICE
 For the Year Ended June 30, 2022**

Data Control Codes		Debt Service			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 100,126,971	\$ 99,384,938	\$ 100,344,099	\$ 959,161
5800	State program revenues	871,890	979,890	975,327	(4,563)
5900	Federal program revenues	329,949	329,949	329,949	-
	Total Revenues	<u>101,328,810</u>	<u>100,694,777</u>	<u>101,649,375</u>	<u>954,598</u>
	Expenditures				
	Debt Service:				
0071	Debt service expenditures	100,833,161	63,820,000	63,820,000	-
0072	Interest on long-term debt	-	44,034,954	44,034,954	-
0073	Bond issuance costs and fees	-	1,427,140	113,026	1,314,114
	Total Expenditures	<u>100,833,161</u>	<u>109,282,094</u>	<u>107,967,980</u>	<u>1,314,114</u>
1100	Excess (deficiency) of revenues over expenditures	<u>495,649</u>	<u>(8,587,317)</u>	<u>(6,318,605)</u>	<u>2,268,712</u>
	Other Financing Sources (Uses)				
7901	Refunding bonds issued	-	-	9,650,000	9,650,000
7916	Premium or discount on issuance of bonds	-	10,321,461	2,111,335	(8,210,126)
8949	Payment to Bond Refunding Escrow Agent	-	(11,684,693)	(11,684,693)	-
	Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,363,232)</u>	<u>76,642</u>	<u>1,439,874</u>
1200	Net change in fund balance	<u>495,649</u>	<u>(9,950,549)</u>	<u>(6,241,963)</u>	<u>3,708,586</u>
0100	Fund balances - Beginning	<u>59,129,231</u>	<u>59,129,231</u>	<u>59,129,231</u>	<u>-</u>
3000	Fund balances - Ending	<u>\$ 59,624,880</u>	<u>\$ 49,178,682</u>	<u>\$ 52,887,268</u>	<u>\$ 3,708,586</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION
PROGRAM COMPLIANCE RESPONSES
For the Year Ended June 30, 2022

Exhibit J-4

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$64,005,686
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$32,218,239
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 9,058,832
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 4,792,033

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-5
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET,
AMENDED FINAL AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022**

Data Control Codes		Capital Projects Fund			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 433,102	\$ 757,302	\$ 810,468	\$ (87,357)
5900	Federal program revenues	-	-	-	1,187,784
	Total Revenues	<u>433,801</u>	<u>758,001</u>	<u>810,468</u>	<u>1,100,427</u>
	Expenditures				
	Current:				
0011	Instruction	12,381,730	27,243,361	14,061,928	13,181,433
	Curriculum and instructional staff				
0013	development	-	-	-	-
0034	Student transportation	2,082,738	4,280,276	1,343,644	2,936,632
0036	Extracurricular activities	406,267	370,000	-	370,000
0051	Plant maintenance and operations	7,859,962	9,403,271	3,113,613	6,289,658
0052	Security and monitoring services	-	1,200,000	-	1,200,000
0053	Data processing services	23,431,498	26,561,603	7,546,832	19,014,771
	Debt Service:	-	-	-	-
0073	Debt service expenditures	-	-	1,295,668	(1,295,668)
	Capital Outlay:	-	-	-	-
0081	Facilities acquisition and construction	333,555,008	536,796,913	82,340,773	454,456,140
	Total Expenditures	<u>379,717,203</u>	<u>605,855,424</u>	<u>109,702,458</u>	<u>496,152,966</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(379,283,402)</u>	<u>(605,097,423)</u>	<u>(108,891,990)</u>	<u>(495,052,539)</u>
	Other Financing Sources (Uses)				
7911	Capital-related debt issued (regular bonds)	-	-	166,720,000	158,890,000
7912	Sale of real or personal property	-	-	75,004	183,986
7915	Operating transfers in	-	-	-	7,800,000
7916	Premium or discount on issuance of bonds	-	-	31,518,796	36,759,783
	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>198,313,800</u>	<u>203,633,769</u>
1200	Net change in fund balance	(379,283,402)	(605,097,423)	89,421,810	(291,418,770)
100	Fund Balances - Beginning	<u>408,874,295</u>	<u>408,874,295</u>	<u>408,874,295</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 29,590,893</u>	<u>\$ (196,223,128)</u>	<u>\$ 498,296,105</u>	<u>\$ 611,916,507</u>



STATISTICAL SECTION

(Unaudited)

Statistical Tables are used to provide detailed data on the physical, economic, social and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than it is possible from the basic financial statements.

The District's Statistical Tables usually cover ten fiscal years and often present data from outside the accounting records. The tables are unaudited due to the nature of the information contained therein.

	<u>Page</u>
Financial Trends	108
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	118
The schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	127
The schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	131
The schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	137
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

ARLINGTON INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 1
Page 1 of 2

	2022	2021	2020	2019	2018
Governmental Net Position					
Net investment in capital assets	\$ 231,350,616	\$ 248,973,295	\$ 202,728,394	\$ 217,157,321	\$ 168,904,696
Restricted for federal and state programs	479,131	6,172,121	12,260,485	16,050,021	14,603,590
Restricted for debt service	36,767,894	44,897,318	46,156,785	22,790,002	20,286,488
Unrestricted	(109,117,208)	(196,466,588)	(493,549,281)	(491,301,312)	(372,835,728)
Total Governmental Net Position	159,480,433	103,576,146	(232,403,617)	(235,303,968)	(169,040,954)
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	-	-	-	-	-
Restricted for federal and state programs	-	-	-	-	-
Unrestricted	181,935	130,565	-	-	-
Total Business-Type Net Position	181,935	130,565	-	-	-
Total Primary Government Net Position					
Net investment in capital assets	231,350,616	248,973,295	202,728,394	217,157,321	168,904,696
Restricted for federal and state programs	479,131	6,172,121	12,260,485	16,050,021	14,603,590
Restricted for debt service	36,767,894	44,897,318	46,156,785	22,790,002	20,286,488
Unrestricted	(108,935,273)	(196,466,588)	(493,549,281)	(491,301,312)	(372,835,728)
Total Primary Government Net Position	\$ 159,662,368	\$ 103,576,146	\$ (232,403,617)	\$ (235,303,968)	\$ (169,040,954)

⁽¹⁾ The District converted its Food Service Program from a Business-Type Fund to a Special Revenue Fund in fiscal year 2018.

Source: The Statement of Net Position for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 1
Page 2 of 2

	2017	2016	2015	2014	2013
Governmental Net Position					
Net investment in capital assets	\$ 31,929,478	\$ 70,466,966	\$ 94,478,337	\$ 63,648,331	\$ 69,384,718
Restricted for federal and state programs	737,936	610,145	384,459	3,267,869	3,545,144
Restricted for debt service	18,173,383	16,838,551	15,936,844	13,376,345	13,151,459
Unrestricted	149,027,332	162,870,820	143,006,519	219,267,502	175,806,732
Total Governmental Net Position	199,868,129	250,786,482	253,806,159	299,560,047	261,888,053
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	11,045,198	10,500,180	10,278,226	9,573,377	8,031,599
Restricted for federal and state programs	7,078,894	5,210,435	6,882,026	11,105,771	10,397,105
Unrestricted	-	-	-	-	-
Total Business-Type Net Position	18,124,092	15,710,615	17,160,252	20,679,148	18,428,704
Total Primary Government Net Position					
Net investment in capital assets	42,974,676	80,967,146	104,756,563	73,221,708	77,416,317
Restricted for federal and state programs	7,816,830	5,820,580	7,266,485	14,373,640	13,942,249
Restricted for debt service	18,173,383	16,838,551	15,936,844	13,376,345	13,151,459
Unrestricted	149,027,332	162,870,820	143,006,519	219,267,502	175,806,732
Total Primary Government Net Position	\$ 217,992,221	\$ 266,497,097	\$ 270,966,411	\$ 320,239,195	\$ 280,316,757

⁽¹⁾ The District converted its Food Service Program from a Business-Type Fund to a Special Revenue Fund in fiscal year 2018.

Source: The Statement of Net Position for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET EXPENSES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 2
Page 1 of 2

	2022	2021	2020	2019	2018
Expenses					
Governmental Activities:					
Instruction	\$ 389,963,936	\$ 398,958,138	\$ 403,653,386	\$ 380,457,281	\$ 247,018,085
Instructional resources and media services	7,883,680	7,785,743	8,099,853	7,298,329	4,923,916
Curriculum and instructional staff development	19,223,240	13,717,307	15,470,910	13,828,998	10,317,798
Instructional leadership	17,464,181	15,087,940	14,348,603	12,112,695	8,398,817
School leadership	34,463,426	34,658,929	36,031,189	33,654,325	20,650,705
Guidance, counseling, and evaluation services	34,018,949	34,099,168	35,695,960	33,071,395	25,186,370
Social work services	3,785,746	3,109,593	3,734,875	3,370,543	2,074,384
Health services	7,299,056	8,060,076	7,955,500	7,612,939	4,421,671
Pupil transportation	20,725,520	17,570,646	18,484,066	18,635,291	14,316,258
Food services	26,649,275	25,476,994	34,599,041	32,369,719	26,820,768
Cocurricular/ extracurricular activities	16,270,896	11,746,345	10,668,802	10,697,800	10,210,220
General administration	14,720,804	12,774,716	12,633,186	11,363,349	7,817,838
Facilities maintenance and operations	64,686,927	57,149,997	96,575,925	140,080,959	143,238,431
Security and monitoring services	10,504,356	8,503,383	10,164,483	9,464,470	7,340,452
Data processing services	19,872,521	15,521,433	13,326,765	16,669,735	8,827,130
Community services	2,260,693	2,750,813	3,195,347	3,026,292	(2,032,546)
Debt service - interest on long-term debt	38,126,285	37,676,125	28,093,965	30,086,505	30,339,181
Bond issuance cost and fees	2,704,362	1,002,014	18,270	329,566	650,289
Facilities planning	3,002,397	6,313,260	1,705,089	7,314,069	3,696,335
Payments to Juvenile Justice Alt. Ed. Program	65,274	39,990	10,191	10,449	57,534
Payments to Tax Increment Fund	-	-	-	3,118,757	2,393,136
Other intergovernmental charges	2,106,007	2,286,581	2,308,964	2,230,531	2,082,715
Total Governmental Activities	735,797,531	714,289,191	756,774,370	776,803,997	578,749,487
Business-Type Activities:					
Natatorium/ Food Services	110,139	12,543	-	-	-
Total Expenses	735,907,670	714,301,734	756,774,370	776,803,997	578,749,487
Program Revenues					
Governmental Activities:					
Charges for services	10,567,588	3,495,302	6,177,653	8,333,469	9,167,905
Operating grants and contributions	155,230,484	102,322,557	153,420,351	120,673,787	(15,832,877)
Total Governmental Activities	165,798,072	105,817,859	159,598,004	129,007,256	(6,664,972)
Business-type activities:					
Charges for services	161,509	143,108	-	-	-
Operating grants and contributions	-	-	-	-	-
Total Business-Type Activities	161,509	143,108	-	-	-
Total Program Revenues	165,959,581	105,960,967	159,598,004	129,007,256	(6,664,972)
Net Expenses	\$ (569,948,089)	\$ (608,340,767)	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)

Source: The Statement of Activities for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET EXPENSES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 2
Page 2 of 2

	2017	2016	2015	2014	2013
Expenses					
Governmental Activities:					
Instruction	\$ 376,229,465	\$ 399,051,889	\$ 321,641,711	\$ 347,695,598	\$ 326,972,420
Instructional resources and media services	7,243,900	8,129,652	6,568,327	7,048,633	6,274,891
Curriculum and instructional staff development	13,947,095	13,199,858	11,706,779	10,292,439	9,499,551
Instructional leadership	11,444,870	9,924,616	6,918,312	7,124,368	6,687,141
School leadership	32,501,719	31,585,630	26,454,600	27,253,780	25,724,635
Guidance, counseling, and evaluation services	30,557,058	29,579,678	26,178,274	25,530,501	23,682,670
Social work services	3,243,077	2,700,653	2,360,625	2,326,072	2,138,454
Health services	6,429,062	5,992,175	5,025,111	5,501,273	5,108,523
Pupil transportation	13,381,080	11,888,600	12,436,347	10,901,683	10,203,605
Food services	421,005	807,280	591,766	388,674	432,435
Cocurricular/ extracurricular activities	10,843,567	10,234,216	8,954,157	9,412,633	8,833,151
General administration	9,290,805	8,969,032	7,733,533	7,033,855	6,540,185
Facilities maintenance and operations	120,283,327	69,186,113	49,693,227	51,447,854	50,879,295
Security and monitoring services	8,737,173	7,287,373	6,309,707	5,144,430	4,942,866
Data processing services	12,241,900	10,186,722	14,815,067	8,197,313	7,628,023
Community services	2,729,040	2,339,909	2,902,788	3,179,647	3,115,412
Debt service - interest on long-term debt	27,958,981	28,397,762	21,421,011	15,486,058	19,368,480
Bond issuance cost and fees	-	-	-	-	-
Facilities repairs and maintenance	4,892,556	1,599,431	38,440,109	1,413,049	970,785
Payments to Juvenile Justice Alt. Ed. Program	77,478	72,885	67,467	53,396	41,125
Payments to Tax Increment Fund	1,677,277	1,096,490	7,028,326	7,565,996	3,817,396
Other intergovernmental charges	1,997,237	1,869,421	1,916,015	1,782,827	1,668,202
Total Governmental Activities	696,127,672	654,099,385	579,163,259	554,780,079	524,529,245
Business-Type Activities:					
Natatorium/ Food Services	33,527,597	33,604,463	30,500,382	30,208,241	28,573,344
Total Expenses	729,655,269	687,703,848	609,663,641	584,988,320	553,102,589
Program Revenues					
Governmental Activities:					
Charges for services	5,868,531	3,188,625	3,136,176	2,864,989	2,956,248
Operating grants and contributions	67,640,176	90,044,617	70,491,908	65,603,117	62,110,376
Total Governmental Activities	73,508,707	93,233,242	73,628,084	68,468,106	65,066,624
Business-type activities:					
Charges for services	6,124,630	5,772,190	5,982,774	6,197,429	6,233,987
Operating grants and contributions	28,372,368	26,222,815	25,714,657	26,175,558	25,409,362
Total Business-Type Activities	34,496,998	31,995,005	31,697,431	32,372,987	31,643,349
Total Program Revenues	108,005,705	125,228,247	105,325,515	100,841,093	96,709,973
Net Expenses	\$ (621,649,564)	\$ (562,475,601)	\$ (504,338,126)	\$ (484,147,227)	\$ (456,392,616)

Source: The Statement of Activities for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 3
Page 1 of 2

	2022	2021	2020	2019	2018
Net Expense					
Governmental activities	\$ (569,999,459)	\$ (608,471,332)	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)
Business-type activities	51,370	130,565	-	-	-
Total Net Expenses	(569,948,089)	(608,340,767)	(597,176,366)	(647,796,741)	(585,414,459)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	351,841,337	347,129,622	301,684,968	286,320,427	264,362,150
Property taxes levied for debt service	100,157,196	95,857,548	101,403,166	91,266,549	83,461,267
State Aid Formula Grants	168,770,767	190,358,289	184,435,780	186,058,925	210,290,252
Grants and contributions - not restricted	-	1,437,599	430,085	546,505	626,879
Investment earnings	1,576,143	851,104	7,223,663	11,954,017	8,787,821
Miscellaneous local and intermediate revenue	1,114,419	2,603,370	4,899,055	5,387,304	6,588,246
Special item - Gain on sale of asset	-	-	-	-	6,487,319
Transfers out	-	-	-	-	-
Total Government Activities	623,459,862	638,237,532	600,076,717	581,533,727	580,603,934
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	-	-	-	-	-
Grants and contributions - not restricted	-	-	-	-	-
Transfers in	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total General Revenues	623,459,862	638,237,532	600,076,717	581,533,727	580,603,934
Change in Net Position					
Governmental activities	55,904,287	29,766,200	2,900,351	(66,263,014)	(4,810,525)
Business-type activities	51,370	130,565	-	-	-
Total Change in Net Position	\$ 55,955,657	\$ 29,896,765	\$ 2,900,351	\$ (66,263,014)	\$ (4,810,525)

Source: The Statement of Activities for the Arlington Independent School District

⁽¹⁾The District converted its Food Service Program from a Business-Type Fund to a Special Revenue Fund in fiscal year 2018.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 3
Page 2 of 2

	2017	2016	2015	2014	2013
Net Expense					
Governmental activities	\$ (622,618,965)	\$ (560,866,143)	\$ (505,535,175)	\$ (486,311,973)	\$ (459,462,621)
Business-type activities	969,401	(1,609,458)	1,197,049	2,164,746	3,070,005
Total Net Expenses	(621,649,564)	(562,475,601)	(504,338,126)	(484,147,227)	(456,392,616)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	237,332,902	222,354,931	216,566,195	206,070,657	200,219,710
Property taxes levied for debt service	80,319,360	79,922,367	65,816,287	51,143,124	50,876,378
State Aid Formula Grants	236,250,430	237,366,093	239,828,021	248,873,467	209,684,541
Grants and contributions - not restricted	11,276,867	7,718,245	9,131,377	8,593,641	9,835,162
Investment earnings	5,238,265	1,966,781	458,884	237,042	418,043
Miscellaneous local and intermediate revenue	1,375,808	8,653,947	10,103,186	9,145,584	6,209,381
Special item - Gain on sale of asset	-	-	-	-	-
Transfers out	(93,020)	(135,898)	(307,475)	(79,552)	(99,159)
Total Government Activities	571,700,612	557,846,466	541,596,475	523,983,963	477,144,056
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	61,586	23,923	6,030	6,146	10,538
Grants and contributions - not restricted	-	-	8,000	-	-
Transfers in	93,020	135,898	307,475	79,552	99,159
Total Business-Type Activities	154,606	159,821	321,505	85,698	109,697
Total General Revenues	571,855,218	558,006,287	541,917,980	524,069,661	477,253,753
Change in Net Position					
Governmental activities	(50,918,353)	(3,019,677)	36,061,300	37,671,990	17,681,435
Business-type activities	1,124,007	(1,449,637)	1,518,554	2,250,444	3,179,702
Total Change in Net Position	\$ (49,794,346)	\$ (4,469,314)	\$ 37,579,854	\$ 39,922,434	\$ 20,861,137

Source: The Statement of Activities for the Arlington Independent School District

⁽¹⁾The District converted its Food Service Program from a Business-Type Fund to a Special Revenue Fund in fiscal year 2018.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 4
Page 1 of 2

	2022	2021	2020	2019	2018
Governmental Funds					
General Fund					
Nonspendable	\$ 2,806,203	\$ 2,997,123	\$ 2,341,323	\$ 1,919,613	\$ 1,872,418
Restricted	-	-	-	-	-
Committed	11,006,281	-	-	-	-
Assigned	118,265,050	77,199,882	25,346,609	2,556,610	1,397,097
Unassigned	164,554,758	164,299,043	194,696,834	193,531,238	198,622,637
Total General Fund	296,632,292	244,496,048	222,384,766	198,007,461	201,892,152
	-				
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	52,887,268	59,129,231	54,774,708	32,856,489	30,438,976
Capital Projects Fund	494,495,988	405,073,175	337,450,512	110,201,609	184,633,256
Special Revenue Funds	12,273,539	6,063,040	12,274,948	16,114,758	14,603,590
Committed, reported in:					
Capital Projects Fund	-	-	-	22,258,288	37,059,497
Special Revenue Funds	16,827,925	15,383,694	12,838,205	11,938,295	10,642,895
Assigned, reported in:					
Capital Projects Fund	3,800,117	3,801,120	-	-	-
Unassigned, reported in:					
Special Revenue Funds	-	-	-	-	(4,340)
Total All Other Governmental Funds	580,284,837	489,450,260	417,338,373	193,369,439	277,373,874
Total Governmental Funds	\$ 876,917,129	\$ 733,946,308	\$ 639,723,139	\$ 391,376,900	\$ 479,266,026

Source: The Balance Sheet of Governmental Funds for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 4
Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Funds					
General Fund					
Nonspendable	\$ 1,801,741	\$ 1,768,805	\$ 1,713,539	\$ 1,606,801	\$ 1,628,288
Restricted	-	1,388,971	578,140	2,870,621	3,340,521
Committed	7,754,294	17,100,000	4,729,182	22,729,187	24,295,514
Assigned	1,335,076	1,531,994	7,086,126	8,474,064	2,279,066
Unassigned	188,562,124	182,935,118	174,656,116	153,115,642	124,747,892
Total General Fund	<u>199,453,235</u>	<u>204,724,888</u>	<u>188,763,103</u>	<u>188,796,315</u>	<u>156,291,281</u>
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	27,797,595	25,723,015	22,539,596	17,263,838	17,991,873
Capital Projects Fund	224,989,653	259,672,376	166,150,566	30,150,719	52,341,698
Special Revenue Funds	737,936	610,145	384,459	397,248	204,623
Committed, reported in:					
Capital Projects Fund	11,561,723	10,296,787	9,022,742	9,022,741	7,960,557
Special Revenue Funds	30,376,914	29,434,664	28,335,237	25,825,072	24,099,660
Assigned, reported in:					
Capital Projects Fund	-	-	-	-	-
Unassigned, reported in:					
Special Revenue Funds	-	-	(2,284)	(2,284)	(410)
Total All Other Governmental Funds	<u>295,463,821</u>	<u>325,736,987</u>	<u>226,430,316</u>	<u>82,657,334</u>	<u>102,598,001</u>
Total Governmental Funds	<u>\$ 494,917,056</u>	<u>\$ 530,461,875</u>	<u>\$ 415,193,419</u>	<u>\$ 271,453,649</u>	<u>\$ 258,889,282</u>

Source: The Balance Sheet of Governmental Funds for the Arlington Independent School District

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 5
Page 1 of 2

	2022	2021	2020	2019	2018
Expenditures					
Governmental Activities:					
11 Instruction	\$ 393,763,324	\$ 368,785,584	\$ 353,997,503	\$ 342,204,289	\$ 350,493,989
12 Instructional resources and media services	7,701,147	7,449,660	7,181,708	6,592,044	6,660,952
13 Curriculum and staff development services	20,349,182	13,293,627	14,169,111	13,022,771	12,274,734
Total Function 10	421,813,653	389,528,871	375,348,322	361,819,104	369,429,675
21 Instructional leadership	18,439,746	14,471,036	12,467,041	10,918,360	11,010,123
23 School leadership	34,314,715	32,995,778	31,223,127	30,015,687	29,367,814
Total Function 20	52,754,461	47,466,814	43,690,168	40,934,047	40,377,937
31 Guidance, counseling, and evaluation services	34,376,774	32,541,307	31,104,369	30,117,938	29,510,682
32 Social work services	3,901,983	2,981,161	3,202,179	3,024,965	3,110,415
33 Health services	7,291,705	7,674,903	6,973,645	6,855,320	6,261,232
34 Student transportation	19,812,202	16,954,125	17,167,405	17,753,529	15,361,045
35 Food service	30,342,414	25,050,369	32,649,298	31,053,664	31,069,886
36 Extracurricular activities	15,940,831	11,282,489	9,931,888	10,165,334	10,160,072
Total Function 30	111,665,909	96,484,354	101,028,784	98,970,750	95,473,332
41 General administration	14,265,154	12,199,711	11,643,040	10,455,205	9,529,509
Total Function 40	14,265,154	12,199,711	11,643,040	10,455,205	9,529,509
51 Plant maintenance and operations	60,195,280	54,971,618	91,783,148	136,562,877	148,936,589
52 Security and monitoring services	9,891,309	8,160,398	9,195,079	8,728,687	8,950,601
53 Data processing services	19,205,462	15,033,953	12,164,339	15,779,669	17,669,161
Total Function 50	89,292,051	78,165,969	113,142,566	161,071,233	175,556,351
61 Community services	2,814,700	2,662,015	2,767,410	2,508,973	2,372,256
Total Function 60	2,814,700	2,662,015	2,767,410	2,508,973	2,372,256
71 Debt service					
71 Principal on long-term debt	64,482,656	54,390,907	49,860,359	58,566,378	51,281,455
72 Interest on long-term debt	44,082,470	37,547,099	32,440,370	33,631,065	33,205,341
73 Bond issuance costs and fees	1,408,694	1,002,014	2,085,355	329,566	650,289
Total Function 70	109,973,820	92,940,020	84,386,084	92,527,009	85,137,085
81 Facilities acquisition/ construction	82,423,285	122,894,126	62,942,513	39,488,630	25,975,672
Total Function 80	82,423,285	122,894,126	62,942,513	39,488,630	25,975,672
95 Payments to Juvenile Justice Alt. Ed. Program	65,274	39,990	10,191	10,449	57,534
97 Payments to Tax Increment Fund	-	-	-	3,118,757	2,393,136
99 Other intergovernmental charges	2,106,007	2,286,581	2,308,964	2,230,531	2,082,715
Total Function 90	2,171,281	2,326,571	2,319,155	5,359,737	4,533,385
Total Expenditures	\$ 887,174,314	\$ 844,668,451	\$ 797,268,042	\$ 813,134,688	\$ 808,385,202
Debt Service as a % of noncapital expenditures ⁽¹⁾ :	11.7%	12.82%	11.26%	12.02%	10.89%

⁽¹⁾ Includes General, Debt Service, Capital Projects, and Special Revenue Funds; Excludes capital expenditures and bond issuance costs and fees.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 5
Page 2 of 2

	2017	2016	2015	2014	2013
Expenditures					
Governmental Activities:					
11 Instruction	\$ 349,061,853	\$ 365,893,789	\$ 341,740,353	\$ 333,760,496	\$ 315,443,325
12 Instructional resources and media services	6,732,653	7,670,575	6,965,671	6,759,756	6,013,136
13 Curriculum and staff development services	13,340,775	12,654,301	12,037,844	10,105,982	9,347,159
Total Function 10	369,135,281	386,218,665	360,743,868	350,626,234	330,803,620
21 Instructional leadership	10,632,750	9,311,191	7,380,990	6,836,929	6,408,693
23 School leadership	29,930,652	29,197,851	27,774,460	25,939,275	24,550,708
Total Function 20	40,563,402	38,509,042	35,155,450	32,776,204	30,959,401
31 Guidance, counseling, and evaluation services	28,302,660	27,506,017	27,418,043	24,417,906	22,666,317
32 Social work services	3,027,967	2,514,049	2,576,150	2,325,244	2,137,027
33 Health services	5,938,186	5,550,290	5,370,810	5,233,736	4,872,288
34 Student transportation	14,139,059	17,733,858	12,987,216	13,196,865	12,524,372
35 Food service	419,998	817,318	592,272	388,210	433,000
36 Extracurricular activities	10,452,299	9,815,077	9,548,432	9,065,988	8,467,395
Total Function 30	62,280,169	63,936,609	58,492,923	54,627,949	51,100,399
41 General administration	8,674,747	8,392,718	8,253,048	6,739,452	6,285,394
Total Function 40	8,674,747	8,392,718	8,253,048	6,739,452	6,285,394
51 Plant maintenance and operations	118,312,510	67,898,753	51,982,273	50,130,534	49,651,274
52 Security and monitoring services	8,156,756	7,085,194	6,591,625	5,207,624	5,540,877
53 Data processing services	12,833,845	11,543,132	15,350,755	9,408,419	8,440,673
Total Function 50	139,303,111	86,527,079	73,924,653	64,746,577	63,632,824
61 Community services	2,604,072	2,227,766	2,990,839	3,178,207	3,111,373
Total Function 60	2,604,072	2,227,766	2,990,839	3,178,207	3,111,373
71 Debt service					
71 Principal on long-term debt	53,325,019	53,223,746	41,178,329	41,621,319	37,769,533
72 Interest on long-term debt	28,401,733	25,591,148	23,127,591	16,065,298	20,349,329
73 Bond issuance costs and fees	1,460,430	1,669,609	1,375,241	485,189	682,386
Total Function 70	83,187,182	80,484,503	65,681,161	58,171,806	58,801,248
81 Facilities acquisition/ construction	93,652,400	87,295,513	38,440,109	17,302,865	18,511,812
Total Function 80	93,652,400	87,295,513	38,440,109	17,302,865	18,511,812
95 Payments to Juvenile Justice Alt. Ed. Program	77,478	72,885	67,467	53,396	41,125
97 Payments to Tax Increment Fund	1,677,277	1,096,490	7,028,326	7,565,996	3,817,396
99 Other intergovernmental charges	1,997,237	1,869,421	1,916,015	1,782,827	1,668,202
Total Function 90	3,751,992	3,038,796	9,011,808	9,402,219	5,526,723
Total Expenditures	\$ 803,152,356	\$ 756,630,691	\$ 652,693,859	\$ 597,571,513	\$ 568,732,794
Debt Service as a % of noncapital expenditures:	11.52%	11.94%	10.65%	10.03%	10.70%

⁽¹⁾ Includes General, Debt Service, Capital Projects, and Special Revenue Funds; Excludes capital expenditures and bond issuance costs and fees.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS ⁽¹⁾
(UNAUDITED)

Table 6
Page 1 of 2

	2022	2021	2020	2019	2018
Federal Sources					
Federal grants	\$ 160,180,542	\$ 66,825,940	\$ 83,811,236	\$ 72,472,510	\$ 66,326,563
State Sources					
State education finance program	200,295,310	219,725,119	214,440,303	206,984,160	236,887,068
State grants and other sources	2,654,714	5,384,404	15,401,116	6,200,196	6,875,943
Total State Sources	202,950,024	225,109,523	229,841,419	213,184,356	243,763,011
Local Sources					
Property taxes	453,010,028	443,926,991	400,608,720	363,851,404	345,887,298
Capital Projects Funds	1,203,612	1,138,504	4,457,042	5,883,973	6,379,551
Athletic/ extracurricular activities	8,015	460,867	605,066	637,305	716,776
Other local sources	11,958,590	4,747,617	13,147,966	32,929,289	17,370,756
Total Local Sources	466,180,245	450,273,979	418,818,794	403,301,971	370,354,381
Total Revenues	\$ 829,310,811	\$ 742,209,442	\$ 732,471,449	\$ 688,958,837	\$ 680,443,955

⁽¹⁾ Includes General, Debt Service, Capital Projects, and Special Revenue Funds

Note: As of July 1, 2017, the District closed its Business-Type Food Service Program and converted it to a Special Revenue Fund
Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS ⁽¹⁾
(UNAUDITED)

Table 6
Page 2 of 2

	2017	2016	2015	2014	2013
Federal Sources					
Federal grants	\$ 43,735,764	\$ 51,213,473	\$ 42,136,553	\$ 41,952,884	\$ 43,385,720
State Sources					
State education finance program	262,601,123	260,906,490	264,223,711	270,883,707	228,966,201
State grants and other sources	3,371,404	9,567,134	12,912,613	9,900,166	8,966,911
Total State Sources	265,972,527	270,473,624	277,136,324	280,783,873	237,933,112
Local Sources					
Property taxes	318,783,874	301,184,470	281,717,598	261,295,774	251,505,877
Capital Projects Funds	3,129,081	1,172,821	1,381,326	1,185,374	785,629
Athletic/ extracurricular activities	742,334	699,435	647,589	638,644	665,371
Other local sources	9,610,181	11,941,213	10,911,176	6,863,764	9,670,141
Total Local Sources	332,265,470	314,997,939	294,657,689	269,983,556	262,627,018
Total Revenues	\$ 641,973,761	\$ 636,685,036	\$ 613,930,566	\$ 592,720,313	\$ 543,945,850

⁽¹⁾ Includes General, Debt Service, Capital Projects, and Special Revenue Funds

Note: As of July 1, 2017, the District closed its Business-Type Food Service Program and converted it to a Special Revenue Fund
Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 7
Page 1 of 2

	2022	2021	2020	2019	2018
Excess of Revenues Over (Under) Expenditures	\$ (57,346,771)	\$ (102,459,009)	\$ (64,796,593)	\$ (124,175,851)	\$ (127,941,247)
Other Financial Sources (Uses) :					
General long-term debt issued	176,370,000	158,890,000	273,790,000	33,630,000	79,345,000
General long-term debt refunding	9,650,000	137,794,956	-	-	-
Premium or discount on issuance of bonds	33,630,131	52,987,744	51,039,838	2,616,735	12,925,940
Sale of real and personal property	75,004	218,062	3,000	39,990	6,762,037
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	-	-	-	-	-
Transfers in	-	7,800,000	-	10,252,520	22,094,385
Transfers out	-	(7,800,000)	-	(10,252,520)	(22,094,385)
Payment to escrow agent	(11,684,693)	(156,105,140)	(11,690,006)	-	-
Natural gas lease	-	-	-	-	-
Total Other Financial Sources (Uses)	193,785,622	193,785,622	313,142,832	36,286,725	99,032,977
Extraordinary items (resource)	2,443,884	550,000	-	-	-
Net Change in Fund Balances	\$ 91,876,613	\$ 91,876,613	\$ 248,346,239	\$ (87,889,126)	\$ (28,908,270)

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 7
Page 2 of 2

	2017	2016	2015	2014	2013
Excess of Revenues Over (Under) Expenditures	\$ (161,178,595)	\$ (119,945,655)	\$ (38,763,293)	\$ (4,851,200)	\$ (24,786,944)
Other Financial Sources (Uses) :					
General long-term debt issued	176,981,368	220,300,000	159,485,000	16,180,000	16,390,000
General long-term debt refunding	-	-	-	72,020,000	76,482,234
Premium or discount on issuance of bonds	27,183,879	14,618,702	18,221,181	8,081,458	7,667,322
Sale of real and personal property	-	-	2,886	35,384	69,561
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	-	431,307	4,113,971	433,107	-
Transfers in	377,000	-	-	-	2,799
Transfers out	(478,477)	(135,898)	(307,475)	(79,552)	(98,958)
Payment to escrow agent	(78,429,994)	-	-	(79,254,833)	(82,754,942)
Natural gas lease	-	-	987,500	-	-
Total Other Financial Sources (Uses)	125,633,776	235,214,111	182,503,063	17,415,564	17,758,016
Extraordinary items (resource)	-	-	-	-	-
Net Change in Fund Balances	\$ (35,544,819)	\$ 115,268,456	\$ 143,739,770	\$ 12,564,364	\$ (7,028,928)

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

ARLINGTON INDEPENDENT SCHOOL DISTRICT
APPRAISED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 8

Fiscal Year	Appraised Value			Total Estimated Taxable Value	Total Direct Rate
	Residential or Real Property	Personal Property	Less: Exemptions		
2013	\$ 20,281,235,605	\$ 4,289,821,428	\$ 4,792,406,539	\$ 19,778,650,494	1.301000
2014	20,953,089,907	4,746,111,559	4,992,128,887	20,707,072,579	1.292170
2015	21,668,162,540	5,218,291,540	5,125,379,155	21,761,074,925	1.348110
2016	22,082,482,932	3,911,103,646	5,576,541,645	20,417,044,933	1.412952
2017	24,109,273,225	4,869,585,583	6,016,359,735	22,962,499,073	1.390080
2018	27,201,847,710	5,336,037,386	7,684,910,377	24,852,974,719	1.368670
2019	29,847,539,711	4,852,231,096	6,975,723,301	27,724,047,506	1.368670
2020	33,496,045,103	6,243,609,725	8,647,552,523	31,092,102,305	1.298670
2021	35,305,296,513	6,131,143,515	9,362,229,418	32,074,210,610	1.387100
2022	35,861,684,254	8,048,950,342	10,555,129,716	33,355,504,880	1.360800

Source: Tarrant County

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

Table 9

Fiscal Year	Local Maintenance	Debt Service	Total¹	Tarrant County²	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	City of Dalworthington Gardens
2012-13	1.040000	0.261000	1.301000	0.724867	0.648000	0.855000	0.669998	0.410000	0.262739
2013-14	1.040000	0.252170	1.292170	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2014-15	1.040000	0.308110	1.348110	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2015-16	1.040000	0.372952	1.412952	0.741397	0.648000	0.855000	0.669998	0.420000	0.253670
2016-17	1.040000	0.350080	1.390080	0.726027	0.644800	0.835000	0.669998	0.420000	0.273979
2017-18	1.040000	0.328670	1.368670	0.710389	0.639800	0.805000	0.669998	0.420000	0.374379
2018-19	1.040000	0.328670	1.368670	0.696399	0.634800	0.785000	0.669998	0.420000	0.580000
2019-20	0.970000	0.328670	1.298670	0.699199	0.624000	0.747500	0.669998	0.420000	0.580000
2020-21	1.086400	0.300700	1.387100	0.699199	0.622500	0.747500	0.669998	0.420000	0.636593
2021-22	1.060100	0.300700	1.360800	0.694199	0.619800	0.732500	0.664998	0.420000	0.658553

¹Includes reates for operating and debt service costs

²Includes Tarrant County, Tarrant County College, Tarrant Regional Water District, Tarrant County Hospital,
and Tarrant County Emergency Services District

Source: Tarrant County and City of Grand Prairie
[www. tad. org/ data/ rates](http://www.tad.org/data/rates)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 10

Fiscal Year	AISD Property Tax Levy	Overlapping Levies					
		Tarrant County ¹	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	City of Dalworthington Gardens
2013	\$ 252,776,355	\$ 808,754,010	\$ 113,513,529	\$ 355,057,237	\$ 62,804,427	\$ 1,003,031	\$ 855,580
2014	263,208,691	823,644,959	115,683,433	362,833,021	65,947,913	1,004,406	839,569
2015	286,681,027	878,365,639	120,801,020	399,125,408	74,340,365	1,021,855	850,853
2016	301,216,129	917,135,535	125,022,763	421,938,109	82,529,622	1,047,712	849,150
2017	319,178,101	976,317,394	134,099,513	449,236,836	89,688,553	1,118,430	925,504
2018	345,476,231	1,045,684,183	146,934,416	483,233,200	90,594,498	1,246,141	1,246,877
2019	379,450,721	1,113,357,739	159,259,348	520,091,851	98,858,309	1,352,065	1,893,553
2020	403,783,805	1,232,219,747	173,935,691	564,606,595	109,377,998	1,492,791	1,985,079
2021	444,901,375	1,286,963,347	181,105,706	596,145,493	114,382,165	1,537,810	2,169,126
2022	453,901,710	1,340,108,157	187,906,946	622,997,749	124,916,528	1,535,683	2,282,224

¹ Includes Tarrant County, Tarrant County College, Tarrant Regional Water District, Tarrant County Hospital, and Tarrant County Emergency Services District
Source: Tarrant County and City of Grand Prairie

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

Table 11

	2022			2013		
	October 2021 Taxable Value	Rank	Percentage of Total Taxable Value	October 2012 Taxable Value	Rank	Percentage of Total Taxable Value
General Motors Corp.						
Oncor Electric Delivery Co., LLC	\$ 1,198,435,998	1	3.42 %	\$ 191,807,656	1	0.97 %
Arlington Highlands	192,676,286	2	0.55	139,641,129	3	0.71
United Parcel Service	139,701,328	3	0.40	115,938,650	5	0.59
Bell Textron Inc	135,828,282	4	0.39			
Parks at Arlington, LP.	132,795,020	5	0.38	128,416,206	4	0.65
Blue Atlantic Riverside LP	129,035,750	6	0.37	143,172,642	2	0.72
Hart Arlington TX LLC	127,075,000	7	0.36			
Sheffield Property SPE LLC	116,343,363	8	0.33			
Atmos Energy	111,410,000	9	0.32			
Chesapeake Operating (WI)	97,488,513	10	0.28			
Six Flags Fund II LTD				80,664,740	6	0.41
Republic Beverage				78,075,742	7	0.39
Lincoln Square Dunhill LP				72,807,551	8	0.37
Carrizo Oil & Gas				68,253,352	9	0.35
				66,875,210	10	0.34
	<u>\$ 2,380,789,540</u>		<u>6.79 %</u>	<u>\$ 1,085,652,878</u>		<u>5.50</u>

Source: Tarrant Appraisal District

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

Table 12

Fiscal Year	Adjusted Taxes Levied for the		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year		Amount	Percentage of Levy	Delinquent Taxes	Amount	Percentage of Levy
2013	\$ 252,693,760		\$ 247,680,443	98.02%	\$ 3,781,618	\$ 251,374,525	99.48%
2014	263,208,691		257,643,578	97.89%	3,206,527	260,839,919	99.10%
2015	286,681,027		282,062,140	98.39%	3,313,990	285,362,018	99.54%
2016	301,212,106		296,234,937	98.35%	4,073,556	300,286,825	99.69%
2017	319,178,101		314,991,957	98.69%	3,563,619	318,548,930	99.80%
2018	345,476,231		340,216,962	98.48%	3,250,004	343,499,378	99.43%
2019	379,450,721		373,190,658	98.35%	2,838,456	375,722,455	99.02%
2020	403,783,805		396,632,097	98.23%	1,952,356	398,324,279	98.65%
2021	444,901,375		439,294,841	98.74%	780,014	439,294,841	98.74%
2022	453,901,710		448,111,811	98.72%	-	448,111,811	98.72%

Source: Tarrant County

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

Table 13

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita
	General Obligation Bonds	Contractual Obligations	Leases			
2013	\$ 459,641,810	\$ 3,045,158	\$ 59,636	\$ 462,746,604	*	\$ 1,187
2014	449,112,552	2,765,052	-	451,877,604	*	1,189
2015	777,872,816	6,032,929	-	783,905,745	*	2,087
2016	792,273,325	5,360,489	-	797,633,814	*	2,103
2017	863,898,137	4,102,184	-	868,000,321	*	2,280
2018	861,460,479	3,552,099	-	865,012,578	*	2,263
2019	841,802,130	3,049,472	-	844,851,602	*	2,200
2020	1,097,932,513	2,534,161	-	1,100,466,674	*	2,850
2021	1,236,242,024	2,005,846	-	1,238,247,870	*	3,206
2022	1,355,274,774	1,464,199	141,121	1,356,880,094	*	2,828

* Data was not available

Source: Notes to the Basic Financial Statements

ARLINGTON INDEPENDENT SCHOOL DISTRICT**Table 14****RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA****LAST TEN FISCAL YEARS****(UNAUDITED)**

Fiscal Year	Population	Assessed Value	Gross Bonded Debt ¹	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013	389,967	\$ 19,778,650,494	\$ 445,147,485	\$ 17,291,581	\$ 427,855,904	2.16	\$ 1,097
2014	380,084	20,707,072,579	569,009,719	18,083,876	550,925,843	2.66	1,449
2015	375,600	21,761,074,925	799,944,720	22,071,904	777,872,816	3.57	2,071
2016	379,370	20,417,044,933	813,958,853	21,685,528	792,273,325	3.88	2,088
2017	380,740	22,961,131,805	863,898,137	18,173,383	845,724,754	3.68	2,221
2018	382,230	25,861,424,634	861,460,479	20,286,488	841,173,991	3.25	2,201
2019	383,950	28,008,827,614	841,802,130	32,856,489	808,945,641	2.89	2,107
2020	386,180	32,672,993,911	1,097,932,513	54,774,708	1,043,157,805	3.19	2,701
2021	390,540	32,074,210,610	1,231,451,339	59,129,231	1,172,322,108	3.66	3,002
2022	393,420	33,355,504,880	1,356,880,094	36,767,894	1,320,112,200	3.17	2,824

Source: Arlington Independent School District ACFR notes to the financial statements

¹ Does not include accreted interest

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF DIRECT AND OVERLAPPING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 15

Government Entity	Net Amount Outstanding Debt	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt²
Tarrant County ³	\$ 701,995,000	14.70 %	\$ 103,193,265
City of Fort Worth	908,665,000	0.00	-
City of Arlington	687,165,000	80.38	552,343,227
City of Grand Prairie	377,904,000	35.96	135,894,278
City of Kennedale	13,315,000	1.19	158,449
Town of Pantego	2,465,000	98.19	2,420,384
City of Dalworthington Gardens	5,090,000	98.29	5,002,961
Subtotal, Overlapping Bonded Debt	-		799,012,563
Arlington Independent School District direct debt	-	100.00 %	1,356,880,094
Total direct and overlapping debt	-		\$ 2,155,892,657
Ratio of total direct and overlapping debt to:			
Assessed valuations for 2021 (\$35,044,790,177)	-	5.63 %	
Full valuations for 2021 (\$45,599,919,893)	-	4.323109944 %	
Amount of total direct and overlapping debt per:			
Enrollment (56,311)	35,008		
Average daily attendance (49,085.67)	40,161		
Per capita (estimated district population - 393,420)	5,011		

Source: Tarrant County, City of Fort Worth, City of Arlington, City of Grand Prairie, Town of Pantego, City of Dalworthington Gardens, City of Kennedale

¹ Estimated geographical percentage of the area of each entity that is within the boundaries of the Arlington Independent School District.

² This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District.

³ Includes Tarrant County, Tarrant County College, and Tarrant County Hospital

ARLINGTON INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 16

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of of
2013	\$ 1,977,865,049	\$ 427,855,904	\$ 1,550,009,145	21.63
2014	2,076,933,696	550,925,843	1,526,007,853	26.53
2015	2,176,107,493	777,872,816	1,398,234,677	35.75
2016	2,041,704,493	792,273,325	1,249,431,168	38.80
2017	2,296,113,181	863,898,137	1,432,215,044	37.62
2018	2,586,142,463	861,460,476	1,724,681,987	33.31
2019	2,772,404,750	808,945,641	1,963,459,109	29.18
2020	3,109,210,231	1,043,157,805	2,066,052,426	33.55
2021	3,207,421,061	1,231,451,339	1,975,969,722	38.39
2022	3,504,479,018	1,320,112,200	2,332,156,910	33.45

Legal Debt Margin Calculation for Fiscal Year 2022:

Debt Limit (10% of Assessed Value)	3,504,479,018
Debt Applicable to Limit	1,320,112,200
Total Legal Debt Margin	<u>\$ 2,184,366,818</u>

Source: Arlington ISD 2022-23 Official Budget

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

Table 17

	City of Arlington Population¹	Fort Worth Arlington Metro Division Population²	Fort Worth Arlington Metro Division Personal Income²	Per Capita Personal Income²	City of Arlington Unemployment Rate³
2013	389,967	2,409,121	⁴	⁴	5.6
2014	380,084	⁴	⁴	⁴	5.0
2015	375,600	⁴	⁴	⁴	3.9
2016	379,370	⁴	⁴	⁴	3.9
2017	380,740	⁴	⁴	⁴	4.0
2018	382,230	⁴	⁴	⁴	3.8
2019	383,950	⁴	⁴	⁴	3.5
2020	386,180	⁴	79,655	29,207	8.0
2021	390,540	⁴	⁴	28,484	6.8
2022	393,420	⁴	⁴	⁴	6.1

¹ Source: City of Arlington operating budget projection

² Source: Texas Workforce Commission or DSHS

³ Source: Arlington Chamber of Commerce

⁴ Data not available

ARLINGTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
RANKED FOR CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Table 18
Page 1 of 2

		2022		
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	8,000	1	3.73 %
University of Texas at Arlington	Higher Education	6,000	2	2.80
General Motors	Automobile Assembly	4,484	3	2.09
Texas Health Resources	Health Care/Medical Service	4,063	4	1.90
Six Flags Over Texas	Amusement Park	3,800 ¹	5	1.77
The Parks Mall	Retail	3,500	6	1.63
GM Financial	Financial Service	3,300	7	1.54
City of Arlington	Government	2,600	8	1.21
J.P. Morgan Chase	Financial Service	1,965	9	0.92
Texas Rangers	Sports/Entertainment	1,881 ¹	10	0.88
Arlington Memorial Hospital	Medical Center			
Americredit	Finance			
Cowboys Stadium	Sports/Entertainment			
Medical Center of Arlington	Medical Center			
		<u>39,593</u>		<u>18.48 %</u>

¹ Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2022 and 2013 was 214,298 and 249,579 respectively)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
RANKED FOR CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Table 18
Page 2 of 2

		2013		
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	7,969	1	3.19 %
University of Texas at Arlington	Higher Education	6,239	2	2.50
General Motors	Automobile Assembly	2,500	5	1.00
Texas Health Resources	Health Care/Medical Service	2,105	6	0.84
Six Flags Over Texas	Amusement Park	3,500 ¹	3	1.40
The Parks Mall	Retail			
GM Financial	Financial Service			
City of Arlington	Government	3,253 ¹	4	1.30
J.P. Morgan Chase	Financial Service	800	10	0.32
Texas Rangers	Sports/Entertainment	2,100 ¹	8	0.84
Arlington Memorial Hospital	Medical Center			
Americredit	Finance		7	
Cowboys Stadium	Sports/Entertainment	1,000		0.40
Medical Center of Arlington	Medical Center	1,250	9	0.50
		<u>30,716</u>		<u>12.29 %</u>

¹ Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2022 and 2013 was 214,298 and 249,579 respectively)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT CAMPUS EMPLOYEES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 19
Page 1 of 2

	2022	2021	2020	2019	2018
CLASSROOM TEACHERS	3,923.9	4,115.0	4,039.6	4,100.6	4,149.8
Athletic Trainer	13.0	11.6	12.0	12.0	12.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	166.9	176.7	174.0	169.9	168.0
Educational Diagnostician	56.9	57.0	57.8	55.8	57.9
Librarian	69.6	72.0	71.0	71.8	72.0
LSSP/ Psychologist	20.9	21.0	23.0	23.0	22.0
Occupational/ Music Therapist	16.0	16.0	15.0	15.9	16.0
Other Campus Professional Personnel	3.9	2.0	-	2.0	2.0
Other Non-Instructional Prof. Personnel	360.9	296.6	285.1	244.7	235.9
Physical Therapist	-	-	-	-	-
Psychological Associate	-	-	-	-	-
School Nurse	76.4	80.3	77.8	81.0	78.4
Social Worker	13.8	16.0	16.0	15.0	16.0
Speech Therapist/ Language Pathologist	60.6	60.4	57.7	57.4	56.0
Teacher Facilitator/ Supervisor	161.1	139.2	142.8	141.6	143.1
Work-Based Learning Site Coordinator	-	-	-	-	-
PROFESSIONAL SUPPORT	1,022.0	950.8	934.1	892.1	881.3
Campus Administration:					
Principal	66.2	74.8	77.0	78.9	78.0
Assistant Principal	122.2	144.6	141.0	128.5	130.6
Teacher Supervisor	-	-	-	1.0	1.0
Central Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/ Assoc/ Deputy Superintendent	9.0	10.0	9.0	8.0	8.0
Athletic Director	-	-	-	-	-
Director-Personnel	-	-	-	-	-
Program Dir/ Exec Dir/ Instr Officer	8.0	6.0	6.0	7.9	8.0
Teacher Supervisor	16.0	17.0	14.0	28.9	28.4
ADMINISTRATIVE STAFF	222.4	253.0	248.0	254.2	255.0
Certified Interpreter	4.8	5.9	6.9	5.8	5.9
Educational Aide	810.0	781.0	752.6	762.7	771.1
PARAPROFESSIONAL STAFF	814.8	786.9	759.5	768.5	777.0
AUXILIARY PERSONNEL	1,908.0	2,063.9	2,092.3	2,195.9	2,221.1
TOTAL EMPLOYEES	7,891.1	8,169.7	8,073.5	8,211.3	8,284.2

SOURCE: PEIMS reports: Staff FTE by Role (PRF4D007/PDM1-110-006)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT CAMPUS EMPLOYEES
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 19
Page 2 of 2

	2017	2016	2015	2014	2013
CLASSROOM TEACHERS	4,150.3	4,132.0	4,089.1	4,113.2	4,051.2
Athletic Trainer	12.0	12.0	12.0	12.0	12.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	166.0	169.0	161.0	149.4	148.5
Educational Diagnostician	57.9	57.0	53.1	51.9	50.5
Librarian	71.0	68.0	70.0	64.7	68.9
LSSP/ Psychologist	23.0	24.0	21.0	17.9	19.0
Occupational/ Music Therapist	15.0	9.0	9.0	9.0	9.2
Other Campus Professional Personnel	91.9	72.9	55.7	58.9	73.4
Other Non-Instructional Prof. Personnel	274.1	190.0	167.8	148.1	154.3
Physical Therapist	-	5.0	5.0	4.0	4.0
Psychological Associate	-	-	-	-	-
School Nurse	80.7	75.9	77.8	77.4	75.9
Social Worker	16.0	9.0	18.0	21.0	15.9
Speech Therapist/ Language Pathologist	53.2	53.7	48.2	46.7	49.9
Teacher Facilitator/ Supervisor	147.6	157.5	151.8	145.6	146.4
Work-Based Learning Site Coordinator	0.2	0.1	-	-	-
PROFESSIONAL SUPPORT	1,010.6	905.1	852.4	808.6	829.9
Campus Administration:					
Principal	78.8	75.0	75.0	72.0	71.5
Assistant Principal	134.8	135.8	126.8	128.4	126.1
Teacher Supervisor	1.0	-	-	-	-
Central Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/ Assoc/ Deputy Superintendent	9.0	9.0	6.9	7.0	4.3
Athletic Director	-	3.0	1.0	1.0	1.0
Director-Personnel	-	2.0	3.0	3.0	3.0
Program Dir/ Exec Dir/ Instr Officer	26.0	13.0	13.0	12.0	11.8
Teacher Supervisor	34.9	17.0	19.0	21.0	21.7
ADMINISTRATIVE STAFF	285.5	255.8	245.7	245.4	240.4
Certified Interpreter	6.9	5.9	5.8	5.9	6.7
Educational Aide	807.6	805.1	805.0	852.7	835.0
PARAPROFESSIONAL STAFF	814.5	811.0	810.8	858.6	841.7
AUXILIARY PERSONNEL	2,037.0	2,038.0	2,066.1	2,029.2	2,006.0
TOTAL EMPLOYEES	8,297.9	8,142.0	8,064.1	8,055.0	7,969.2

SOURCE: PEIMS reports: Staff FTE by Role (PRF4D007/PDM1-110-006)



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

Table 20

Fiscal Year	Enrollment¹	General Fund Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2013	65,001	\$ 424,144,895	\$ 6,525	12.64%	4,051	16.05	68.29
2014	64,688	456,594,071	7,058	8.17%	4,113	15.73	68.42
2015	63,882	498,228,268	7,799	10.00%	4,089	15.62	68.13
2016	63,210	485,172,828	7,676	-1.59 %	4,132	15.30	69.33
2017	62,181	520,232,220	8,366	9.00%	4,238	14.67	69.23
2018	61,076	515,118,870	8,434	0.81%	4,150	14.72	64.52
2019	59,900	514,821,080	8,595	1.90%	4,101	14.61	72.80
2020	59,532	508,434,524	8,541	-0.63 %	4,040	14.74	60.75
2021	56,840	547,417,185	9,631	12.77%	4,115	13.81	55.93
2022	56,311	558,786,459	9,583	3.36%	3,924	14.35	51.05

¹Amounts reported to the Texas Education Agency Public Education Information Management System (PEIMS)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2022
(UNAUDITED)

Table 21
Page 1 of 2

	2022	2021	2020	2019	2018	2017
Schools						
Buildings	76	76	77	77	77	77
Portable buildings	74	82	95	101	113	152
Stadiums	2	2	2	2	2	2
Square Feet	9,685,566	9,647,208	9,807,653	9,626,983	9,612,920	9,577,003
Maximum Capacity	78,138	78,138	79,989	79,989	79,989	76,080
Enrollment	56,311	56,840	59,532	59,900	61,076	62,181
Vehicles	18	17	11	10		99
Administration						
Buildings	12	12	12	11	11	11
Portable buildings	-	-	-	-	2	4
Square Feet	352,751	352,751	352,571	313,679	313,679	313,679
Vehicles	12	10	10	8	6	6
Maintenance and Operations						
Buildings	7	7	7	7	7	7
Square Feet	99,966	99,966	99,966	99,966	99,966	99,666
Vehicles	286	271	259	250	222	203
Transportation						
Buildings	1	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878	65,878
Vehicles	342	328	296	290	256	249
Food Services						
Buildings	2	2	3	3	3	3
Square Feet	72,491	72,491	103,774	103,774	103,774	103,774
Vehicles	26	27	28	32	32	29

Source: District records

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2022
(UNAUDITED)

Table 21
Page 2 of 2

	2016	2015	2014	2013
Schools				
Buildings	72	75	74	74
Portable buildings	159	178	175	175
Stadiums	2	2	3	3
Square Feet	8,822,763	8,737,066	8,695,043	8,687,448
Maximum Capacity	74,986	74,986	74,986	74,386
Enrollment	63,210	63,882	64,688	65,001
Vehicles	11	15	4	3
Administration				
Buildings	11	11	8	8
Portable buildings	2	3	3	3
Square Feet	313,679	310,607	165,767	165,767
Vehicles	6	12	10	11
Maintenance and Operations				
Buildings	7	7	3	3
Square Feet	99,666	99,666	128,376	128,376
Vehicles	215	199	184	182
Transportation				
Buildings	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878
Vehicles	250	257	257	257
Food Services				
Buildings	3	3	3	3
Square Feet	103,774	103,774	97,436	97,436
Vehicles	28	26	18	16

Source: District records

ARLINGTON INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2022

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/ or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS) , Texas Workforce Commission (TWC) , Internal Revenue Service (IRS) , and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	Yes
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	4,863,138

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf) .

FEDERAL AWARDS SECTION



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

To the Board of Trustees
Arlington Independent School District
Arlington, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Arlington Independent School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Fort Worth, Texas
November 17, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE *UNIFORM GUIDANCE***

Report on Compliance for Each Major Federal Program

Opinion On Each Major Program

We have audited Arlington Independent School District’s (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2022. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District’s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

Board of Trustees
Arlington Independent School District

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.

Whitley Penn LLP

Fort Worth, Texas
November 17, 2022

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
ESEA, Title I, Part A - Improving Basic Programs	84.010A
Title I - School Improvement Program	84.010A
Title I - ESF Focused Support Grant	84.010A
CARES Act ESSER I (COVID-19)	84.425D
CRRSA ESSER II (COVID-19)	84.425D
ARP ESSER III (COVID-19)	84.425U
Title III, ELA	84.365A
Dollar Threshold Considered Between Type A and Type B Federal Programs?	\$3,000,000
Auditee qualified as low risk auditee?	Yes

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2022

II. Financial Statement Findings

There were no current year financial statement findings.

III. Federal Awards Findings and Questioned Costs

There were no current year federal award findings.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES TO FEDERAL AWARDS
For the Year Ended June 30, 2022

Exhibit K-1

Page 1 of 2

(1)	(2)	2(A)	(3)
	District	Federal	
Federal Grantor/ Pass-Through Grantor/ Program Title	Fund	Assistance Listing	Pass Through Entity
	Number	Number	Identifying Number
Federal Expenditures			
U. S. Department of Defense			
Direct Programs:			
ROTC	199	12.000	None
Total U. S. Department of Defense			\$ 113,566
			113,566
U. S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission:			
COVID-19 School Health Support Grant	289	93.323	39352201
Medicaid Administrative Claims (MAC)	199	93.778	None
Total Medicaid Cluster (ALN 93.778)			336,489
Total U. S. Department of Health and Human Services			336,489
			347,798
U. S. Department of Education			
Passed Through Texas Education Agency:			
Texas Education for Homeless Children & Youth	206	84.196A	214600057110007
Texas Education for Homeless Children & Youth	206	84.196A	224600057110050
Total ALN 84.196			67,474
			182,575
			250,049
ESEA, Title I, Part A - Improving Basic Programs	211	84.010A	20610101220901
ESEA, Title I, Part A - Improving Basic Programs	211	84.010A	21610101220901
ESEA, Title I, Part A - Improving Basic Programs	211	84.010A	22610101220901
Title I - School Improvement Program	216	84.010A	22610141220901
Title I - School Improvement Program	216	84.010A	21610141220901
Title I - ESF Focused Support Grant	216	84.010A	226101577110021
Total ALN 84.010			338,176
			16,555,262
Carl D. Perkins Basic Grant	244	84.048A	22420006220901
Carl D. Perkins Basic Grant	244	84.048A	21420006220901
Total ALN 84.048			658,161
			25,416
			683,577
ESEA Title II, Part A, Supporting Effective Instruction	255	84.367A	20694501220901
ESEA Title II, Part A, Supporting Effective Instruction	255	84.367A	21694501220901
Principal Residency Cycle 4	255	84.367A	216945677110003
Title II, Part A, Supporting Effective Instruction	255	84.367A	22694501220901
Total ALN 84.367			607,834
			2,070,814
			2,789,796
Title III, ELA	263	84.365A	22671001220901
Title III, ELA	263	84.365A	20671001220901
Title III, ELA	263	84.365A	21671001220901
Total ALN 84.365			1,681,526
			547,490
			15,926
			2,244,942
CRRSA ESSER II PRE-AWARD (COVID-19)	199	84.425D	21521001220901
CARES Act ESSER I (COVID-19)	266	84.425D	20521001220901
CRRSA ESSER II (COVID-19)	281	84.425D	21521001220901
ARP ESSER III (COVID-19)	282	84.425U	21528001220901
Total ALN 84.425			23,688,624
			60,351
			15,307,220
			28,609,234
			67,665,429
Instructional Continuity Grant	276	84.377A	17610740220901
			2,278
Title IV, Part A, Subpart 1	288	84.424A	22680101220901
Title IV, Part A, Subpart 1	288	84.424A	20680101220901
Title IV, Part A, Subpart 1	288	84.424A	21680101220901
Total ALN 84.424			712,824
			21,844
			189,541
			924,209
Lone Star STEM Cycle 1 Year 2	289	84.411B	203929017110014
Lone Star STEM Cycle 1 Year 3	289	84.411B	203929067110002
Total ALN 84.411			14,862
			31,276
			46,138

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES TO FEDERAL AWARDS
For the Year Ended June 30, 2022

Exhibit K-1

Page 2 of 2

(1)		(2)	2(A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Education (continued)				
Passed Through Texas Education Agency: (continued)				
<i>IDEA-B Formula</i>	224	84.027A	226600012209016000	\$ 11,132,100
<i>IDEA-B Formula</i>	224	84.027A	206600012209016600	578,112
<i>IDEA-B Formula</i>	224	84.027A	216600012209016600	637,735
<i>IDEA-B Formula ARPA (COVID-19)</i>	284	84.027A	225350012209015350	298,106
<i>IDEA-B Preschool</i>	225	84.173A	226610012209016610	233,028
<i>IDEA-B Preschool</i>	225	84.173A	216610012209016610	3,642
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	226600112209016673	98,665
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	206600112209016673	94
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	216600112209016673	1,224
<i>Total Special Education Cluster (ALN 84.027,84.173)</i>				<u>12,982,706</u>
Passed Through Tarrant County Workforce Development Board:				
<i>Federal Adult Education</i>	220	84.002	21-SPC-AEL-001	21,758
<i>Adult Education EL Civics</i>	220	84.002	21-SPC-AEL-001	211
<i>Federal Adult Education</i>	220	84.002	22-SPC-AEL-001	801,374
<i>Adult Education EL Civics</i>	220	84.002	22-SPC-AEL-001	6,621
<i>Total ALN 84.002</i>				<u>829,964</u>
Total U. S. Department of Education				<u>104,974,350</u>
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture				
<i>COVID-19 Pandemic EBT (COVID-19)</i>	240	10.649	None	5,814
<i>CACFP Supper Program</i>	240	10.558	None	1,473,625
<i>Cash Assistance</i>				
<i>Summer Feeding Program</i>	242	10.559	01022	660,557
<i>Summer Feeding Program</i>	242	10.559	01021	407,227
<i>Non-Cash Assistance (Commodities)</i>				
<i>National School Lunch Program</i>	240	10.555	01017	2,023,637
Passed Through Texas Education Agency:				
<i>National School Lunch Program</i>	240	10.555	71302201	26,428,055
<i>School Breakfast Program</i>	240	10.553	71302201	6,090,466
<i>Total Child Nutrition Cluster (ALN 10.553,10.555,10.559)</i>				<u>35,609,942</u>
Total U. S. Department of Agriculture				<u>37,089,381</u>
Total Expenditures of Federal Awards				<u>\$ 142,525,095</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus.

The modified accrual basis of accounting is used for the General and Special Revenue funds. 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant revenues are earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such amounts are received, they are recorded as deferred revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Reconciliation of Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and expenditures reported in the financial statements as follows:

Total shown on Schedule of Expenditures of Federal Awards	\$ 142,525,095
Federal Revenue Accounted for in the General Fund	
Medicaid SHARS	17,325,498
QSCB	<u>329,949</u>
Total Federal Revenue - Exhibit C-3	<u>\$ 160,180,542</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted.

ARLINGTON INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

As part of this responsibility, the District's corrective action plans are presented below.

I. Corrective Action Plan

Not Applicable.