



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



Arlington

INDEPENDENT SCHOOL DISTRICT
More Than a Remarkable Education

Arlington, Texas

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2021**

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

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 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.

ASSISTANT SUPERINTENDENT OF FACILITY SERVICES

Wm. Kelly Horn

EXECUTIVE DIRECTOR OF FINANCIAL SERVICES

Alice Hamrick, CPA

SENIOR DIRECTOR OF BUSINESS SERVICES

Tammy Craig

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

DIRECTOR OF BUDGET AND FINANCE

Sheena Joslyn

DIRECTOR OF ACCOUNTING

Bridget Lewis

CHIEF INTERNAL AUDITOR

Tim Edwards, CIA, CFE

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

BOARD OF TRUSTEES

Kecia Mays – President

Kecia Mays was elected to the Board in 2014. She has been married for 25 years and has three sons. Mrs. Mays graduated from Texas A&M University with a BBA in Accounting and is a Supervisor who has been employed with the Texas Comptroller of Public Accounts - Audit Division for over 30 years.

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 and The Travel & Sport Legacy Foundation. Kecia Mays enjoys attending her sons sporting events, going to the movies and spending time with her extended family.

Bowie Hogg – Vice President

Bowie Hogg was elected to the board in May of 2008 and is a product of the Arlington schools from kindergarten through high school graduation. Mr. Hogg graduated from The Mays Business School at Texas A&M University with a Bachelor of Business Administration degree. Mr. Hogg also represented Arlington and the Dallas-Fort Worth metroplex by being chosen out of 216,000 applicants to appear on the original edition of the *Emmy*® nominated television show, *The Apprentice*. Mr. Hogg is Vice President of Hinge Health, serving public sector clients across the U.S.

Mr. Hogg has also served his state and community as a Board member for the Texas Association of School Boards, Downtown Arlington Management Board, United Way of Tarrant County, Leadership Arlington, Theatre Arlington, The Greater Arlington Chamber of Commerce, the Advisory Board for the Arlington Life Shelter, and the Junior League Arlington. Mr. Hogg's passions are education, healthcare and community service with his two daughters and wife who is a former 5th grade teacher.

Melody Fowler - Secretary

Melody Fowler was elected to the Board in 2018. She has been married for 24 years and has one son that is a graduate of AISD. Mrs. Fowler graduated from the University of Texas at Austin with a BA in English and Texas Woman's University with an MA in English. She has taught for 30 plus years in both public school and at the college level. She currently teaches English at Tarrant County College and Arlington Baptist University. She has been involved with AISD as a volunteer with PTS/PTSA and Site-Based Decision Making Teams.

Mrs. Fowler is the recipient of the PTA Life Membership Award, member of the Arlington Rotary Club, the Greater Arlington Chamber of Commerce, and the Women's Alliance. She also serves on the boards of MPAC, Open Arms Health Clinic, and the Arlington Life Shelter.

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

BOARD OF TRUSTEES (continued)

Justin Chapa

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 Morgan, Lewis & Bockius 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 currently serves on the Board of Directors of United Way of Tarrant County and previously served on the Boards of Directors of 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

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)

Sarah McMurrough

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.

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 Dec. 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)

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 35 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.

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.

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

ADMINISTRATION (continued)

Dr. A. Tracie Brown – Chief Schools Officer

Dr. A. Tracie Brown was appointed Area Superintendent on June 26, 2015. Prior to joining Arlington ISD, Dr. Brown served in Dallas Independent School District for 18 years, most recently as an Executive Director in which she supervised and coached a K-12 feeder pattern of schools, including alternative education campuses. 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 a 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.

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. Scott is certified by the Human Resources Certification Institute as a Senior Professional in Human Resources. 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.

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

ADMINISTRATION (continued)

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 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.

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.

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

ADMINISTRATION (continued)

Alice Hamrick, CPA – Executive Director of Financial Services

Alice Hamrick was named the Executive Director of Financial Services in August of 2020. She served the district as the Director of Accounting for the previous five years. Prior to joining the District, she worked five years as the Executive Director of Finance for Castleberry ISD. She has an additional seven years of experience working in Director level positions within Finance and Payroll at other Texas independent school districts. Prior to working in school finance, she worked twelve years in internal auditing and accounting with state agencies, federal contractors, and private corporations. She graduated from Texas A&M with a BBA in Accounting and is a Certified Public Accountant.

Tammy Craig – Senior Director of Business Service

Tammy Craig joined the District in September 2011 as a Buyer for Purchasing. She later became the Director of Purchasing in August 2014 and served in that role until she promoted to the Senior Director of Business Services in January 2021. She has over twenty-six years of experience in the Business Services Field, with over thirteen of those years being in public school finance. Prior to Tammy's public school experience, she served as the Manager of Operations for a private prison overseeing the Business Services and also worked in various positions for the State of Texas including Accounts Payable and Purchasing. She graduated from Sam Houston State University with a BBA in Management and holds her Registered Texas School Business Administrator Certification with TASBO.

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.

Bridget Lewis – Director of Accounting

Bridget Lewis joined the District as the Director of Accounting in February 2021. 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.

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 THE 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, 2021, at a meeting of the board of school trustees of such school district on the 11th day of November 2021.

Signature of Board Secretary

Signature of Board President



November 11, 2021

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 annual comprehensive financial report of the Arlington Independent School District (“District” or “AISD”) for the fiscal year ended June 30, 2021.

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, 2021, 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, 2021, 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 early college high schools, one career and technical center, an agricultural science center, 10 junior high schools, 49 traditional elementary schools, two fine arts/dual language academies, one elementary leadership academy, one elementary STEM academy, one world language academy, a pre-kindergarten campus, three alternative schools, and the new Center for Visual and Performing Arts and AISD Athletics Center. During the 2020-21 school year, the District employed 8,170 full-time equivalent staff members, of which 4,115 were classroom teachers. Enrollment for the 2020-21 year was 56,840 as reported to the State through the Public Education Information Management System ("PEIMS"). This enrollment figure represents a decrease of approximately 4.7% from the enrollment figure reported through PEIMS the previous year. Enrollment for 2021-22 is expected to be 56,447 at the fall PEIMS snapshot date, which is 0.69% less than the 2020-21 official enrollment. All academic and extracurricular programs are supported by a highly qualified, culturally diverse teaching staff. The average pupil-teacher ratio was 15 to 1 throughout the District. Texas law mandates that no more than 22 students be assigned to one classroom teacher in kindergarten through grade four.

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

2016-2021 Achieve Today. Excel Tomorrow. Strategic Plan

In January 2016, the AISD Board of Trustees adopted the 2016-2021 *Achieve Today. Excel Tomorrow. Strategic Plan*. This plan articulates a singular goal to graduate 100% of Arlington ISD students exceptionally prepared for college, career, and citizenship. To accomplish this goal, strategies have been designed and implemented within four broad performance objective categories including:

- Academic achievement
- College readiness
- Workforce readiness
- Leadership, Citizenship and Responsibility

The 2016-2021 *Achieve Today. Excel Tomorrow. Strategic Plan* is designed to be a detailed roadmap for students, staff and community that defines where we want to be and how we will get there. The plan does this while maintaining the district commitment to utilize our resources in the most efficient way possible. Our goal is to strategically implement the designed strategies in a manner that fosters continuous improvement and maximizes student access to innovative learning opportunities thereby supporting students in meeting their personal achievement goals.

Learning Framework

With our mission focused squarely on maximizing our students' potential through relevant, innovative, and rigorous learning experiences, the AISD collaboratively developed the Arlington ISD Active Learning Cycle™, an instructional framework and the 7th and final step in the Teach for Understanding Planning Cycle™. This framework is centered on the design of the actual daily experience students have in the classroom as a result of a purposeful instructional plan. As students prepare for post-secondary life, it is vital that they not only master the academic content, but also acquire the necessary soft skills needed to be successful in college, career and life. These skills include modeling responsible citizenship, being self-directed, collaborating with others, thinking critically to solve real-world problems and communicating effectively with others. Through implementation of the Arlington ISD Active Learning Cycle, students are being provided ownership of their learning through experiences that are designed to facilitate their growth and development of these key life-ready skills. Currently, 39 campuses are implementing the framework system-wide with ongoing professional learning and job-embedded coaching support.

Social Emotional Learning

The Collaborative for Academic, Social, and Emotional Learning (CASEL) defines social and emotional learning (SEL) as a "process through which children and adults understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions." This process is housed within a research-based framework that is centered on five primary competencies. These competencies include self-awareness, self-management, social awareness, relationship skills, and responsible decision-making. In 2018-2019, the AISD established the Social and Emotional Learning Department with the charge to develop a local framework that aligns the systems of support provided by Guidance and Counseling, Student Outreach Services and the Positive Behavioral Intervention and Supports departments to these CASEL competencies. This framework was launched in the 2019-2020 school year with a focus on building SEL proficiency with staff members for effective implementation with students in the classroom. During the 2021-2022 school year, the AISD will continue with implementation signature practices in all schools and the newly developed SEL standards in elementary and junior high schools.

Literacy & Mathematics

Research shows that there is a direct correlation between the reading proficiency of third grade students and those students' future academic success including graduation. In an effort to promote increased achievement in reading, the AISD is strategically focused on implementing the Balanced Literacy framework with an emphasis on early childhood reading. During the 2021-2022 school year, structures and systems are being implemented to promote increased effectiveness in reading instructional practices including job-embedded coaching, instructional planning/design supports, training in guided reading, phonics instruction and close reading practices and participation in state-developed Literacy Academies for all Grade 3 teachers and elementary principals. Additionally, AISD has launched a comprehensive mathematics plan that articulates research-based best practices for instruction in mathematics. All mathematics and literacy teachers will receive one-to-one professional coaching on four of these practices including standards alignment, assessment and formative Feedback, Small group instruction, and differentiation/scaffolding.

Full-day Prekindergarten

During the 86th Legislative session, the state passed House Bill 3 (HB 3) articulating expectations and funding requirements pertaining to the implementation of a full-day prekindergarten program. In order to ensure an effective prekindergarten program that is truly aligned to the state academic guidelines, the AISD has adopted and implemented a new PK curriculum and have established standards for the structure of a full day of instruction including both curricular and environmental expectations. Arlington ISD has opened full-day PK services for all eligible students within AISD, expanded partnerships with Headstart providers and implemented strong professional learning and teaching/learning resources to support effective instructional delivery in the PK classrooms.

Leadership Development

Arlington ISD believes that its success depends on quality teaching and learning as well as effective leadership. Therefore, as part of the 2016-2021 *Achieve Today. Excel Tomorrow.* Strategic Plan, the District is working to enhance the core leadership competencies of leaders throughout the system. To accelerate this objective, the District has partnered with The Holdsworth Center, an Austin-based organization focused on providing world-class leadership development to support sustained transformational learning experiences and outcomes for students in the classroom. This is a completely grant-funded relationship through the generosity of H.E.B. Texas Grocery Stores and their CEO Charles Butt.

As part of the work this year, the District will be focused on further developing leadership development pathways for teachers and campus leadership. This will include a process for identifying, developing, placing and supporting high potential employees in alignment with the leadership definition.

Programs of Choice

In an effort to bring quality programming to our students and to diversify their choice concerning educational opportunities, the Arlington ISD is currently developing additional programming scheduled to open in future years. This programming includes:

- *Pathways in Technology Early College High School (P-TECH)* at Bowie and Lamar High School. This will be an open-enrollment program that provides students in grades 9-12 the opportunity to:
 - Complete a course of study that combines high school and post-secondary courses; and
 - Within four years, earn a high school diploma, an associate degree, a two-year post-secondary certificate or industry certification, and complete work-based training with a defined industry partner in the areas of Health Science, Information Technology (cyber security & network support), Business, Electronics Technology: Robotics and Automation (mechatronics) and Diesel Technician.

- A future *Middle Years IB Programme (MYP)* at the junior high school level. This educational program will prepare students for the International Baccalaureate Diploma Programme offered at four of our comprehensive high schools. The MYP is designed to:
 - Build students' confidence in managing their own learning;
 - Learn by doing by connecting students' learning to the world context;
 - Encourage students to thrive through increased engagement and motivation; and
 - Develop an understanding of global challenges with the emphasis on a commitment to act as responsible citizens in an international society.
- *Gunn and Arlington High School Fine Arts & Dual Language Programs*
In response to the growing need for students to be prepared to enter the workforce in a global market, the Arlington ISD is launching additional dual language programs in the junior high and high school levels. This programming will provide secondary students with access to instruction in two languages and strive to develop bi-literate and bi-cultural students with a goal to attain the Seal of Bi-literacy on the high school diploma.

2019 Bond Program

On November 5, 2019 voters approved a \$966 million bond proposition. Proceeds of the bond issue are being used to build new facilities, upgrade and renovate existing facilities, address safety and security district-wide, upgrade technology infrastructure and equipment, provide fine arts equipment, and purchase new buses and white fleet vehicles.

The AISD opened the Center for the Visual and Fine Arts and the Athletic Complex, which will provide students with access to high quality fine arts and athletics facilities in support of best-in-class programming district-wide. On November 3, 2020, the AISD had its first swim competition in the new natatorium.

Other Major Initiatives

With the passing of HB 3, the District will be collaborating with partners to develop improvement plans to further address College, Career and Military Readiness (CCMR) indicators as defined by the state accountability system.

Long-term Financial Planning

The Board recognizes the significance of adopting balanced budgets, sustaining a healthy 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. Multi-year budget forecasts are presented to the Board each summer and are considered by the Board when evaluating the impact of potential new initiatives. Strategies included in the *Achieve Today. Excel Tomorrow*. Strategic Plan focus resources and long-range planning on District priorities in a manner that will help protect the District's financial well-being.

General operating needs and capital needs are interdependent and must be considered together in order to effectively plan for and holistically address the District's long-range financial needs.

The 86th Texas Legislature enacted sweeping changes to public education in the spring of 2019. House Bill 3 increased the state's investment in public education, provided property tax relief and rewarded districts for improved student performance. The bill required school districts to compress their Maintenance & Operations (M&O) property tax rate, and simultaneously increased state funding to replace the revenue districts lost by lowering their M&O tax rate. New funds targeted early education, college and career readiness and teacher incentives. The bill required school districts to offer full-day prekindergarten, provided incremental funding to districts with higher concentrations of student poverty and mandated compensation increases for employees other than administrators.

The impact for the District of HB 3, together with increases in local property values, reduced the District's 2019-20 General Fund operating deficit and postponed the planned need to hold a voter-approval tax ratification election (VATRE) in 2019 to seek voter approval to raise the M&O rate. The District is grateful for the additional state investment in public education; however, the state funding reforms did not solve revenue constraints. The District held a VATRE in November 2020 to sustain program offerings and compete for highly qualified teachers and support personnel.

Community involvement in long-range financial planning is a District priority. A Financial Futures Committee comprised of staff and citizens meets quarterly 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.

The district continues to feel the impact of the coronavirus pandemic; however, our mission and vision remain the same. 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.

The district implemented an optional online learning environment so students could continue their learning during the pandemic through the end of the 2020-21 school year. The disruption due to the pandemic caused a major interruption in student learning. The district received ESSER (Elementary and Secondary School Emergency Relief) funds to assist in addressing the impact that COVID-19 has had and continues to have on AISD schools and schools across the nation.

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 annual comprehensive financial report for the year ended June 30, 2020. This was the 42nd 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 annual comprehensive 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 annual comprehensive 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 32nd 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 annual comprehensive financial report (“ACFR”) 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 ACFR 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 'D. Moss'.

Darla Moss
Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Dr. 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



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

Arlington Independent School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Arlington Independent School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, 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 conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, other post-employment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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.

Other 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, TEA required schedules and other supplementary information, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other information, such as the introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, TEA required schedules and other supplementary information, as listed in the table of contents, and the schedule of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, TEA required schedules and other supplementary information, as listed in the table of contents, and the schedule of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

To the Board of Trustees
Arlington Independent School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 5, 2021



ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Comprehensive Financial Report, we, the managers of Arlington Independent School District ("District"), discuss and analyze the District's financial performance for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal starting on pages xi, the independent auditors' report on pages 1 through 3, and the District's basic financial statements which begin on page 21.

Financial Highlights

- The liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the fiscal year by \$103,706,711. Net position increased by \$29,896,765 without the adjustment to beginning net position related to the District's reevaluation of its capital projects. This evaluation increased the District's overall net position.
- The District continues to report its proportionate share of the net pension and other post-employment benefit (OPEB) liabilities. In fiscal year 2021, these liabilities totaled \$190,880,824 and \$179,590,022, respectively.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$733,946,308, which is \$91,876,613 greater than the previous year. 22.4% of the combined fund balance, or \$164,299,043, is available for spending at the District's discretion (unassigned balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$164,299,043, or 30.0% of total general fund expenditures.

Using this Annual Report

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

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

- 1) *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 and the Statement of Activities (on pages 21 through 23).
- 2) *Fund financial statements* (starting on page 24) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For general governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. For proprietary activities, 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. The remaining fund financial statement, the fiduciary statement, provides financial information about activities for which the District acts solely as a trustee or agent for the benefit of parties outside of the District. The fiduciary statement can be found on page 35.

The notes to the financial statements, which start on page 37, provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

This annual report contains other supplementary information in addition to the basic financial statements and the notes to the financial statements. This Management's Discussion and Analysis 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 "Statistical Section," which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

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

Overview of The Financial Statements

Table I summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain.

Table I Arlington Independent School District MAJOR FEATURES OF THE DISTRICT'S FINANCIAL STATEMENTS				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<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 & Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows 	<ul style="list-style-type: none"> Statement of Fiduciary Assets and Liabilities
<i>Accounting basis and measurement focus</i>	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
<i>Type of asset/liability information</i>	All assets, deferred outflows/inflows of resources 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 and short-term and long-term	All assets and liabilities, both financial and capital and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after year end; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Agency funds do not report revenues and expenditures

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Statements

The government-wide financial statements – consisting of the Statement of Net Position and the Statement of Activities – report information about the District as a whole. 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, you should consider additional factors as well, 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

The fund financial statements provide detailed 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 particular 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. 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 - The District is the trustee, or fiduciary, 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)

The District as a Whole

Net Position. The District's net position at June 30, 2021, totaled \$103,706,711 due to recognition of additional capital assets as a result of the District's evaluation of its capital projects. This amount is net of the net pension and net OPEB liabilities and related deferred outflows and inflows promulgated under GASB Numbers 68 and 75.

A large portion of net position, or \$249.0 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, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$51.1 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 \$196.5 million.

Table II
NET POSITION
(in thousands)

	Governmental Activities		Variance
	2021	2020	
Current and other assets	\$ 840,571	\$ 749,390	\$ 91,181
Capital assets	1,065,936	679,808	386,128
Total Assets	1,906,507	1,429,198	477,309
Total Deferred Outflows of Resources	103,102	124,882	(21,780)
Current liabilities	111,993	109,491	2,502
Long term liabilities	1,608,755	1,534,368	74,387
Total Liabilities	1,720,748	1,643,859	76,889
Total Deferred Inflows of Resources	185,285	142,624	42,661
Net Position			
Net Investment in capital assets	248,973	202,728	46,245
Restricted	51,069	58,417	(7,348)
Unrestricted	(196,466)	(493,549)	297,083
Total Net Position	\$ 103,576	\$ (232,404)	\$ 335,980

Changes in Net Position. Total net position of the District increased by \$29.9 million over last year. The District added capital assets of \$386.1 million, the District's long-term liabilities increased by \$74.4 million. This increase is attributed primarily to the increase in the liabilities due in more than one year for the 2021 bond issuance of \$158.9 million, offset by retirement of debt.

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

Governmental activities. Revenues from governmental activities totaled \$744.1 million for fiscal year 2021. The costs of all governmental programs and services were \$ 714.3 million. The net effect of these items resulted in an increase in net position of \$29.8 million. Separate discussions appear below for governmental revenues and governmental expenses.

Table III
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		
	2021	2020	Variance
Revenues			
Program Revenues:			
Charges for services	\$ 3,495	\$ 6,178	\$ (2,683)
Operating grants	102,323	153,420	(51,097)
General Revenues:			
Property taxes	442,987	403,088	39,899
State Aid - Formula Grants	190,358	184,436	5,922
Grants and contributions not restricted	1,438	430	1,008
Investment earnings	851	7,224	(6,373)
Other	2,053	4,899	(2,846)
Extraordinary items	550	-	550
Total Revenues	744,055	759,675	(15,620)
Expenses			
Instruction, curriculum and media services	420,461	427,224	6,763
Instructional and school leadership	49,747	50,380	633
Student support services	62,839	65,870	3,031
Food services	25,477	34,599	9,122
Cocurricular activities	11,746	10,669	(1,077)
General administration	12,775	12,633	(142)
Facilities maintenance, security and data processing	81,175	120,067	38,892
Community services	2,751	3,195	444
Debt service	38,678	28,112	(10,566)
Facilities repairs and maintenance	6,313	1,705	(4,608)
Intergovernmental charges	2,327	2,319	(8)
Total Expenses	714,289	756,773	42,484
Increase (Decrease) in Net Position	29,766	2,902	26,864
Net Position - Beginning	73,810	(235,304)	309,114
Net Position - Ending	\$ 103,576	\$ (232,402)	\$ 335,978

Business-Type Activities

The District began operating the Natatorium in fiscal year 2021. Revenues totaled \$143,108 for user charges. The expenses totaled \$12,543 resulting an ending net position of \$130,565.

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

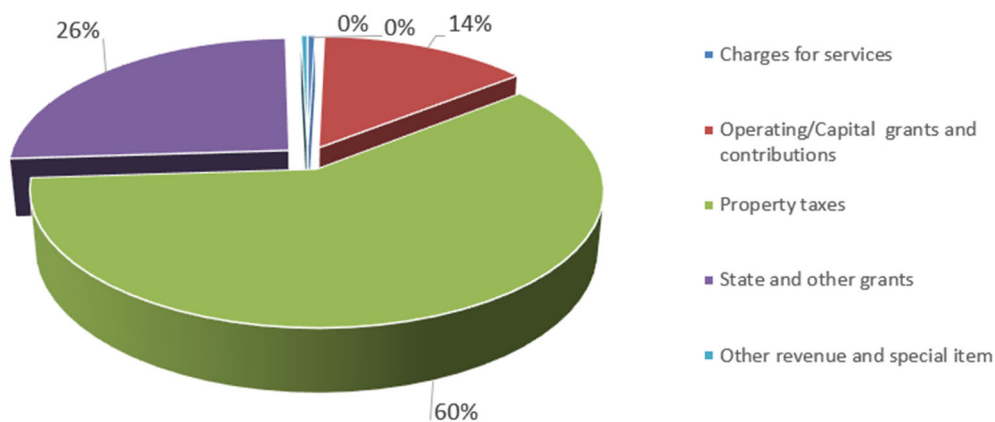
Governmental Revenues by Source

Governmental revenues by type are presented in the chart, below.

	Total Revenues	% of Total Revenues
Charges for services	\$ 3,495,302	0.5%
Property taxes	442,987,170	59.5%
State Aid - Formula Grants	190,358,289	25.6%
Operating grants and contributions	103,760,156	13.9%
Other revenue and extraordinary item	3,454,474	0.5%
Total Revenues	\$ 744,055,391	100%

Figure 1 graphically depicts the sources of governmental activities revenue. Property taxes and state foundation aid (accounted for as “state aid - formula grants”) are the District’s chief sources of operating revenues. Both of these revenue streams continue to change dramatically from year to year due to changes in property values and components in the funding formulas used by the State of Texas to calculate state aid payments.

Figure 1



House Bill 3 (HB 3) and the COVID-19 virus continued to impact the District’s operations and financial position during the 2020-2021 fiscal year. The effects of these two forces are described in more detail in the following discussions of changes in revenues and expenditures for the 2020-21 fiscal year.

Revenues for governmental activities decreased by \$15.1 million in 2020-21. Major changes in revenue items include:

- State aid increased by \$5.9 million. The Available School Fund revenue increased by \$8.8 million while the Foundation School Program decreased by \$3.5 million. The Foundation School Program decreased due to decreased average daily attendance and also the Voter Approved Tax Ratification Election. There is an inverse relationship between property tax revenues and the Foundation School Program.
- M&O property taxes increased \$48.4 million due to a 3.2% increase in property values, an increase in the M&O tax rate from \$1.04 to \$1.0864, and due to strong collection trends. The District passed a Voter-Approved Tax Rate Election which allowed the District to increase the M&O tax rate. The interest and sinking fund tax rate decreased from \$0.32867 to \$0.3007
- Investment income decreased by \$6.3 million following the trend of declining interest rates for short-term investments throughout the 2021 fiscal year.
- Operating grants decreased by \$51.1 million, due to the reclassification of \$14.4 million ESSER funds from the general fund to a federal special revenue fund in fiscal year 2020. In fiscal year 2021, the Instructional Materials Allotment

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

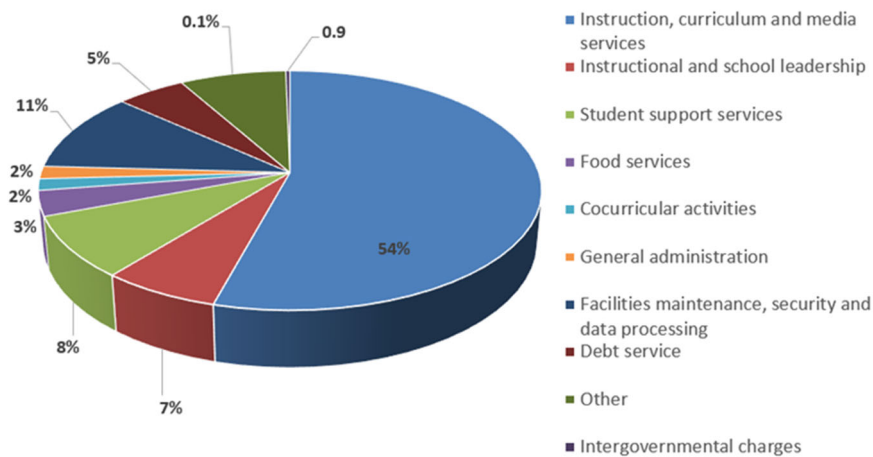
decreased by \$11.3 million. The Child Nutrition Program decreased by \$5.9 million. The TRS on-behalf pension and OPEB expense is allocated to the operating grants by function. In 2021, the on-behalf amounts decreased by approximately \$19.1 million. These larger decreases were offset by new grants such as ESSER II, Prior Purchase Reimbursement Program and the Coronavirus Relief Fund of \$4.3 million and \$1.1 million, respectively.

Expenses for the District increased from last year by \$42.5 million for the year ended June 30, 2021.

The following analysis will provide more information on the changes in expenses.

Governmental Expenses by Function

Figure 2



Payroll costs, accounting for approximately 71.6 % of total expenses, are the most significant operating expenses incurred by the District and are recorded in the majority of functional categories. Payroll expenses were \$21.4 million higher than last year due to the net difference between pay increases and a reduction of positions due to declining enrollment. Overtime and substitute expenditures were also lower due to the impact of COVID on District operations.

Contracted services decreased by approximately \$50.5 million. This net decrease was primarily due to decreasing projects in the 2014 Bond program and an update in the District's asset capitalization process. Some items that were previously reported as repairs and maintenance have been recorded as capital expenditures.

Supply expenses decreased \$9.9 million. This change was due primarily to a decrease of \$11.3 million in Instructional Materials Allotment funds for textbook adoptions (this program is funded through bi-annual allotments from the state) and decreased expenditures of \$2.2 million in commodities due to changes in Food Service operations related to COVID -19. These decreases were offset by increased expenditures of \$4.9 million in exception assets related to special revenue purchases also due to the COVID-19 impact.

Finally, debt service expenses increased by \$8.5 million for scheduled debt service payments, while capital assets spending increased \$75.9 million as the District continued spending bond funds and revised the capitalization process.

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

Table IV presents the total costs of the District's largest programs as well as the *net costs* (total costs less fees generated by the activities and operating grants) of those programs. The net cost is the financial burden that was borne by the District's taxpayers for each of these functions.

The cost of all governmental activities this year was \$714.3 million compared to \$756.8 million last year.

As shown in the Statement of Activities on page 22, the amount that our taxpayers ultimately financed for these activities through District taxes was \$443.0 million (or 59.6%). The remaining costs were paid by state aid (\$190.4 million, or 25.6%), those who directly benefited from the programs (\$3.5 million, or 0.5%), other governments and organizations that subsidized certain programs with grants and contributions (\$103.8 million, or 14.0%), and miscellaneous other revenues (\$2.9 million, or 0.4%).

Table IV
COSTS OF SELECTED GOVERNMENTAL ACTIVITIES
(in thousands)

	Total Costs			Net Costs		
	2021	2020	% Change	2021	2020	% Change
Instruction	\$ 398,958	\$ 403,653	-1%	\$ 348,725	\$ 318,952	9%
School Leadership	34,659	36,031	-4%	32,682	32,242	1%
Plant Maintenance	57,150	96,576	-41%	54,471	92,063	-41%
Guidance, Counseling and Evaluation Services	34,099	35,696	-4%	30,889	31,229	-1%
Food Service	25,477	34,599	-26%	4,495	6,305	-29%

The District's Funds

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

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.

As the District completed the year, its governmental funds (as presented in the Balance Sheet starting on pages 24) reported combined fund balances of \$733.9 million, which is \$91.9 million more than last year's combined fund balances. Of the total amount, 22.4% or \$164.3 million, is *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 for the following items: Inventory and prepaid items (\$3 million); debt service (\$59.1 million); federal, state and local grants (\$6.1 million); capital acquisition and liquidation of contracts and purchase orders of the prior period (\$408.9 million); sixty days of expenditures for general fund and special revenue funds (\$71.7 million); and special projects (\$5.3 million).

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 \$164.3 million, while the total fund balance was \$244.5 million. During fiscal year 2021, total fund balance of the General Fund increased by \$22.1 million.

Total revenues increased from 2020 to 2021 by \$9.7 million, primarily due to the following items:

- Higher tax collections were due to increased property values, strong collection trends, and an increase tax rate due to a successful Voter Approval Tax Rate Election. Overall tax collections increased \$43.3 million. HB 3 required districts to compress their maintenance and operations tax rate in order to provide property tax relief. Without the tax rate compression, the increase in values would have resulted in a higher property tax collections for 2020-21.

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

- State aid revenue for the current year decreased \$4.7 million. Prior year state aid was reduced by \$14.4 million due to the state funding under the Elementary and Secondary School Emergency Relief (ESSER) funding. The state reduced the District's state funding by the amount that was provided through the ESSER funds. Similarly, in 2021, the state again reduced the District's state funding by an amount to be funded through another ESSER grant, \$13.9 million. This amount represents the calculated amount for the Average Daily Attendance hold harmless. Due to the late notification of the hold harmless allocation, the matching expenditures were not reclassified in 2021.
- Lower investments revenue resulted in a decrease of \$6.3 million.
- Indirect costs from federal grants reclassified to the general fund decreased \$2.2 million, and miscellaneous revenues decreased \$1.4 million.
- Decrease of \$4.6 million in federal reimbursements under the School Health and Related Services program due to the delay in payment of the annual cost report settle up. The revenue for the 2019 cost report will be recorded in 2022.

General Fund expenditures increased over the prior year by \$39 million. The overall increase in expenditures was primarily due to the net effect of the following changes:

- A net increase of \$33.9 million in the salaries expenditure category. This increase in salaries resulted mainly from pay raises for all employees, reductions in numbers of positions, benefits paid on all salaries, and the reclassification of prior year salary expense to the ESSER federal special revenue fund. In order to recruit and retain the best possible employees, the Board of Trustees, approved a 4% increase on midpoint for base salary for all employees.
- A net increase of \$1.0 million in contracted services. This net increase was primarily due to an increase in repairs of \$2.8 million. \$2.1 million of this was due to repairs from the winter storm in February 2021. This increase was offset by \$2.1 million decrease for miscellaneous contracted services.
- A net increase in supplies of \$5.4 million. This increase was primarily due to an additional \$5.3 million in supplies to address needs due to COVID-19.

The Natural Gas Special Revenue Fund has a total fund balance of \$13.4 million at year-end, all of which is committed for special projects. Fund balance increased by a net of \$0.5 million over the previous year primarily due to interest earnings and royalties.

The Debt Service Fund has a total fund balance of \$59.1 million at year-end, all of which is restricted to service the District's outstanding debt. Fund balance increased by \$4.4 million from the previous year-end primarily as a result of property tax revenue and state aid in excess of the principal and interest payments, as well as a bond refunding.

The Capital Projects Fund ended the current fiscal year with a fund balance of \$408.9 million. Only \$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 \$71.4 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. The District's capital asset fund is discussed in more detail below.

Nonmajor Governmental Funds, which include Special Revenue Funds other than the Natural Gas Fund, ended the year with a combined fund balance of \$8.1 million, which is a decrease of \$6.5 million over the previous year. The fund balance is primarily attributed to the Food Service Program which had a net operating deficit of \$6.0 million and an ending fund balance of \$6.0 million. The net operating deficit in the Food Service fund was caused by required changes in operations due to COVID-19, which negatively impacted both the funding and the expenditures for this program. During the COVID-19 operation, the District served both in school and curb-side meals to students. All meals were funded by federal reimbursement only. Expenditures per meal cost more to produce and package, resulting in a net deficit for the year. The Campus Activity Funds have a fund balance of \$2.0 million. Various other special revenue funds may also carry a fund balance if the oversight entity allows unused funds from one year to be carried forward to future years.

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary funds. The District's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Currently, the District maintains two types of proprietary funds: internal service funds for activity in the District's print shop and workers' compensation funds and a business-type fund to account for the activities of the Natatorium.

General Fund Budgetary Highlights

Over the course of the year, the Board of Trustees revised the District's budget several times. Significant budget amendments affected the following areas:

- 1) An amendment for \$1.9 million was made shortly after the beginning of the new fiscal year to re-appropriate campus budget allocations not spent at the end of the preceding year (referred to as "carryover funds").
- 2) Changes made to revise estimates of revenues and expenditures based on the latest information on property valuations, student attendance, interest earnings, and operating costs. The following is a summary for the most significant amendments in this category:
 - a) \$43.8 million increase in current year tax revenue based on increased adjusted levy and collection trends. This also accounts for the passage of the VATRE (Voter-Approval Tax Rate Election), which was not part of the adopted budget.
 - b) \$11.1 million increase in state aid due to the following: certified property values being higher than the original estimated values as well as district's being held harmless on their ADA by TEA.
 - c) \$4.2 million decrease in SHARS revenue due to delays in the 2019 & 2020 SHARS cost reports.
 - d) \$1 million decrease in paraprofessional salaries based on vacancies.
 - e) \$4.7 million increase in contracted maintenance and repair for tornado damage, hail damage (for damage done in 2019-20), and the February 2021 winter storm damage.
 - f) \$1.1 million increase for additional bilingual supplies.
 - g) \$4.8 million increase for COVID related expenses including PPE, hot spots, software, and cleaning and sanitation supplies.

The District's General Fund balance of \$244.5 million reported beginning on pages 24 differs from the final budgetary fund balance of \$230.3 million reported in the budgetary comparison statement on page 31. The difference is largely due to the net effect of favorable and unfavorable variances as explained below:

- **Property Taxes** - Ended the year with a net \$4.8 million favorable variance mainly because property values were higher than anticipated and collections remained strong during the fiscal year.
- **Other Local Revenue** – Received \$0.9 million in local revenue less than anticipated primarily due to lower interest rates, reduced fee collections and miscellaneous revenue.
- **State Foundation Aid** - Lower than the final budget by \$13.3 million due TEA hold harmless funding that was transferred to the ESSER II grant.
- **Employee Compensation and Related Employment Benefits** - Ended the year with a \$22.4 million favorable variance primarily because of position vacancy patterns that occurred during the year. Due to COVID-19 operations, there was also savings in substitutes and extra duty pay.
- **Contracted services** - The total favorable variance for contracted services was \$6.4 million primarily because utility expenditures were lower than anticipated due to successful efforts to reduce consumption, and reduced building occupancy due to protocols for the COVID-19 pandemic.
- **Supplies and Materials** - \$2.5 million less than the final budget. In this expenditure category are campus allotments (budgeted mainly in general supplies) that had a year-end balance of \$1.3 million that will be re-appropriated in the 2021-22 fiscal year. Additionally, fuel and other supply expenditures were lower than budgeted due to protocols related to the COVID-19 pandemic.

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

Capital Asset and Debt Administration

Capital Assets

At the end of 2021, the District had \$1,066.0 million 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 (see Table V below).

Table V
CAPITAL ASSETS
(Net of Depreciation, in thousands)

	Governmental Activities		Variance
	2021	2020	
Land	\$ 82,354	\$ 79,983	\$ 2,371
Buildings and improvements	876,337	478,536	397,801
Furniture and equipment	30,597	32,201	(1,604)
Construction in progress	76,648	89,089	(12,441)
Total	\$ 1,065,936	\$ 679,809	\$ 386,127

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. On December 10, 2020, the Board of Trustees authorized the second issuance of the 2019 bonds. With a par value of \$158.9 million, the sale generated \$195.6 million in bond proceeds.

During the 2020-21 year approximately \$27.6 million was spent on projects related to the 2014 bond program and \$108.9 million was spent on projects related to the 2019 bond program. Additional information regarding the bond package, including a bond overview, project summaries, project schedules, and the Citizens' Bond Oversight Committee may be found at the AISD Bond webpage, www.aisd.net/bond. The following 2014 bond projects were budgeted during the 2020-21 fiscal year:

Districtwide Fine Arts Center 253	\$7,207,250
Districtwide Athletic Complex 254	9,389,944
Condition Deficiency/Life Cycle Replacements	4,767,221
Technology	5,000,000
Fine Arts	860,387
Purchase of new buses/white fleet	518,587

The following 2019 bond projects were budgeted during the 2020-21 fiscal year. These projects are at various stages of completion at the end of fiscal 2021.

Gunn Fine Arts/Dual Language Academy	\$64,000,000
Crow Elementary School Addition	12,103,920
Food Service Center	7,627,020
Enterprise Centre	6,954,420
Administration Building	1,970,100
New Webb Elementary School Construction	33,650,000
New Thornton Elementary School Construction	33,500,000
New Berry Elementary School Construction	33,800,000
Shackelford Junior High and Jones Fine Arts/Dual Language Academy	12,149,227
Martin High School and Athletic Field	31,072,000
Playgrounds – Phase I	7,380,000
Softball Fields	7,173,000
Land Purchase	9,000,000
Furniture and Equipment	14,378,000
Phase II and III Project Design and Furniture/Equipment	8,304,235
Technology	23,173,967
Fine Arts	1,318,948
Purchase of new buses/white fleet for transportation	3,549,174

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

Capital assets (continued)

Major capital additions funded through other sources were nearing completion and did not have significant expenditures this year.

Other maintenance projects and additional construction needs beyond those items included in the 2014 or 2019 bond may be identified during the 2022 year. These additional needs will be considered on a case-by-case basis. If necessary, Construction Fund balance could be used to pay for identified projects, in which case the Construction Fund budget would be amended during the year to appropriate fund balance for these purposes. More detailed information about the District's capital assets is presented in Note IV.E. to the financial statements.

Debt

At year-end, the District had total debt outstanding of \$1,238.2 million versus \$1,100.5 million last year – an increase of 12.5% (see Table VI.) The increase is the net result of building bonds issued during fiscal year 2021 in the amount \$158.9 million and scheduled debt principal payments of \$52.6 million. As of June 30, 2021, the District has \$496,005,000 of the authorized \$966 million bond funds that remain unissued.

Table VI
OUTSTANDING DEBT
(in thousands)

	Governmental Activities		Variance
	2021	2020	
Bonds Payable	\$ 1,085,150	\$ 978,887	\$ 106,263
Bond Premiums	146,301	118,460	27,841
Accreted interest	4,791	586	4,205
Accrued Service Benefits	36	68	(32)
Notes Payable	2,006	2,534	(528)
Total	\$ 1,238,284	\$ 1,100,535	\$ 137,749

Moody's Investor Service, Inc. rates the District's general obligation bonds Aa1. Standard and Poor's assigned the District a credit rating of AA. Bonds with these ratings are judged to be of very high quality by all standards.

Other obligations include accrued service benefits, a note payable and rebatable arbitrage. More detailed information about the District's long-term liabilities is presented in Note IV.F. to the financial statements.

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budget and Rates

The District's elected and appointed officials considered many factors when setting the 2021-2022 general operating budget and tax rate.

COVID-19

Our country, our state, our community and our school district faced significant challenges during the 2020-2021 school year due to COVID-19. With the continuing impact of the ongoing pandemic, it is likely our global economy will continue to face challenges operationally and fiscally. However, our mission and vision remain the same. Our responsibility is to provide the students of AISD with an education that allows them to graduate exceptionally prepared for college, career and citizenship. We are here to serve our over 56,000 students and over 8,000 staff members.

The district launched the At-Home Learning Hub during the 2020-2021 school year to provide families an easy to use interface for online learning. School began virtually, and ultimately students were given the option to attend classes virtually or in-person as the pandemic seemed to show evidence the spread was slowing as the school year progressed.

Due to the unknown impacts that COVID-19 may have in the upcoming year, we do not yet know what adjustments will be required. The 2021-2022 adopted budget assumes normal operations. The budget will be amended throughout the year to direct resources where appropriate to respond to COVID-19.

2021-22 Budget Development

Three main issues influenced the 2021-22 budget development – the District's Strategic Plan, adopted budget parameters and fund balance. Each of these issues is discussed in detail below.

1) **Strategic Plan:** The Board of Trustees adopted the 2016-2021 *Achieve Today. Excel Tomorrow* which is a continuation of the 2012-2015 plan with an increased focus on student success. The District 2021-2022 budget was developed under the 2016-2021 strategic plan. The 2022-2027 Strategic Plan is expected to be published in December of 2021. The Strategic Plan has been instrumental in the budget development process since the inception of the plan. All budget and personnel requests were examined in relationship to their necessity in helping the District achieve the mission of the Strategic Plan, which is to empower and engage all students to be contributing, responsible citizens striving for their maximum potential through relevant, innovative and rigorous learning experiences. In order to achieve the District's vision to be a premier school district and a leader in education, the budget is focused on the following performance objective categories:

- a. Academic achievement
- b. College readiness
- c. Workforce readiness
- d. Leadership, citizenship and responsibility

More detailed information concerning the District's *Achieve Today. Excel Tomorrow*. strategic plan may be found on the District's website (www.aisd.net).

2) **Budget Parameters:** The Board of Trustees adopted Budget Parameters to set forth the Board's expectations for future budgets and to create a framework for annually developing a budget. These budget parameters include expectations for a balanced budget, budget allocations staffing formulas, and employee compensation. The Budget Parameters are part of Board Policy CE(LOCAL).

- a. The Board recognizes the need to target resources into programming that supports achievement growth for all schools, including supplemental resources for schools facing specific additional instructional needs.
- b. The Board seeks to maintain competitive compensation levels in an effort to recruit and retain a highly qualified workforce and shall consider adjustments necessary for the District to be competitive in this area.

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

- c. Staffing ratios shall meet or exceed state standards and shall be approved by the Board before the staffing process begins.
- d. The Board recognizes its fiduciary responsibility to adopt a balanced budget, but recognizes that some limited use of fund balance may be appropriate for non-recurring expenditures or to sustain services.
- e. If projected expenditures exceed projected revenue and budget reductions become necessary, the District will first seek budget reductions with the least impact on classrooms.

1) **Fund Balance:** The District strives to maintain a fund balance that will provide a sufficient source of funds for operations during periods when the cash flow does not. Property taxes, the District's primary revenue source, are collected mainly in December and January of each fiscal year while state funds flow in the fall and in August. Expenditures occur at a fairly even pace over the twelve months of the fiscal year. When financial statements are prepared for the period ending June 30, fund balance should be close to the calculated amount necessary to fund the expenditures that will occur between the following July through December, when tax collections begin to flow in.

Maintaining a sufficient fund balance allows the District to avoid the interest expense on money borrowed to meet cash flow needs. Credit rating agencies consider a district's fund balance to be adequate if it exceeds two months of operating expenditures, and they will take into account all resources available for general operations, including those in Special Revenue Funds.

The 2021-22 General Fund budget has a deficit of \$12,870,439. The Board and administration recognize this budget deficit and have already begun evaluating strategies to reduce expenditures in future years while still supporting the goals and objectives of the strategic plan. Fund balance at June 30, 2022 is projected to be \$245,860,142. This budget enables Arlington ISD to maintain a healthy total fund balance of an estimated 5 months of operating reserve. This healthy fund balance provides stability given the uncertainty of future revenues and expenditures.

A summary of the 2021-22 General Operating budget is presented in Table VII below.

Table VII
Summary of General Operating Fund Budget

Fund	2021-2022 Original Budget	2020-2021 Original Budget	Change From 2020-2021
Revenues & Other Resources	\$ 571,194,881	\$ 535,536,925	\$35,657,956
Expenditures & Other Uses	584,065,320	567,069,128	16,996,192
Budgeted Surplus/(Deficit)	(12,870,439)	(31,532,203)	18,661,764
Beginning Fund Balance	258,730,581*	222,384,766	36,345,815
Ending Fund Balance	\$ 245,860,142*	\$ 190,852,563	\$55,007,579

* Projected as of date the 2021-22 budget was adopted

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, 2021

Exhibit A-1

Data Control Codes		Governmental Activities	Business-Type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 765,365,660	\$ 31,993	\$ 765,397,653
1225	Property taxes receivables, net	10,556,360	-	10,556,360
1240	Due from other governments	58,695,789	-	58,695,789
1260	Internal balances	(4,936)	4,936	-
1290	Other receivables, net	598,451	100,000	698,451
1300	Inventories	4,687,538	-	4,687,538
1410	Prepaid items	621,151	-	621,151
1490	Other current assets	51,513	-	51,513
	Capital assets not subject to depreciation:			
1510	Land	82,354,432	-	82,354,432
1580	Construction in progress	76,648,208	-	76,648,208
	Capital assets net of depreciation:			
1520	Buildings and improvements, net	876,335,646	-	876,335,646
1530	Furniture and equipment, net	30,597,803	-	30,597,803
1000	Total Assets	1,906,507,615	136,929	1,906,644,544
Deferred Outflows of Resources				
1701	Deferred charge on refunding	11,421,216	-	11,421,216
1705	Deferred outflows - pension	68,045,980	-	68,045,980
1706	Deferred outflows - other post-employment benefits (OPEB)	23,634,572	-	23,634,572
1700	Total Deferred Outflows of Resources	103,101,768	-	103,101,768
Liabilities				
2110	Accounts payable	25,027,903	6,364	25,034,267
2140	Interest payable	16,273,057	-	16,273,057
2150	Payroll deductions and withholdings	5,365,001	-	5,365,001
2160	Accrued wages payable	57,748,031	-	57,748,031
2180	Due to other governments	99,982	-	99,982
2200	Accrued expenses	7,019,204	-	7,019,204
2300	Unearned revenue	459,665	-	459,665
	Noncurrent Liabilities:			
2501	Due within one year	57,432,094	-	57,432,094
2502	Due in more than one year	1,180,852,052	-	1,180,852,052
2540	Net pension liability	190,880,824	-	190,880,824
2545	Net other post-employment benefits (OPEB) liability	179,590,022	-	179,590,022
2000	Total Liabilities	1,720,747,835	6,364	1,720,754,199
Deferred Inflows of Resources				
	Deferred inflows - pensions	39,046,050	-	39,046,050
	Deferred inflows - other post-employment benefits (OPEB)	146,239,352	-	146,239,352
2600	Total Deferred Inflows of Resources	185,285,402	-	185,285,402
Net Position				
3200	Net investment in capital assets	248,973,295	-	248,973,295
	Restricted for:			
3820	Federal and state programs	28,325	-	28,325
	Food service	6,143,796	-	6,143,796
3850	Debt service	44,897,318	-	44,897,318
3900	Unrestricted	(196,466,588)	130,565	(196,336,023)
3000	Total Net Position	\$ 103,576,146	\$ 130,565	\$ 103,706,711

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

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	\$ 398,958,138	\$ -	\$ 50,233,044
12	Instructional resources and media services	7,785,743	-	912,893
13	Curriculum and staff development	13,717,307	-	7,277,431
21	Instructional leadership	15,087,940	-	5,161,599
23	School leadership	34,658,929	-	1,977,083
31	Guidance, counseling, and evaluation services	34,099,168	-	3,209,936
32	Social work services	3,109,593	-	1,090,933
33	Health services	8,060,076	-	3,520,896
34	Student transportation	17,570,646	391,679	712,998
35	Food service	25,476,994	338,522	20,643,639
36	Extracurricular activities	11,746,345	1,107,716	430,384
41	General administration	12,774,716	522,509	483,193
51	Plant, maintenance and operations	57,149,997	320,923	2,357,629
52	Security and monitoring services	8,503,383	-	492,391
53	Data processing services	15,521,433	813,953	917,531
61	Community services	2,750,813	-	2,555,436
72	Interest on long-term debt	37,676,125	-	345,541
73	Debt issuance costs and fees	1,002,014	-	-
81	Facilities planning	6,313,260	-	-
95	Payments to Juvenile Justice Alternative Education Programs	39,990	-	-
99	Intergovernmental charges	2,286,581	-	-
TG	Total Governmental Activities	<u>\$ 714,289,191</u>	<u>\$ 3,495,302</u>	<u>\$ 102,322,557</u>
	Business-Type Activities:			
01	Natatorium	12,543	143,108	-
TB	Total Business-Type Activities	<u>12,543</u>	<u>143,108</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 714,301,734</u>	<u>\$ 3,638,410</u>	<u>\$ 102,322,557</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

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	\$ (348,725,094)		\$ (348,725,094)
12	Instructional resources and media services	(6,872,850)		(6,872,850)
13	Curriculum and staff development	(6,439,876)		(6,439,876)
21	Instructional leadership	(9,926,341)		(9,926,341)
23	School leadership	(32,681,846)		(32,681,846)
31	Guidance, counseling, and evaluation services	(30,889,232)		(30,889,232)
32	Social work services	(2,018,660)		(2,018,660)
33	Health services	(4,539,180)		(4,539,180)
34	Student transportation	(16,465,969)		(16,465,969)
35	Food service	(4,494,833)		(4,494,833)
36	Extracurricular activities	(10,208,245)		(10,208,245)
41	General administration	(11,769,014)		(11,769,014)
51	Plant, maintenance and operations	(54,471,445)		(54,471,445)
52	Security and monitoring services	(8,010,992)		(8,010,992)
53	Data processing services	(13,789,949)		(13,789,949)
61	Community services	(195,377)		(195,377)
72	Interest on long-term debt	(37,330,584)		(37,330,584)
73	Debt issuance costs and fees	(1,002,014)		(1,002,014)
81	Facilities planning	(6,313,260)		(6,313,260)
95	Payments to Juvenile Justice Alternative Education Programs	(39,990)		(39,990)
99	Intergovernmental charges	(2,286,581)		(2,286,581)
TG	Total Governmental Activities	(608,471,332)		(608,471,332)
	Business-Type Activities:			
01	Natatorium	-	\$ 130,565	130,565
TB	Total Business-Type Activities	-	130,565	130,565
TP	Total Primary Government	(608,471,332)	130,565	(608,340,767)
	General Revenues			
	Taxes:			
MT	Property taxes, levied for general purposes	347,129,622	-	347,129,622
DT	Property taxes, levied for debt service	95,857,548	-	95,857,548
SF	State-aid formula grants not restricted	190,358,289	-	190,358,289
GC	Grants and contributions not restricted	1,437,599	-	1,437,599
IE	Investment earnings	851,104	-	851,104
MI	Miscellaneous	2,053,370	-	2,053,370
E1	Extraordinary item - Winter storm insurance proceeds	550,000	-	550,000
TR	Total General Revenues	638,237,532	-	638,237,532
CN	Change in net position	29,766,200	130,565	29,896,765
NB	Net Position - Beginning, Restated	73,809,946	-	73,809,946
NE	Net Position - Ending	\$ 103,576,146	\$ 130,565	\$ 103,706,711

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Assets				
1110	Cash and cash equivalents	\$ 251,362,947	\$ 71,649,099	\$ 419,411,568
	Receivables:			
1210	Property taxes receivable - current	4,006,043	4,461	-
1220	Property taxes receivable - delinquent	13,169,346	4,819,543	-
1230	Allowance for uncollectible taxes (credit)	(9,001,905)	(2,441,128)	-
1240	Receivables from other governments	43,707,679	-	1,187,784
1260	Due from other funds	18,194,779	-	8,123,472
1290	Other receivables	496,602	-	-
1300	Inventories	2,375,972	-	-
1410	Prepaid items	621,151	-	-
1000	Total Assets	\$ 324,932,614	\$ 74,031,975	\$ 428,722,824
Liabilities				
2110	Accounts payable	\$ 3,807,563	\$ -	\$ 19,848,529
2150	Payroll deduction and withholdings	5,365,001	-	-
2160	Accrued wages payable	55,116,168	-	-
2170	Due to other funds	6,047,514	12,806,863	-
2180	Payable to other governments	-	54,737	-
2190	Due to student groups	-	-	-
2200	Accrued expenditures	3,061,018	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	73,397,264	12,861,600	19,848,529
Deferred Inflows of Resources				
	Deferred inflows - property taxes	7,039,302	2,041,144	-
2600	Total Deferred Inflows of Resources	7,039,302	2,041,144	-
Fund Balances:				
Non-Spendable:				
3410	Inventories	2,375,972	-	-
3430	Prepaid items	621,151	-	-
Restricted:				
3450	Federal/State grant funds	-	-	-
3470	Capital acquisitions and contractual oblig.	-	-	405,073,175
3480	Debt service	-	59,129,231	-
Committed:				
3545	Other	-	-	-
Assigned:				
3590	Other	77,199,882	-	3,801,120
3600	Unassigned	164,299,043	-	-
3000	Total Fund Balances	244,496,048	59,129,231	408,874,295
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 324,932,614	\$ 74,031,975	\$ 428,722,824

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit C-1
Page 2 of 2

Data Control Codes		Natural Gas Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
1110	Cash and cash equivalents	\$ 13,284,104	\$ 4,165,364	\$ 759,873,082
	Receivables:			
1210	Property taxes receivable - current	-	-	4,010,504
1220	Property taxes receivable - delinquent	-	-	17,988,889
1230	Allowance for uncollectible taxes (credit)	-	-	(11,443,033)
1240	Receivables from other governments	-	13,800,326	58,695,789
1260	Due from other funds	66,797	1,784,188	28,169,236
1290	Other receivables	6,222	147,140	649,964
1300	Inventories	-	2,311,566	4,687,538
1410	Prepaid items	-	-	621,151
1000	Total Assets	\$ 13,357,123	\$ 22,208,584	\$ 863,253,120
Liabilities				
2110	Accounts payable	\$ -	\$ 1,270,644	\$ 24,926,736
2150	Payroll deduction and withholdings	-	-	5,365,001
2160	Accrued wages payable	-	2,631,863	57,748,031
2170	Due to other funds	-	9,711,557	28,565,934
2180	Payable to other governments	-	45,245	99,982
2190	Due to student groups	-	-	-
2200	Accrued expenditures	-	-	3,061,018
2300	Unearned revenue	-	459,664	459,664
2000	Total Liabilities	-	14,118,973	120,226,366
Deferred Inflows of Resources				
	Deferred inflows - property taxes	-	-	9,080,446
2600	Total Deferred Inflows of Resources	-	-	9,080,446
Fund Balances:				
Non-Spendable:				
3410	Inventories	-	-	2,375,972
3430	Prepaid items	-	-	621,151
Restricted:				
3450	Federal/State grant funds	-	6,063,040	6,063,040
3470	Capital acquisitions and contractual oblig.	-	-	405,073,175
3480	Debt service	-	-	59,129,231
Committed:				
3545	Other	13,357,123	2,026,571	15,383,694
Assigned:				
3590	Other	-	-	81,001,002
3600	Unassigned	-	-	164,299,043
3000	Total Fund Balances	13,357,123	8,089,611	733,946,308
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 13,357,123	\$ 22,208,584	\$ 863,253,120



ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

Exhibit C-2

Data Control Codes			
	Total fund balance, governmental funds (from C-1)	\$	733,946,308
	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.		1,065,936,089
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.		9,080,446
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.		(1,613,606,833)
4	Deferred inflows of resources and deferred outflow of resources related to pension and OPEB.		(93,604,850)
5	Addition of Internal Service Fund net position.		<u>1,824,986</u>
19	Net position of governmental activities	\$	<u><u>103,576,146</u></u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-3
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local and intermediate sources	\$ 351,144,563	\$ 96,352,064	\$ 1,138,504
5800	State program revenues	220,280,141	799,637	-
5900	Federal program revenues	5,319,687	400,280	1,187,784
5020	Total Revenues	576,744,391	97,551,981	2,326,288
Expenditures				
Current:				
0011	Instruction	338,828,414	-	2,820,662
0012	Instruction resources and media services	6,825,942	-	-
0013	Curriculum and staff development	6,680,788	-	133,515
0021	Instructional leadership	10,441,563	-	-
0023	School leadership	32,903,239	-	-
0031	Guidance, counseling and evaluation services	31,047,412	-	-
0032	Social work services	2,107,189	-	-
0033	Health services	7,621,328	-	-
0034	Student transportation	14,354,182	-	2,370,790
0035	Food services	-	-	-
0036	Extracurricular activities	9,507,439	-	801,200
0041	General administration	12,178,083	-	-
0051	Facilities maintenance and operations	52,980,067	-	539,415
0052	Security and monitoring services	7,845,823	-	48,154
0053	Data processing services	10,732,563	-	3,692,790
0061	Community services	447,419	-	-
Debt service:				
0071	Principal on long-term debt	528,315	52,626,970	1,235,622
0072	Interest on long-term debt	60,848	37,486,251	-
0073	Bond issuance costs and fees	-	1,002,014	-
Capital outlay:				
0081	Facilities acquisition and construction	-	-	122,894,126
Intergovernmental:				
0091	Contracted instructional services between schools	-	-	-
0092	Incremental costs related to WADA	-	-	-
0093	Payments related to shared services arrangements	-	-	-
0095	Payments to juvenile justice alt. ed. prgm.	39,990	-	-
0097	Payments to tax increment fund	-	-	-
0099	Other intergovernmental charges	2,286,581	-	-
6030	Total Expenditures	547,417,185	91,115,235	134,536,274
1100	Excess (deficiency) of revenues over expenditures	29,327,206	6,436,746	(132,209,986)
Other Financing Sources (Uses)				
7901	Refunding bonds issued	-	137,794,956	-
7911	Issuance of debt	-	-	158,890,000
7912	Sale of real or personal property	34,076	-	183,986
7915	Transfers in	-	-	7,800,000
7916	Premium or discount on issuance of bonds	-	16,227,961	36,759,783
8911	Transfers out	(7,800,000)	-	-
8940	Payment to Bond Refunding Escrow Agent	-	(156,105,140)	-
7080	Total Other Financing Sources (Uses)	(7,765,924)	(2,082,223)	203,633,769
Special Item				
7919	Extraordinary items (resource)	550,000	-	-
	Total Special Item	550,000	-	-
1200	Net change in fund balances	22,111,282	4,354,523	71,423,783
0100	Fund Balance - July 1 (Beginning), restated	222,384,766	54,774,708	337,450,512
3000	Fund Balance - June 30 (Ending)	\$ 244,496,048	\$ 59,129,231	\$ 408,874,295

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit C-3

Page 2 of 2

Data Control Codes		Natural Gas Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
5700	Local and intermediate sources	\$ 540,546	\$ 1,098,302	\$ 450,273,979
5800	State program revenues	-	4,029,745	225,109,523
5900	Federal program revenues	-	59,918,189	66,825,940
5020	Total Revenues	540,546	65,046,236	742,209,442
Expenditures				
Current:				
0011	Instruction	-	27,136,508	368,785,584
0012	Instruction resources and media services	-	623,718	7,449,660
0013	Curriculum and staff development	-	6,479,324	13,293,627
0021	Instructional leadership	-	4,029,473	14,471,036
0023	School leadership	-	92,539	32,995,778
0031	Guidance, counseling and evaluation services	-	1,493,895	32,541,307
0032	Social work services	-	873,972	2,981,161
0033	Health services	-	53,575	7,674,903
0034	Student transportation	-	229,153	16,954,125
0035	Food services	-	25,050,369	25,050,369
0036	Extracurricular activities	-	973,850	11,282,489
0041	General administration	21,628	-	12,199,711
0051	Facilities maintenance and operations	-	1,452,136	54,971,618
0052	Security and monitoring services	-	266,421	8,160,398
0053	Data processing services	-	608,600	15,033,953
0061	Community services	-	2,214,596	2,662,015
Debt service:				
0071	Principal on long-term debt	-	-	54,390,907
0072	Interest on long-term debt	-	-	37,547,099
0073	Bond issuance costs and fees	-	-	1,002,014
Capital outlay:				
0081	Facilities acquisition and construction	-	-	122,894,126
Intergovernmental:				
0091	Contracted instructional services between schools	-	-	-
0092	Incremental costs related to WADA	-	-	-
0093	Payments related to shared services arrangements	-	-	-
0095	Payments to juvenile justice alt. ed. prgm.	-	-	39,990
0097	Payments to tax increment fund	-	-	-
0099	Other intergovernmental charges	-	-	2,286,581
6030	Total Expenditures	21,628	71,578,129	844,668,451
1100	Excess (deficiency) of revenues over expenditures	518,918	(6,531,893)	(102,459,009)
Other Financing Sources (Uses)				
7901	Refunding bonds issued	-	-	137,794,956
7911	Issuance of debt	-	-	158,890,000
7912	Sale of real or personal property	-	-	218,062
7915	Transfers in	-	-	7,800,000
7916	Premium or discount on issuance of bonds	-	-	52,987,744
8911	Transfers out	-	-	(7,800,000)
8940	Payment to Bond Refunding Escrow Agent	-	-	(156,105,140)
7080	Total Other Financing Sources (Uses)	-	-	193,785,622
Special Item				
7919	Extraordinary items (resource)	-	-	550,000
	Total Special Item	-	-	550,000
1200	Net change in fund balances	518,918	(6,531,893)	91,876,613
0100	Fund Balance - July 1 (Beginning), restated	12,838,205	14,621,504	642,069,695
3000	Fund Balance - June 30 (Ending)	\$ 13,357,123	\$ 8,089,611	\$ 733,946,308

ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Exhibit C-4

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	\$ 91,876,613
	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	127,707,419
2	Governmental activities depreciation expense	(45,351,070)
3	Disposal of asset	(736)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(985,602)
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.	(140,412,275)
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.	1,138,779
7	Changes in net pension and net OPEB liabilities and related deferred outflows and inflows	(4,844,513)
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)	637,585
	Change in net position of governmental activities (see B-1)	<u><u>\$ 29,766,200</u></u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS)
AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2021

Exhibit C-5

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues				
Local revenues	\$ 303,351,899	\$ 347,254,234	\$ 351,144,563	\$ 3,890,329
State program revenues	222,505,026	233,591,361	220,280,141	(13,311,220)
Federal program revenues	9,680,000	5,512,311	5,319,687	(192,624)
Total Revenues	<u>535,536,925</u>	<u>586,357,906</u>	<u>576,744,391</u>	<u>(9,613,515)</u>
Expenditures				
Current:				
Instruction	345,587,110	351,014,776	338,828,414	12,186,362
Instructional resources and media services	7,058,762	7,286,772	6,825,942	460,830
Curriculum and staff development	7,199,654	7,849,632	6,680,788	1,168,844
Instructional leadership	10,631,730	11,173,061	10,441,563	731,498
School leadership	32,977,381	33,387,955	32,903,239	484,716
Guidance, counseling and evaluation services	32,803,337	32,903,069	31,047,412	1,855,657
Social work services	2,172,431	2,160,212	2,107,189	53,023
Health services	7,738,640	7,909,216	7,621,328	287,888
Student transportation	17,361,611	17,869,557	14,354,182	3,515,375
Extracurricular activities	10,598,185	10,739,727	9,507,439	1,232,288
General administration	12,080,129	12,661,149	12,178,083	483,066
Facilities maintenance and operations	55,467,716	56,670,336	52,980,067	3,690,269
Security and monitoring services	9,976,511	10,076,696	7,845,823	2,230,873
Data processing services	11,841,385	13,162,921	10,732,563	2,430,358
Community services	558,006	511,713	447,419	64,294
Debt Service:				
Principal on long-term debt	515,312	515,312	528,315	(13,003)
Interest on long-term debt	73,852	73,852	60,848	13,004
Intergovernmental:				
Payments to Juvenile Justice Alt. Ed. Prgm.	30,000	54,044	39,990	14,054
Other governmental charges	2,397,376	2,331,576	2,286,581	44,995
Total Expenditures	<u>567,069,128</u>	<u>578,418,583</u>	<u>547,417,185</u>	<u>31,001,398</u>
Excess (deficiency) of revenues over expenditures	<u>(31,532,203)</u>	<u>7,939,323</u>	<u>29,327,206</u>	<u>21,387,883</u>
Other Financing Sources (Uses):				
Sale of real or personal property	-	-	34,076	34,076
Transfers out	-	-	(7,800,000)	(7,800,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,765,924)</u>	<u>(7,765,924)</u>
Special Item				
Extraordinary items (resource)	-	-	550,000	(550,000)
Net change in fund balances	(31,532,203)	7,939,323	22,111,282	13,621,959
Fund Balances - Beginning	<u>222,384,766</u>	<u>222,384,766</u>	<u>222,384,766</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 190,852,563</u>	<u>\$ 230,324,089</u>	<u>\$ 244,496,048</u>	<u>\$ 13,621,959</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

Exhibit D-1

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,993	\$ 5,492,578
Receivables:		
Due from other funds	4,936	391,762
Other receivables	100,000	-
Total Assets	<u>136,929</u>	<u>5,884,340</u>
 Liabilities		
Current liabilities:		
Accounts payable	-	101,169
Accrued wages payable	6,364	-
Accrued expenses	-	3,958,185
Total Liabilities	<u>6,364</u>	<u>4,059,354</u>
 Net Position		
Unrestricted	130,565	1,824,986
Total Net Position	<u>\$ 130,565</u>	<u>\$ 1,824,986</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit D-2

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Operating Revenues		
Charges for Services	\$ 143,108	\$ 1,532,307
Total Operating Revenues	<u>143,108</u>	<u>1,532,307</u>
Operating Expenses		
Payroll costs	10,351	-
Purchased and contracted services	1,329	208,825
Supplies and materials	863	88,768
Claims expense and other operating expenses	-	606,107
Total Operating Expenses	<u>12,543</u>	<u>903,700</u>
Operating Income (Loss)	<u>130,565</u>	<u>628,607</u>
Non-Operating Revenues (Expenses)		
Investment earnings	-	8,978
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>8,978</u>
Change in Net Position	130,565	637,585
Net Position - July 1 (Beginning)	-	1,187,401
Net Position - June 30 (Ending)	<u>\$ 130,565</u>	<u>\$ 1,824,986</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit D-3

	Enterprise Fund - Natatorium	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 38,172	\$ 1,292,894
Cash payments for insurance claims	-	(1,222,324)
Cash payments to suppliers for goods and services	(6,179)	(50,367)
Cash payments for other operating expenses	-	(208,825)
Net Cash Provided by (Used for) Operating Activities	31,993	(188,622)
Cash Flows from Investing Activities:		
Interest on investments	-	8,978
Net Cash Provided by (Used for) Investing Activities	-	8,978
Net Change in Cash and Cash Equivalents	31,993	(179,644)
Cash and Cash Equivalents at Beginning of Year	-	5,672,222
Cash and Cash Equivalents at End of Year	\$ 31,993	\$ 5,492,578
Reconciliation to Balance Sheet		
Cash and Cash Equivalents Per Cash Flow	\$ -	\$ 5,492,578
Cash and Cash Equivalents per Balance Sheet	\$ 31,993	\$ 5,492,578
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 130,565	\$ 628,607
Change in Assets, Liabilities, Deferred Inflows and Outflows:		
(Increase) decrease in Receivables	(100,000)	-
(Increase) decrease in Interfund Receivables	(4,936)	(216,640)
Increase (decrease) in accrued wages	6,364	(17,597)
Increase (decrease) in Accrued Expenses	-	(582,992)
Increase (decrease) in Interfund Payables	-	-
Net Cash Provided by (Used for) Operating Activities	\$ 31,993	\$ (188,622)

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2021

Exhibit E-1

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 2,990,778
Total Assets	<u>2,990,778</u>
Liabilities	
Accounts payable	<u>45,970</u>
Total Liabilities	<u>45,970</u>
Net Position	
Restricted for Student Activities	<u>\$ 2,944,808</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2021

Exhibit E-2

	Custodial Fund
Contributions	
Revenues from student activities	\$ 2,118,475
Total Contributions	<u>2,118,475</u>
Total Additions	<u>2,118,475</u>
Deductions	
Payments for student activities	<u>2,459,948</u>
Total Deductions	<u>2,459,948</u>
Change in net position	(341,473)
Net Position - Beginning	
Prior period adjustment, implementation of new standards	<u>3,286,281</u>
Net Position - Ending	<u><u>\$ 2,944,808</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.

Implementation of New Accounting Standards

GASB No. 84, *Fiduciary Activities*. This pronouncement was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The District has evaluated the effects of this standard and has restated its fund balance in the special revenue fund as well as in the custodial fund to establish the beginning balance. Net position related to governmental activities is also restated.

GASB No. 90, *Majority Equity Interests*. This pronouncement is an amendment of GASB Statements No. 14 and No. 61 was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The District has determined that this Statement does not have an effect on the financial statements as of June 30, 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of annual comprehensive financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The District implemented this statement in fiscal year 2021.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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 Custodial Fund, which is an unbudgeted fund, accounts for the activities of student groups. The student activity funds account for monies collected principally through fund-raising efforts of the students and District-sponsored student groups. Collections and disbursements of these funds are generally controlled by the student group itself under the supervision of a member of the professional staff. The funds received from students are recorded as contributions. As students use the funds, that activity is recorded as deductions.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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

Management's Use of Estimates

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. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances

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*.

3. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

3. Receivables and payables (continued)

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 \$1.08640 per \$100 valuation and \$0.30070 per \$100 valuation, respectively, based on a net assessed valuation of \$32,074,210,610.

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 52.0% of total outstanding property taxes at June 30, 2021.

4. 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.

5. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

5. Capital assets (continued)

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

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.

6. 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.

7. 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.

8. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

9. 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.

10. 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.

11. Deferred outflows/inflows of resources

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

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

- Deferred outflows of resources for refunding – Reported in the government-wide 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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

11. Deferred outflows/inflows of resources (continued)

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

- Deferred inflows of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow 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.

12. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

12. Net position and fund balances (continued)

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.

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 2021 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)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balances (continued)

12. 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.

13. 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.

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	\$	82,354,432
Construction in progress		76,648,208
Buildings and improvements		1,412,744,725
Less: Accumulated depreciation - buildings and improvements		(536,409,079)
Furniture and equipment		119,637,464
Less: Accumulated depreciation - furniture and equipment		<u>(89,039,661)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u>1,065,936,089</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	\$ (1,085,149,956)
Less: Deferred charge on refunding (to be amortized as interest expense)	11,421,216
Add: Issuance premium (to be amortized over life of debt)	(146,301,383)
Add: Accumulated accretion on capital appreciation bonds	(4,790,685)
Accrued service benefits	(36,276)
Notes payable	(2,005,846)
Accrued interest payable	(16,273,057)
Net pension liability	(190,880,824)
Net OPEB liability	<u>(179,590,022)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (1,613,606,833)</u>

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	\$ (296,684,956)
Plus premium	(52,987,744)
Loans	-
Principal repayments:	
General obligation bonds	52,626,970
Payment to escrow agent for refunding	156,105,140
Notes payable	<u>528,315</u>
Net adjustment to increase changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (140,412,275)</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	\$ 32,183
Accrued interest	(5,194,876)
Amortization of bond premiums	7,030,763
Amortization of deferred charge on refunding	(1,239,536)
Accretion on capital appreciation bonds	<u>510,245</u>
Net adjustment to decrease changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,138,779</u>

Note 3 - Stewardship Compliance and Accountability

A. 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 - Detailed Notes on All Funds

A. 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, 2021, the carrying value of the District's deposits (other than the temporary investments listed below) was \$22,630,041 and the bank balance was \$31,867,131. The District's cash deposits at June 30, 2021, 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.

Investments

As of June 30, 2021, 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 - Detailed Notes on All Funds (continued)

A. 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.

Note 4 - Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

The District's temporary investments at June 30, 2021, are shown below:

	Fair Value	Percentage of Investments	Weighted Average Maturity (Days)
Investments:			
Local Government Investment Pools:			
Lone Star	\$ 360,890,193	48.4%	47
TexPool	5,518,115	0.7%	30
LOGIC	379,301,888	50.9%	53
Total Local Government Investment Pools	<u>\$ 745,710,196</u>	<u>100.0%</u>	
Fiduciary Funds			
Investments:			
Local Government Investment Pools:			
TexPool	48,194	0.0%	30
Total Investments	<u>48,194</u>	<u>0.0%</u>	30
Total Fiduciary Funds	<u>48,194</u>	<u>0.0%</u>	30
Total	<u>\$ 745,758,390</u>	<u>100.0%</u>	50

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, 2021, 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 4 - Detailed Notes on All Funds (continued)

B. Receivables

Receivables due from other governments, as of June 30, 2021 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>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from the State of Texas/Other Governments	\$ 43,707,679	\$ 1,187,784	\$ 13,800,326	\$ 58,695,789
Total Due from Other Governments	<u>\$ 43,707,679</u>	<u>\$ 1,187,784</u>	<u>\$ 13,800,326</u>	<u>\$ 58,695,789</u>

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

C. Interfund Receivables, Payables, and Transfers

The composite of interfund balances as of June 30, 2021, is as follows. All interfund balances are expected to be repaid within one year.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Capital Projects Fund (major governmental fund)	\$ -	\$ 5,975,781
Natural Gas Special Revenue Fund	-	66,797
Nonmajor Special Revenue Funds	5,387,916	-
Debt Service Fund (major governmental fund)	12,806,863	-
Business-Type Activities - Natatorium	-	4,936
Internal Service Fund	-	-
Total General Fund	<u>18,194,779</u>	<u>6,047,514</u>
Debt Service Fund (major governmental fund):		
General Fund	-	12,806,863
Capital Projects Fund (major governmental fund):		
General Fund	8,123,472	-
Natural Gas Special Revenue Fund:		
General Fund	66,797	-
Nonmajor Special Revenue Funds:		
General Fund	1,784,188	9,711,557
Business-Type Activities - Natatorium		
General Fund	4,936	-
Internal Service Fund:		
General Fund	<u>391,762</u>	<u>-</u>
Total All Funds	<u>\$ 28,565,934</u>	<u>\$ 28,565,934</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. The District transferred \$7,800,000 from the General Fund to a local construction fund to cover a deficit in that fund as of June 30, 2021.

Note 4 - Detailed Notes on All Funds (continued)

D. Operating Leases

The District leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases were \$207,272 for the year ended June 30, 2021. The future minimum lease payments for all active operating leases can be summarized as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2022	\$ 132,468
2023	136,440
Total	<u>\$ 268,908</u>

E. Capital Assets

A summary of changes in governmental activities capital assets for the year ended June 30, 2021 as follows:

	<u>Balance</u> <u>June 30, 2020, as</u> <u>restated</u>	<u>Additions</u>	<u>Retirements and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 79,982,670	\$ 2,371,762	\$ -	\$ 82,354,432
Construction in progress	103,673,738	114,209,104	(141,234,634)	76,648,208
Total Capital assets, not being depreciated	<u>183,656,408</u>	<u>116,580,866</u>	<u>(141,234,634)</u>	<u>159,002,640</u>
Capital assets, being depreciated:				
Buildings and improvements	1,267,068,009	4,442,083	141,234,634	1,412,744,725
Furniture and equipment	113,066,230	6,684,469	(113,235)	119,637,464
Total Capital assets, being depreciated	<u>1,380,134,239</u>	<u>11,126,552</u>	<u>141,121,399</u>	<u>1,532,382,189</u>
Less accumulated depreciation for:				
Buildings and improvements	(499,344,712)	(37,064,367)	-	(536,409,079)
Furniture and Equipment	(80,865,458)	(8,286,703)	112,500	(89,039,661)
Total Accumulated depreciation	<u>(580,210,170)</u>	<u>(45,351,070)</u>	<u>112,500</u>	<u>(625,448,740)</u>
Governmental Capital Assets	<u>\$ 983,580,477</u>	<u>\$ 82,356,348</u>	<u>\$ (735)</u>	<u>\$ 1,065,936,089</u>

Note 4 - Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

Depreciation was charged to functions as follows:

Function	Depreciation Expense
Governmental Activities:	
Instruction	\$ 32,961,253
Instructional resources and media services	411,197
Curriculum and staff development	402,453
Instructional leadership	629,003
School leadership	1,982,103
Guidance, counseling and evaluation services	1,870,307
Social work services	126,938
Health services	459,112
Student transportation	864,701
Extracurricular activities	572,732
General administration	733,612
Plant maintenance and operations	3,191,538
Security and monitoring services	472,635
Data processing services	646,533
Community services	26,953
Total Governmental Activities	\$ 45,351,070

Construction Commitments

The District has active construction projects as of June 30, 2021. Construction in progress and remaining commitments as of June 30, 2021 are as follows:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
Athletics Complex	\$ 45,512,386	\$ -	\$ 45,512,386
Fine Arts Center	49,137,047	-	49,137,047
Gunn Junior High	70,000,000	50,092,214	19,907,786
Child Nutrition Renovation	7,627,020	7,543,347	83,673
Crow Elementary School	12,195,444	10,065,641	2,129,803
Duff Elementary	8,224,680	24,296	8,200,384
Webb Elementary School	33,650,000	1,739,736	31,910,264
South Davis Elementary School	1,752,000	6,904	1,745,096
Thornton Elementary School	33,500,000	1,319,115	32,180,885
Berry Elementary School	33,800,000	1,331,623	32,468,377
Shackelford JH & Jones Elementary School	11,898,076	2,427,461	9,470,615
Arlington HS	73,065,300	163,253	72,902,047
Martin HS & Athletic Field	31,072,000	1,246,664	29,825,336
Enterprise Center	13,724,788	663,204	13,061,584
Various School - Education Specifications	50,000	24,750	25,250
	\$ 425,208,741	\$ 76,648,208	\$ 348,560,533

Note 4 - Detailed Notes on All Funds (continued)

F. 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, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Bonds payable	\$ 978,886,970	\$ 296,684,956	\$ (190,421,970)	\$ 1,085,149,956	\$ 56,880,000
Bond premiums	118,459,957	48,272,400	(20,430,974)	146,301,383	-
Accreted interest	585,586	4,828,128	(623,029)	4,790,685	-
Notes payable	2,534,161	-	(528,315)	2,005,846	541,647
Accrued service benefits	68,459	-	(24,053)	36,276	10,447
Total	<u>\$ 1,100,535,133</u>	<u>\$ 349,785,484</u>	<u>\$ (212,028,341)</u>	<u>\$ 1,238,284,146</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 July 30, 2020, the District issued \$137,794,956 (par value) of Unlimited Tax Refunding Bonds, Taxable Series 2020, with interest rates ranging from 4.00% to 5.00% for the purpose of refunding portions of the outstanding Unlimited Tax School Building Bonds, Series 2014A. The bonds consisted of \$2,574,956 in premium capital appreciation bonds and \$135,220,000 in current interest bonds. The bonds were issued at a premium of \$16,227,289. Proceeds totaling \$156,105,140 were placed in escrow with a refunding agent. The difference between the carrying value of the refunded debt and its reacquisition price was approximately \$6,815,919. The refunded bonds are considered defeased and are no longer included in the debt schedules of the district. The transaction resulted in a present value savings of \$22,391,028 (difference between the present value of debt payments on the old and new debt).

On March 4, 2021, the District also issued Unlimited School Building Bonds, Series 2021 in the amount of \$158,890,000 (par value). The bonds were issued at a premium of \$36,759,783 and interest rates range from 4.00% to 5.00%. The proceeds from the bonds will be used for the acquisition, construction and equipment of school buildings in the District and the purchase of school sites and school buses. The serial bonds mature February 15, 2046.

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 \$400,280 in subsidy payments from the federal government during the fiscal year ended June 30, 2021.

Note 4 - Detailed Notes on All Funds (continued)

F. 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, 2021, are as follows:

Bond	Interest Rates	Original Amount	Range of Future Maturities	6/30/2020 Balances	Issued	Retired / Deceased	6/30/2021 Balances
2009 Refunding	3.00 to 4.25%	\$ 12,465,000	2015-24	\$ 280,000	\$ -	\$ 65,000	\$ 215,000
2009 QSCB	0.40%	36,320,000	2018-26	24,215,000	-	4,035,000	20,180,000
2010A Building	2.00 to 4.00%	29,435,000	2015-35	-	-	-	-
2011A Building	2.89 to 5.00%	50,717,485	2015-36	1,481,970	-	1,481,970	-
2011 QSCB	5.25 to 6.00%	13,655,000	2018-26	9,095,000	-	1,515,000	7,580,000
2011 Refunding	2.00 to 4.00%	19,479,966	2015-28	-	-	-	-
2012 Building	2.00 to 5.00%	24,885,000	2015-37	12,680,000	-	740,000	11,940,000
2013 Building	2.75 to 5.00%	16,390,000	2017-38	6,705,000	-	550,000	6,155,000
2013 Refunding	0.34 to 3.007%	76,482,234	2015-25	4,855,000	-	2,495,000	2,360,000
2014 Building	2.00 to 5.00%	16,180,000	2016-39	6,050,000	-	445,000	5,605,000
2014 Refunding	5.00%	72,020,000	2017-24	48,475,000	-	12,630,000	35,845,000
2014A Building	1.00 to 5.00%	159,485,000	2015-39	140,850,000	-	138,780,000	2,070,000
2015 Building	1.00 to 5.00%	220,300,000	2016-40	206,540,000	-	1,170,000	205,370,000
2016A Building	3.00 to 5.00%	109,420,000	2017-41	98,980,000	-	2,745,000	96,235,000
2016B Refunding	2.00-5.00%	46,475,000	2017-36	44,785,000	-	1,420,000	43,365,000
2016C Refunding	.85-1.603%	21,086,368	2017-21	5,440,000	-	5,440,000	-
2017 Building	3.00 to 5.00%	79,345,000	2018-42	71,775,000	-	2,765,000	69,010,000
2018 Building	4.00 to 5.00%	33,630,000	2019-43	22,890,000	-	2,135,000	20,755,000
2020 Building	4.00 to 5.00%	273,790,000	2020-45	273,790,000	-	11,475,000	262,315,000
2020 Refunding	4.00 to 5.00%	137,794,956	2021-39	-	137,794,956	535,000	137,259,956
2021 Building	4.00 to 5.00%	158,890,000	2022-46	-	158,890,000	-	158,890,000
Total Bonds Payable				<u>\$ 978,886,970</u>	<u>\$ 296,684,956</u>	<u>\$ 190,421,970</u>	<u>\$ 1,085,149,956</u>

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

Year Ending June 30,	Principal	Interest	Totals
2022	\$ 56,880,000	\$ 43,913,162	\$ 100,793,162
2023	49,050,000	41,938,914	90,988,914
2024	42,889,956	44,907,265	87,797,221
2025	41,720,000	38,243,995	79,963,995
2026	40,975,000	36,377,009	77,352,009
2027-2031	223,740,000	151,994,638	375,734,638
2032-2036	260,485,000	102,344,214	362,829,214
2037-2041	242,335,000	51,836,366	294,171,366
2042-2046	127,075,000	12,722,750	139,797,750
	<u>\$ 1,085,149,956</u>	<u>\$ 524,278,313</u>	<u>\$ 1,609,428,269</u>

Note 4 - Detailed Notes on All Funds (continued)

F. Long-Term Debt (continued)

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, 2021, no arbitrage payments were made to the IRS. Furthermore, there was no rebatable arbitrage liability at June 30, 2021.

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 \$4,715,344.

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

Issue	Amount Due at Maturity	Amount Received at Issue	Total To Be Accreted	Balance 6/30/20	Current Year Accretion	Additions / Maturities	Balance 6/30/21
2011A	\$ 10,480,000	\$ 8,217,485	\$ 2,262,515	\$ 585,586	\$ 37,443	\$ (623,029)	\$ -
2020 Refunding	7,600,000	2,574,956	5,025,044	-	75,341	4,715,344	4,790,685
		<u>\$ 10,792,441</u>	<u>\$ 7,287,559</u>	<u>\$ 585,586</u>	<u>\$ 112,784</u>	<u>\$ 4,092,315</u>	<u>\$ 4,790,685</u>

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, \$194,910,000 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 4 - Detailed Notes on All Funds (continued)

F. 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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 541,647	\$ 47,516	\$ 589,163
2023	555,316	33,847	589,163
2024	569,329	19,834	589,163
2025	339,554	5,466	345,020
	<u>\$ 2,005,846</u>	<u>\$ 106,663</u>	<u>\$ 2,112,509</u>

G. Employee Benefits

The following is a summary of the various insurance, reimbursement and retirement programs provided by the District for the benefit of District employees and their dependents:

1. Insurance plans

Workers' Compensation Insurance (Self-Insured) – 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, 2020, 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:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2020	\$ 4,221,258	\$ 1,869,949	\$ (1,887,148)	\$ 4,541,177
2021	4,541,177	639,332	(1,222,324)	3,958,185

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. 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/cafr_2020.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 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. 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	
	2021	2020
Member (Employee)	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	6.8%
District	7.5%	6.8%

	Fiscal Year (2021)
	TRS Contributions
Member (Employee)	\$ 33,806,015
Non-Employer Contributing Entity (State)	22,920,201
District	15,382,288

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.

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. Defined Benefit Pension Plan (continued)

Contributions (continued)

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.

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	2.33%. 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)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
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 2020 TRS ACFR, which includes actuarial valuation report dated November 14, 2019.

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. Defined Benefit Pension Plan (continued)

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 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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, 2020 are summarized below:

Asset Class	FY 2020 Target Allocation¹ %	Long-Term Expected Geometric Real Rate of Return²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation	-	-	2.00%
Volatility Drag ³	-	-	-0.67%
Expected Return	100.0%		7.33%

¹Target allocations are based on the FY 2020 policy model.

²Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. 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	\$ 294,334,814	\$ 190,880,824	\$ 106,826,723

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

At June 30, 2021, the District reported a liability of \$190,880,824 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	\$ 190,880,824
State's proportionate share that is associated with the District	<u>283,342,941</u>
Total	<u><u>\$ 474,223,765</u></u>

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

At August 31, 2020, the District's proportion of the collective net pension liability was 0.3564% which was a decrease of 0.0323% from its proportion measured as of August 31, 2019.

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 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

2. 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, 2021, the District recognized pension expense of \$28,357,734. The District also recognized an additional on-behalf revenue and expense of \$34,079,864 representing for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 348,533	\$ (5,326,977)
Changes of assumptions	44,291,142	(18,832,285)
Net difference between projected and actual earnings on pension plan investments	3,864,219	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,460,742	(14,886,788)
District contributions subsequent to the measurement date	13,081,344	-
Total	<u>\$ 68,045,980</u>	<u>\$ (39,046,050)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$13,081,344 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 Amount
2022	\$ 5,878,119
2023	7,855,473
2024	6,806,753
2025	255,046
2026	(4,167,399)
Thereafter	(709,406)
	<u>\$ 15,918,586</u>

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. 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/cafr_2020.pdf, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

	TRS-Care 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 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. 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	
	2021	2020
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 (2021)
	TRS Care
	Contributions
Active Employee	\$ 2,853,763
Non-employer Contributing Entity (State)	7,301,066
District	3,667,867

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.

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

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. Defined Other Post-Employment Benefit Plans (continued)

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for 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, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65, 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. Defined Other Post-Employment Benefit Plans (continued)

Discount Rate

A single discount rate of 2.33 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 (2.33%) in measuring the Net OPEB Liability. This is the District’s proportionate share.

1% Decrease in Discount Rate (1.33%)	Current Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
<u>\$215,507,616</u>	<u>179,590,022</u>	<u>\$151,220,279</u>

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

At June 30, 2021, the District reported a liability of \$179,590,022 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	\$	179,590,022
State's proportionate share that is associated with (employer)		<u>241,325,941</u>
Total	\$	<u><u>420,915,963</u></u>

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

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. 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, 2020, the District's proportion of the collective Net OPEB Liability was 0.4724% which was a decrease of 0.0176% from its proportion measured as of August 31, 2019.

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.

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>\$146,702,039</u>	<u>179,590,022</u>	<u>\$223,392,168</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 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This changed 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, 2021, the District recognized negative OPEB expense of \$4,470,990. The District also recognized negative on-behalf expense and revenue of \$1,675,676 for support provided by the State.

Note 4 - Detailed Notes on All Funds (continued)

G. Employee Benefits (continued)

3. Defined Other Post-Employment Benefit Plans (continued)

Changes Since the Prior Actuarial Valuation (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 9,403,263	\$ (82,189,577)
Changes in actuarial assumptions	11,076,970	(49,316,348)
Difference between projected and actual investment earnings	58,360	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	606	(14,733,427)
Contributions paid to TRS subsequent to the measurement date	3,095,373	-
Total	<u>\$ 23,634,572</u>	<u>\$ (146,239,352)</u>

The \$3,095,373 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
2022	\$ (20,440,759)
2023	(20,448,560)
2024	(20,453,022)
2025	(20,451,801)
2026	(15,654,877)
Thereafter	(28,251,134)
	<u>\$ (125,700,153)</u>

Medicare Part D

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, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on-behalf of the District were \$2,172,566, \$1,816,655, and \$1,579,980, respectively. The information for the year ended June 30, 2021 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 4 - Detailed Notes on All Funds (continued)

H. 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.

I. 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.

J. Prior Period Adjustment

The District reevaluated its capitalization policies and determined that certain projects that were classified as repairs and maintenance truly increased the life of the asset. As such, the District identified \$303,772,616 in projects that were eligible for capitalization. This amount is net of accumulated depreciation. Beginning net position has been restated by this amount.

During the current fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning fund balance of the District's governmental funds and the beginning net position of the District's custodial fund have also been restated. The effects on the fund financial statements and net position at the government-wide level is shown below:

	Nonmajor Governmental Funds	
	- Fund 461	Custodial Funds
Beginning Fund Balance - As Originally Presented	\$ -	\$ -
Implementation of GASB No. 84 - recognition of custodial fund net position and reclassification to campus activity fund balance for amounts not qualifying as a custodial fund	2,346,556	3,286,281
Beginning Fund Balance - As Restated	<u>\$ 2,346,556</u>	<u>\$ 3,286,281</u>
		Governmental Activities
Beginning Net Position - As Originally Presented		\$ (232,403,617)
Restatement due to:		
Review of District capitalization methodology and resulting capital assets, net of accumulated depreciation	303,867,007	
Implementation of GASB No. 84 - Fiduciary Funds - reclassification of balances that do not meet the definition of a custodial fund	2,346,556	306,213,563
Beginning Net Position - As Restated		<u>\$ 73,809,946</u>

Note 4 - Detailed Notes on All Funds (continued)

K. Subsequent Events

As of September 2, 2021, the Texas Education Agency informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to TEA that attendance rate declines continue to occur due to COVID-19. As a result, TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

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 Seven Measurement Years Ended August 31 ⁽¹⁾

Exhibit G-1

	2020	2019	2018	2017
District's proportion of the net pension liability	0.3564%	0.3887%	0.3923%	0.4031%
District's proportionate share of the net pension liability	\$ 190,880,824	\$ 202,083,399	\$ 215,929,798	\$ 128,887,686
State's proportionate share of the net pension liability associated with the District	283,342,941	276,296,260	308,845,844	187,381,594
Total	\$ 474,223,765	\$ 478,379,659	\$ 524,775,642	\$ 316,269,280
District's covered payroll (for Measurement Year)	\$ 422,631,242	\$ 411,615,670	\$ 408,126,343	\$ 406,117,695
District's proportionate share of the net pension liability as a percentage of it's covered payroll	45.16%	49.10%	52.91%	31.74%
Plan fiduciary net position as a percentage of the total pension liability *	75.54%	75.24%	73.74%	82.17%
Plan's net pension liability as a percentage of covered-employee payroll *	114.93%	114.93%	126.11%	75.93%
	2016	2015	2014	
District's proportion of the net pension liability	0.3935%	0.3942%	0.2829%	
District's proportionate share of the net pension liability	\$ 148,696,381	\$ 139,331,975	\$ 75,557,286	
State's proportionate share of the net pension liability associated with the District	225,379,353	219,091,643	190,008,374	
Total	\$ 374,075,734	\$ 358,423,618	\$ 265,565,660	
District's covered payroll (for Measurement Year)	\$ 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	38.01%	37.14%	20.58%	
Plan fiduciary net position as a percentage of the total pension liability *	78.00%	78.43%	83.25%	
Plan's net pension liability as a percentage of covered-employee payroll *	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 an 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 Eight Fiscal Years ⁽¹⁾

Exhibit G-2

	2021	2020	2019	2018
Contractually required contributions	\$ 15,382,288	\$ 14,570,224	\$ 13,383,140	\$ 13,319,359
Contributions in relation to the contractual required	<u>15,382,288</u>	<u>14,570,224</u>	<u>13,383,140</u>	<u>13,319,359</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 439,039,067	\$ 422,515,424	\$ 411,031,166	\$ 409,175,566
Contributions as a percentage of covered payroll	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	<u>13,061,085</u>	<u>12,378,352</u>	<u>11,065,220</u>	<u>6,868,636</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
- 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 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 Four Measurement Years Ended August 31 ⁽¹⁾

Exhibit G-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.4724%	0.4900%	0.4967%
District's proportionate share of the net OPEB liability	\$ 179,590,022	\$ 231,749,147	\$ 248,006,708
State's proportionate share of the net OPEB liability associated with the District	241,325,941	307,942,781	345,695,787
Total	<u>\$ 420,915,963</u>	<u>\$ 539,691,928</u>	<u>\$ 593,702,495</u>
District's covered-employee payroll (for Measurement Year)	\$ 422,631,242	\$ 411,615,670	\$ 408,126,343
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	42.49%	56.30%	60.77%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%
Plan's net OPEB liability as a percentage of covered-employee payroll *	101.46%	135.21%	146.64%
	<u>2017</u>		
District's proportion of the net OPEB liability	0.5007%		
District's proportionate share of the net OPEB liability	\$ 217,735,070		
State's proportionate share of the net OPEB liability associated with the District	314,597,329		
Total	<u>\$ 532,332,399</u>		
District's covered-employee payroll (for Measurement Year)	\$ 406,117,695		
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	53.61%		
Plan fiduciary net position as a percentage of the total OPEB liability *	0.91%		
Plan's net OPEB liability as a percentage of covered-employee payroll *	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 Eight Fiscal Years ⁽¹⁾

Exhibit G-4

	2021	2020	2019	2018
Contractually required contributions	\$ 3,667,867	\$ 3,576,251	\$ 3,450,595	\$ 3,315,476
Contributions in relation to the contractual required contributions	<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>
District's covered employee payroll	\$ 439,039,067	\$ 422,515,424	\$ 411,031,166	\$ 409,175,566
Contributions as a percentage of covered employee payroll	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	\$ 402,410,725	\$ 388,883,913	\$ 373,526,450	\$ 363,736,625
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.
277	Coronavirus Relief Fund - provides the District with the ability to receive reimbursement for outreach and case management.

NONMAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS (continued)

Fund Number	Fund Name & Description
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.
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
316	SSA - IDEA B - Formula (Deaf) - Operate educational programs for children with hearing disabilities.
340	SSA - IDEA C - Early Intervention (Deaf) - Provide educational programs for preschool children with hearing disabilities.
381	Adult Basic Education (ABE) - State - Funds granted to provide or support programs for adult education and literacy services to adults 16 and above, who do not have a high school diploma and are out of school.
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.
414	Texas Reading Initiative/Texas Reading, Math and Science - Funds granted to improve student achievement in reading, math and science.
424	Texas Fitness Now (TNF) - program provided grants to support in-school physical education and fitness programs for students in Grades 6, 7, and 8. The primary purpose of the grant was to help reduce childhood obesity and Type II diabetes.
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 handicaps.
461	Campus Activity - proceeds from fundraising activities, vending sales, corporate and private donations to school-sponsored activities benefiting students and staff of the campus.
481	AISD Access - The communications department partners with News for My School to sell advertising in the <i>AISD Achieving Excellence</i> e-newsletter. Proceeds are used to promote the District.
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 District.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		206	211	220	223
Data Control Codes		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	Temporary Assistance for Needy Families (TANF)
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ 12,885	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	55,178	3,416,792	115,782	-
1260	Due from other funds	-	433,064	3,384	3,998
1290	Other receivables	-	49,859	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 55,178</u>	<u>\$ 3,912,600</u>	<u>\$ 119,166</u>	<u>\$ 3,998</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ 1,392	\$ 3,748
2160	Accrued wages payable	16,091	962,821	-	250
2170	Due to other funds	39,087	2,949,779	117,774	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	Total Liabilities	<u>55,178</u>	<u>3,912,600</u>	<u>119,166</u>	<u>3,998</u>
	Fund Balance:				
	Restricted:				
	Federal/State funds grant				
3450	restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 55,178</u>	<u>\$ 3,912,600</u>	<u>\$ 119,166</u>	<u>\$ 3,998</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		224	225	240	242
Data Control Codes		IDEA B - Formula	IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 2,125,908	\$ -
Receivables:					
	Receivables from other				
1240	governments	1,753,580	49,618	1,673,910	538,695
1260	Due from other funds	-	-	376,376	134,167
1290	Other receivables	-	-	82,106	-
1300	Inventories	-	-	2,311,566	-
1000	Total Assets	<u>\$ 1,753,580</u>	<u>\$ 49,618</u>	<u>\$ 6,569,866</u>	<u>\$ 672,862</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 38,227	\$ -	\$ 458,627	\$ 142,767
2160	Accrued wages payable	1,161,575	23,842	73,143	132,628
2170	Due to other funds	553,778	25,776	-	397,467
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	Total Liabilities	<u>1,753,580</u>	<u>49,618</u>	<u>531,770</u>	<u>672,862</u>
Fund Balance:					
Restricted:					
	Federal/State funds grant				
3450	restrictions	-	-	6,038,096	-
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>6,038,096</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 1,753,580</u>	<u>\$ 49,618</u>	<u>\$ 6,569,866</u>	<u>\$ 672,862</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

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		244	255	263	266
Data Control Codes			Title II-A - Supporting Effective		
		Carl D. Perkins Technology	Instruction	Title III-A ELA	ESSER I
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:					
	Receivables from other				
1240	governments	99,906	337,662	298,676	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 99,906</u>	<u>\$ 337,662</u>	<u>\$ 298,676</u>	<u>\$ -</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ 525	\$ 17,904	\$ -
2160	Accrued wages payable	-	85,437	70,059	-
2170	Due to other funds	99,906	251,700	210,713	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	Total Liabilities	<u>99,906</u>	<u>337,662</u>	<u>298,676</u>	<u>-</u>
Fund Balance:					
Restricted:					
	Federal/State funds grant				
3450	restrictions	-	-	-	-
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 99,906</u>	<u>\$ 337,662</u>	<u>\$ 298,676</u>	<u>\$ -</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		276	277	281	288
Data Control Codes		Instructional Continuity Grant	Coronavirus Relief Fund	ESSER II	Title IV, Part A - SSAEP
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	129,442	-	4,290,744	174,585
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	14,898
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 129,442</u>	<u>\$ -</u>	<u>\$ 4,290,744</u>	<u>\$ 189,483</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	19,561	-	-	24,280
2170	Due to other funds	109,881	-	4,290,744	165,203
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	Total Liabilities	<u>129,442</u>	<u>-</u>	<u>4,290,744</u>	<u>189,483</u>
	Fund Balance:				
	Restricted:				
	Federal/State funds grant				
3450	restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 129,442</u>	<u>\$ -</u>	<u>\$ 4,290,744</u>	<u>\$ 189,483</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		289	315	316	340
Data Control Codes		Texas Literary Initiative	IDEA B - Discretionary	IDEA B - Formula (Deaf)	SSA - IDEA C - Early Intervention (Deaf)
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:					
	Receivables from other				
1240	governments	38,810	10,713	-	-
1260	Due from other funds	11,805	22,325	8,911	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 50,615</u>	<u>\$ 33,038</u>	<u>\$ 8,911</u>	<u>\$ -</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ 31,955	\$ 8,911	\$ -
2160	Accrued wages payable	5,370	1,083	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	45,245	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	Total Liabilities	<u>50,615</u>	<u>33,038</u>	<u>8,911</u>	<u>-</u>
Fund Balance:					
Restricted:					
	Federal/State funds grant				
3450	restrictions	-	-	-	-
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 50,615</u>	<u>\$ 33,038</u>	<u>\$ 8,911</u>	<u>\$ -</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		381	385	397	410
Data Control Codes		Adult Basic Education (ABE)	State Visual Impairment	Advanced Placement Incentive	Instructional Materials Allotment
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:					
	Receivables from other				
1240	governments	-	19,113	-	157,473
1260	Due from other funds	-	-	21,750	538,492
1290	Other receivables	277	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 277</u>	<u>\$ 19,113</u>	<u>\$ 21,750</u>	<u>\$ 695,965</u>
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 8,250	\$ 541,200
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	277	19,105	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	151,978
2000	Total Liabilities	<u>277</u>	<u>19,105</u>	<u>8,250</u>	<u>693,178</u>
Fund Balance:					
Restricted:					
	Federal/State funds grant				
3450	restrictions	-	8	13,500	2,787
Committed:					
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>8</u>	<u>13,500</u>	<u>2,787</u>
4000	Total Liabilities and Fund Balance	<u>\$ 277</u>	<u>\$ 19,113</u>	<u>\$ 21,750</u>	<u>\$ 695,965</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		414	424	429	435
Data Control Codes		Texas Accelerated Science	Texas Fitness Now (TFN)	Other State Programs	Regional Day School for the Deaf
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
	Receivables from other				
1240	governments	-	-	437,469	202,178
1260	Due from other funds	-	168	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 168</u>	<u>\$ 437,469</u>	<u>\$ 202,178</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 168	\$ 1,202	\$ 5,222
2160	Accrued wages payable	-	-	17,657	38,066
2170	Due to other funds	-	-	321,477	158,890
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	88,484	-
2000	Total Liabilities	<u>-</u>	<u>168</u>	<u>428,820</u>	<u>202,178</u>
	Fund Balance:				
	Restricted:				
	Federal/State funds grant				
3450	restrictions	-	-	8,649	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>8,649</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 168</u>	<u>\$ 437,469</u>	<u>\$ 202,178</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

Exhibit H-1
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		461	481	492	497	
Data Control Codes		Campus Activity Funds	AISD Access	National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
	Assets:					
1110	Cash and cash equivalents	\$ 2,026,571	\$ -	\$ -	\$ -	\$ 4,165,364
	Receivables:					
	Receivables from other					
1240	governments	-	-	-	-	13,800,326
1260	Due from other funds	-	-	6,600	223,148	1,784,188
1290	Other receivables	-	-	-	-	147,140
1300	Inventories	-	-	-	-	2,311,566
1000	Total Assets	<u>\$ 2,026,571</u>	<u>\$ -</u>	<u>\$ 6,600</u>	<u>\$ 223,148</u>	<u>\$ 22,208,584</u>
	Liabilities:					
	Current Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 10,546	\$ 1,270,644
2160	Accrued wages payable	-	-	-	-	2,631,863
2170	Due to other funds	-	-	-	-	9,711,557
2180	Due to other governments	-	-	-	-	45,245
2300	Unearned revenue - other	-	-	6,600	212,602	459,664
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>6,600</u>	<u>223,148</u>	<u>14,118,973</u>
	Fund Balance:					
	Restricted:					
	Federal/State funds grant					
3450	restrictions	-	-	-	-	6,063,040
	Committed:					
3545	Other committed	2,026,571	-	-	-	2,026,571
	Total Fund Balance	<u>2,026,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,089,611</u>
4000	Total Liabilities and Fund Balance	<u>\$ 2,026,571</u>	<u>\$ -</u>	<u>\$ 6,600</u>	<u>\$ 223,148</u>	<u>\$ 22,208,584</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2

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		206	211	220	223
Data Control Codes		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	Temporary Assistance for Needy Families (TANF)
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	214,647	17,276,108	680,458	-
5020	Total Revenues	214,647	17,276,108	680,458	-
Expenditures					
Current:					
0011	Instruction	3,703	8,871,132	497,742	-
0012	Instructional Resources and Media Services	-	85,043	-	-
0013	Curriculum and Instructional Staff Development	-	1,795,763	-	-
0021	Instructional Leadership	4,006	3,728,969	168,601	-
0023	School Leadership	-	20,764	-	-
0031	Guidance, Counseling and Evaluation Services	-	83,790	14,115	-
0032	Social work services	185,931	665,519	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	10,444	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	1,592	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	21,007	2,013,092	-	-
6030	Total Expenditures	214,647	17,276,108	680,458	-
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning), restated	-	-	-	-
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, 2021

Exhibit H-2

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		224	225	240	242
Data Control Codes		IDEA B - Formula	IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ 347,433	\$ -
5800	State Program Revenues	-	-	156,760	-
5900	Federal Program Revenues	10,641,580	180,866	2,204,191	16,310,715
5020	Total Revenues	10,641,580	180,866	2,708,384	16,310,715
Expenditures					
Current:					
0011	Instruction	8,693,597	180,866	-	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	1,162,773	-	-	-
0021	Instructional Leadership	41,762	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	689,125	-	-	-
0032	Social work services	-	-	-	-
0033	Health Services	53,575	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	8,629,654	16,310,715
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	110,061	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	748	-	-	-
6030	Total Expenditures	10,641,580	180,866	8,739,715	16,310,715
1100	Excess (deficiency) of revenues over expenditures	-	-	(6,031,331)	-
1200	Net change in fund balances	-	-	(6,031,331)	-
0100	Fund Balance - July 1 (Beginning), restated	-	-	12,069,427	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 6,038,096	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2

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Data Control Codes	244	255	263	266
	Carl D. Perkins Technology	Title II-A - Supporting Effective Instruction	Title III-A ELA	ESSER I
Revenues				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	577,612	2,364,057	1,511,233	472,187
5020 Total Revenues	<u>577,612</u>	<u>2,364,057</u>	<u>1,511,233</u>	<u>472,187</u>
Expenditures				
Current:				
0011 Instruction	87,415	-	185,383	472,187
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	2,292,282	1,108,524	-
0021 Instructional Leadership	31,679	-	36,427	-
0023 School Leadership	-	71,775	-	-
0031 Guidance, Counseling and Evaluation Services	458,518	-	1,430	-
0032 Social work services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	179,469	-
6030 Total Expenditures	<u>577,612</u>	<u>2,364,057</u>	<u>1,511,233</u>	<u>472,187</u>
Excess (deficiency) of revenues over				
1100 expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balances	-	-	-	-
0100 Fund Balance - July 1 (Beginning), restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2

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	276	277	281	288
Data Control Codes	Instructional Continuity Grant	Coronavirus Relief Fund	ESSER II	Title IV, Part A - SSAEP
Revenues				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	124,814	1,131,100	4,290,744	1,767,474
5020 Total Revenues	<u>124,814</u>	<u>1,131,100</u>	<u>4,290,744</u>	<u>1,767,474</u>
Expenditures				
Current:				
0011 Instruction	124,534	-	4,290,744	513,494
0012 Instructional Resources and Media Services	-	-	-	500,383
0013 Curriculum and Instructional Staff Development	-	-	-	113,722
0021 Instructional Leadership	-	-	-	17,762
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	48,938
0032 Social work services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0051 Plant Maintenance and Operations	-	522,500	-	573,175
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	608,600	-	-
0061 Community Services	280	-	-	-
6030 Total Expenditures	<u>124,814</u>	<u>1,131,100</u>	<u>4,290,744</u>	<u>1,767,474</u>
Excess (deficiency) of revenues over				
1100 expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net change in fund balances	-	-	-	-
0100 Fund Balance - July 1 (Beginning), restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2

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		289	315	316	340
Data Control Codes		Texas Literary Initiative	IDEA B - Discretionary	IDEA B - Formula (Deaf)	SSA - IDEA C - Early Intervention (Deaf)
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	61,209	108,742	-	452
5020	Total Revenues	61,209	108,742	-	452
Expenditures					
Current:					
0011	Instruction	-	108,742	-	400
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	52
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	61,209	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	61,209	108,742	-	452
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning), restated	-	-	-	-
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, 2021

Exhibit H-2

Page 6 of 8

		381	385	397	410
Data Control Codes		Adult Basic Education (ABE)	State Visual Impairment	Advanced Placement Incentive	Instructional Materials Allotment
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	19,113	24,600	2,243,728
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	-	19,113	24,600	2,243,728
Expenditures					
Current:					
0011	Instruction	-	19,113	23,775	2,240,941
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	11,100	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	-	19,113	34,875	2,240,941
1100	Excess (deficiency) of revenues over expenditures	-	-	(10,275)	2,787
1200	Net change in fund balances	-	-	(10,275)	2,787
0100	Fund Balance - July 1 (Beginning), restated	-	8	23,775	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 8	\$ 13,500	\$ 2,787

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2
Page 7 of 8

		414	424	429	435
Data Control Codes		Texas Accelerated Science	Texas Fitness Now (TFN)	Other State Programs	Regional Day School for the Deaf
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	125,000	838,017	610,527
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	-	125,000	838,017	610,527
Expenditures					
Current:					
0011	Instruction	70,340	15,000	26,938	610,071
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	186,879	-
0032	Social work services	-	-	22,522	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	218,709	-
0035	Food Services	-	110,000	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	244,352	456
0052	Security and Monitoring Services	-	-	205,212	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	70,340	125,000	904,612	610,527
1100	Excess (deficiency) of revenues over expenditures	(70,340)	-	(66,595)	-
1200	Net change in fund balances	(70,340)	-	(66,595)	-
0100	Fund Balance - July 1 (Beginning), restated	70,340	-	75,244	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 8,649	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit H-2

Page 8 of 8

		461	481	492	497	
Data Control Codes		Campus Activity Funds	AISS Access	National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
Revenues						
5700	Local and Intermediate Sources	\$ 646,849	\$ -	\$ -	\$ 104,020	\$ 1,098,302
5800	State Program Revenues	-	-	12,000	-	4,029,745
5900	Federal Program Revenues	-	-	-	-	59,918,189
5020	Total Revenues	646,849	-	12,000	104,020	65,046,236
Expenditures						
Current:						
0011	Instruction	-	36,154	12,000	52,237	27,136,508
0012	Instructional Resources and Media Services	-	-	-	38,292	623,718
0013	Curriculum and Instructional Staff Development	-	-	-	6,260	6,479,324
0021	Instructional Leadership	-	-	-	215	4,029,473
0023	School Leadership	-	-	-	-	92,539
0031	Guidance, Counseling and Evaluation Services	-	-	-	-	1,493,895
0032	Social work services	-	-	-	-	873,972
0033	Health Services	-	-	-	-	53,575
0034	Student Transportation	-	-	-	-	229,153
0035	Food Services	-	-	-	-	25,050,369
0036	Cocurricular/Extracurricular Activities	966,834	-	-	7,016	973,850
0051	Plant Maintenance and Operations	-	-	-	-	1,452,136
0052	Security and Monitoring Services	-	-	-	-	266,421
0053	Data Processing Services	-	-	-	-	608,600
0061	Community Services	-	-	-	-	2,214,596
6030	Total Expenditures	966,834	36,154	12,000	104,020	71,578,129
1100	Excess (deficiency) of revenues over expenditures	(319,985)	(36,154)	-	-	(6,531,893)
1200	Net change in fund balances	(319,985)	(36,154)	-	-	(6,531,893)
0100	Fund Balance - July 1 (Beginning), restated	2,346,556	36,154	-	-	14,621,504
3000	Fund Balance - June 30 (Ending)	\$ 2,026,571	\$ -	\$ -	\$ -	\$ 8,089,611

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

Exhibit H-3

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 336,379	\$ 5,156,199	\$ 5,492,578
Receivables:			
Due from other funds	21,496	370,266	391,762
Total Current Assets	<u>357,875</u>	<u>5,526,465</u>	<u>5,884,340</u>
Total Assets	<u>357,875</u>	<u>5,526,465</u>	<u>5,884,340</u>
Liabilities			
Current Liabilities:			
Accounts payable	18,530	82,639	101,169
Accrued expenses	-	3,958,185	3,958,185
Total Current Liabilities	<u>18,530</u>	<u>4,040,824</u>	<u>4,059,354</u>
Total Liabilities	<u>18,530</u>	<u>4,040,824</u>	<u>4,059,354</u>
Net Position			
Unrestricted	339,345	1,485,641	1,824,986
Total Net Position	<u>\$ 339,345</u>	<u>\$ 1,485,641</u>	<u>\$ 1,824,986</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

Exhibit H-4

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Operating Revenues			
Charges for services	\$ 333,707	\$ 1,198,600	\$ 1,532,307
Total Operating Revenues	<u>333,707</u>	<u>1,198,600</u>	<u>1,532,307</u>
Operating Expenses			
Purchased and contracted services	208,825	-	208,825
Supplies and materials	88,768	-	88,768
Claims expense and other operating expenses	-	606,107	606,107
Total Operating Expenses	<u>297,593</u>	<u>606,107</u>	<u>903,700</u>
Operating Income (Loss)	<u>36,114</u>	<u>592,493</u>	<u>628,607</u>
Non-Operating Revenues (Expenses)			
Earnings - temporary deposits and investments	-	8,978	8,978
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>8,978</u>	<u>8,978</u>
Change in Net Position	36,114	601,471	637,585
Net Position - July 1 (Beginning)	<u>303,231</u>	<u>884,170</u>	<u>1,187,401</u>
Net Position - June 30 (Ending)	<u>\$ 339,345</u>	<u>\$ 1,485,641</u>	<u>\$ 1,824,986</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2021

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	\$ 333,707	\$ 959,187	\$ 1,292,894
Cash payments for insurance claims	-	(1,222,324)	(1,222,324)
Cash payments to suppliers	(50,367)	-	(50,367)
Cash payments for other operating expenses	(208,825)	-	(208,825)
Net Cash Provided by (Used for) Operating Activities	<u>74,515</u>	<u>(263,137)</u>	<u>(188,622)</u>
Cash Flows from Investing Activities:			
Interest on investments	-	8,978	8,978
Net Cash Provided by Investing Activities	<u>-</u>	<u>8,978</u>	<u>8,978</u>
Net Increase (decrease) in Cash and Cash Equivalents	74,515	(254,159)	(179,644)
Cash and Cash Equivalents at Beginning of Year	261,864	5,410,358	5,672,222
Cash and Cash Equivalents at End of Year	<u>\$ 336,379</u>	<u>\$ 5,156,199</u>	<u>\$ 5,492,578</u>
Reconciliation to Balance Sheet:			
Cash and Cash Equivalents Per Cash Flow	\$ 336,379	\$ 5,156,199	\$ 5,492,578
Cash and Cash Equivalents per Balance Sheet	<u>\$ 336,379</u>	<u>\$ 5,156,199</u>	<u>\$ 5,492,578</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by operating Activities:			
Operating Income (Loss)	\$ 36,114	\$ 592,493	\$ 628,607
Change in Assets and Liabilities:			
Decrease (increase) in Interfund Receivables	22,773	(239,413)	(216,640)
Increase (decrease) in Accounts Payable	15,628	(33,225)	(17,597)
Increase (decrease) in Accrued Expenses	-	(582,992)	(582,992)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 74,515</u>	<u>\$ (263,137)</u>	<u>\$ (188,622)</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, 2021

Exhibit J-1
Page 1 of 2

	1	2	3	10
	Tax Rates		Net Assessed/Appraised	Beginning
Last Ten	Maintenance	Debt Service	Value For School	Balance
Fiscal Years				
			Tax Purposes	7/1/2020
2012 and prior	Various	Various	Various	\$ 9,267,557
2013	1.040000	0.265500	19,779,331,339	511,878
2014	1.040000	0.261000	20,220,917,724	544,320
2015	1.040000	0.252170	21,265,403,194	509,638
2016	1.040000	0.308110	21,317,959,305	823,595
2017	1.040000	0.372950	22,961,131,839	761,622
2018	1.040000	0.350080	24,852,974,719	962,428
2019	1.040000	0.328670	27,724,047,506	2,186,225
2020	0.970000	0.328670	31,092,102,305	7,151,708
2021	1.086400	0.300700	32,074,210,610	-
1000 TOTALS				<u>\$ 22,718,971</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2021

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 6/30/2021
2012 and prior	\$ -	35,986	\$ 10,749	\$ (265,399)	\$ 8,955,423
2013	-	8,246	2,069	(63)	501,500
2014	-	10,139	2,458	(129)	531,594
2015	-	12,707	3,765	(19)	493,147
2016	-	19,936	7,149	2,959	799,469
2017	-	41,622	14,011	6,332	712,321
2018	-	101,727	32,149	4,322	832,874
2019	-	292,842	92,547	(58,594)	1,742,242
2020	-	1,263,922	428,261	(3,635,236)	1,824,289
2021	<u>444,901,375</u>	<u>344,063,092</u>	<u>95,231,749</u>	<u>-</u>	<u>5,606,534</u>
1000 TOTALS	<u><u>\$ 444,901,375</u></u>	<u><u>\$ 345,850,219</u></u>	<u><u>\$ 95,824,907</u></u>	<u><u>\$ (3,945,827)</u></u>	<u><u>\$ 21,999,393</u></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, 2021**

Data Control Codes		Child Nutrition			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 6,004,952	\$ 383,103	\$ 347,433	\$ (35,670)
5800	State program revenues	175,000	175,000	156,760	(18,240)
5900	Federal program revenues	27,999,349	1,813,666	2,204,191	390,525
	Total Revenues	<u>34,179,301</u>	<u>2,371,769</u>	<u>2,708,384</u>	<u>336,615</u>
	Expenditures:				
0035	Food services	33,790,133	11,843,387	8,629,654	3,213,733
0051	Facilities maintenance and operations	150,419	150,419	110,061	40,358
	Total Expenditures	<u>33,940,552</u>	<u>11,993,806</u>	<u>8,739,715</u>	<u>3,254,091</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>238,749</u>	<u>(9,622,037)</u>	<u>(6,031,331)</u>	<u>3,590,706</u>
1200	Change in fund balance	238,749	(9,622,037)	(6,031,331)	3,590,706
0100	Fund Balance - July 1 (beginning)	<u>12,069,427</u>	<u>12,069,427</u>	<u>12,069,427</u>	<u>-</u>
3000	Fund Balance - June 30 (ending)	<u><u>\$ 12,308,176</u></u>	<u><u>\$ 2,447,390</u></u>	<u><u>\$ 6,038,096</u></u>	<u><u>\$ 3,590,706</u></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 FUND
 For the Year Ended June 30, 2021**

Data Control Codes		Debt Service			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local revenues	\$ 89,340,370	\$ 95,982,676	\$ 96,352,064	\$ 369,388
5800	State program revenues	953,396	854,376	799,637	(54,739)
5900	Federal program revenues	395,055	400,280	400,280	-
Total Revenues		90,688,821	97,237,332	97,551,981	314,649
Expenditures					
Debt Service:					
0071	Debt service expenditures	55,223,578	56,345,396	52,626,970	3,718,426
0072	Interest on long-term debt	37,486,251	37,486,251	37,486,251	-
0073	Bond issuance costs and fees	1,002,014	1,002,014	1,002,014	-
Total Expenditures		93,711,843	94,833,661	91,115,235	3,718,426
1100	Excess (deficiency) of revenues over expenditures	(3,023,022)	2,403,671	6,436,746	4,033,075
Other Financing Sources (Uses)					
7901	Refunding bonds issued	-	-	137,794,956	137,794,956
7916	Premium or discount on issuance of bonds	-	-	16,227,961	16,227,961
8949	Payment to Bond Refunding Escrow Agent	-	-	(156,105,140)	(156,105,140)
Total Other Financing Sources (Uses)		-	-	(2,082,223)	(2,082,223)
1200	Net change in fund balance	(3,023,022)	2,403,671	4,354,523	1,950,852
0100	Fund balances - Beginning	54,774,708	54,774,708	54,774,708	-
3000	Fund balances - Ending	\$ 51,751,686	\$ 57,178,379	\$ 59,129,231	\$ 1,950,852

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-4
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2021**

Data Control Codes		Capital Projects Fund			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local revenues	\$ 2,250,000	\$ 1,225,861	\$ 1,138,504	\$ (87,357)
5900	Federal program revenues	-	-	1,187,784	1,187,784
Total Revenues		2,250,000	1,225,861	2,326,288	1,100,427
Expenditures					
Current:					
0011	Instruction	29,416,784	33,710,330	2,820,662	30,889,668
0013	Curriculum and instructional staff development	-	144,069	133,515	10,554
0034	Student transportation	2,922,767	4,941,290	2,370,790	2,570,500
0036	Extracurricular activities	381,600	1,679,089	801,200	877,889
0051	Plant maintenance and operations	80,628,396	62,123,874	539,415	61,584,459
0052	Security and monitoring services	6,247,978	226,471	48,154	178,317
0053	Data processing services	11,469,996	29,775,776	3,692,790	26,082,986
Debt Service:					
0071	Debt service expenditures	-	1,235,622	1,235,622	-
Capital Outlay:					
0081	Facilities acquisition and construction	215,001,281	407,882,064	122,894,126	284,987,938
Total Expenditures		346,068,802	541,718,585	134,536,274	407,182,311
1100	Excess (deficiency) of revenues over expenditures	(343,818,802)	(540,492,724)	(132,209,986)	408,282,738
Other Financing Sources (Uses)					
7911	Capital-related debt issued (regular bonds)	-	-	158,890,000	158,890,000
7912	Sale of real or personal property	-	-	183,986	183,986
7915	Operating transfers in	-	-	7,800,000	7,800,000
7916	Premium or discount on issuance of bonds	-	-	36,759,783	36,759,783
Total Other Financing Sources (Uses)		-	-	203,633,769	203,633,769
1200	Net change in fund balance	(343,818,802)	(540,492,724)	71,423,783	611,916,507
0100	Fund Balances - Beginning	337,450,512	337,450,512	337,450,512	-
3000	Fund Balances - Ending	\$ (6,368,290)	\$ (203,042,212)	\$ 408,874,295	\$ 611,916,507

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.

Page

Financial Trends

110

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

120

The schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

129

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

133

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

139

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Net Position					
Net investment in capital assets	\$ 248,973,295	\$ 202,728,394	\$ 217,157,321	\$ 168,904,696	\$ 31,929,478
Restricted for federal and state programs	6,172,121	12,260,485	16,050,021	14,603,590	737,936
Restricted for debt service	44,897,318	46,156,785	22,790,002	20,286,488	18,173,383
Unrestricted	(196,466,588)	(493,549,281)	(491,301,312)	(372,835,728)	149,027,332
Total Governmental Net Position	<u>103,576,146</u>	<u>(232,403,617)</u>	<u>(235,303,968)</u>	<u>(169,040,954)</u>	<u>199,868,129</u>
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	-	-	-	-	11,045,198
Restricted for federal and state programs	-	-	-	-	7,078,894
Unrestricted	130,565	-	-	-	-
Total Business-Type Net Position	<u>130,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,124,092</u>
Total Primary Government Net Position					
Net investment in capital assets	248,973,295	202,728,394	217,157,321	168,904,696	42,974,676
Restricted for federal and state programs	6,172,121	12,260,485	16,050,021	14,603,590	7,816,830
Restricted for debt service	44,897,318	46,156,785	22,790,002	20,286,488	18,173,383
Unrestricted	(196,466,588)	(493,549,281)	(491,301,312)	(372,835,728)	149,027,332
Total Primary Government Net Position	<u>\$ 103,706,711</u>	<u>\$ (232,403,617)</u>	<u>\$ (235,303,968)</u>	<u>\$ (169,040,954)</u>	<u>\$ 217,992,221</u>

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

⁽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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Net Position					
Net investment in capital assets	\$ 70,466,966	\$ 94,478,337	\$ 63,648,331	\$ 69,384,718	\$ 108,758,102
Restricted for federal and state programs	610,145	384,459	3,267,869	3,545,144	4,012,243
Restricted for debt service	16,838,551	15,936,844	13,376,345	13,151,459	13,521,565
Unrestricted	162,870,820	143,006,519	219,267,502	175,806,732	121,565,824
Total Governmental Net Position	<u>250,786,482</u>	<u>253,806,159</u>	<u>299,560,047</u>	<u>261,888,053</u>	<u>247,857,734</u>
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	10,500,180	10,278,226	9,573,377	8,031,599	6,490,976
Restricted for federal and state programs	5,210,435	6,882,026	11,105,771	10,397,105	8,758,026
Unrestricted	-	-	-	-	-
Total Business-Type Net Position	<u>15,710,615</u>	<u>17,160,252</u>	<u>20,679,148</u>	<u>18,428,704</u>	<u>15,249,002</u>
Total Primary Government Net Position					
Net investment in capital assets	80,967,146	104,756,563	73,221,708	77,416,317	115,249,078
Restricted for federal and state programs	5,820,580	7,266,485	14,373,640	13,942,249	12,770,269
Restricted for debt service	16,838,551	15,936,844	13,376,345	13,151,459	13,521,565
Unrestricted	162,870,820	143,006,519	219,267,502	175,806,732	121,565,824
Total Primary Government Net Position	<u>\$ 266,497,097</u>	<u>\$ 270,966,411</u>	<u>\$ 320,239,195</u>	<u>\$ 280,316,757</u>	<u>\$ 263,106,736</u>

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

⁽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

Table 2
Page 1 of 2

	2021	2020	2019	2018	2017
Expenses					
Governmental Activities:					
Instruction	\$ 398,958,138	\$ 403,653,386	\$ 380,457,281	\$ 247,018,085	\$ 376,229,465
Instructional resources and media services	7,785,743	8,099,853	7,298,329	4,923,916	7,243,900
Curriculum and instructional staff development	13,717,307	15,470,910	13,828,998	10,317,798	13,947,095
Instructional leadership	15,087,940	14,348,603	12,112,695	8,398,817	11,444,870
School leadership	34,658,929	36,031,189	33,654,325	20,650,705	32,501,719
Guidance, counseling, and evaluation services	34,099,168	35,695,960	33,071,395	25,186,370	30,557,058
Social work services	3,109,593	3,734,875	3,370,543	2,074,384	3,243,077
Health services	8,060,076	7,955,500	7,612,939	4,421,671	6,429,062
Pupil transportation	17,570,646	18,484,066	18,635,291	14,316,258	13,381,080
Food services	25,476,994	34,599,041	32,369,719	26,820,768	421,005
Cocurricular/extracurricular activities	11,746,345	10,668,802	10,697,800	10,210,220	10,843,567
General administration	12,774,716	12,633,186	11,363,349	7,817,838	9,290,805
Facilities maintenance and operations	57,149,997	96,575,925	140,080,959	143,238,431	120,283,327
Security and monitoring services	8,503,383	10,164,483	9,464,470	7,340,452	8,737,173
Data processing services	15,521,433	13,326,765	16,669,735	8,827,130	12,241,900
Community services	2,750,813	3,195,347	3,026,292	(2,032,546)	2,729,040
Debt service - interest on long-term debt	37,676,125	28,093,965	30,086,505	30,339,181	27,958,981
Bond issuance cost and fees	1,002,014	18,270	329,566	650,289	-
Facilities repairs and maintenance	6,313,260	1,705,089	7,314,069	3,696,335	4,892,556
Payments to Juvenile Justice Alt. Ed. Program	39,990	10,191	10,449	57,534	77,478
Payments to Tax Increment Fund	-	-	3,118,757	2,393,136	1,677,277
Other intergovernmental charges	2,286,581	2,308,964	2,230,531	2,082,715	1,997,237
Total Governmental Activities	714,289,191	756,774,370	776,803,997	578,749,487	696,127,672
Business-Type Activities:					
Natatorium/Food Services	12,543	-	-	-	33,527,597
Total Expenses	714,301,734	756,774,370	776,803,997	578,749,487	729,655,269
Program Revenues					
Governmental Activities:					
Charges for services	3,495,302	6,177,653	8,333,469	9,167,905	5,868,531
Operating grants and contributions	102,322,557	153,420,351	120,673,787	(15,832,877)	67,640,176
Total Governmental Activities	105,817,859	159,598,004	129,007,256	(6,664,972)	73,508,707
Business-type activities:					
Charges for services	143,108	-	-	-	6,124,630
Operating grants and contributions	-	-	-	-	28,372,368
Total Business-Type Activities	143,108	-	-	-	34,496,998
Total Program Revenues	105,960,967	159,598,004	129,007,256	(6,664,972)	108,005,705
Net Expenses	\$ (608,340,767)	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)	\$ (621,649,564)

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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
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	2016	2015	2014	2013	2012
Expenses					
Governmental Activities:					
Instruction	\$ 399,051,889	\$ 321,641,711	\$ 347,695,598	\$ 326,972,420	\$ 292,381,916
Instructional resources and media services	8,129,652	6,568,327	7,048,633	6,274,891	5,963,914
Curriculum and instructional staff development	13,199,858	11,706,779	10,292,439	9,499,551	6,701,859
Instructional leadership	9,924,616	6,918,312	7,124,368	6,687,141	5,435,172
School leadership	31,585,630	26,454,600	27,253,780	25,724,635	21,294,889
Guidance, counseling, and evaluation services	29,579,678	26,178,274	25,530,501	23,682,670	17,621,819
Social work services	2,700,653	2,360,625	2,326,072	2,138,454	1,780,216
Health services	5,992,175	5,025,111	5,501,273	5,108,523	4,840,254
Pupil transportation	11,888,600	12,436,347	10,901,683	10,203,605	8,976,259
Food services	807,280	591,766	388,674	432,435	344,969
Cocurricular/extracurricular activities	10,234,216	8,954,157	9,412,633	8,833,151	8,147,211
General administration	8,969,032	7,733,533	7,033,855	6,540,185	5,499,431
Facilities maintenance and operations	69,186,113	49,693,227	51,447,854	50,879,295	45,045,408
Security and monitoring services	7,287,373	6,309,707	5,144,430	4,942,866	3,835,434
Data processing services	10,186,722	14,815,067	8,197,313	7,628,023	6,664,602
Community services	2,339,909	2,902,788	3,179,647	3,115,412	2,835,888
Debt service - interest on long-term debt	28,397,762	21,421,011	15,486,058	19,368,480	16,860,954
Bond issuance cost and fees	-	-	-	-	-
Facilities repairs and maintenance	1,599,431	38,440,109	1,413,049	970,785	-
Payments to Juvenile Justice Alt. Ed. Program	72,885	67,467	53,396	41,125	266,250
Payments to Tax Increment Fund	1,096,490	7,028,326	7,565,996	3,817,396	3,507,648
Other intergovernmental charges	1,869,421	1,916,015	1,782,827	1,668,202	1,234,497
Total Governmental Activities	654,099,385	579,163,259	554,780,079	524,529,245	459,238,590
Business-Type Activities:					
Food services	33,604,463	30,500,382	30,208,241	28,573,344	25,529,203
Total Expenses	687,703,848	609,663,641	584,988,320	553,102,589	484,767,793
Program Revenues					
Governmental Activities:					
Charges for services	3,188,625	3,136,176	2,864,989	2,956,248	2,682,308
Operating grants and contributions	90,044,617	70,491,908	65,603,117	62,110,376	55,880,066
Total Governmental Activities	93,233,242	73,628,084	68,468,106	65,066,624	58,562,374
Business-type activities:					
Charges for services	5,772,190	5,982,774	6,197,429	6,233,987	5,744,326
Operating grants and contributions	26,222,815	25,714,657	26,175,558	25,409,362	21,856,266
Total Business-Type Activities	31,995,005	31,697,431	32,372,987	31,643,349	27,600,592
Total Program Revenues	125,228,247	105,325,515	100,841,093	96,709,973	86,162,966
Net Expenses	\$ (562,475,601)	\$ (504,338,126)	\$ (484,147,227)	\$ (456,392,616)	\$ (398,604,827)

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2021	2020	2019	2018	2017
Net Expense					
Governmental activities	\$ (608,471,332)	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)	\$ (622,618,965)
Business-type activities	130,565	-	-	-	969,401
Total Net Expenses	(608,340,767)	(597,176,366)	(647,796,741)	(585,414,459)	(621,649,564)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	347,129,622	301,684,968	286,320,427	264,362,150	237,332,902
Property taxes levied for debt service	95,857,548	101,403,166	91,266,549	83,461,267	80,319,360
State Aid Formula Grants	190,358,289	184,435,780	186,058,925	210,290,252	236,250,430
Grants and contributions - not restricted	1,437,599	430,085	546,505	626,879	11,276,867
Investment earnings	851,104	7,223,663	11,954,017	8,787,821	5,238,265
Miscellaneous local and intermediate revenue	2,603,370	4,899,055	5,387,304	6,588,246	1,375,808
Special item - Gain on sale of asset	-	-	-	6,487,319	-
Transfers out	-	-	-	-	(93,020)
Total Government Activities	638,237,532	600,076,717	581,533,727	580,603,934	571,700,612
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	-	-	-	-	61,586
Grants and contributions - not restricted	-	-	-	-	-
Transfers in	-	-	-	-	93,020
Total Business-Type Activities	-	-	-	-	154,606
Total General Revenues	638,237,532	600,076,717	581,533,727	580,603,934	571,855,218
Change in Net Position					
Governmental activities	29,766,200	2,900,351	(66,263,014)	(4,810,525)	(50,918,353)
Business-type activities	130,565	-	-	-	1,124,007
Total Change in Net Position	\$ 29,896,765	\$ 2,900,351	\$ (66,263,014)	\$ (4,810,525)	\$ (49,794,346)

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.

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

Table 3
Page 2 of 2

	2016	2015	2014	2013	2012
Net Expense					
Governmental activities	\$ (560,866,143)	\$ (505,535,175)	\$ (486,311,973)	\$ (459,462,621)	\$ (400,676,216)
Business-type activities	(1,609,458)	1,197,049	2,164,746	3,070,005	2,071,389
Total Net Expenses	(562,475,601)	(504,338,126)	(484,147,227)	(456,392,616)	(398,604,827)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	222,354,931	216,566,195	206,070,657	200,219,710	196,230,568
Property taxes levied for debt service	79,922,367	65,816,287	51,143,124	50,876,378	50,736,898
State Aid Formula Grants	237,366,093	239,828,021	248,873,467	209,684,541	208,267,754
Grants and contributions - not restricted	7,718,245	9,131,377	8,593,641	9,835,162	4,421,877
Investment earnings	1,966,781	458,884	237,042	418,043	470,629
Miscellaneous local and intermediate revenue	8,653,947	10,103,186	9,145,584	6,209,381	4,445,848
Special item - Gain on sale of asset	-	-	-	-	-
Transfers out	(135,898)	(307,475)	(79,552)	(99,159)	-
Total Government Activities	557,846,466	541,596,475	523,983,963	477,144,056	464,573,574
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	23,923	6,030	6,146	10,538	9,154
Grants and contributions - not restricted	-	8,000	-	-	-
Transfers in	135,898	307,475	79,552	99,159	-
Total Business-Type Activities	159,821	321,505	85,698	109,697	9,154
Total General Revenues	558,006,287	541,917,980	524,069,661	477,253,753	464,582,728
Change in Net Position					
Governmental activities	(3,019,677)	36,061,300	37,671,990	17,681,435	63,897,358
Business-type activities	(1,449,637)	1,518,554	2,250,444	3,179,702	2,080,543
Total Change in Net Position	\$ (4,469,314)	\$ 37,579,854	\$ 39,922,434	\$ 20,861,137	\$ 65,977,901

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.

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

Table 4
Page 1 of 2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Funds					
General Fund					
Nonspendable	\$ 2,997,123	\$ 2,341,323	\$ 1,919,613	\$ 1,872,418	\$ 1,801,741
Restricted	-	-	-	-	-
Committed	-	-	-	-	7,754,294
Assigned	77,199,882	25,346,609	2,556,610	1,397,097	1,335,076
Unassigned	<u>164,299,043</u>	<u>194,696,834</u>	<u>193,531,238</u>	<u>198,622,637</u>	<u>188,562,124</u>
Total General Fund	<u>244,496,048</u>	<u>222,384,766</u>	<u>198,007,461</u>	<u>201,892,152</u>	<u>199,453,235</u>
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	59,129,231	54,774,708	32,856,489	30,438,976	27,797,595
Capital Projects Fund	405,073,175	337,450,512	110,201,609	184,633,256	224,989,653
Special Revenue Funds	6,063,040	12,274,948	16,114,758	14,603,590	737,936
Committed, reported in:					
Capital Projects Fund	-	-	22,258,288	37,059,497	11,561,723
Special Revenue Funds	15,383,694	12,838,205	11,938,295	10,642,895	30,376,914
Assigned, reported in:					
Capital Projects Fund	3,801,120	-	-	-	-
Unassigned, reported in:					
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,340)</u>	<u>-</u>
Total All Other Governmental Funds	<u>489,450,260</u>	<u>417,338,373</u>	<u>193,369,439</u>	<u>277,373,874</u>	<u>295,463,821</u>
Total Governmental Funds	<u>\$ 733,946,308</u>	<u>\$ 639,723,139</u>	<u>\$ 391,376,900</u>	<u>\$ 479,266,026</u>	<u>\$ 494,917,056</u>

Note: During the fiscal year 2011, the District adopted GASB Statement No. 54. Implementing this standard affected the presentation of fund balance on the governmental funds balance sheet.

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental Funds					
General Fund					
Nonspendable	\$ 1,768,805	\$ 1,713,539	\$ 1,606,801	\$ 1,628,288	\$ 2,321,489
Restricted	1,388,971	578,140	2,870,621	3,340,521	3,426,730
Committed	17,100,000	4,729,182	22,729,187	24,295,514	-
Assigned	1,531,994	7,086,126	8,474,064	2,279,066	1,796,695
Unassigned	<u>182,935,118</u>	<u>174,656,116</u>	<u>153,115,642</u>	<u>124,747,892</u>	<u>131,710,852</u>
Total General Fund	<u>204,724,888</u>	<u>188,763,103</u>	<u>188,796,315</u>	<u>156,291,281</u>	<u>139,255,766</u>
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	25,723,015	22,539,596	17,263,838	17,991,873	19,943,320
Capital Projects Fund	259,672,376	166,150,566	30,150,719	52,341,698	74,596,781
Special Revenue Funds	610,145	384,459	397,248	204,623	585,883
Committed, reported in:					
Capital Projects Fund	10,296,787	9,022,742	9,022,741	7,960,557	9,773,397
Special Revenue Funds	29,434,664	28,335,237	25,825,072	24,099,660	21,763,063
Assigned, reported in:					
Capital Projects Fund	-	-	-	-	-
Unassigned, reported in:					
Special Revenue Funds	<u>-</u>	<u>(2,284)</u>	<u>(2,284)</u>	<u>(410)</u>	<u>-</u>
Total All Other Governmental Funds	<u>325,736,987</u>	<u>226,430,316</u>	<u>82,657,334</u>	<u>102,598,001</u>	<u>126,662,444</u>
Total Governmental Funds	<u>\$ 530,461,875</u>	<u>\$ 415,193,419</u>	<u>\$ 271,453,649</u>	<u>\$ 258,889,282</u>	<u>\$ 265,918,210</u>

Note: During the fiscal year 2011, the District adopted GASB Statement No. 54. Implementing this standard affected the presentation of fund balance on the governmental funds balance sheet.

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2021	2020	2019	2018	2017
Expenditures					
Governmental Activities:					
11 Instruction	\$ 368,785,584	\$ 353,997,503	\$ 342,204,289	\$ 350,493,989	\$ 349,061,853
12 Instructional resources and media services	7,449,660	7,181,708	6,592,044	6,660,952	6,732,653
13 Curriculum and staff development services	13,293,627	14,169,111	13,022,771	12,274,734	13,340,775
Total Function 10	389,528,871	375,348,322	361,819,104	369,429,675	369,135,281
21 Instructional leadership	14,471,036	12,467,041	10,918,360	11,010,123	10,632,750
23 School leadership	32,995,778	31,223,127	30,015,687	29,367,814	29,930,652
Total Function 20	47,466,814	43,690,168	40,934,047	40,377,937	40,563,402
31 Guidance, counseling, and evaluation services	32,541,307	31,104,369	30,117,938	29,510,682	28,302,660
32 Social work services	2,981,161	3,202,179	3,024,965	3,110,415	3,027,967
33 Health services	7,674,903	6,973,645	6,855,320	6,261,232	5,938,186
34 Student transportation	16,954,125	17,167,405	17,753,529	15,361,045	14,139,059
35 Food service	25,050,369	32,649,298	31,053,664	31,069,886	419,998
36 Extracurricular activities	11,282,489	9,931,888	10,165,334	10,160,072	10,452,299
Total Function 30	96,484,354	101,028,784	98,970,750	95,473,332	62,280,169
41 General administration	12,199,711	11,643,040	10,455,205	9,529,509	8,674,747
Total Function 40	12,199,711	11,643,040	10,455,205	9,529,509	8,674,747
51 Plant maintenance and operations	54,971,618	91,783,148	136,562,877	148,936,589	118,312,510
52 Security and monitoring services	8,160,398	9,195,079	8,728,687	8,950,601	8,156,756
53 Data processing services	15,033,953	12,164,339	15,779,669	17,669,161	12,833,845
Total Function 50	78,165,969	113,142,566	161,071,233	175,556,351	139,303,111
61 Community services	2,662,015	2,767,410	2,508,973	2,372,256	2,604,072
Total Function 60	2,662,015	2,767,410	2,508,973	2,372,256	2,604,072
71 Debt service					
71 Principal on long-term debt	54,390,907	49,860,359	58,566,378	51,281,455	53,325,019
72 Interest on long-term debt	37,547,099	32,440,370	33,631,065	33,205,341	28,401,733
73 Bond issuance costs and fees	1,002,014	2,085,355	329,566	650,289	1,460,430
Total Function 70	92,940,020	84,386,084	92,527,009	85,137,085	83,187,182
81 Facilities acquisition/construction	122,894,126	62,942,513	39,488,630	25,975,672	93,652,400
Total Function 80	122,894,126	62,942,513	39,488,630	25,975,672	93,652,400
95 Payments to Juvenile Justice Alt. Ed. Program	39,990	10,191	10,449	57,534	77,478
97 Payments to Tax Increment Fund	-	-	3,118,757	2,393,136	1,677,277
99 Other intergovernmental charges	2,286,581	2,308,964	2,230,531	2,082,715	1,997,237
Total Function 90	2,326,571	2,319,155	5,359,737	4,533,385	3,751,992
Total Expenditures	\$ 844,668,451	\$ 797,268,042	\$ 813,134,688	\$ 808,385,202	\$ 803,152,356
Debt Service as a % of noncapital expenditures:	12.82%	11.26%	12.02%	10.89%	11.52%

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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2016	2015	2014	2013	2012
Expenditures					
Governmental Activities:					
11 Instruction	\$ 365,893,789	\$ 341,740,353	\$ 333,760,496	\$ 315,443,325	\$ 282,673,930
12 Instructional resources and media services	7,670,575	6,965,671	6,759,756	6,013,136	5,701,051
13 Curriculum and staff development services	12,654,301	12,037,844	10,105,982	9,347,159	6,613,513
Total Function 10	386,218,665	360,743,868	350,626,234	330,803,620	294,988,494
21 Instructional leadership	9,311,191	7,380,990	6,836,929	6,408,693	5,253,816
23 School leadership	29,197,851	27,774,460	25,939,275	24,550,708	20,425,269
Total Function 20	38,509,042	35,155,450	32,776,204	30,959,401	25,679,085
31 Guidance, counseling, and evaluation services	27,506,017	27,418,043	24,417,906	22,666,317	16,979,919
32 Social work services	2,514,049	2,576,150	2,325,244	2,137,027	1,736,929
33 Health services	5,550,290	5,370,810	5,233,736	4,872,288	4,623,820
34 Student transportation	17,733,858	12,987,216	13,196,865	12,524,372	8,723,934
35 Food service	817,318	592,272	388,210	433,000	349,393
36 Extracurricular activities	9,815,077	9,548,432	9,065,988	8,467,395	7,804,876
Total Function 30	63,936,609	58,492,923	54,627,949	51,100,399	40,218,871
41 General administration	8,392,718	8,253,048	6,739,452	6,285,394	5,466,109
Total Function 40	8,392,718	8,253,048	6,739,452	6,285,394	5,466,109
51 Plant maintenance and operations	67,898,753	51,982,273	50,130,534	49,651,274	43,947,936
52 Security and monitoring services	7,085,194	6,591,625	5,207,624	5,540,877	3,780,303
53 Data processing services	11,543,132	15,350,755	9,408,419	8,440,673	7,158,556
Total Function 50	86,527,079	73,924,653	64,746,577	63,632,824	54,886,795
61 Community services	2,227,766	2,990,839	3,178,207	3,111,373	2,835,888
Total Function 60	2,227,766	2,990,839	3,178,207	3,111,373	2,835,888
71 Debt service					
71 Principal on long-term debt	53,223,746	41,178,329	41,621,319	37,769,533	37,834,692
72 Interest on long-term debt	25,591,148	23,127,591	16,065,298	20,349,329	10,554,395
73 Bond issuance costs and fees	1,669,609	1,375,241	485,189	682,386	587,366
Total Function 70	80,484,503	65,681,161	58,171,806	58,801,248	48,976,453
81 Facilities acquisition/construction	87,295,513	38,440,109	17,302,865	18,511,812	14,201,868
Total Function 80	87,295,513	38,440,109	17,302,865	18,511,812	14,201,868
95 Payments to Juvenile Justice Alt. Ed. Program	72,885	67,467	53,396	41,125	266,250
97 Payments to Tax Increment Fund	1,096,490	7,028,326	7,565,996	3,817,396	3,507,648
99 Other intergovernmental charges	1,869,421	1,916,015	1,782,827	1,668,202	1,234,497
Total Function 90	3,038,796	9,011,808	9,402,219	5,526,723	5,008,395
Total Expenditures	\$ 756,630,691	\$ 652,693,859	\$ 597,571,513	\$ 568,732,794	\$ 492,261,958
Debt Service as a % of noncapital expenditures:	11.94%	10.65%	10.03%	10.70%	10.18%

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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2021	2020	2019	2018	2017
Federal Sources					
Federal grants	\$ 66,825,940	\$ 83,811,236	\$ 72,472,510	\$ 66,326,563	\$ 43,735,764
State Sources					
State education finance program	219,725,119	214,440,303	206,984,160	236,887,068	262,601,123
State grants and other sources	5,384,404	15,401,116	6,200,196	6,875,943	3,371,404
Total State Sources	225,109,523	229,841,419	213,184,356	243,763,011	265,972,527
Local Sources					
Property taxes	443,926,991	400,608,720	363,851,404	345,887,298	318,783,874
Capital Projects Funds	1,138,504	4,457,042	5,883,973	6,379,551	3,129,081
Athletic/extracurricular activities	460,867	605,066	637,305	716,776	742,334
Other local sources	4,747,617	13,147,966	32,929,289	17,370,756	9,610,181
Total Local Sources	450,273,979	418,818,794	403,301,971	370,354,381	332,265,470
Total Revenues	\$ 742,209,442	\$ 732,471,449	\$ 688,958,837	\$ 680,443,955	\$ 641,973,761

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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2016	2015	2014	2013	2012
Federal Sources					
Federal grants	\$ 51,213,473	\$ 42,136,553	\$ 41,952,884	\$ 43,385,720	\$ 36,002,530
State Sources					
State education finance program	260,906,490	264,223,711	270,883,707	228,966,201	219,479,345
State grants and other sources	9,567,134	12,912,613	9,900,166	8,966,911	11,896,826
Total State Sources	270,473,624	277,136,324	280,783,873	237,933,112	231,376,171
Local Sources					
Property taxes	301,184,470	281,717,598	261,295,774	251,505,877	246,967,468
Capital Projects Funds	1,172,821	1,381,326	1,185,374	785,629	758,161
Athletic/extracurricular activities	699,435	647,589	638,644	665,371	716,770
Other local sources	11,941,213	10,911,176	6,863,764	9,670,141	7,365,653
Total Local Sources	314,997,939	294,657,689	269,983,556	262,627,018	255,808,052
Total Revenues	\$ 636,685,036	\$ 613,930,566	\$ 592,720,313	\$ 543,945,850	\$ 523,186,753

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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2021	2020	2019	2018	2017
Excess of Revenues Over (Under) Expenditures	\$ (102,459,009)	\$ (64,796,593)	\$ (124,175,851)	\$ (127,941,247)	\$ (161,178,595)
Other Financial Sources (Uses):					
General long-term debt issued	158,890,000	273,790,000	33,630,000	79,345,000	176,981,368
General long-term debt refunding	137,794,956	-	-	-	-
Premium or discount on issuance of bonds	52,987,744	51,039,838	2,616,735	12,925,940	27,183,879
Sale of real and personal property	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	377,000
Transfers out	(7,800,000)	-	(10,252,520)	(22,094,385)	(478,477)
Payment to escrow agent	(156,105,140)	(11,690,006)	-	-	(78,429,994)
Natural gas lease	-	-	-	-	-
Total Other Financial Sources (Uses)	193,785,622	313,142,832	36,286,725	99,032,977	125,633,776
Extraordinary items (resource)	550,000	-	-	-	-
Net Change in Fund Balances	\$ 91,876,613	\$ 248,346,239	\$ (87,889,126)	\$ (28,908,270)	\$ (35,544,819)

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

	2016	2015	2014	2013	2012
Excess of Revenues Over (Under) Expenditures	\$ (119,945,655)	\$ (38,763,293)	\$ (4,851,200)	\$ (24,786,944)	\$ 30,924,795
Other Financial Sources (Uses):					
General long-term debt issued	220,300,000	159,485,000	16,180,000	16,390,000	44,364,966
General long-term debt refunding	-	-	72,020,000	76,482,234	-
Premium or discount on issuance of bonds	14,618,702	18,221,181	8,081,458	7,667,322	4,733,364
Sale of real and personal property	-	2,886	35,384	69,561	34,881
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	431,307	4,113,971	433,107	-	-
Transfers in	-	-	-	2,799	1,925,679
Transfers out	(135,898)	(307,475)	(79,552)	(98,958)	(1,925,679)
Payment to escrow agent	-	-	(79,254,833)	(82,754,942)	(20,870,172)
Natural gas lease	-	987,500	-	-	-
Total Other Financial Sources (Uses)	235,214,111	182,503,063	17,415,564	17,758,016	28,263,039
Extraordinary items (resource)	-	-	-	-	-
Net Change in Fund Balances	\$ 115,268,456	\$ 143,739,770	\$ 12,564,364	\$ (7,028,928)	\$ 59,187,834

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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		Less: Exemptions	Total Estimated Taxable Value	Total Direct Rate
	Residential or Real Property	Personal Property			
2012	20,018,366,118	4,131,626,701	4,677,226,996	19,472,765,823	1.305500
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

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
2011-12	1.040000	0.265500	1.305500	0.724867	0.648000	0.855000	0.669998	0.410000	0.262739
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

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

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					City of Dalworthington Gardens
		Tarrant County ¹	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	
2012	248,339,784	798,447,284	111,088,494	348,384,651	63,267,520	988,951	799,455
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

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

	2021			2012		
	October 2020 Taxable Value	Rank	Percentage of Total Taxable Value	October 2011 Taxable Value	Rank	Percentage of Total Taxable Value
General Motors Corp.	\$ 973,981,502	1	2.98 %	\$ 193,199,696	1	0.99 %
Oncor Electric Delivery Co., LLC	184,912,236	2	0.56	134,318,361	3	0.69
Arlington Highlands	150,931,704	3	0.46	112,691,550	6	0.58
Parks at Arlington, LP.	150,000,000	4	0.46	140,258,067	2	0.72
Hart Arlington TX LLC	128,546,406	5	0.39			
Blue Atlantic Riverside LP	128,500,000	6	0.39			
Bell Textron Inc	114,505,122	7	0.35	126,181,300	4	0.65
Six Flags Fund II LTD	102,690,846	8	0.31	75,633,646	7	0.39
Bedrock Holdings II (Dallas) LLC	97,680,000	9	0.30			
Grand Prairie Outlets LP	95,239,392	10	0.29			
Chesapeake Operating (WI)				116,020,110	5	0.60
Southwestern Bell				68,435,730	8	0.35
Republic Beverage				66,319,408	9	0.34
Carrizo Oil & Gas				53,151,650	10	0.27
	<u>\$ 2,126,987,208</u>		6.50 %	<u>\$ 1,086,209,518</u>		5.58 %

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 Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Delinquent Taxes	Amount	Percentage of Levy
2012	\$ 248,339,783	\$ 243,830,921	98.18 %	\$ 4,437,264	\$ 248,268,185	99.97 %
2013	252,693,760	247,680,443	98.02 %	3,694,082	251,374,525	99.48 %
2014	263,208,691	257,643,578	97.89 %	3,196,341	260,839,919	99.10 %
2015	286,681,027	282,062,140	98.39 %	3,299,878	285,362,018	99.54 %
2016	301,212,106	296,234,937	98.35 %	4,051,888	300,286,825	99.69 %
2017	319,178,101	314,991,957	98.69 %	3,556,973	318,548,930	99.80 %
2018	345,476,231	340,216,962	98.48 %	3,282,416	343,499,378	99.43 %
2019	379,450,721	373,190,658	98.35 %	2,531,797	375,722,455	99.02 %
2020	403,783,805	396,632,097	98.23 %	1,692,182	398,324,279	98.65 %
2021	444,901,375	439,294,841	98.74 %	-	439,294,841	98.74 %

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	Capital Financing Agreements (Capital Leases)			
2012	\$ 465,377,451	\$ 3,909,136	\$ 131,428	\$ 469,418,015	*	\$ 1,204
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

* 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	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	389,967	\$ 19,472,765,823	\$ 465,377,451	\$ 19,943,320	\$ 445,434,131	2.29	\$ 1,142
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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF DIRECT AND OVERLAPPING DEBT
June 30, 2021
(Unaudited)

Table 15

Government Entity	Net Amount Outstanding Debt	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt²
Tarrant County ³	\$ 240,445,000	15.78 %	\$ 37,942,221
City of Fort Worth	972,335,000	0.01	97,234
City of Arlington	657,335,000	79.23	520,806,521
City of Grand Prairie	383,540,000	36.56	140,222,224
City of Kennedale	9,355,000	1.23	115,067
Town of Pantego	2,565,000	97.99	2,513,444
City of Dalworthington Gardens	4,310,000	98.17	4,231,127
Subtotal, Overlapping Bonded Debt	-		705,927,838
Arlington Independent School District direct debt	-	100.00 %	1,238,247,870
Total Direct and Overlapping debt	-		\$ 1,944,175,708
Ratio of total direct and overlapping debt to:			
Assessed valuations for 2020 (\$32,074,210,610)	-	6.06 %	
Full valuations for 2020 (\$41,436,440,028)	-	4.69 %	
Amount of total direct and overlapping debt per:			
Enrollment (56,840)	\$ 32,658		
Average daily attendance (51,272.10)	35,942		
Per capita (estimated district population - 390,540)	5,035		

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
Table 16
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of of Debt Limit
2012	\$ 1,947,276,582	\$ 445,434,131	\$ 1,501,842,451	22.87
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
Legal Debt Margin Calculation for Fiscal Year 2021:				
	Debt Limit (10% of Assessed Value)		3,207,421,061	
	Debt Applicable to Limit		1,231,451,339	
	Total Legal Debt Margin		<u><u>\$ 1,975,969,722</u></u>	

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

Table 17

<u>Period Ending</u>	<u>City of Arlington Population¹</u>	<u>Fort Worth Arlington Metro Division Population²</u>	<u>Fort Worth Arlington Metro Division Personal Income²</u>	<u>Per Capita Personal Income²</u>	<u>City of Arlington Unemployment Rate³</u>
2012	389967	2290239	4	4	6.7
2013	389967	2409121	4	4	5.6
2014	380084	4	4	4	5.0
2015	375600	4	4	4	3.9
2016	379370	4	4	4	3.9
2017	380740	4	4	4	4.0
2018	382230	4	4	4	3.8
2019	383950	4	4	4	3.5
2020	386180	4	79655	29207	8.0
2021	390540	4	4	28484	6.8

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

		2021		
Taxpayer	Type of Business	Employees	Rank	Percentage of Total City Employment
Arlington Independent School District	Public Education	8,500	1	3.98 %
University of Texas at Arlington	Higher Education	5,300	2	2.48
General Motors	Automobile Assembly	4,484	3	2.10
Texas Health Resources	Health Care/Medical Service	4,063	4	1.90
Six Flags Over Texas	Amusement Park	3,800 ¹	5	1.78
The Parks Mall	Retail	3,500	6	1.64
GM Financial	Financial Service	3,300	7	1.55
City of Arlington	Government	2,509	8	1.18
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>39,302</u>		<u>18.42 %</u>

¹ Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2021 and 2012 was 213,323 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

		2012		
Taxpayer	Type of Business	Employees	Rank	Percentage of Total City Employment
Arlington Independent School District	Public Education	7,908	1	3.19 %
University of Texas at Arlington	Higher Education	4,987	2	2.01
General Motors	Automobile Assembly	2,362	5	0.95
Texas Health Resources	Health Care/Medical Service	2,105	6	0.85
Six Flags Over Texas	Amusement Park	2,500	3	1.01
The Parks Mall	Retail			
GM Financial	Financial Service			
City of Arlington	Government	2,468	4	1.00
J.P. Morgan Chase	Financial Service	1,117	10	0.45
Texas Rangers	Sports/Entertainment	1,295	8	0.52
Arlington Memorial Hospital	Medical Center			
AmeriCredit	Finance	1,570	7	0.63
Cowboys Stadium	Sports/Entertainment			
Medical Center of Arlington	Medical Center	1,250	9	0.50
		<u>27,562</u>		<u>11.11 %</u>

¹ Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2021 and 2012 was 213,323 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

	2021	2020	2019	2018	2017
CLASSROOM TEACHERS	4,115	4,039.6	4,100.6	4,149.8	4,150.3
Athletic Trainer	11.6	12.0	12.0	12.0	12.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	176.7	174.0	169.9	168.0	166.0
Educational Diagnostician	57.0	57.8	55.8	57.9	57.9
Librarian	72.0	71.0	71.8	72.0	71.0
LSSP/Psychologist	21.0	23.0	23.0	22.0	23.0
Occupational/Music Therapist	16.0	15.0	15.9	16.0	15.0
Other Campus Professional Personnel	2.0	-	2.0	2.0	91.9
Other Non-Instructional Prof. Personnel	296.6	285.1	244.7	235.9	274.1
Physical Therapist	-	-	-	-	-
Psychological Associate	-	-	-	-	-
School Nurse	80.3	77.8	81.0	78.4	80.7
Social Worker	16.0	16.0	15.0	16.0	16.0
Speech Therapist/Language Pathologist	60.4	57.7	57.4	56.0	53.2
Teacher Facilitator/Supervisor	139.2	142.8	141.6	143.1	147.6
Work-Based Learning Site Coordinator	-	-	-	-	0.2
PROFESSIONAL SUPPORT	950.8	934.1	892.1	881.3	1,010.6
<u>Campus Administration:</u>					
Principal	74.8	77.0	78.9	78.0	78.8
Assistant Principal	144.6	141.0	128.5	130.6	134.8
Teacher Supervisor	-	-	1.0	1.0	1.0
<u>Central Administration:</u>					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/Assoc/Deputy Superintendent	10.0	9.0	8.0	8.0	9.0
Athletic Director	-	-	-	-	-
Director-Personnel	-	-	-	-	-
Program Dir/Exec Dir/Instr Officer	6.0	6.0	7.9	8.0	26.0
Teacher Supervisor	17.0	14	28.9	28.4	34.9
ADMINISTRATIVE STAFF	253	248.0	254.2	255.0	285.5
Certified Interpreter	5.9	6.9	5.8	5.9	6.9
Educational Aide	781.0	752.6	762.7	771.1	807.6
PARAPROFESSIONAL STAFF	786.9	759.5	768.5	777.0	814.5
AUXILIARY PERSONNEL	2,063.9	2,092.3	2,195.9	2,221.1	2,037.0
TOTAL EMPLOYEES	8,169.7	8,073.5	8,211.3	8,284.2	8,297.9

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

	2016	2015	2014	2013	2012
CLASSROOM TEACHERS	4,132.0	4,089.1	4,113.2	4,051.2	3,931.4
Athletic Trainer	12.0	12.0	12.0	12.0	10.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	169.0	161.0	149.4	148.5	147.6
Educational Diagnostician	57.0	53.1	51.9	50.5	49.6
Librarian	68.0	70.0	64.7	68.9	68.5
LSSP/Psychologist	24.0	21.0	17.9	19.0	17.0
Occupational/Music Therapist	9.0	9.0	9.0	9.2	9.0
Other Campus Professional Personnel	72.9	55.7	58.9	73.4	49.0
Other Non-Instructional Prof. Personnel	190.0	167.8	148.1	154.3	144.2
Physical Therapist	5.0	5.0	4.0	4.0	4.0
Psychological Associate	-	-	-	-	-
School Nurse	75.9	77.8	77.4	75.9	74.2
Social Worker	9.0	18.0	21.0	15.9	13.0
Speech Therapist/Language Pathologist	53.7	48.2	46.7	49.9	57.5
Teacher Facilitator/Supervisor	157.5	151.8	145.6	146.4	141.3
Work-Based Learning Site Coordinator	0.1	-	-	-	-
PROFESSIONAL SUPPORT	905.1	852.4	808.6	829.9	786.9
<u>Campus Administration:</u>					
Principal	75.0	75.0	72.0	71.5	72.7
Assistant Principal	135.8	126.8	128.4	126.1	120.1
Teacher Supervisor	-	-	-	-	-
<u>Central Administration:</u>					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/Assoc/Deputy Superintendent	9.0	6.9	7.0	4.3	5.0
Athletic Director	3.0	1.0	1.0	1.0	1.0
Director-Personnel	2.0	3.0	3.0	3.0	3.0
Program Dir/Exec Dir/Instr Officer	13.0	13.0	12.0	11.8	12.0
Teacher Supervisor	17.0	19.0	21.0	21.7	22.0
ADMINISTRATIVE STAFF	255.8	245.7	245.4	240.4	236.8
Certified Interpreter	5.9	5.8	5.9	6.7	5.9
Educational Aide	805.1	805.0	852.7	835.0	792.8
PARAPROFESSIONAL STAFF	811.0	810.8	858.6	841.7	798.7
AUXILIARY PERSONNEL	2,038.0	2,066.1	2,029.2	2,006.0	1,950.5
TOTAL EMPLOYEES	8,142.0	8,064.1	8,055.0	7,969.2	7,704.3

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
2012	64,703	\$ 374,817,746	\$ 5,793	-4.78 %	3,931	16.46	65.34
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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended June 30, 2012 being a ten month conversion year.

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

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2021
(Unaudited)

Table 21
Page 1 of 2

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

Source: District records

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2021
(Unaudited)

Table 21
Page 2 of 2

	2016	2015	2014	2013	2012
<u>Schools</u>					
Buildings	72	75	74	74	73
Portable buildings	159	178	175	175	176
Stadiums	2	2	3	3	3
Square Feet	8,822,763	8,737,066	8,695,043	8,687,448	8,679,853
Maximum Capacity	74,986	74,986	74,986	74,386	74,386
Enrollment	63,210	63,882	64,688	65,001	64,703
Vehicles	11	15	4	3	3
<u>Administration</u>					
Buildings	11	11	8	8	8
Portable buildings	2	3	3	3	3
Square Feet	313,679	310,607	165,767	165,767	165,767
Vehicles	6	12	10	11	13
<u>Maintenance and Operations</u>					
Buildings	7	7	3	3	3
Square Feet	99,666	99,666	128,376	128,376	128,376
Vehicles	215	199	184	182	189
<u>Transportation</u>					
Buildings	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878
Vehicles	250	257	257	257	259
<u>Food Services</u>					
Buildings	3	3	3	3	3
Square Feet	103,774	103,774	97,436	97,436	97,436
Vehicles	28	26	18	16	16

Source: District records



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, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Whitley Penn LLP

Fort Worth, Texas
November 5, 2021

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

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

Report on Compliance for Each Major Federal 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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

Fort Worth, Texas
November 5, 2021

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

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>
---	--

US Department of Agriculture

Child Nutrition Cluster	10.553, 10.555, 10.559
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US Department of Education

Adult Education	84.002
CARES Act, Section 18003 - Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)	84.425D
ESSER II – Prior Purchase Reimbursement Program (PPRP)(COVID-19 funding)	84.425D

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,906,509
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Auditee qualified as low risk auditee?	Yes
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ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2021

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 OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Exhibit K-1
Page 1 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	(2) Federal Assistance Listing Number*	2(A) Pass Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Defense				
Direct Programs:				
<i>ROTC</i>	199	12.000	None	\$ 112,439
Total U.S. Department of Defense				112,439
U.S. Department of Health and Human Services				
Passed Through Texas Health and Human Services Commission:				
<i>Medicaid Administrative Claims (MAC)</i>	199	93.778	None	129,990
Total Medicaid Cluster (ALN 93.778)				129,990
Total U.S. Department of Health and Human Services				129,990
U.S. Department of Justice				
Direct Programs:				
<i>School Violence Prevention Program (COPS)</i>	289	16.710	2018SVWX0084	61,209
Total U.S. Department of Justice				61,209
U.S. Department of Treasury				
Passed through the Texas Department of Emergency Management				
<i>Coronavirus Relief Fund Distance Learning</i>	199	21.019	None	395,630
Passed through Region IV				
<i>Coronavirus Relief Fund (CRF) LEA - Bulk Purchase</i>	277	21.019	S425D210042	1,131,100
<i>Total ALN 21.019</i>				1,526,730
Total U.S. Department of Treasury				1,526,730
U.S. Department of Education				
Passed Through Texas Education Agency:				
<i>Texas Education for Homeless Children & Youth</i>	206	84.196A	214600057110007	222,474
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	20610101220901	6,288,596
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	21610101220901	11,421,524
<i>Title I - School Improvement Program</i>	216	84.010A	20610141220901	1,865
<i>Title I - School Improvement Program</i>	216	84.010A	21610141220901	192,806
<i>Total ALN 84.010</i>				17,904,791
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	20420006220901	107,405
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	21420006220901	470,207
<i>Total ALN 84.048</i>				577,612
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	20694501220901	656,475
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	21694501220901	1,719,223
<i>Principal Residency Cycle 4</i>	255	84.367A	21694567711003	71,775
<i>Total ALN 84.367</i>				2,447,473
<i>Title III, ELA</i>	263	84.365A	20671001220901	349,204
<i>Title III, ELA</i>	263	84.365A	21671001220901	1,216,617
<i>Total ALN 84.365</i>				1,565,821
<i>CARES Act, Section 18003 - Elementary and Secondary</i>				
<i>School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	266	84.425D	20521001220901	521,884
<i>ESSER II - Prior Purchase Reimbursement Program (PPRP) (COVID-19</i>				
<i>Funding)</i>	281	84.425D	S425D210042	5,478,528
<i>Total ALN 84.425</i>				6,000,412
<i>Instructional Continuity Grant</i>	276	84.377A	17610740220901	129,441
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	20680101220901	1,624,232
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	21680101220901	189,101
<i>Total ALN 84.424</i>				1,813,333

*ALN formerly known as CFDA#

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Exhibit K-1
Page 2 of 2

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	(2) Federal Assistance Listing Number*	2(A) Pass Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Education (continued)				
Passed Through Texas Education Agency: (continued)				
IDEA-C Early Childhood Intervention	340	84.181A	203911012209013911	\$ 223
IDEA-C Early Childhood Intervention	340	84.181A	213911012209013911	229
Total ALN 84.181				<u>452</u>
IDEA-B Formula	224	84.027A	206600012209016600	3,343,645
IDEA-B Formula	224	84.027A	216600012209016600	7,685,109
IDEA-B Preschool	225	84.173A	206610012209016610	29,548
IDEA-B Preschool	225	84.173A	216610012209016610	157,315
IDEA-B Discretionary (Deaf)	315	84.027A	206600112209016673	4,619
IDEA-B Discretionary (Deaf)	315	84.027A	216600112209016673	108,080
Total Special Education Cluster (ALN 84.027, 84.173, 84.027)				<u>11,328,316</u>
Passed Through Fort Tarrant County Workforce Development Board:				
Federal Adult Education	220	84.002	19-SPC-AEL-001	22,250
Adult Education EL Civics	220	84.002	19-SPC-AEL-001	167
Federal Adult Education	220	84.002	20-SPC-AEL-001	535,099
Adult Education EL Civics	220	84.002	20-SPC-AEL-001	119,397
Adult Education Workforce Innovation	220	84.002	20-SPC-AEL-001	14,100
Total ALN 84.002				<u>691,013</u>
Total U.S. Department of Education				<u>42,681,138</u>
U.S. Department of Agriculture				
Passed Through Texas Department of Agriculture				
CACFP Supper Program	240	10.558	1017	169,782
Cash Assistance				
Summer Feeding Program	242	10.559	1017	16,310,715
Non-Cash Assistance (Commodities)				
National School Lunch Program	240	10.555	806780706	661,785
Passed Through Texas Education Agency:				
National School Lunch Program	240	10.555	71302001	136,569
Emergency Operational Cost Reimbursement - School Nutrition	240	10.555	1017	1,673,878
School Breakfast Program	240	10.553	71402001	86,057
Total Child Nutrition Cluster (ALN 10.553, 10.555, 10.559)				<u>18,869,004</u>
Total U.S. Department of Agriculture				<u>19,038,786</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, 2021. 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	\$ 63,550,292
Federal Revenue Accounted for in the General Fund	
Medicaid SHARS	2,875,368
QSCB	400,280
Total Federal Revenue - Exhibit C-3	<u><u>\$ 66,825,940</u></u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

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, 2021

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.



DO NOT PRINT IN REPORT

Schedule L-1 – Required Responses to Selected School FIRST Indicators

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	<p>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?</p> <p>(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.</p> <p>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.</p>	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 4,790,685

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).