



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Arlington, Texas

Annual Comprehensive Financial Report

**For the Fiscal Year Ended
June 30, 2023**

ARLINGTON INDEPENDENT SCHOOL DISTRICT

690 East Lamar Blvd, Arlington, Texas 76011

Prepared By The Financial Services Department

ARLINGTON INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



ARLINGTON INDEPENDENT SCHOOL DISTRICT

Board of Trustees and Administration

BOARD OF TRUSTEES

Mrs. Melody Fowler	President
Mr. Justin Chapa	Vice President
Ms. Sarah McMurrough	Secretary
Dr. Aaron Reich	
Mr. David Wilbanks	
Mrs. Brooklyn Richardson	
Mrs. Leanne Haynes	

ADMINISTRATION

INTERIM SUPERINTENDENT

Steven Wurtz, Ed.D.

CHIEF FINANCIAL OFFICER

Darla Moss

INTERIM CHIEF ACADEMIC OFFICER

Christi Buell, Ed.D.

ASSISTANT SUPERINTENDENT OF FINANCIAL SERVICES

Carla Martin

ASSISTANT SUPERINTENDENT OF ADMINISTRATION

Michael Hill, Ed.D.

ASSISTANT SUPERINTENDENT OF TECHNOLOGY

Eric Upchurch, Ph.D.

ASSISTANT SUPERINTENDENT OF HUMAN RESOURCES

Scott Kahl

ASSISTANT SUPERINTENDENT OF RESEARCH AND ACCOUNTABILITY

Natalie Lopez, Ed.D.

ASSISTANT SUPERINTENDENT OF SCHOOL LEADERSHIP

Laina McDonald, Ed.D

ASSISTANT SUPERINTENDENT OF FACILITY SERVICES

Wm. Kelly Horn

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

ADMINISTRATION (continued)

EXECUTIVE DIRECTOR OF FINANCIAL SERVICES

Bridget Lewis

DIRECTOR OF ACCOUNTING

Shawn Guan, CPA, CIA

DIRECTOR OF BUDGET AND FINANCIAL SERVICES

Sheena Joslyn

CHIEF INTERNAL AUDITOR

Tim Edwards, CIA, CFE

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

BOARD OF TRUSTEES

Melody Fowler - President

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

Mrs. Fowler has volunteered to serve on many Arlington and AISD boards. She serves on the Board of Arlington Life Shelter, MPAC Arlington, Fund Raising Committees for Open Arms Health Clinic and the Board of Arlington Charities. She also belongs to The Rotary Club of Arlington, Greater Arlington Chamber of Commerce, the Women's Alliance and Women Inspiring Philanthropy. Mrs. Fowler volunteered extensively for AISD PTAs serving as room mom, grade rep, Site-Based Decision Making Teams, and President of the PTA at both the junior high and high school levels and was the recipient of the PTA Life Membership Award. Each year, Mrs. Fowler awards an athletic scholarship at Martin High School in honor of her late nephew.

Justin Chapa - Vice President

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

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

Sarah McMurrough - Secretary

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

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

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

BOARD OF TRUSTEES (continued)

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.

Brooklyn Richardson

Ms. Brooklyn Richardson began serving on the Arlington ISD Board in 2023. She is married to Keith Richardson, and they have two students in the Arlington ISD. Ms. Richardson serves on the Westminster Presbyterian Church staff as director of youth & children ministries. She is also a founding member and on the Board of Directors for The River School, which serves children with autism.

Ms. Richardson served on the Site-Based Decision Making Committee for Roark Elementary. This community of working parents and volunteers banded together and developed notable private-public partnerships with local businesses such as General Motors. For more than a decade, Ms. Richardson has served Arlington's parent communities in numerous ways. She served on the Executive Board of the Early Learning Center at Trinity United Methodist Church. She has held multiple PTA leadership positions (from local through Council levels), including the role of President of the Corey Academy PTA. A five-year volunteer with New Day Ministries, Ms. Richardson is at the forefront of addressing food insecurity for students and families in Arlington. New Day partners with our local schools to make sure students will not go hungry over the weekend. Among her many contributions to the community, she serves as a Girl Scout Co-Troop leader for Troop 3544.

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

BOARD OF TRUSTEES (continued)

Leanne Haynes

Leanne Haynes was elected to the Board of Trustees in May 2023. Leanne was raised by her father in Chula Vista, CA and now lives in Arlington with her husband Eric and their two children, both students in the AISD. Leanne was a member of the water polo team at Chapman University and graduated with a BA in Political Science and Communications with a minor in English language.

Leanne has spent her entire adult life selflessly dedicating her time and talents to the people in her community. She has served as the President of the Arlington Council of PTAs, as well as on the AISD Financial Futures Committee, AISD Code of Conduct Committee, Corey Academy Site Based Decision Making Committee, the Cook Children's Surgical Family Advisory Committee, the Cook Children's Pediatric ICU Family Advisory Committee, and the Advocates for Special People board. She is also a familiar face on many campuses throughout the district because of her dedication to many local PTAs, volunteering whenever and wherever there is a need, and mentoring the leaders of various PTAs who need some extra help and guidance.

On top of her volunteerism, Leanne has been a prominent leader in the Girl Scouts USA community, serving as a troop leader for 12 years. She has watched the same group of girls grow up under her mentorship, and she finds this particular opportunity to be one of the most fulfilling callings she has had. In addition to leading her troop, Leanne has had the opportunity to serve in higher leadership roles with Girl Scouts USA on the state level, broadening her scope and influence.

ADMINISTRATION

Dr. Steven Wurtz – Interim Superintendent

Dr. Steven Wurtz was appointed as Interim Superintendent on June 14, 2023 while the District continues its search for a permanent replacement for Dr. Marcelo Cavazos, who will serve in an advisory capacity through his retirement on August 31, 2023. Dr. Wurtz brings a wealth of experience and a proven track record of educational leadership, most recently serving 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 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 District 10 Board and second vice president for the TEPSA District 11 board. Dr. Wurtz is a member of TEPSA, TASA, ASCD, and serves as a member of district lead staff for the Texas School Alliance.

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 37 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), and Texas Women in Public Finance (TXWPF). 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.

Carla Martin – Assistant Superintendent of Financial Services

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

Dr. Christi Buell – Interim Chief Academic Officer

Dr. Christi Buell currently serves as the Interim Chief Academic Officer. Previously, she served as the Assistant Superintendent of Elementary Schools. Dr. Buell also 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.

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

ADMINISTRATION (continued)

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 Timber view 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.

Dr. Eric Upchurch – Assistant Superintendent of Technology

Dr. 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 holds a bachelor's degree in Management Information Systems from the University of Southern Mississippi and a master's degree in Information Science from the University of North Texas. In 2022, Eric earned his Ph.D. in Information Science from the University of North Texas, where he also serves as an Adjunct Professor for the College of Information, Information Science graduate department.

Scott Kahl - Assistant Superintendent of Human Resources

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

Dr. Natalie Lopez – Assistant Superintendent of Research and Accountability

Dr. Natalie Lopez was named Assistant Superintendent of Research and Accountability in June of 2021. Dr. Lopez has served in the Research and Accountability department for six 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.

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

ADMINISTRATION (continued)

Dr. Laina McDonald – Assistant Superintendent of School Leadership

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. Dr. McDonald supervises the school improvement department and the elementary strategic support network. Dr. McDonald served in various central administration positions with Irving ISD and Castleberry ISD. 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.

W.M. 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 the 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.

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

Bridget Lewis – Executive Director of Financial Services

Bridget Lewis has served as the Executive Director of Financial Services since June 2022. She began her service in the Arlington Independent School District in February 2021 as the Director of Accounting. Prior to joining the District, she worked for 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 Registered Texas School Business Administrator Certification from the Texas Association of School Business Officials (TASBO).

Shawn Guan – Director of Accounting

Shawn Xiangjun Guan joined the District in July 2023. He began his public school career with the Dallas Independent School District, in which he served as the Assistant Director of Accounting Services. Prior to Shawn's public school experience, he worked as an auditor in a law firm. Shawn earned his MS in Accounting from the University of Texas at Dallas. Shawn holds a CPA certificate from the Texas State Board of Public Accountancy and a CIA certificate from the Institute of Internal Auditors.

Sheena Joslyn – Director of Budget and Finance

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, each with honors. In 2023, Sheena became a Certified Texas School Business Official with the TASBO.

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

ADMINISTRATION (continued)

Tim Edwards – Chief Internal Auditor

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

CERTIFICATE OF BOARD

Arlington Independent School District

Name of School District

Tarrant

County

220-901-11

Co. - Dist. No.

We, the undersigned, certify that the attached auditors' reports of the above named school district were reviewed and ✓
approved _____ disapproved for the year ended June 30, 2023, at a meeting of the board of school trustees of such school
district on the 17th day of November 2023.

Sem Mumugh
Signature of Board Secretary

Yvelady Fowler
Signature of Board President



November 17, 2023

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, 2023.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

District Profile

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

The Arlington Independent School District is the 13th largest school district in Texas. The District currently operates six traditional high schools, two collegiate high schools, one Career and Technical Center, an Agricultural Science Center, Center for Visual and Performing Arts, 10 junior high schools, 47 traditional elementary schools, three fine arts/dual language academies, Pre-k at 51 locations, one elementary leadership academy, one elementary STEM academy, one elementary world language academy, three alternative schools and AISD Athletics Center. During the 2022-23 school year, the District employed 7,909 full-time equivalent staff members, of which 3,861 were classroom teachers. Enrollment for the 2022-23 year was 56,167 as reported to the State through the Public Education Information Management System ("PEIMS"). This enrollment figure represents a decrease of approximately 1% from the enrollment figure reported through PEIMS the previous year. Enrollment for 2023-24 is expected to be 55,593 at the fall PEIMS snapshot date, which is 1% less than the 2022-23 official enrollment.

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

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

Governance

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

In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent and oversees the operations of the District and its schools. Besides general Board business, Trustees are

charged with numerous statutory regulations including approving 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 Dallas/Fort Worth (DFW) 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 fifteen minutes from DFW 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 14 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.

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, Debt Service Fund, Capital Projects Fund, and Child Nutrition Fund. In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

Outstanding encumbrances at the end of the fiscal year are an assignment of fund balance and are treated as expenditures in the subsequent year upon receipt of goods and services.

Major Initiatives

Academic Achievement

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

The budgetary impact for 2023-2024 includes:

- Third cohort of students at the Gunn Junior High Fine Arts/Dual Language Academy
- Additional cohorts at three new elementary academy programs - Crow Leadership, Percy STEM and Wimbish World Language Academy
- Coaching and professional development for Best Practices and Active Learning Cycle training
- Third cohort at Bowie High School P-Tech program
- Second cohort at Lamar High School P-Tech program
- First cohort P-Tech programs at Sam Houston and Seguin High Schools
- Expansion of two-way Dual Language programming
- Implementation of One Way Dual Language programming on traditional campuses
- Expansion of Dual Credit program options
- Curricular and programmatic enhancements
- Expansion of services and resources to support learners' social and emotional health

College Readiness

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

The budgetary impact for 2023-2024 includes:

- Programming at Arlington College and Career High School and Arlington Collegiate High School at TTC-SE, early college high school programs, in partnership with Tarrant Community College.
- P-TECH program at Lamar, Bowie, Sam Houston and Seguin High Schools

Workforce Readiness

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

The budgetary impact for 2023-2024 includes:

- Fourth cohort of students at Arlington College and Career High School, an early college high school program, in partnership with Tarrant Community College
- P-TECH program at Lamar, Bowie, Sam Houston and Seguin High Schools
- Expansion of CTE programs and workforce partnerships

Leadership, Citizenship and Responsibility

The Arlington ISO proactively seeks to develop programs that teach leadership, citizenship and how to act responsibly. The focus includes:

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

2019 Bond Program

On November 5, 2019, voters approved a \$966 million bond proposition. Proceeds of the bond 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.

Long-term Financial Planning

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

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

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

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

Awards and Acknowledgements

Innovative programs, teachers and volunteers are all key to the success of AISD students. Under the new financial accountability system, TEA rates each district and campus as A- F. For 2022, based on fiscal year 2021 data, AISD received the A rating with an overall score of 98 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("ACFR") for the year ended June 30, 2022. This was the 44th consecutive year that the Arlington Independent School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District's published ACFR should be easy to read and 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 ACFR 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 34th 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 ACFR to 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,



Darla Moss
Chief Financial Officer



Steven Wurtz, Ed.D.
Interim Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arlington Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Arlington Independent School District

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

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



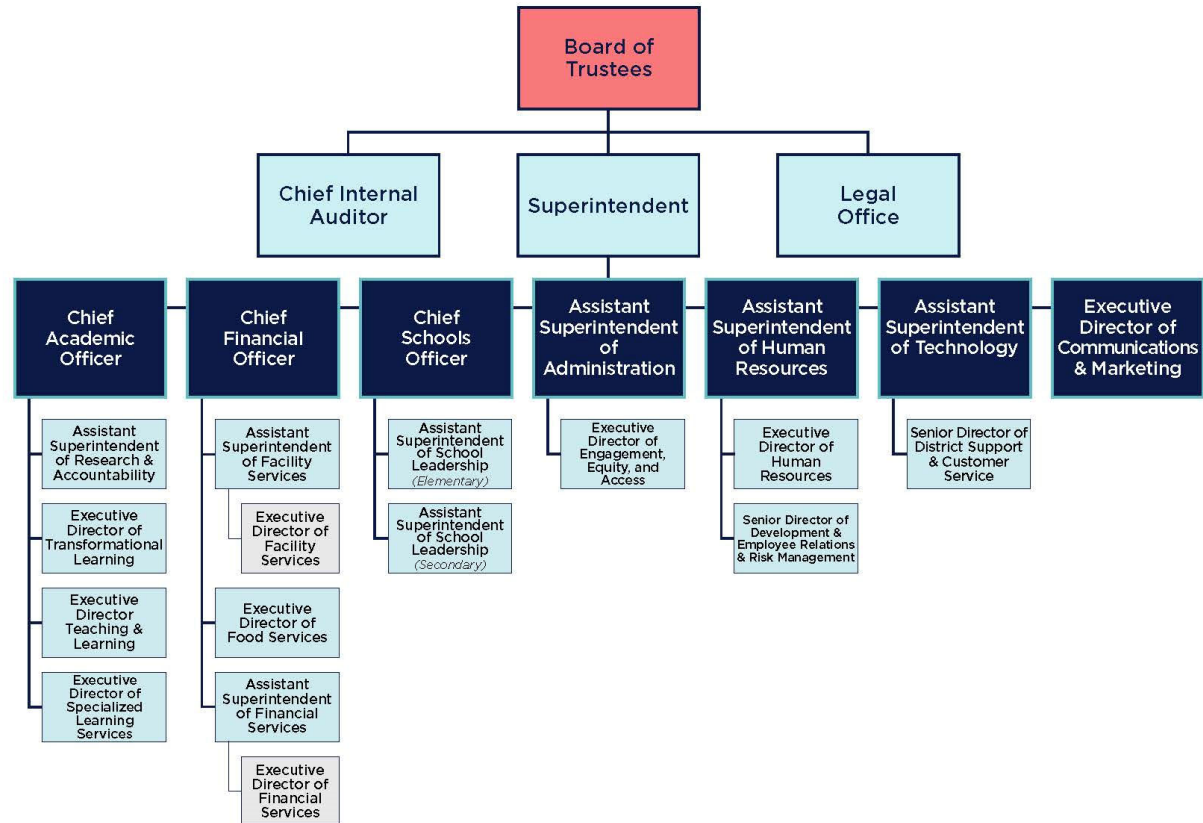
A handwritten signature in black ink, reading 'John W. Hutchison'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Arlington Independent School District ORGANIZATIONAL CHART 2022-2023





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Arlington Independent School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on November 17, 2023 our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Fort Worth, Texas
November 17, 2023



ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Comprehensive Financial Report, the management of Arlington Independent School District ("the District") offer readers this narrative discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this analysis.

FINANCIAL HIGHLIGHTS

- At the close of the year ended June 30, 2023, the District's assets and deferred outflows exceeded liabilities and deferred inflows, resulting in a net position of \$260 million.
- The government-wide statements reported total revenues of \$863 million, which exceeded total expenditures of \$763 million and resulted in an increase of net position by \$100 million.
- The District's governmental funds financial statements reported combined ending fund balances of \$859 million, which is a decrease of \$18 million compared to the previous year. \$177 million, or 21%, is available for spending at the District's discretion (unassigned balance).
- The General Fund had \$587 million in revenue, which primarily consisted of local property taxes and state aid. Expenditures of \$544 million and a transfer out of \$72 million to the capital projects fund resulted in a decrease in fund balance of \$28 million from the previous year. Unassigned fund balance for the general fund was \$177 million or 33% of total general fund expenditures.
- The Elementary and Secondary School Emergency Relief II Fund (ESSER II), authorized under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2020, provided supplemental appropriations to prevent, prepare for, and respond to COVID-19. The District was allocated \$60 million of ESSER II funds, for the period March 13, 2020 through September 30, 2023. The District received \$ 21 million for expenses incurred during the 2022-2023 school year. In the prior years, it spent \$39 million of the ESSER II award.
- The American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ESSER III), authorized under the American Rescue Plan (ARP) Act of 2021, provided funding in safely reopening and sustaining operations of schools while meeting the academic, social, emotional, and mental health needs of students resulting from COVID-19. The District was allocated \$134 million of ESSER III funds, available through September 30, 2024, with \$54 million spent at the close of fiscal year 2023. In the prior year, the District spent \$26 million.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

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

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

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

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

Notes to the Financial Statements

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

Other Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. The District's capital assets, which consist of the District's land, building, building improvements, furniture, and equipment, represent about 53 percent of total assets. The remaining assets consist mainly of cash, investments, and state revenue receivable. The District's long-term liabilities, which consist of the District's bonds payable, net pension liability, and net OPEB liability, represent about 94 percent of total liabilities. The remaining liabilities include payables on accounts and salaries and benefits.

The District's net position at June 30, 2023, totaled \$260 million. A large portion of net position, \$256 million, reflects the District's investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of \$65 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 \$61 million, which is a \$48 million improvement from the prior year.

NET POSITION
(in thousands)

	Governmental Activities (in '000s)					
	2023		2022		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 992,178	47%	\$ 996,266	48%	\$ (4,088)	0%
Capital assets	1,135,715	53%	1,086,118	52%	49,597	5%
Total Assets	2,127,893	100%	2,082,384	100%	45,509	2%
Total Deferred Outflows of Resources	162,499	100%	100,919	100%	61,580	100%
Current liabilities	140,789	8%	127,427	7%	13,362	33%
Long term liabilities	1,667,143	92%	1,640,582	93%	26,561	67%
Total Liabilities	1,807,932	100%	1,768,009	100%	39,923	2%
Total Deferred Inflows of Resources	223,042	100%	255,813	100%	(32,771)	100%
Net Position						
Net Investment in capital assets	255,249		231,351		23,898	
Restricted	65,048		37,247		27,801	
Unrestricted	(60,880)		(109,117)		48,237	
Total Net Position	\$ 259,417		\$ 159,481		\$ 99,936	

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

Changes in Net Position. Total net position of the District increased by \$100 million over last year. The District added capital assets of \$106 million and depreciation/amortization of \$57 million, and the District's long-term liabilities decreased by \$59 million. This decrease is attributed primarily to scheduled principal payments and a cash defeasance of \$4.7 million.

Governmental Activities

Funding for government-wide activities is by the specific program revenue or through general revenues such as property taxes and investment earning. Revenues from governmental activities totaled \$863 million for fiscal year 2023. The costs of all governmental programs and services were \$763 million.

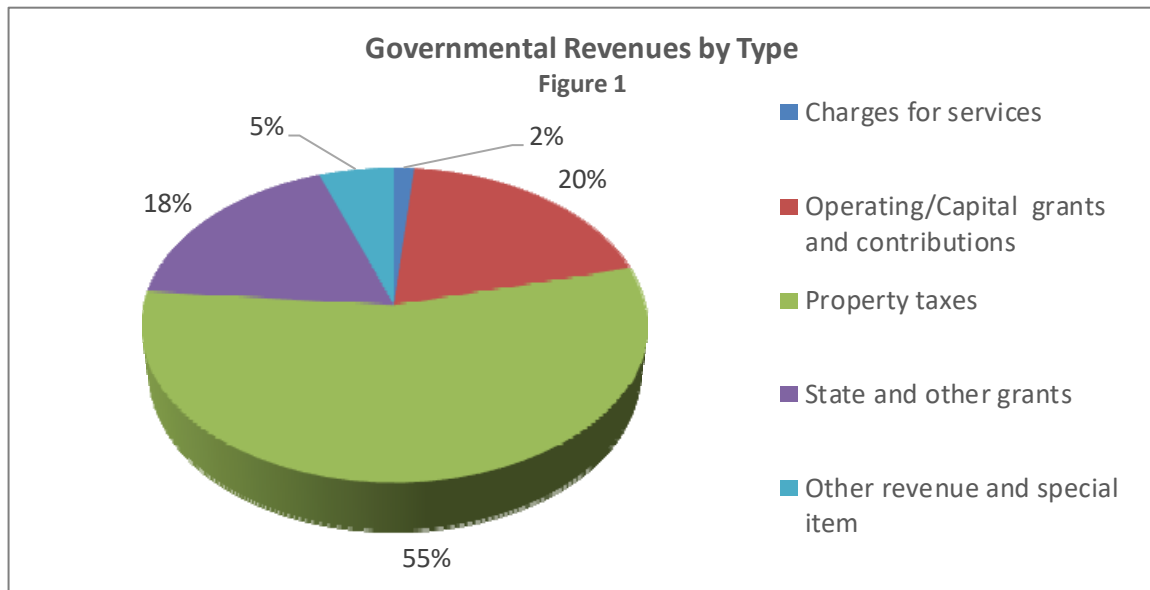
The net effect of these items resulted in an increase in net position of \$100 million. Key elements of this change are illustrated in the following table:

CHANGES IN NET POSITION
(in thousands)

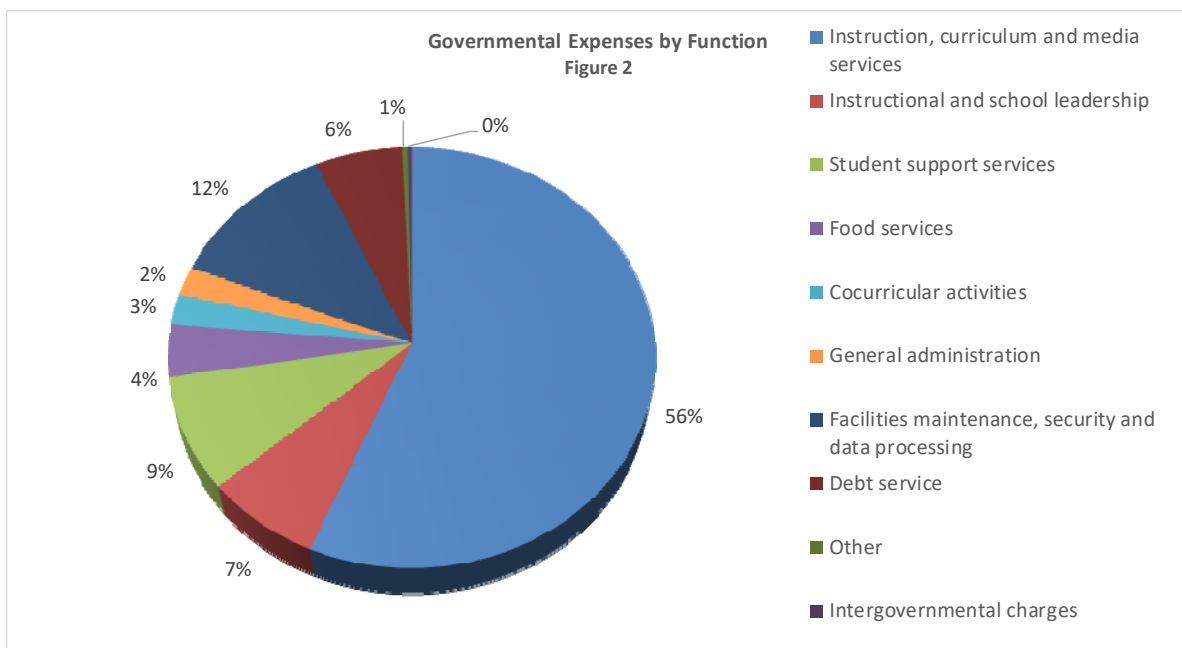
	Governmental Activities					
	2023		2022		Increase/(Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues						
Program Revenues:						
Charges for services	\$ 12,720	1%	\$ 10,568	1%	\$ 2,152	20%
Operating grants	169,735	20%	155,230	20%	14,505	9%
General Revenues:						
Property taxes	477,054	55%	451,999	57%	25,055	6%
State Aid - Formula Grants	156,637	18%	168,771	21%	(12,134)	-7%
Investment earnings	33,347	4%	1,576	0%	31,771	2016%
Other	13,814	2%	1,114	0%	12,700	1140%
Extraordinary items	-	0%	2,444	0%	(2,444)	-100%
Total Revenues	863,307	100%	791,702	100%	71,605	9%
Expenses						
Instruction, curriculum and media services	429,382	56%	417,071	57%	12,311	3%
Instructional and school leadership	55,714	7%	51,928	7%	3,786	7%
Student support services	66,619	9%	65,829	9%	790	1%
Food services	30,815	4%	26,649	4%	4,166	16%
Cocurricular activities	18,194	2%	16,271	2%	1,923	12%
General administration	16,629	2%	14,721	2%	1,908	13%
processing	92,097	12%	95,064	13%	(2,967)	-3%
Community services	2,779	0%	2,261	0%	518	23%
Debt service	47,110	6%	40,831	6%	6,279	15%
Facilities planning	98	0%	3,002	0%	(2,904)	-97%
Contracted instruction services						
between districts	1,725	0%	-	0%	1,725	
Intergovernmental charges	2,208	0%	2,171	0%	37	2%
Total Expenses	763,370	100%	735,798	100%	27,572	4%
Increase (Decrease) in Net Position	99,937		55,904		44,033	
Net Position - Beginning	159,480		103,576		55,904	
Net Position - Ending	\$ 259,417		\$ 159,480		\$ 99,937	

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

Revenues. The District's total revenues for governmental activities were \$863 million, representing an increase of \$72 million from the previous year. A majority of this increase is due to the federal supplement of ESSER II and ESSER III funds with some increase in local property tax revenue. As illustrated in Figure I, 55% of the District's revenue comes from local property taxes, 18% from state aid, and 20% from operating grants and contributions.



Expenses. The District's total expenses were \$763 million, representing an increase of \$26 million from the previous year. The majority of this increase is attributable to salary increases for the 2022-2023 fiscal year. As illustrated in Figure II, the District's primary functional expenses are instruction (56%), facilities maintenance, security and data processing (12%), Student support services (9%), Instructional and school leadership (7%), and interest on long-term debt (6%).



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

Business-Type Activities

The District began operating the Natatorium in fiscal year 2021. For fiscal year 2023, revenues totaled \$210 thousand for user charges. The expenses totaled \$214 thousand resulting an ending net position of \$178 thousand.

Business-Type Activities			
	2023	2022	Increase/
	Amount	Amount	(Decrease)
Total Assets	\$ 193,108	\$ 189,690	\$ 3,418
Total Liabilities	14,920	7,755	7,165
Unrestricted Net Position	\$ 178,188	\$ 181,935	\$ (3,747)

Business-Type Activities			
	2023	2022	Increase/
	Amount	Amount	(Decrease)
Revenues	\$ 210,859	\$ 161,509	\$ 49,350
Expenses	214,606	110,139	104,467
Increase in Net Position	(3,747)	51,370	(55,117)
Net Position- Beginning	181,935	130,565	51,370
Net Position- Ending	\$ 178,188	\$ 181,935	\$ (3,747)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

At the end of the fiscal year, the District's governmental funds reported combined fund balance of \$859 million, a decrease \$18 million in comparison with the prior year. \$177 million, or 21%, constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it is classified as non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending. Non-spendable funds have already been used to purchase inventories and prepaid items (\$5 million). Restricted funds are restricted for federal, state and local grants (\$17 million), for capital acquisition (\$407 million), and to pay debt service (\$64 million). The District's committed fund balance includes campus activity funds (\$1 million), and expansion of the full day prekindergarten program to all four year old students for fiscal years 2023-2024 and 2024-2025. The District's General Fund assigned fund balance includes ensuring sixty days of cash flow (\$65 million) and continuation of the full day prekindergarten program for fiscal years 2025-2026 and 2027-2028. In addition, the District's local capital projects fund balance of \$99 million was assigned as supplemental construction funds. Assignments reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$177 million, while the total fund balance was \$269 million, which is a decrease of \$18 million from previous year. As a measure of the general fund's liquidity, unassigned fund balance is 33% of total fund expenditures.

The fund balance of the District's general fund decreased by \$18 million during the fiscal year. Key factors in the decrease was as a result of a transfer out of \$72 million to supplement various construction projects in the capital projects fund.

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Before the transfer of \$72 million, the District's revenues of \$587 million exceeded its expenditures of \$543 million. Revenues and expenditures decreased by \$21 million and \$15 million, respectively, from the prior year. The District's change in fund balance last year was an increase \$52 million. Eligible expenditures were reclassified from the General Fund to ESSER II and ESSER III which contributed to lower expenditures.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$64 million at year-end, all of which is restricted to service the District's outstanding debt. Fund balance increased by \$11 million from previous year mainly due to the savings realized from the prior years' redemptions of outstanding bonds.

Capital Projects Fund. The Capital Projects Fund ended the current fiscal year with a fund balance of \$508 million. \$99 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 and new projects under the 2019 bond program. The Capital Projects fund balance increased by \$97 million during the year due to the proceeds from the sale of land (\$11 million) and the transfers in from the General Fund (\$72 million) and Natural Gas Special Revenue Fund (\$14 million) to supplement various construction projects. 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 7 to the financial statements.

ESSER III. The American Rescue Plan Act Elementary and Secondary Emergency Fund III (ESSER III) of the American Rescue Plan Act of 2021 is used to account for funds granted to local education agencies to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

Budgetary Highlights

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

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

- ***Variances of original expenditure budget compared to amended budget.***
The amended expenditure budget decreased \$46 million from the original budget. The District amended the payroll budget to recognize unfilled vacant positions and also moved General Fund expenses totaling \$15 million to ESSER II and \$13 million to ESSER III for the fiscal year.
- ***Variances of amended budget to actual expenditures.***
Expenditures were \$20 million less than final budgeted amounts. This was primarily due to the impact of vacancies throughout the district for the fiscal year.
- ***Variances of amended revenue budget compared to actual revenue.***
Revenues exceeded the final budget by \$5 million. State revenue was less than the revised budget by \$1 million. The District qualified for recapture in fiscal year 2023 and as such state aid was less than expected. Federal program revenues exceeded the revised budget by \$3 million due to additional indirect costs from the ESSER III program.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had \$1.1 billion invested (net of accumulated depreciation) in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, maintenance, and food service. This amount represents a \$50 million, or 5%, increase over prior year.

CAPITAL ASSETS
(Net of Depreciation, in thousands)

	Governmental Activities				Increase	
	2023	%	2022	%	(Decrease)	%
Land	\$ 86,666	8%	\$ 87,550	8%	\$ (884)	-1%
Buildings and improvements	838,536	74%	831,308	77%	7,228	1%
Furniture and equipment	37,625	3%	26,229	2%	11,396	43%
Construction in progress	171,735	0%	140,897	13%	30,838	22%
Right-to-use assets - Leases and Subscription assets	1,154	115%	134	0%	1,020	100%
Total	<u>\$ 1,135,716</u>	200%	<u>\$ 1,086,118</u>	100%	<u>\$ 49,598</u>	5%

In November 2019, Arlington voters approved a \$966 million bond package. Proceeds from the bond issue will be used to build new facilities, upgrade and renovate existing facilities, address safety and security districtwide, upgrade technology infrastructure and equipment, provide fine arts equipment, and purchase transportation and white fleet service vehicles. This bond program is planned as a five-year program. The District issued \$176 million of Unlimited Tax School Building and Refunding Bonds, Series 2022, in February 2022. \$166.7 million of Series 2022 were for the third issuance of the Bond 2019 program. In addition, \$9.6 million of Series 2022 were for the purpose of refunding a portion of outstanding debt of the Series 2012 and Series 2013 bonds.

During the 2022-23 year approximately \$400k was spent on projects related to the 2014 bond program and \$94 million was spent on projects related to the 2019 bond program.

The following information details the expenses for 2014 Bond projects during the 2022-2023 fiscal year:

Arlington High School Fine Arts and Dual Language Academy	\$ 1,328,270
Center for Visual and Performing Arts	\$ 13,019

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

The following information details the expenses for 2019 Bond projects during the 2022-2023 fiscal year:

Gunn Fine Arts / Dual Language Academy	\$ 3,673,086
Duff Elementary School Addition and Renovation	\$ 152,787
Webb Elementary School Replacement (Demolition)	\$ 10,014,899
South Davis Elementary School	\$ 20,957
Shackelford JH & Jones Elementary School	\$ 28,592
Arlington High School Fine Arts and Dual Language Academy	\$ 9,075,157
Martin High School Addition and Renovation	\$ 41,552
Glaspie Field Addition and Renovation	\$ 114,109
Enterprise Centre Addition and Renovation	\$ 93,697
Lamar High School Addition and Renovation	\$ 765,087
Cravens Stadium	\$ 868,737
Sam Houston High School Addition and Renovation	\$ 154,405
Bailey Junior High	\$ 3,724,830
Carter Junior High	\$ 2,457,483
Speer Elementary School	\$ 215,970
Pope Elementary School	\$ 220,446
Short Elementary School	\$ 954,032
Key Elementary School	\$ 371,224
Hale Elementary School	\$ 94,013
Adams Elementary School	\$ 20,399
Playgrounds Phase I	\$ 592,841
Playgrounds Phase II	\$ 5,938,093
Playgrounds Phase III	\$ 312,876
Roark Elementary School (Demolition)	\$ 9,750
Miller Elementary School	\$ 90,223
Anderson Elementary	\$ 1,017,163
Berry Elementary School	\$ 20,410,553
Thornton Elementary School	\$ 17,184,048
Little Elementary School	\$ 17,206
Pearcy Academy	\$ 397,028
Bowie High School	\$ 58,721
Juan Seguin High School	\$ 56,804
Professional Development Center	\$ 45,400
Food & Nutrition Service Center	\$ 2,895
Land Purchase	\$ 7,600
Fine Arts	\$ 2,795,723
Technology	\$ 16,906,213
Transportation (Buses/White Fleet)	\$ 571,154

Additional information regarding the bond package, including a bond overview, project summaries, project schedules, and the Citizens' Bond Oversight Committee (CBOC) may be found at the AISD Bond webpage, www.aisd.net/bond. More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

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

Outstanding Debt

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

At fiscal year end, the District had total debt outstanding of \$1.3 billion versus \$1.4 billion in prior year. Most of the District's debt is for bonded debt, all of which is considered to be direct tax supported debt. The District defeased \$4.7 million of the 2014 Unlimited Tax School Building Bonds, Series 2014.

More detailed information about the District's outstanding debt is presented in Note 8 to the financial statements.

OUTSTANDING DEBT
(in thousands)

	Governmental Activities		
	2023	2022	Increase (Decrease)
Bonds Payable	\$ 1,131,880	\$ 1,185,950	\$ (54,070)
Bond Premiums	161,920	169,325	(7,405)
Accreted interest	4,951	4,863	88
Lease liability	3	1,464	(1,461)
SBITA liability	995	-	995
Accrued Service Benefits	41	144	(103)
Notes Payable	-	29	(29)
Total	\$ 1,299,790	\$ 1,361,775	\$ (61,985)

ARLINGTON INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budget and Rates

The District's 2023-2024 budget was developed under the 2022-2027 Powered by Possibilities Strategic Plan. The Strategic Plan focuses on four performance objective categories:

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

These four performance objective categories frame the district's academic programming work for the 2023-2024 school year and beyond, intentionally promote budget development around high impact areas of improvement, and inform strategic planning as the District strives to become a premiere school district and a leader in education.

The 88th Texas Legislature second called session passed Senate Bill 2 (SB2) in July 2023, making significant property tax reductions to school taxes for all property owners. The bill increases the state's homestead exemption amount from \$40,000 to \$100,000 per eligible homestead and creates additional state aid to hold districts harmless for the decrease in local tax revenue. In addition, it also directs the TEA to reduce districts' maximum compressed tax rate by an additional \$0.1070.

The District's net taxable value, after the additional homestead exemption, grew by 1% and the Maintenance & Operations (M&O) tax rate compressed from \$1.0080 to \$0.8249 per \$100 valuation. The Interest and Sinking (I&S) tax rate decreased from \$0.3007 to \$0.2907 per \$100 valuation. Based on enrollment and attendance trends and the second year of the Universal Pre-K initiative, the District is budgeting for enrollment of 55,593 students.

General Fund expenditures are budgeted to increase over the prior year final expenditures. The Board approved salary increases of 4% of market median for teachers, librarians and other employees paid on the teacher salary schedule. Employees paid on salary schedules other than the teacher salary schedule will receive a general annual pay increase of 4% of their 2023-24 paygrade mid-point and targeted adjustments where appropriate to achieve market competitiveness and move staff members closer to mid-point of their paygrade. The cost of salary increases, targeted adjustments, and other compensation is approximately \$20 million.

The 2023-24 General Fund budget was adopted with a deficit of \$5.5 million, offset by a previous Board fund balance commitment for the second year of the Universal Pre-K initiative. The Board and administration recognize this budget deficit and have established cost evaluation measures to manage increasing expenses while supporting the goals and objectives of the strategic plan. Arlington ISD is expected to maintain a healthy total fund balance which provides stability given the uncertainty of future revenues and expenditures.

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, 2023

Exhibit A-1

Data Control Codes		Governmental Activities	Business-Type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 825,731,856	\$ 202,111	\$ 825,933,967
1120	Current investments	9,979,291	-	9,979,291
1225	Property taxes receivables, net	9,033,437	-	9,033,437
1240	Due from other governments	114,741,735	-	114,741,735
1250	Accrued interest	337,868	-	337,868
1260	Internal balances	9,003	(9,003)	-
1290	Other receivables, net	2,439,095	-	2,439,095
1300	Inventories	6,660,753	-	6,660,753
1410	Prepaid items	3,352,496	-	3,352,496
1490	Other current assets	55,868	-	55,868
	Capital assets not subject to depreciation:			
1510	Land	86,665,675	-	86,665,675
1580	Construction in progress	171,735,127	-	171,735,127
	Capital assets net of depreciation:			
1520	Buildings and improvements, net	838,536,249	-	838,536,249
1530	Furniture and equipment, net	37,624,663	-	37,624,663
1550	Right-to-use assets - Leases and Subscription assets	1,153,740	-	1,153,740
1910	Long-term investments	19,836,115	-	19,836,115
1000	Total Assets	2,127,892,971	193,108	2,128,086,079
Deferred Outflows of Resources				
	Deferred charge on refunding	8,998,072	-	8,998,072
	Deferred outflows - pension	107,991,212	-	107,991,212
	Deferred outflows - other post-employment benefits (OPEB)	45,509,606	-	45,509,606
1700	Total Deferred Outflows of Resources	162,498,890	-	162,498,890
Liabilities				
2110	Accounts payable	30,367,040	1,077	30,368,117
2140	Interest payable	17,464,442	-	17,464,442
2150	Payroll deductions and withholdings	10,542,559	-	10,542,559
2160	Accrued wages payable	57,791,001	13,843	57,804,844
2180	Due to other governments	17,205,683	-	17,205,683
2200	Accrued expenses	7,068,717	-	7,068,717
2300	Unearned revenue	349,887	-	349,887
	Noncurrent Liabilities:			
2501	Due within one year	47,464,546	-	47,464,546
2502	Due in more than one year	1,257,556,336	-	1,257,556,336
2540	Net pension liability	241,448,101	-	241,448,101
2545	Net other post-employment benefits (OPEB) liability	120,674,470	-	120,674,470
2000	Total Liabilities	1,807,932,782	14,920	1,807,947,702
Deferred Inflows of Resources				
	Deferred gain on refunding	2,523,953	-	2,523,953
	Deferred inflows - pensions	25,310,621	-	25,310,621
	Deferred inflows - other post-employment benefits (OPEB)	195,207,808	-	195,207,808
2600	Total Deferred Inflows of Resources	223,042,382	-	223,042,382
Net Position				
3200	Net investment in capital assets	255,248,818	-	255,248,818
	Restricted for:			
3820	Federal and state programs	29,390	-	29,390
3840	Food service	16,552,327	-	16,552,327
3850	Debt service	48,465,849	-	48,465,849
3900	Unrestricted	(60,879,687)	178,188	(60,701,499)
3000	Total Net Position	\$ 259,416,697	\$ 178,188	\$ 259,594,885

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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	\$ 401,974,620	\$ -	\$ 85,393,775
12	Instructional resources and media services	9,723,087	-	2,411,142
13	Curriculum and staff development	17,684,065	-	10,803,008
21	Instructional leadership	19,204,997	-	7,016,958
23	School leadership	36,508,916	-	2,639,646
31	Guidance, counseling, and evaluation services	36,409,729	-	6,227,713
32	Social work services	4,523,449	-	1,517,736
33	Health services	7,978,716	-	7,632,548
34	Student transportation	17,706,938	203,015	462,734
35	Food service	30,815,060	5,574,105	36,055,951
36	Extracurricular activities	18,193,602	5,248,864	274,107
41	General administration	16,629,491	-	1,000,788
51	Plant, maintenance and operations	62,706,443	965,751	2,086,763
52	Security and monitoring services	11,347,656	-	174,268
53	Data processing services	18,043,380	728,061	476,869
61	Community services	2,778,711	-	2,583,716
72	Interest on long-term debt	47,076,285	-	2,977,094
73	Debt issuance costs and fees	34,050	-	-
81	Facilities planning	98,381	-	-
91	Contracted instruction services between schools	1,724,507	-	-
95	Payments to Juvenile Justice Alternative Education Programs	23,220	-	-
99	Intergovernmental charges	2,185,177	-	-
TG	Total Governmental Activities	<u>763,370,480</u>	<u>12,719,796</u>	<u>169,734,816</u>
	Business-Type Activities:			
01	Natatorium	214,606	210,859	-
TB	Total Business-Type Activities	<u>214,606</u>	<u>210,859</u>	<u>-</u>
TP	Total Primary Government	<u>\$ 763,585,086</u>	<u>\$ 12,930,655</u>	<u>\$ 169,734,816</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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	\$ (316,580,845)	\$ -	\$ (316,580,845)
12	Instructional resources and media services	(7,311,945)	-	(7,311,945)
13	Curriculum and staff development	(6,881,057)	-	(6,881,057)
21	Instructional leadership	(12,188,039)	-	(12,188,039)
23	School leadership	(33,869,270)	-	(33,869,270)
31	Guidance, counseling, and evaluation services	(30,182,016)	-	(30,182,016)
32	Social work services	(3,005,713)	-	(3,005,713)
33	Health services	(346,168)	-	(346,168)
34	Student transportation	(17,041,189)	-	(17,041,189)
35	Food service	10,814,996	-	10,814,996
36	Extracurricular activities	(12,670,631)	-	(12,670,631)
41	General administration	(15,628,703)	-	(15,628,703)
51	Plant, maintenance and operations	(59,653,929)	-	(59,653,929)
52	Security and monitoring services	(11,173,388)	-	(11,173,388)
53	Data processing services	(16,838,450)	-	(16,838,450)
61	Community services	(194,995)	-	(194,995)
72	Interest on long-term debt	(44,099,191)	-	(44,099,191)
73	Debt issuance costs and fees	(34,050)	-	(34,050)
81	Facilities planning	(98,381)	-	(98,381)
91	Contracted instruction services between schools	(1,724,507)		(1,724,507)
95	Payments to Juvenile Justice Alternative Education Programs	- (23,220)	- -	- (23,220)
99	Intergovernmental charges	(2,185,177)	-	(2,185,177)
TG	Total Governmental Activities	(580,915,868)	-	(580,915,868)
	Business-Type Activities:			
01	Natatorium	-	(3,747)	(3,747)
TB	Total Business-Type Activities	-	(3,747)	(3,747)
TP	Total Primary Government	(580,915,868)	(3,747)	(580,919,615)
	General Revenues			
	Taxes:			
MT	Property taxes, levied for general purposes	367,522,315	-	367,522,315
DT	Property taxes, levied for debt service	109,531,997	-	109,531,997
SF	State-aid formula grants not restricted	156,637,207	-	156,637,207
IE	Investment earnings	33,347,050	-	33,347,050
MI	Miscellaneous	13,813,563	-	13,813,563
TR	Total General Revenues	680,852,132	-	680,852,132
CN	Change in net position	99,936,264	(3,747)	99,932,517
NB	Net Position - Beginning	159,480,433	181,935	159,662,368
NE	Net Position - Ending	\$ 259,416,697	\$ 178,188	\$ 259,594,885

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Assets				
1110	Cash and cash equivalents	\$ 273,403,802	\$ 62,868,713	\$ 470,727,398
1120	Investments	9,979,291	-	-
	Receivables:			
1210	Property taxes receivable - current	-	-	-
1220	Property taxes receivable - delinquent	12,568,049	3,659,406	-
1230	Allowance for uncollectible taxes (credit)	(5,602,097)	(1,591,921)	-
1240	Receivables from other governments	47,888,368	-	-
1250	Accrued interest	337,868	-	-
1260	Due from other funds	19,547,081	1,252,864	57,977,670
1290	Other receivables	2,399,647	-	25,075
1310	Inventories	2,290,730	-	-
1410	Prepaid items	3,078,402	-	-
1490	Other current assets	55,868	-	-
1910	Long-term investments	19,836,115	-	-
1000	Total Assets	\$ 385,783,124	\$ 66,189,062	\$ 528,730,143
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 6,661,295	\$ -	\$ 21,078,577
2150	Payroll deduction and withholdings	10,542,559	-	-
2160	Accrued wages payable	52,150,393	-	-
2170	Due to other funds	22,169,825	-	-
2180	Payable to other governments	16,898,124	258,771	-
2200	Accrued expenditures	2,623,940	-	-
2300	Unearned revenue	-	-	-
2000	Total Liabilities	111,046,136	258,771	21,078,577
Deferred Inflows of Resources				
	Deferred inflows - property taxes	6,021,510	1,786,683	-
2600	Total Deferred Inflows of Resources	6,021,510	1,786,683	-
Fund Balances:				
Non-Spendable:				
3410	Inventories	2,290,730	-	-
3430	Prepaid items	3,078,402	-	-
Restricted:				
3450	Federal/ State grant funds	-	-	-
3470	Capital acquisitions and contractual oblig.	-	-	407,857,538
3480	Debt service	-	64,143,608	-
Committed:				
3545	Other	11,006,281	-	-
Assigned:				
3590	Other	75,265,050	-	99,794,028
3600	Unassigned	177,075,015	-	-
3000	Total Fund Balances	268,715,478	64,143,608	507,651,566
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 385,783,124	\$ 66,189,062	\$ 528,730,143

ARLINGTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

Exhibit C-1
Page 2 of 2

Data Control Codes		ESSER III	Nonmajor Governmental Funds	Total Governmental Fund
Assets				
1110	Cash and cash equivalents	\$ -	\$ 12,744,172	\$ 819,744,085
1120	Investments	-	-	9,979,291
	Receivables:			
1210	Property taxes receivable - current	-	-	-
1220	Property taxes receivable - delinquent	-	-	16,227,455
1230	Allowance for uncollectible taxes (credit)	-	-	(7,194,018)
1240	Receivables from other governments	39,562,539	27,290,828	114,741,735
1250	Accrued interest	-	-	337,868
1260	Due from other funds	-	7,200,699	85,978,314
1290	Other receivables	-	14,373	2,439,095
1310	Inventories	-	4,370,023	6,660,753
1410	Prepaid items	544	261,554	3,340,500
1490	Other current assets	-	-	55,868
1910	Long-term investments	-	-	19,836,115
1000	Total Assets	\$ 39,563,083	\$ 51,881,649	\$ 1,072,147,061
Liabilities, Deferred Inflows, and Fund Balances				
	Liabilities:			
2110	Accounts payable	\$ 252,320	\$ 2,153,289	\$ 30,145,481
2150	Payroll deduction and withholdings	-	-	10,542,559
2160	Accrued wages payable	2,468,336	3,172,272	57,791,001
2170	Due to other funds	36,842,427	27,679,428	86,691,680
2180	Payable to other governments	-	48,788	17,205,683
2200	Accrued expenditures	-	-	2,623,940
2300	Unearned revenue	-	349,887	349,887
2000	Total Liabilities	39,563,083	33,403,664	205,350,231
	Deferred Inflows of Resources			
	Deferred inflows - property taxes	-	-	7,808,193
2600	Total Deferred Inflows of Resources	-	-	7,808,193
	Fund Balances:			
	Non-Spendable:			
3410	Inventories	-	4,370,023	6,660,753
3430	Prepaid items	-	261,554	3,339,956
	Restricted:			
3450	Federal/ State grant funds	-	11,945,047	11,945,047
3470	Capital acquisitions and contractual oblig.	-	-	407,857,538
3480	Debt service	-	-	64,143,608
	Committed:			
3545	Other	-	1,901,361	12,907,642
	Assigned:			
3590	Other	-	-	175,059,078
3600	Unassigned	-	-	177,075,015
3000	Total Fund Balances	-	18,477,985	858,988,637
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 39,563,083	\$ 51,881,649	\$ 1,072,147,061



ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

Exhibit C-2

Data Control Codes		
	Total fund balance, governmental funds (from C-1)	\$ 858,988,637
	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.	1,135,715,454
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.	7,808,193
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.	(1,678,133,776)
4	Deferred inflows of resources and deferred outflow of resources related to pension and OPEB.	(67,017,611)
5	Addition of Internal Service Fund net position.	<u>2,055,800</u>
19	Total Net Position - Governmental Activities (See B-1)	<u>\$ 259,416,697</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit C-3
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local and intermediate sources	\$ 383,904,483	\$ 111,153,261	\$ 21,136,999
5800	State program revenues	186,878,318	2,712,103	-
5900	Federal program revenues	16,573,986	264,991	1,365,853
5020	Total Revenues	587,356,787	114,130,355	22,502,852
Expenditures				
Current:				
0011	Instruction	311,496,292	-	11,033,317
0012	Instruction resources and media services	6,971,499	-	-
0013	Curriculum and staff development	7,410,566	-	-
0021	Instructional leadership	12,538,719	-	-
0023	School leadership	33,136,633	-	-
0031	Guidance, counseling and evaluation services	29,846,365	-	-
0032	Social work services	3,034,998	-	-
0033	Health services	7,531,266	-	-
0034	Student transportation	16,354,493	-	571,154
0035	Food services	664,532	-	-
0036	Extracurricular activities	12,421,242	-	415,627
0041	General administration	14,799,626	-	11,536
0051	Facilities maintenance and operations	57,916,075	-	585,242
0052	Security and monitoring services	10,445,564	-	2,420,494
0053	Data processing services	12,466,870	-	7,392,315
0061	Community services	474,701	-	-
Debt service:				
0071	Principal on long-term debt	1,972,369	54,070,000	-
0072	Interest on long-term debt	133,688	48,769,965	-
0073	Bond issuance costs and fees	-	34,050	-
Capital outlay:				
0081	Facilities acquisition and construction	96,861	-	88,507,469
Intergovernmental:				
0091	Contracted instructional services between schools	1,724,507	-	-
0095	Payments to juvenile justice alt. ed. prgm.	23,220	-	-
0099	Other intergovernmental charges	2,185,177	-	-
6030	Total Expenditures	543,645,263	102,874,015	110,937,154
1100	Excess (deficiency) of revenues over expenditures	43,711,524	11,256,340	(88,434,302)
Other Financing Sources (Uses)				
7912	Sale of real or personal property	121,662	-	11,324,741
7915	Transfers in	-	-	86,465,022
8911	Transfers out	(71,750,000)	-	-
7080	Total Other Financing Sources (Uses)	(71,628,338)	-	97,789,763
1200	Net change in fund balances	(27,916,814)	11,256,340	9,355,461
1000	Fund Balance - July 1 (Beginning)	296,632,292	52,887,268	498,296,105
3000	Fund Balance - June 30 (Ending)	\$ 268,715,478	\$ 64,143,608	\$ 507,651,566

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit C-3

Page 2 of 2

Data Control Codes		Nonmajor		Total Governmental Funds
		ESSER III	Governmental Funds	
Revenues				
5700	Local and intermediate sources	\$ -	\$ 10,385,802	\$ 526,580,545
5800	State program revenues	-	4,067,895	193,658,316
5900	Federal program revenues	49,453,453	88,814,764	156,473,047
5020	Total Revenues	49,453,453	103,268,461	876,711,908
Expenditures				
Current:				
0011	Instruction	33,246,091	43,613,875	399,389,575
0012	Instruction resources and media services	1,144,804	1,169,312	9,285,615
0013	Curriculum and staff development	5,684,898	4,989,932	18,085,396
0021	Instructional leadership	2,533,115	4,195,613	19,267,447
0023	School leadership	1,001,501	743,774	34,881,908
0031	Guidance, counseling and evaluation services	3,729,418	1,752,750	35,328,533
0032	Social work services	456,617	980,039	4,471,654
0033	Health services	-	33,202	7,564,468
0034	Student transportation	90,657	-	17,016,304
0035	Food services	-	34,322,914	34,987,446
0036	Extracurricular activities	-	4,602,769	17,439,638
0041	General administration	714,618	-	15,525,780
0051	Facilities maintenance and operations	-	259,936	58,761,253
0052	Security and monitoring services	-	-	12,866,058
0053	Data processing services	150,610	-	20,009,795
0061	Community services	61,087	2,512,802	3,048,590
Debt service:				
0071	Principal on long-term debt	580,533	-	56,622,902
0072	Interest on long-term debt	59,504	-	48,963,157
0073	Bond issuance costs and fees	-	-	34,050
Capital outlay:				
0081	Facilities acquisition and construction	-	-	88,604,330
Intergovernmental:				
0091	Contracted instructional services between schools	-	-	1,724,507
0095	Payments to juvenile justice alt. ed. prgm.	-	-	23,220
0099	Other intergovernmental charges	-	-	2,185,177
6030	Total Expenditures	49,453,453	99,176,918	906,086,803
1100	Excess (deficiency) of revenues over expenditures	-	4,091,543	(29,374,895)
Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	-	11,446,403
7915	Transfers in	-	-	86,465,022
8911	Transfers out	-	(14,715,022)	(86,465,022)
7080	Total Other Financing Sources (Uses)	-	(14,715,022)	11,446,403
1200	Net change in fund balances	-	(10,623,479)	(17,928,492)
1000	Fund Balance - July 1 (Beginning)	-	29,101,464	876,917,129
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 18,477,985	\$ 858,988,637

ARLINGTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit C-4

Data Control Codes		
	Net change in fund balances - total governmental funds (from C-3)	\$ (17,928,492)
	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	106,554,118
2	Governmental activities depreciation/amortization expense	(57,580,945)
3	Disposal of asset	(1,318,447)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(260,763)
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.	56,622,902
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.	1,874,672
7	Changes in net pension and net OPEB liabilities and related deferred outflows and inflows	11,787,762
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)	185,457
	Change in net position of governmental activities (see B-1)	\$ 99,936,264

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit C-5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL (GAAP BASIS)
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues				
Local revenues	\$ 361,716,666	\$ 380,466,879	\$ 383,904,483	\$ 3,437,604
State program revenues	200,077,584	188,009,073	186,878,318	(1,130,755)
Federal program revenues	11,590,435	13,807,115	16,573,986	2,766,871
Total Revenues	573,384,685	582,283,067	587,356,787	5,073,720
Expenditures				
Current:				
Instruction	367,758,738	315,546,179	311,496,292	4,049,887
Instructional resources and media services	7,345,382	7,220,421	6,971,499	248,922
Curriculum and staff development	8,062,137	8,964,302	7,410,566	1,553,736
Instructional leadership	14,351,412	13,727,490	12,538,719	1,188,771
School leadership	34,882,270	34,355,601	33,136,633	1,218,968
Guidance, counseling and evaluation services	32,406,475	30,228,501	29,846,365	382,136
Social work services	3,360,311	3,418,723	3,034,998	383,725
Health services	7,933,480	7,825,704	7,531,266	294,438
Student transportation	18,657,388	18,137,239	16,354,493	1,782,746
Food services	-	668,387	664,532	3,855
Extracurricular activities	13,714,529	13,947,174	12,421,242	1,525,932
General administration	15,946,523	16,541,531	14,799,626	1,741,905
Facilities maintenance and operations	57,904,511	60,254,595	57,916,075	2,338,520
Security and monitoring services	10,720,550	11,710,146	10,445,564	1,264,582
Data processing services	12,889,968	12,601,802	12,466,870	134,932
Community services	578,417	561,765	474,701	87,064
Debt Service:				
Principal on long-term debt	732,604	3,421,564	1,972,369	1,449,195
Interest on long-term debt	-	-	133,688	(133,688)
Capital outlay:				
Facilities acquisition and construction	-	204,800	96,861	107,939
Intergovernmental:				
Contracted instructional services between schools	-	1,936,965	1,724,507	212,458
Payments to Juvenile Justice Alt. Ed. Prgm.	75,000	75,000	23,220	51,780
Other governmental charges	2,197,310	2,185,178	2,185,177	1
Total Expenditures	609,517,005	563,533,067	543,645,263	19,887,804
Excess (deficiency) of revenues over expenditures	(36,132,320)	18,750,000	43,711,524	24,961,524
Other Financing Sources (Uses) :				
Sale of real or personal property	4,015,050	274,021	121,662	(152,359)
Transfers out	-	(71,750,000)	(71,750,000)	-
Total Other Financing Sources (Uses)	4,015,050	(71,475,979)	(71,628,338)	(152,359)
Net change in fund balances	(32,117,270)	(52,725,979)	(27,916,814)	24,809,165
Fund Balances - Beginning	296,632,292	296,632,292	296,632,292	-
Fund Balances - Ending	\$ 264,515,022	\$ 243,906,313	\$ 268,715,478	\$ 24,809,165

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

Exhibit D-1

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 202,111	\$ 5,987,771
Receivables:		
Due from other funds	-	722,369
Prepaid items	-	11,996
Total Assets	<u>202,111</u>	<u>6,722,136</u>
Liabilities		
Current liabilities:		
Accounts payable	1,077	221,559
Due to other funds	9,003	-
Accrued wages payable	13,843	-
Accrued expenses	-	4,444,777
Total Liabilities	<u>23,923</u>	<u>4,666,336</u>
Net Position		
Unrestricted	178,188	2,055,800
Total Net Position	<u>\$ 178,188</u>	<u>\$ 2,055,800</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit D-2

	<u>Enterprise Funds</u>	
	<u>Natatorium</u>	<u>Internal Service Funds</u>
Operating Revenues		
Charges for Services	\$ 210,859	\$ 3,041,666
Total Operating Revenues	<u>210,859</u>	<u>3,041,666</u>
Operating Expenses		
Payroll costs	113,290	-
Purchased and contracted services	10,716	194,388
Supplies and materials	65,693	176,377
Claims expense and other operating expenses	24,907	2,667,438
Total Operating Expenses	<u>214,606</u>	<u>3,038,203</u>
Operating Income (Loss)	<u>(3,747)</u>	<u>3,463</u>
Non-Operating Revenues (Expenses)		
Investment earnings	-	181,994
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>181,994</u>
Change in Net Position	(3,747)	185,457
Net Position - July 1 (Beginning)	<u>181,935</u>	<u>1,870,343</u>
Net Position - June 30 (Ending)	<u>\$ 178,188</u>	<u>\$ 2,055,800</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit D-3

	Enterprise Fund - Natatorium	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	\$ 210,859	\$ 2,815,116
Cash payments for insurance claims	-	(2,414,815)
Cash payments to suppliers for goods and services	(182,813)	(153,451)
Cash payments for other operating expenses	(15,905)	(194,388)
Net Cash Provided by (Used for) Operating Activities	12,141	52,462
Cash Flows from Investing Activities:		
Interest on investments	-	181,994
Net Cash Provided by (Used for) Investing Activities	-	181,994
Net Change in Cash and Cash Equivalents	12,141	234,456
Cash and Cash Equivalents at Beginning of Year	189,970	5,753,315
Cash and Cash Equivalents at End of Year	\$ 202,111	\$ 5,987,771
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (3,747)	\$ 3,463
Change in Assets, Liabilities, Deferred Inflows and Outflows:		
(Increase) decrease in interfund receivables	(1)	(226,550)
(Increase) decrease in prepaid items	-	(11,996)
Increase (decrease) in accrued wages	6,095	-
Increase (decrease) in accounts payable	1,071	49,883
Increase (decrease) in interfund payables	8,723	237,662
Net Cash Provided by (Used for) Operating Activities	\$ 12,141	\$ 52,462

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2023

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 5,128,500
Due from others	8,361
Total Assets	<u>5,136,861</u>
Liabilities	
Accounts payable	38,219
Due to Others	2,054,343
Total Liabilities	<u>2,092,562</u>
Net Position	
Restricted for student activities	<u>\$ 3,044,299</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2023

Exhibit E-2

	<u>Custodial Fund</u>
Additions	
Contributions from student groups	\$ 1,575,687
Total Contributions	<u>1,575,687</u>
 Total Additions	 <u>1,575,687</u>
 Deductions	
Payments for student activities	<u>1,545,986</u>
Total Deductions	<u>1,545,986</u>
 Net increase (decrease) in fiduciary net position	 29,701
 Net Position - Beginning	 <u>3,014,598</u>
 Net Position - Ending	 <u><u>\$ 3,044,299</u></u>

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

Major Governmental Funds

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

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

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

ESSER III - The American Rescue Plan Act Elementary and Secondary Emergency Fund III (ESSER III) of the American Rescue Plan Act of 2021 is used to account for funds granted to local education agencies to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

Proprietary Funds

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

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

Fiduciary Fund

Custodial Fund - The District accounts for resources held for others in a custodial capacity in custodial funds. The fund is used to account for assets held by the District as custodian for student and other organizations. This fund reports the detail of additions to and deductions from custodial fund in the Statement of Changes in Fiduciary Net Position.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

The proprietary are accounted for on an economic resources measurement focus and accrual basis of accounting, similar to the government-wide financial statements. 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Implementation of New Standards

GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued in March 2020 and is effective for periods beginning after June 15, 2022. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022. The District has evaluated the effects of this standard and has determined that it does not impact the financial statements.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the District has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB issued Statement No. 99, *Omnibus 2022* was issued in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this Statement are effective immediately upon issuance, for periods beginning after June 15, 2022 and June 15, 2023, depending on the topical area.

E. Deposits and Investments

1. Cash and cash equivalents

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

2. Investments

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

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Receivables and payables

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

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

Tax collections are prorated between the General Fund and Debt Service Fund based on the tax rate adopted by the Board. The District is permitted under the Texas Education Code to levy taxes up to \$1.0864 per \$100 of assessed valuation for general governmental services other than debt service on general obligation bonds. The tax rate which may be levied to service general obligation bonds is not limited. For the current fiscal year, the Board of Trustees set tax rates applicable to general governmental services and to debt service of \$1.008 per \$100 valuation and \$0.3007 per \$100 valuation, respectively, based on a net assessed valuation of \$36.5 billion.

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 44.0% of total outstanding property taxes at June 30, 2023.

G. Inventories and prepaid items

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

H. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The District does not have any public domain ("infrastructure") capital assets. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. The SBITA recognition threshold is annual payment of \$150,000.

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

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

Type of Capital Asset	Useful Life
Buildings and Improvements	20 to 40 years
Furniture and equipment	5 to 12 years
Right-to-use assets leases	2 to 5 years
SBITAs	2 to 5 years

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

I. Compensated absences

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

J. Long-term obligations

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

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

K. Accrued service benefits

Accrued service benefits are accrued as a liability in the government-wide financial statements. Eligibility for accrued service benefits for the employees of the Arlington Independent School District is determined by length of continuous service with the District and approval for retirement benefits under provisions of the Teacher Retirement System of Texas. Benefits are available to employees hired before January 1, 1985 and are based on years of experience with the District, accumulated eligible local sick leave days and accumulated ineligible local sick leave days.

Note 1 - Summary of Significant Accounting Policies (continued)

L. Deferred outflows/inflows of resources

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

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

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

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

- Deferred inflows of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow or resources in the period that the amounts become available.
- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

Note 1 - Summary of Significant Accounting Policies (continued)

L. Deferred outflows/inflows of resources (continued)

- Deferred gain on refunding - Reported in the government-wide financial statement of net position, this deferred gain 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.

M. Pensions

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

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

N. Other Post-Employment Benefits.

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

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

O. Net position and fund balances

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

O. 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 of \$11.0 million for the expansion of a full pre-kindergarten program and \$2 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 \$75 million in the General Fund. This amount includes \$10.0 million for universal pre-k and \$65 million for July and August 2023 expenditures for special revenue fund reimbursements and the General Fund, respectively. The District assigned \$100 million of its Capital Projects Fund balance for future locally funded capital projects. That is, these projects are not funded with bond funds.

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

O. Net position and fund balances (continued)

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

P. Data control codes

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

Q. Leases

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

R. Subscription-Based Information Technology Arrangements (SBITAs)

The District is under contract for various SBITAs for the right-to-use subscription assets (software). The SBITAs are noncancellable, and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with a payment, individual value of \$150,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the sum of (1) the initial SBITA liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

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

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

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

Land	\$	86,665,675
Construction in progress		171,735,127
Buildings and improvements		1,480,963,131
Less: Accumulated depreciation- buildings and improvements		(642,426,882)
Furniture and equipment		140,987,853
Less: Accumulated depreciation- furniture and equipment		(103,363,190)
Right-to-use assets under lease and SBITA		1,153,740
Net adjustment to increase fund balance - total governmental funds		
to arrive at net position- governmental activities	\$	1,135,715,454

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	\$ (1,131,879,956)
Less: Deferred charge on refunding (to be amortized as interest expense)	8,998,072
Add: Deferred gain on refunding (to be amortized as interest expense)	(2,523,953)
Add: Issuance premium (to be amortized over life of debt)	(161,919,767)
Add: Accumulated accretion on capital appreciation bonds	(4,951,020)
Accrued service benefits	(40,721)
Arbitrage liability	(5,230,848)
Lease liability	(3,298)
SBITA liability	(995,272)
Accrued interest payable	(17,464,442)
Net pension liability	(241,448,101)
Net OPEB liability	(120,674,470)
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	<u><u>\$ (1,678,133,776)</u></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:

Principal repayments:	
General obligation bonds	\$ 54,070,000
Lease and SBITA liability and note payable	<u>2,552,902</u>
Net adjustment to increase (decrease) changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 56,622,902</u></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	\$ (12,200)
Accrued interest	553,433
Amortization of bond premiums	7,405,051
Amortization of deferred charge on refunding	(752,882)
Accretion on capital appreciation bonds	(87,882)
Arbitrage rebate liability	<u>(5,230,848)</u>
Net adjustment to decrease changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,874,672</u>

Note 3 - Stewardship Compliance and Accountability

Budgets and Budgetary Accounting

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

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

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

Note 4 - Deposits and Investments

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

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. The District maintains an investment policy which authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements and the State Treasurer's investment pool or similar public fund investment pools. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy.

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

At June 30, 2023, the carrying value of the District's deposits (other than the temporary investments listed below) was \$33 million and the bank balance was \$45 million. The District's cash deposits at June 30, 2023, and during the year then ended, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District also held petty cash of \$7 thousand.

Investments

As of June 30, 2023, the District's investments consisted of balances held by Lone Star Local Government Investment Pool (LSIP), Texas Local Government Investment Pool (TexPool), and LOGIC Local Government Investment Pool.

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

Note 4 - Deposits and Investments (continued)

Investments (continued)

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

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

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

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

	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Weighted Average Maturity (Days)</u>
Governmental Activities			
Local Government Investment Pools:			
TexPool	\$ 5,539,483	0.7%	26
LOGIC	445,381,728	53.8%	40
Lone Star	347,487,525	42.0%	23
Total Local Government Investment Pools	<u>798,408,736</u>	<u>96.4%</u>	
U.S. Government Agency Securities	<u>29,815,406</u>	<u>3.6%</u>	338
Total U.S. Government Agency Securities	<u>29,815,406</u>	<u>3.6%</u>	
Total Governmental Activities	<u>828,224,142</u>	<u>100.0%</u>	
Fiduciary Funds			
Investments:			
Local Government Investment Pools:			
TexPool	47,015	0.0%	26
Total Investments	<u>47,015</u>	<u>0.0%</u>	
Total Fiduciary Funds	<u>47,015</u>	<u>0.0%</u>	
Total	<u>\$ 828,271,157</u>	<u>100.0%</u>	44

Note 4 - Deposits and Investments (continued)

Investments (continued)

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

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in the external investment pools (Lone Star, TexPool and LOGIC), are not exposed to custodial risk. External investment pools are not subject to custodial risk because investments are not evidenced by securities that exist in physical or book entry form. State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of June 30, 2023, 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. The Federal Home Loan bank investments are rated AA+.

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

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

Note 5 - Receivables

Receivables due from other governments, as of June 30, 2023 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>ESSER III</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from the State of Texas/ Other Governments	\$ 47,888,368	\$ -	\$ 39,562,539	\$ 27,290,828	114,741,735

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

Note 6 - Interfund Receivables, Payables, and Transfers

The composite of interfund balances as of June 30, 2023, is as follows. All interfund balances are expected to be repaid within one year.

	Interfund Receivable	Interfund Payable	Net
Governmental Activities:			
General Fund	\$ 19,547,081	\$ 22,169,825	\$ (2,622,744)
Debt Service Fund	1,252,864	-	1,252,864
Capital Projects Fund	57,977,670	-	57,977,670
ESSER III	-	36,842,427	(36,842,427)
Nonmajor Governmental Funds	7,200,699	27,679,428	(20,478,729)
Nonmajor Enterprise Funds	-	9,003	(9,003)
Internal Service Funds	722,369	-	722,369
	<u>\$ 86,700,683</u>	<u>\$ 86,700,683</u>	<u>\$ -</u>

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

The District reflected a total of \$87 million in transfers in and out. The General Fund transferred \$72 million to the Capital Projects Fund and the Natural Gas Fund also transferred \$15 million to the Capital Projects Fund to supplement ongoing construction projects.

Note 7 - Capital Assets

A summary of changes in governmental activities capital assets for the year ended June 30, 2023 as follows:

	Balance June 30, 2022, restated	Additions	Retirements and Transfers	Balance June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 87,549,874	\$ 7,600	\$ (891,799)	\$ 86,665,675
Construction in progress	140,896,763	42,547,701	(11,709,337)	171,735,127
Total Capital assets, not being depreciated/amortized	<u>228,446,637</u>	<u>42,555,301</u>	<u>(12,601,136)</u>	<u>258,400,802</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,424,769,521	44,689,703	11,503,907	1,480,963,131
Furniture and equipment	122,753,091	19,309,114	(1,074,352)	140,987,853
Right-to-use asset - leases	265,130	-	-	265,130
Right-to-use asset - Subscription asset	1,943,152	-	-	1,943,152
Total Capital assets, being depreciated/amortized	<u>1,549,730,894</u>	<u>63,998,817</u>	<u>10,429,555</u>	<u>1,624,159,266</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(593,461,653)	(49,170,658)	205,429	(642,426,882)
Furniture and Equipment	(96,524,096)	(7,486,799)	647,705	(103,363,190)
Right-to-use asset - leases	(131,054)	(131,053)	-	(262,107)
Right-to-use asset - subscriptions	-	(792,435)	-	(792,435)
Total Accumulated depreciation/amortization	<u>(690,116,803)</u>	<u>(57,580,945)</u>	<u>853,134</u>	<u>(746,844,614)</u>
Governmental Capital Assets	<u>\$ 1,088,060,728</u>	<u>\$ 48,973,173</u>	<u>\$ (1,318,447)</u>	<u>\$ 1,135,715,454</u>

The District recorded the beginning present value of the SBITA as of July 1, 2022 to comply with GASB No. 96.

Note 7 - Capital Assets (continued)

Depreciation and amortization was charged to functions as follows:

Function	Depreciation/ Amortization Expense
Governmental Activities:	
Instruction	\$ 33,293,675
Instructional resources & media services	745,927
Curriculum & instructional staff development	792,906
Instructional leadership	1,341,602
School leadership	3,545,510
Guidance, counseling & evaluation services	3,193,463
Social work services	324,735
Health services	805,821
Student (pupil) transportation	1,749,877
Food services	71,103
Cocurricular/extracurricular activities	1,329,032
General administration	1,714,565
Plant maintenance & operations	6,170,383
Security and monitoring services	1,117,641
Data processing services	1,333,914
Community services	50,791
	<u>\$ 57,580,945</u>

Note 7 - Capital Assets (continued)

Construction Commitments

The District has active construction projects as of June 30, 2023. Construction in progress and remaining commitments as of June 30, 2023 are as follows:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
Gunn Junior High	\$ 69,106,000	\$ 68,810,642	\$ 295,358
Duff Elementary	8,224,680	542,234	7,682,446
Webb Elementary School	33,650,000	28,833,223	4,816,777
South Davis Elementary School	1,752,000	130,105	1,621,895
Shackelford JH & Jones Elementary School	11,898,076	8,863,479	3,034,597
Arlington HS	73,065,300	28,913,573	44,151,727
Martin HS & Athletic Field	31,072,000	1,856,452	29,215,548
Enterprise Center	13,724,788	12,203,531	1,521,257
Lamar HS	18,766,087	808,843	17,957,244
Cravens Stadium	16,303,020	873,687	15,429,333
Sam Houston	14,000,662	757,355	13,243,307
Wilemon Stadium	16,303,020	901,565	15,401,455
Bailey JH	20,397,620	4,417,935	15,979,685
Carter JH	63,375,000	3,054,232	60,320,768
Speer Elementary School	8,932,086	255,313	8,676,773
Pope Elementary School	8,951,100	260,535	8,690,565
Johns Elementary School	9,112,810	182,736	8,930,074
Short Elementary School	6,796,320	1,270,337	5,525,983
Foster Elementary School	6,567,960	133,899	6,434,061
Key Elementary School	14,854,400	442,987	14,411,413
Atherton Elementary School	3,433,800	75,042	3,358,758
Hale Elementary School	1,463,100	191,163	1,271,937
Adams Elementary School	114,000	42,361	71,639
Playgrounds Phase II	8,241,385	6,483,886	1,757,499
Playgrounds Phase III	63,900,000	312,876	63,587,124
Roark Elementary School (Demolition)	500,000	9,750	490,250
Goodman Elementary School	9,741,600	-	9,741,600
Amos Elementary School	6,181,200	-	6,181,200
Miller Elementary School	5,081,460	90,223	4,991,237
Knox Elementary School (Demolition)	878,000	-	878,000
Anderson Elementary	2,076,040	1,017,163	1,058,877
	<u>\$ 548,463,514</u>	<u>\$ 171,735,127</u>	<u>\$ 376,728,387</u>

Note 8 - Long-Term Debt

Long-term debt of the District is comprised of bonds payable, leases payable, SBITA payable, and accrued service benefits. 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, 2023:

	Balance July 1, 2022, restated	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Bonds payable	\$ 1,185,949,956	\$ -	\$ (54,070,000)	\$ 1,131,879,956	\$ 41,514,956
Bond premiums	169,324,818	-	(7,405,051)	161,919,767	-
Accreted interest	4,863,138	87,882	-	4,951,020	4,951,020
Notes payable	1,464,199	-	(1,464,199)	-	-
Lease liability	144,121	-	(140,823)	3,298	3,298
Arbitrage liability	-	5,230,848	-	5,230,848	-
SBITA liability	1,943,152	-	(947,880)	995,272	995,272
Accrued service benefits	28,521	24,400	(12,200)	40,721	-
Total	\$ 1,363,717,905	\$ 5,343,130	\$ (64,040,153)	\$ 1,305,020,882	\$ 47,464,546

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 May 15, 2023, the District carried out the resolution dated August 18, 2022 calling for the redemption of the District's Unlimited Tax School Bonds, Series 2014 in the amount of \$4.7 million, which is included in the retirements of the bonds payable above.

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 \$264 thousand in subsidy payments from the federal government during the fiscal year ended June 30, 2023.

Note 8 - Long-Term Debt (continued)

Bonds Payable

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

A summary of changes in general obligation bonds for the year ended June 30, 2023, are as follows:

Bond	Interest Rates	Original Amount	Range of Future Maturities	6/30/2022 Balances	Issued	Retired/ Defeased	6/30/2023 Balances
2009 QSCB	0.40%	\$ 36,320,000	2018-26	\$ 16,145,000		\$ (4,035,000)	\$ 12,110,000
2011 QSCB	5.25 to 6.00%	13,655,000	2018-26	6,065,000		(1,515,000)	4,550,000
2014 Building	2.00 to 5.00%	16,180,000	2016-39	5,145,000		(5,145,000)	-
2014 Refunding	5.00%	72,020,000	2017-24	22,725,000		(11,155,000)	11,570,000
2014A Building	1.00 to 5.00%	159,485,000	2015-39	1,055,000		(1,055,000)	-
2015 Building	1.00 to 5.00%	220,300,000	2016-40	197,725,000		(8,040,000)	189,685,000
2016A Building	3.00 to 5.00%	109,420,000	2017-41	92,805,000		(3,600,000)	89,205,000
2016B Refunding	2.00 to 5.00%	46,475,000	2017-36	40,220,000		(3,230,000)	36,990,000
2017 Building	3.00 to 5.00%	79,345,000	2018-42	66,105,000		(2,530,000)	63,575,000
2018 Building	4.00 to 5.00%	33,630,000	2019-43	18,510,000		(4,735,000)	13,775,000
2020 Building	4.00 to 5.00%	273,790,000	2020-45	255,360,000		(2,255,000)	253,105,000
2020 Refunding	4.00 to 5.00%	137,794,956	2021-39	136,514,956		(785,000)	135,729,956
2021 Building	4.00 to 5.00%	158,890,000	2022-46	151,205,000		(3,980,000)	147,225,000
2022 Building and Refunding	2.00-4.00%	176,370,000		176,370,000		(2,010,000)	174,360,000
Total Bonds Payable				\$ 1,185,949,956	\$ -	\$ (54,070,000)	\$ 1,131,879,956

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

Year Ending June 30,	Principal	Interest	Totals
2024	\$ 41,514,956	\$ 51,866,285	\$ 93,381,241
2025	44,365,000	45,239,213	89,604,213
2026	45,120,000	43,212,371	88,332,371
2027	46,795,000	41,148,045	87,943,045
2028	48,860,000	38,808,295	87,668,295
2029-2033	262,145,000	159,744,330	421,889,330
2034-2038	301,570,000	103,582,558	405,152,558
2039-2043	238,060,000	46,427,748	284,487,748
2044-2048	103,450,000	8,509,600	111,959,600
	\$ 1,131,879,956	\$ 538,538,445	\$ 1,670,418,401

Lease Liability

The District has copiers and postage machines under lease agreements. The District used an incremental borrowing rate of 3.96 percent to determine the present value of such leases. The right-to-use assets under the lease have a cost of \$262,107. There are no variable payments and the lease will be fully paid off in fiscal year 2024.

Note 8 - Long-Term Debt (continued)

Lease Liability (continued)

The lease liability as of June 30, 2023 is \$3,298 and the future principal and interest payment is presented below:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,298	\$ 9	\$ 3,307
	<u>\$ 3,298</u>	<u>\$ 9</u>	<u>\$ 3,307</u>

Rebatable Arbitrage Payable

The Tax Reform Act of 1986 requires that the excess interest earned on tax-exempt bond proceeds over interest cost must be remitted to the federal government. These arbitrage interest earnings are paid from the Capital Projects Funds and must be remitted every five years from date of issue. During the fiscal year ended June 30, 2023, no arbitrage payments were made to the IRS. The rebatable arbitrage liability at June 30, 2023 was \$5 million. It was recorded at the government-wide level since it was not due and payable at June 30, 2023 but is due within the next year.

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 2020 bond issue 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. Taxable Refunding bonds issued July 30, 2020 included premium capital appreciation bonds. The bonds were issued at a premium of \$2,574,956.

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

<u>Issue</u>	<u>Amount Due at Maturity</u>	<u>Amount Received at Issuance</u>	<u>Total To Be Accreted</u>	<u>Balance 6/30/22</u>	<u>Current Year Accretion</u>	<u>Additions / Maturities</u>	<u>Balance 6/30/23</u>
2020 Refunding	\$ 7,600,000	\$ 2,574,956	\$ 5,025,044	\$ 4,863,138	\$ 87,882	\$ -	\$ 4,951,020

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, 2023, the District had zero dollars of defeased bonds outstanding.

Note 9 - Worker's Compensation Insurance (Self-Insured)

Insurance plans

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

As a self-funded member of the Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service. The District is protected against higher than expected claims costs through the purchase of stop loss coverage. Deposits in the amount of \$250,000 for a required Loss Deposit Fund are included in other current assets on the Statement of Net Position. In addition, the District has Excess Workers Compensation Insurance which limits the District's liability for accidents exceeding \$600,000 per incident.

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, 2022, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

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

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
2021	\$ 4,541,177	\$ 639,332	\$ (1,222,324)	\$ 3,958,185
2022	3,958,185	1,686,316	(1,437,386)	4,207,115
2023	4,207,115	2,899,639	(2,661,977)	4,444,777

Note 10 - Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_publications.aspx, 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 under a previous rule. There are no automatic postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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

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

Note 10 - Defined Benefit Pension Plan (continued)

Contributions

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

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

	Contribution Rates	
	2023	2022
Member (Employee)	8.00%	8.00%
Non-Employer Contributing Entity (State)	8.00%	7.75%
District	8.00%	7.75%

	Fiscal Year (2023)
	TRS Contributions
Member (Employee)	\$ 37,903,049
Non-Employer Contributing Entity (State)	22,742,932
District	21,158,354

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 or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 10 - Defined Benefit Pension Plan (continued)

Contributions (continued)

- 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

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate

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

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

Note 10 - Defined Benefit Pension Plan (continued)

Discount Rate (continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

Asset Class¹	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity ¹	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return ¹	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

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

Note 10 - Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis

The following table presents the District's proportional share of the Net Pension Liability of the plan using the discount rate of 7.00%, and what the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 375,601,698	241,448,101	\$ 132,710,313

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

At June 30, 2023, the District reported a liability of \$241,448,101 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	\$ 241,448,101
State's proportionate share that is associated with the District	286,125,422
Total	<u>\$ 527,573,523</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

On August 31, 2022, the employer's proportion of the collective net pension liability was 0.4067% which was an increase of 0.0376% from its proportion measured as of August 31, 2021.

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

Note 10 - Defined Benefit Pension Plan (continued)

Changes Since the Prior Actuarial Valuation

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

For the year ended June 30, 2023, the District recognized pension expense of \$29,452,614. The District also recognized on-behalf pension expense and revenue of \$27,350,347 for support provided by the State.

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

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,500,978	\$ (5,264,026)
Changes of assumption	44,989,639	(11,212,675)
Net difference between projected and actual earnings on pension plan investments	23,854,300	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,941,854	(8,833,920)
District contributions subsequent to the measurement date	17,704,441	-
Total	<u>\$ 107,991,212</u>	<u>\$ (25,310,621)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$17,704,441 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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
2024	\$ 16,138,827
2025	8,686,071
2026	3,567,048
2027	30,599,744
2028	5,984,460
	<u>\$ 64,976,150</u>

Note 11 - Defined Other Post-Employment Benefit Plans

Plan Description

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

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

OPEB Plan Fiduciary Net Position

Detail information about the 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/Pages/about_publications.aspx, 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 11 - Defined Other Post-Employment Benefit Plans (continued)

Contributions

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

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

	Contribution Rates	
	2023	2022
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 (2023)
	TRS Care Contributions
Active Employee	\$ 3,076,035
Non-employer Contributing Entity (State)	7,470,750
District	4,413,392

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

Actuarial Assumptions

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

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

Actuarial Assumptions (continued)

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, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. The initial prescription drug trend was 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation

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

Discount Rate (continued)

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

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

1% Decrease in Discount Rate (2.91%)	Current Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
\$ 142,284,770	120,674,470	\$ 103,167,354

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

At June 30, 2023, the District reported a liability of \$120,674,470 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	\$ 120,674,470
State's proportionate share that is associated with (employer)	147,203,895
Total	<u>\$ 267,878,365</u>

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

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

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

At August 31, 2022, the District's proportion of the collective Net OPEB Liability was 0.5040% which was a decrease of 0.0249% from its proportion measured as of August 31, 2021.

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.

Healthcare Cost		
1% Decrease	Trend Rate	1% Increase
\$ 99,436,307	\$ 120,674,470	\$ 148,207,016

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 1.95 percent as of August 31, 2021, to 3.91 percent as of August 31, 2022. This change decreased 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, 2023, the District recognized negative OPEB expense of \$15,675,444. The District also recognized negative on-behalf OPEB expense and revenue of \$20,889,421 for support provided by the State.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,709,074	\$ (100,532,666)
Changes of assumption	18,381,112	(83,837,443)
Net difference between projected and actual earnings on OPEB plan investments	359,457	-
Changes in proportion and differences between District contributions and proportionate share of contributions	16,392,240	(10,837,699)
District contributions subsequent to the measurement date	3,667,723	-
Total	<u>\$ 45,509,606</u>	<u>\$ (195,207,808)</u>

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

Changes Since the Prior Actuarial Valuation (continued)

The \$3,667,723 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, 2024. 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
2024	\$ (29,422,751)
2025	(29,421,448)
2026	(24,304,052)
2027	(17,376,013)
2028	(19,263,608)
Thereafter	(33,578,053)
	<u><u>\$ (153,365,925)</u></u>

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on-behalf of the District were \$2,411,893, \$1,900,487, and \$2,010,075, respectively. The information for the year ended June 30, 2023, is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - Risk Management

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

Notes 13 - Shared Service Arrangement

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

Note 14 - SBITA Liabilities

The District is under contract for noncancellable SBITAs that convey control of the right-to-use software. The SBITA liabilities outstanding as of June 30, 2023 consist of three (3) educational software subscriptions with 24 month terms. An incremental borrowing rate of 5 percent was used to discount the SBITAs. The value of the SBITA asset is \$1,943,152 and accumulated amortization totaled \$792,435.

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets.

The future principal and interest SBITA payments as of June 30, 2023, were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 995,272	\$ 49,764	\$ 1,045,036

Note 15 - Subsequent Events

On July 31, 2023, the District issued \$140,590,000 in School Building and Refunding Bonds, Series 2023. The proceeds from the sale of the bond will be used for (i) acquisition, construction and equipment of school buildings and the purchase of school sites and school buses, (ii) to refund a portion of the District's outstanding debt (the "Refunded Bonds") for debt service savings and, (iii) for payment of the costs associated with the issuance of the Bonds.

In August 2019, Arlington ISD and the City of Arlington entered into an Interlocal Agreement regarding a property swap authorizing the exchange of real property owned by the City of Arlington for real property owned by Arlington ISD. The agreement was executed in July 2023 and the Arlington ISD received the property known as Wessler Park and the City of Arlington received the property known as Roark Elementary School site, plus \$5,855,399 for the difference in fair market value for the two tracts of land and design and construction fees to construct a new city park at the original Roark ES site.

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 Nine Measurement Years Ended August 31 ⁽¹⁾

Exhibit G-1

	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.41%	0.37%	0.36%	0.39%	0.39%
District's proportionate share of the net pension liability	\$ 241,448,101	\$ 94,001,973	\$ 190,880,824	\$ 202,083,399	\$ 215,929,798
State's proportionate share of the net pension liability associated with the District	286,125,422	139,610,651	283,342,941	276,296,260	308,845,844
Total	<u>\$ 527,573,523</u>	<u>\$ 233,612,624</u>	<u>\$ 474,223,765</u>	<u>\$ 478,379,659</u>	<u>\$ 524,775,642</u>
District's covered payroll (for Measurement Year)	\$ 465,103,106	\$ 448,577,062	\$ 422,631,242	\$ 411,615,670	\$ 408,126,343
District's proportionate share of the net pension liability as a percentage of it's covered payroll	51.91%	20.96%	45.16%	49.10%	52.91%
Plan fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	112.72%	51.08%	114.93%	114.93%	126.11%
	2017	2016	2015	2014	
District's proportion of the net pension liability	0.40%	0.39%	0.39%	0.28%	
District's proportionate share of the net pension liability	\$ 128,887,686	\$ 148,696,381	\$ 139,331,975	\$ 75,557,286	
State's proportionate share of the net pension liability associated with the District	187,381,594	225,379,353	219,091,643	190,008,374	
Total	<u>\$ 316,269,280</u>	<u>\$ 374,075,734</u>	<u>\$ 358,423,618</u>	<u>\$ 265,565,660</u>	
District's covered payroll (for Measurement Year)	\$ 406,117,695	\$ 391,215,683	\$ 375,129,379	\$ 367,187,392	
District's proportionate share of the net pension liability as a percentage of it's covered payroll	31.74%	38.01%	37.14%	20.58%	
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%	
Plan's net pension liability as a percentage of covered payroll *	75.93%	92.75%	91.94%	72.89%	

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

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

* Per Teacher Retirement System of Texas' annual comprehensive 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 Ten Fiscal Years

Exhibit G-2

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 21,158,354	\$ 18,173,802	\$ 15,382,288	\$ 14,570,224	\$ 13,383,140
Contributions in relation to the contractual required	<u>21,158,354</u>	<u>18,173,802</u>	<u>15,382,288</u>	<u>14,570,224</u>	<u>13,383,140</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 473,204,882	\$ 463,646,476	\$ 439,039,067	\$ 422,515,424	\$ 411,031,166
Contributions as a percentage of covered payroll	4.47%	3.92%	3.50%	3.45%	3.26%

	2018	2017	2016	2015	2014
Contractually required contributions	\$ 13,319,359	\$ 13,061,085	\$ 12,378,352	\$ 11,065,220	\$ 6,868,636
Contributions in relation to the contractual required	<u>13,319,359</u>	<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>	<u>\$ -</u>
District's covered payroll	\$ 409,175,566	\$ 402,410,725	\$ 388,883,913	\$ 373,526,450	\$ 363,736,625
Contributions as a percentage of covered payroll	3.25%	3.25%	3.18%	2.96%	1.89%

ARLINGTON INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Notes to Required Supplementary Information - Pension

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

Changes of Assumptions

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

- The single discount rate as of August 31, 2018 was a single blended rate of 6.907 percent. That has changed to the long-term rate of 7.25 percent as of August 31, 2019.
- There was no change to the discount rate for the measurement year ended August 31, 2020 or 2021.
- The discount rate changed from 7.25% to 7.00% from measurement year 2021 through 2022.
- With the enactment of SB 3 by the 2019 Texas legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive \$2,700 increase in fiscal year 2020. This is an additional to the salary increase expected based on the actuarial assumptions.

Changes of Benefit Terms

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

Notes to Required Supplementary Information -

OPEB Changes of Assumptions

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

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

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

Changes of Benefit Terms

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

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

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

Exhibit G-3

	2022	2021	2020
District's proportion of the net OPEB liability	0.50%	0.48%	0.47%
District's proportionate share of the net OPEB liability	\$ 120,674,470	\$ 184,805,089	\$ 179,590,022
State's proportionate share of the net OPEB liability associated with the District	147,203,895	247,597,635	241,325,941
Total	<u>\$ 267,878,365</u>	<u>\$ 432,402,724</u>	<u>\$ 420,915,963</u>
District's covered-employee payroll (for Measurement Year)	\$ 465,103,106	\$ 448,577,062	\$ 422,631,242
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	25.95%	41.20%	42.49%
Plan fiduciary net position as a percentage of the total OPEB liability *	11.52%	6.18%	4.99%
Plan's net OPEB liability as a percentage of covered-employee payroll *	59.10%	100.13%	101.46%

	2019	2018	2017
District's proportion of the net OPEB liability	0.49%	0.50%	0.50%
District's proportionate share of the net OPEB liability	\$ 231,749,147	\$ 248,006,708	\$ 217,735,070
State's proportionate share of the net OPEB liability associated with the District	307,942,781	345,695,787	314,597,329
Total	<u>\$ 539,691,928</u>	<u>\$ 593,702,495</u>	<u>\$ 532,332,399</u>
District's covered-employee payroll (for Measurement Year)	\$ 411,615,670	\$ 408,126,343	\$ 406,117,695
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	56.30%	60.77%	53.61%
Plan fiduciary net position as a percentage of the total OPEB liability *	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered-employee payroll *	135.21%	146.64%	132.55%

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

* Per Teacher Retirement System of Texas' annual comprehensive 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 Ten Fiscal Years

Exhibit G-4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 4,413,392	\$ 4,040,700	\$ 3,667,867	\$ 3,576,251	\$ 3,450,595
Contributions in relation to the contractual required contributions	<u>4,413,392</u>	<u>4,040,700</u>	<u>3,667,867</u>	<u>3,576,251</u>	<u>3,450,595</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 473,204,882	\$ 463,646,476.00	\$ 439,039,067.00	\$ 422,515,424.00	\$ 411,031,166.00
Contributions as a percentage of covered employee payroll	0.93%	0.87%	0.84%	0.85%	0.84%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 3,315,476	\$ 2,580,445	\$ 2,659,382	\$ 2,325,049	\$ 2,264,533
Contributions in relation to the contractual required contributions	<u>3,315,476</u>	<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>	<u>\$ -</u>
District's covered employee payroll	0.81%	0.64%	0.68%	0.62%	1.89%
Contributions as a percentage of covered employee payroll					



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.
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.
278	ARPA Homeless I - TEHCY Supplemental – addressing educational stabilization un the CARES Act to address the learning gap for homeless student instruction during the COVID-19 pandemic.
280	ARPA Homeless II - addressing learning loss experienced by homelessness due to COVID-19, supporting wraparound services, academic engagement and enrichment activities for students & families.
281	ESSER II - Educational Stabilization Fund under the CRRSA Act to support the District's ability to operate and instruct its students during the COVID-19 pandemic.

NONMAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS (continued)

Fund Number	Fund Name & Description
282	ESSER III - Educational Stabilization Fund under the ARP Act to support the District's ability to operate and instruct its students during the COVID-19 pandemic.
284	IDEA-Part B, Formula - ARPA - Federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities.
288	Title IV, part A - SSAEP - This grant is to provide students with a well-rounded education, support safe and healthy students, and support the effective use of technology.
289	Texas Literary Initiative - Improve school readiness and success in the areas of language and literacy for disadvantaged students.
315	SSA - IDEA B - Discretionary - Support ESC basic special education component, regional day school programs.
385	Visually Impaired State - Provide teachers and services to students who are visually impaired.
397	Advanced Placement Incentives - Professional development of teachers teaching advanced classes.
410	Instructional Materials Allotment - State funds allotted to school districts to purchase instructional materials and technology-related equipment and services.
429	Other State Programs - Supplemental state funds for various educational and support programs.
435	Regional Day School for the Deaf - Provide funding for staff and services to students with auditory 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.
480	Natural Gas Special Revenue Fund - During recent years, the District has endgage in leasing the mineral rights to its various properties for the extraction of natureal gas. This activitiei has resulted in a significant inflow of contract signing bonuses and royalty payments ofr the District. During the year ended August 31, 2011, the Board of Trustees committed these inflows for future special projects.
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, 2023

Exhibit H-1
Page 1 of 7

Data Control Codes		206	211	220	224
		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	IDEA B - Formula
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ 924,350	\$ -	\$ -
1240	Receivables from other governments	46,939	2,750,295	127,067	2,760,012
1260	Due from other funds	-	481,172	-	-
1290	Other receivables	150	-	-	-
1310	Inventories	-	-	-	-
1410	Prepaid items	-	70,432	-	1,106
1000	Total Assets	\$ 47,089	\$ 4,226,249	\$ 127,067	\$ 2,761,118
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 8,836	\$ 345,345	\$ 5,731	\$ 210,817
2160	Accrued wages payable	18,034	1,050,241	21,760	1,405,707
2170	Due to other funds	20,219	2,830,663	99,576	1,144,594
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	47,089	4,226,249	127,067	2,761,118
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	70,432	-	1,106
	Restricted:				
3450	Federal/ State funds grant restrictions	-	(70,432)	-	(1,106)
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 47,089	\$ 4,226,249	\$ 127,067	\$ 2,761,118

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 2 of 7

Data Control Codes		225	240	242	244
		IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA	Carl D. Perkins Technology
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ 11,819,822	\$ -	\$ -
1240	Receivables from other governments	56,954	25,100	671,102	194,898
1260	Due from other funds	-	3,986,140	251,584	-
1290	Other receivables	-	5,520	-	-
1310	Inventories	-	4,370,023	-	-
1410	Prepaid items	-	183,379	3,081	-
1000	Total Assets	<u>\$ 56,954</u>	<u>\$ 20,389,984</u>	<u>\$ 925,767</u>	<u>\$ 194,898</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 924,171	\$ 90,336	\$ 3,009
2160	Accrued wages payable	38,013	72,222	176,695	-
2170	Due to other funds	18,941	3,500,000	-	191,889
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>56,954</u>	<u>4,496,393</u>	<u>267,031</u>	<u>194,898</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	4,370,023	-	-
3430	Prepaid items	-	183,379	3,081	-
	Restricted:				
3450	Federal/ State funds grant restrictions	-	11,340,189	655,655	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>15,893,591</u>	<u>658,736</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 56,954</u>	<u>\$ 20,389,984</u>	<u>\$ 925,767</u>	<u>\$ 194,898</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 3 of 7

Data Control Codes		255	263	278	280
		Title II-A - Supporting Effective Instruction	Title III-A ELA	ARP - Homeless I TEHCY Supp	ARPA Homeless II
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	306,959	215,135	50,107	32,767
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	600	-	-
1310	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 306,959</u>	<u>\$ 215,735</u>	<u>\$ 50,107</u>	<u>\$ 32,767</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ 749	\$ 77,039	\$ 2,376	\$ 6,731
2160	Accrued wages payable	155,638	66,145	12,356	-
2170	Due to other funds	150,572	72,551	35,375	26,036
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	<u>306,959</u>	<u>215,735</u>	<u>50,107</u>	<u>32,767</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Federal/ State funds grant restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 306,959</u>	<u>\$ 215,735</u>	<u>\$ 50,107</u>	<u>\$ 32,767</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
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Data Control Codes		281	284	288	289
		ESSER II	IDEA B - Formula APRA	Title IV, Part A - SSAEP	Texas Literary Initiative
	Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	18,074,000	17,825	439,364	-
1260	Due from other funds	-	-	-	270,311
1290	Other receivables	-	-	523	-
1310	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 18,074,000</u>	<u>\$ 17,825</u>	<u>\$ 439,887</u>	<u>\$ 270,311</u>
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	\$ -	\$ 3,942	\$ 87,265	\$ 1,686
2160	Accrued wages payable	-	-	92,497	5,370
2170	Due to other funds	18,074,000	13,883	260,125	-
2180	Payable to other governments	-	-	-	48,788
2300	Unearned revenue	-	-	-	214,467
2000	Total Liabilities	<u>18,074,000</u>	<u>17,825</u>	<u>439,887</u>	<u>270,311</u>
	Fund Balance:				
	Non-Spendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Federal/ State funds grant restrictions	-	-	-	-
	Committed:				
3545	Other committed	-	-	-	-
	Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 18,074,000</u>	<u>\$ 17,825</u>	<u>\$ 439,887</u>	<u>\$ 270,311</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 5 of 7

		315	385	397	410
Data Control Codes		IDEA B - Discretionary	State Visual Impairment	Advanced Placement Incentive	Instructional Materials Allotment
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	41,768	19,620	-	878,124
1260	Due from other funds	17,118	-	21,795	-
1290	Other receivables	-	-	6,944	-
1310	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	\$ 58,886	\$ 19,620	\$ 28,739	\$ 878,124
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 50,599	\$ 1,643	\$ 7,998	\$ 82,592
2160	Accrued wages payable	8,287	-	-	-
2170	Due to other funds	-	17,977	-	795,532
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	58,886	19,620	7,998	878,124
Fund Balance:					
Non-Spendable:					
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
Restricted:					
3450	Federal/ State funds grant restrictions	-	-	20,741	-
Committed:					
3545	Other committed	-	-	-	-
Total Fund Balance		-	-	20,741	-
4000	Total Liabilities and Fund Balance	\$ 58,886	\$ 19,620	\$ 28,739	\$ 878,124

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 6 of 7

		429	435	461	480
Data Control Codes		Other State Programs	Regional Day School for the Deaf	Campus Activity Funds	Natural Gas Special Revenue Fund
Assets:					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from other governments	555,994	26,798	-	-
1260	Due from other funds	(8,649)	9,038	2,019,133	-
1290	Other receivables	-	400	236	-
1310	Inventories	-	-	-	-
1410	Prepaid items	-	-	3,556	-
1000	Total Assets	\$ 547,345	\$ 36,236	\$ 2,022,925	\$ -
Liabilities:					
Current Liabilities:					
2110	Accounts payable	\$ 93,101	\$ 23,678	\$ 118,008	\$ -
2160	Accrued wages payable	26,749	12,558	-	-
2170	Due to other funds	427,495	-	-	-
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	547,345	36,236	118,008	-
Fund Balance:					
Non-Spendable:					
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	3,556	-
Restricted:					
3450	Federal/ State funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed	-	-	1,901,361	-
	Total Fund Balance	-	-	1,904,917	-
4000	Total Liabilities and Fund Balance	\$ 547,345	\$ 36,236	\$ 2,022,925	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 7 of 7

		492	497	
Data Control Codes		National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
Assets:				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 12,744,172
1240	Receivables from other governments	-	-	27,290,828
1260	Due from other funds	7,100	145,957	7,200,699
1290	Other receivables	-	-	14,373
1310	Inventories	-	-	4,370,023
1410	Prepaid items	-	-	261,554
1000	Total Assets	\$ 7,100	\$ 145,957	\$ 51,881,649
Liabilities:				
Current Liabilities:				
2110	Accounts payable	\$ -	\$ 7,637	\$ 2,153,289
2160	Accrued wages payable	-	10,000	3,172,272
2170	Due to other funds	-	-	27,679,428
2180	Payable to other governments	-	-	48,788
2300	Unearned revenue	7,100	128,320	349,887
2000	Total Liabilities	7,100	145,957	33,403,664
Fund Balance:				
Non-Spendable:				
3410	Inventories	-	-	4,370,023
3430	Prepaid items	-	-	261,554
Restricted:				
3450	Federal/ State funds grant restrictions	-	-	11,945,047
Committed:				
3545	Other committed	-	-	1,901,361
Total Fund Balance		-	-	18,477,985
4000	Total Liabilities and Fund Balance	\$ 7,100	\$ 145,957	\$ 51,881,649



ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 1 of 7

		206	211	220	224
Data Control Codes		McKinney Homeless Education	Title I-A Improving Basic Programs	English Literacy & Civics Ed.	IDEA B - Formula
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	235,998	14,900,745	597,060	13,576,660
5020	Total Revenues	235,998	14,900,745	597,060	13,576,660
Expenditures					
Current:					
0011	Instruction	7,798	7,151,101	515,754	10,792,890
0012	Instructional Resources and Media Services	-	382,139	-	-
0013	Curriculum and Instructional Staff Development	-	1,048,031	792	1,297,648
0021	Instructional Leadership	8,347	3,568,126	80,514	4,576
0023	School Leadership	-	11,161	-	-
0031	Guidance, Counseling and Evaluation Services	-	7,644	-	1,448,344
0032	Social work services	204,331	629,020	-	-
0033	Health Services	-	-	-	33,202
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0061	Community Services	15,522	2,103,523	-	-
6030	Total Expenditures	235,998	14,900,745	597,060	13,576,660
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
Page 2 of 7

		225	240	242	244
Data Control Codes		IDEA B - Preschool	Child Nutrition Program	Summer Feeding Program TDA	Carl D. Perkins Technology
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ 5,725,896	\$ -	\$ -
5800	State Program Revenues	-	147,964	-	-
5900	Federal Program Revenues	235,983	32,202,245	799,832	903,006
5020	Total Revenues	235,983	38,076,105	799,832	903,006
Expenditures					
Current:					
0011	Instruction	235,983	-	-	391,875
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	5,182
0021	Instructional Leadership	-	-	-	360,386
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	145,563
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	33,692,528	630,386	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	258,444	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	235,983	33,950,972	630,386	903,006
1100	Excess (deficiency) of revenues over expenditures	-	4,125,133	169,446	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	4,125,133	169,446	-
0100	Fund Balance - July 1 (Beginning)	-	11,768,458	489,290	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 15,893,591	\$ 658,736	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 3 of 7

Data Control Codes		255	263	278	280
		Title II-A -			
		Supporting Effective Instruction	Title III-A ELA	ARP - Homeless I TEHCY Supp	ARPA Homeless II
	Revenues				
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	2,402,440	1,454,508	136,659	45,692
5020	Total Revenues	2,402,440	1,454,508	136,659	45,692
	Expenditures				
	Current:				
0011	Instruction	1,054	159,473	2,015	13,775
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	1,674,746	920,089	-	-
0021	Instructional Leadership	15,000	27,152	43,506	4,104
0023	School Leadership	711,640	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social work services	-	-	68,496	8,081
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0061	Community Services	-	347,794	22,642	19,732
6030	Total Expenditures	2,402,440	1,454,508	136,659	45,692
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 4 of 7

Data Control Codes		281	284	288	289
		ESSER II	IDEA B - Formula APRA	Title IV, Part A - SSAEP	Texas Literary Initiative
	Revenues				
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	19,112,142	659,949	1,440,308	10,184
5020	Total Revenues	<u>19,112,142</u>	<u>659,949</u>	<u>1,440,308</u>	<u>10,184</u>
	Expenditures				
	Current:				
0011	Instruction	19,112,142	496,734	561,177	8,490
0012	Instructional Resources and Media Services	-	-	732,285	-
0013	Curriculum and Instructional Staff Development	-	-	23,017	-
0021	Instructional Leadership	-	62,884	10,000	-
0023	School Leadership	-	-	-	1,694
0031	Guidance, Counseling and Evaluation Services	-	100,331	38,500	-
0032	Social work services	-	-	70,111	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	5,218	-
0051	Plant Maintenance and Operations	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	<u>19,112,142</u>	<u>659,949</u>	<u>1,440,308</u>	<u>10,184</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources (Uses)				
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	<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, 2023

Exhibit H-2

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		315	385	397	410
Data Control Codes		IDEA B - Discretionary	State Visual Impairment	Advanced Placement Incentive	Instructional Materials Allotment
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	23,480	21,161	2,051,422
5900	Federal Program Revenues	101,353	-	-	-
5020	Total Revenues	101,353	23,480	21,161	2,051,422
Expenditures					
Current:					
0011	Instruction	101,353	23,480	-	2,051,422
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	7,562	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	-	-
0051	Plant Maintenance and Operations	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	101,353	23,480	7,562	2,051,422
1100	Excess (deficiency) of revenues over expenditures	-	-	13,599	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	13,599	-
0100	Fund Balance - July 1 (Beginning)	-	-	7,142	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 20,741	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 6 of 7

		429	435	461	480
Data Control Codes		Other State Programs	Regional Day School for the Deaf	Campus Activity Funds	Natural Gas Special Revenue Fund
Revenues					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ 4,427,006	\$ -
5800	State Program Revenues	1,310,235	490,132	-	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	1,310,235	490,132	4,427,006	-
Expenditures					
Current:					
0011	Instruction	1,271,606	487,151	36,484	-
0012	Instructional Resources and Media Services	28	-	-	-
0013	Curriculum and Instructional Staff Development	1,703	1,276	886	-
0021	Instructional Leadership	11,018	-	-	-
0023	School Leadership	19,208	-	71	-
0031	Guidance, Counseling and Evaluation Services	12,368	-	-	-
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/ Extracurricular Activities	-	-	4,597,551	-
0051	Plant Maintenance and Operations	-	1,492	-	-
0061	Community Services	2,953	213	-	-
6030	Total Expenditures	1,318,884	490,132	4,634,992	-
1100	Excess (deficiency) of revenues over expenditures	(8,649)	-	(207,986)	-
Other Financing Sources (Uses)					
8911	Transfers out	-	-	-	(14,715,022)
7080	Total Other Financing Sources (Uses)	-	-	-	(14,715,022)
1200	Net change in fund balances	(8,649)	-	(207,986)	(14,715,022)
0100	Fund Balance - July 1 (Beginning)	8,649	-	2,112,903	14,715,022
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 1,904,917	\$ -

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 7 of 7

		492	497	
Data Control Codes		National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
Revenues				
5700	Local and Intermediate Sources	\$ -	\$ 232,900	\$ 10,385,802
5800	State Program Revenues	23,501	-	4,067,895
5900	Federal Program Revenues	-	-	88,814,764
5020	Total Revenues	23,501	232,900	103,268,461
Expenditures				
Current:				
0011	Instruction	23,501	168,617	43,613,875
0012	Instructional Resources and Media Services	-	54,860	1,169,312
0013	Curriculum and Instructional Staff Development	-	9,000	4,989,932
0021	Instructional Leadership	-	-	4,195,613
0023	School Leadership	-	-	743,774
0031	Guidance, Counseling and Evaluation Services	-	-	1,752,750
0032	Social work services	-	-	980,039
0033	Health Services	-	-	33,202
0035	Food Services	-	-	34,322,914
0036	Cocurricular/ Extracurricular Activities	-	-	4,602,769
0051	Plant Maintenance and Operations	-	-	259,936
0061	Community Services	-	423	2,512,802
6030	Total Expenditures	23,501	232,900	99,176,918
1100	Excess (deficiency) of revenues over expenditures	-	-	4,091,543
Other Financing Sources (Uses)				
8911	Transfers out	-	-	(14,715,022)
7080	Total Other Financing Sources (Uses)	-	-	(14,715,022)
1200	Net change in fund balances	-	-	(10,623,479)
0100	Fund Balance - July 1 (Beginning), as restated	-	-	29,101,464
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 18,477,985

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

Exhibit H-3

	752	770	
		Workers'	
	Print Shop	Compensation	Total
	Fund		
Assets			
Current Assets:			
Cash and cash equivalents	\$ 315,819	\$ 5,671,952	\$ 5,987,771
Receivables:			
Due from other funds	91,519	630,850	722,369
Prepaid items	11,996	-	11,996
Total Current Assets	<u>419,334</u>	<u>6,302,802</u>	<u>6,722,136</u>
Total Assets	<u>419,334</u>	<u>6,302,802</u>	<u>6,722,136</u>
Liabilities			
Current Liabilities:			
Accounts payable	44,092	177,467	221,559
Accrued expenses	-	4,444,777	4,444,777
Total Current Liabilities	<u>44,092</u>	<u>4,622,244</u>	<u>4,666,336</u>
Total Liabilities	<u>44,092</u>	<u>4,622,244</u>	<u>4,666,336</u>
Net Position			
Unrestricted	375,242	1,680,558	2,055,800
Total Net Position	<u>\$ 375,242</u>	<u>\$ 1,680,558</u>	<u>\$ 2,055,800</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-4

	752	770	
	Print Shop	Workers' Compensation Fund	Total
Operating Revenues			
Charges for services	\$ 374,227	\$ 2,667,439	\$ 3,041,666
Total Operating Revenues	<u>374,227</u>	<u>2,667,439</u>	<u>3,041,666</u>
Operating Expenses			
Purchased and contracted services	194,388	-	194,388
Supplies and materials	176,377	-	176,377
Claims expense and other operating expenses	-	2,667,438	2,667,438
Total Operating Expenses	<u>370,765</u>	<u>2,667,438</u>	<u>3,038,203</u>
Operating Income (Loss)	<u>3,462</u>	<u>1</u>	<u>3,463</u>
Non-Operating Revenues (Expenses)			
Earnings - temporary deposits and investments	-	181,994	181,994
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>181,994</u>	<u>181,994</u>
Change in Net Position	3,462	181,995	185,457
Net Position - July 1 (Beginning)	<u>371,780</u>	<u>1,498,563</u>	<u>1,870,343</u>
Net Position - June 30 (Ending)	<u>\$ 375,242</u>	<u>\$ 1,680,558</u>	<u>\$ 2,055,800</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-5

	752	770	
		Workers'	
		Compensation	
	Print Shop	Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 342,600	\$ 2,472,516	\$ 2,815,116
Cash payments for insurance claims	-	(2,414,815)	(2,414,815)
Cash payments to suppliers	(153,451)	-	(153,451)
Cash payments for other operating expenses	(194,388)	-	(194,388)
Net Cash Provided by (Used for) Operating Activities	(5,239)	57,701	52,462
Cash Flows from Investing Activities:			
Interest on investments	-	181,994	181,994
Net Cash Provided by Investing Activities	-	181,994	181,994
Net Increase (decrease) in Cash and Cash Equivalents	(5,239)	239,695	234,456
Cash and Cash Equivalents at Beginning of Year	321,058	5,432,257	5,753,315
Cash and Cash Equivalents at End of Year	\$ 315,819	\$ 5,671,952	\$ 5,987,771
Reconciliation of Operating Income (Loss) to Net Cash			
Provided by operating Activities:			
Operating Income (Loss)	\$ 3,462	\$ 1	\$ 3,463
Change in Assets and Liabilities:			
Decrease (increase) in interfund receivables	(31,627)	(194,923)	(226,550)
Decrease (increase) in prepaid items	(11,996)	-	(11,996)
Increase (decrease) in accounts payable	34,922	14,961	49,883
Increase (decrease) in accrued expenses	-	237,662	237,662
Net Cash Provided by (Used for) Operating Activities	\$ (5,239)	\$ 57,701	\$ 52,462



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, 2023

Exhibit J-1
Page 1 of 2

	1	2	3	10
Last Ten Fiscal Years	Tax Rates		Net Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 7/1/2022
	Maintenance	Debt Service		
2014 and prior	Various	Various	20,220,917,724	\$ 7,878,263
2015	1.040000	0.252170	21,265,403,194	477,314
2016	1.040000	0.308110	21,317,959,305	778,937
2017	1.040000	0.372950	22,961,131,839	676,727
2018	1.040000	0.350080	24,852,974,721	768,513
2019	1.040000	0.328670	27,724,047,506	1,269,543
2020	0.970000	0.328670	31,092,102,305	1,039,013
2021	1.086400	0.300700	32,074,210,610	1,731,869
2022	1.060100	0.300700	33,355,504,880	5,789,899
2023	1.008000	0.300700	36,472,920,150	-
1000 TOTALS				<u><u>\$ 20,410,078</u></u>

8000 - Tax refunds under Section 26.1115 Tax Code for homestead exemptions as provided by
Section 11.42(f), Tax Code

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2023

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 6/30/2023
2014 and prior	\$ -	\$ 32,974	\$ 8,418	\$ (3,477,659)	\$ 4,359,212
2015	-	11,463	3,396	1,246	463,701
2016	-	12,098	4,339	(62,633)	699,867
2017	-	18,921	6,369	(97,741)	553,696
2018	-	28,342	8,957	(111,479)	619,735
2019	-	59,581	18,829	(184,307)	1,006,826
2020	-	144,005	48,794	(100,914)	745,300
2021	-	277,306	76,754	(318,099)	1,059,710
2022	-	2,341,002	664,031	(1,634,401)	1,150,465
2023	<u>477,321,106</u>	<u>363,357,668</u>	<u>108,394,495</u>	<u>-</u>	<u>5,568,943</u>
1000 TOTALS	<u>\$ 477,321,106</u>	<u>\$ 366,283,360</u>	<u>\$ 109,234,382</u>	<u>\$ (5,985,987)</u>	<u>\$ 16,227,455</u>
		<u>\$ (62,384)</u>	<u>\$ (18,610)</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, 2023**

Data Control Codes		Child Nutrition			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 1,616,850	\$ 3,807,966	\$ 5,725,896	\$ 1,917,930
5800	State program revenues	175,000	147,964	147,964	-
5900	Federal program revenues	30,837,799	30,837,799	32,202,245	1,364,446
	Total Revenues	<u>32,629,649</u>	<u>34,793,729</u>	<u>38,076,105</u>	<u>3,282,376</u>
	Expenditures:				
0035	Food services	32,605,023	34,122,446	33,692,528	429,918
0051	Facilities maintenance and operations	24,626	277,941	258,444	19,497
	Total Expenditures	<u>32,629,649</u>	<u>34,400,387</u>	<u>33,950,972</u>	<u>449,415</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>-</u>	<u>393,342</u>	<u>4,125,133</u>	<u>3,731,791</u>
1200	Change in fund balance	-	393,342	4,125,133	3,731,791
100	Fund Balance - July 1 (beginning)	<u>11,768,458</u>	<u>11,768,458</u>	<u>11,768,458</u>	<u>-</u>
3000	Fund Balance - June 30 (ending)	<u>\$ 11,768,458</u>	<u>\$ 12,161,800</u>	<u>\$ 15,893,591</u>	<u>\$ 3,731,791</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-3
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET,
AMENDED FINAL AND ACTUAL - DEBT SERVICE
For the Year Ended June 30, 2023**

Data Control Codes		Debt Service			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 102,302,212	\$ 110,068,868	\$ 111,153,261	\$ 1,084,393
5800	State program revenues	712,598	2,970,875	2,712,103	(258,772)
5900	Federal program revenues	264,003	264,991	264,991	-
	Total Revenues	<u>103,278,813</u>	<u>113,304,734</u>	<u>114,130,355</u>	<u>825,621</u>
	Expenditures				
	Debt Service:				
0071	Principal on long-term debt	54,070,000	54,070,000	54,070,000	-
0072	Interest on long-term debt	44,094,674	48,774,214	48,769,965	4,249
0073	Bond issuance costs and fees	-	34,050	34,050	-
	Total Expenditures	<u>98,164,674</u>	<u>102,878,264</u>	<u>102,874,015</u>	<u>4,249</u>
1100	Excess (deficiency) of revenues over expenditures	<u>5,114,139</u>	<u>10,426,470</u>	<u>11,256,340</u>	<u>829,870</u>
1200	Net change in fund balance	5,114,139	10,426,470	11,256,340	829,870
0100	Fund balances - Beginning	<u>52,887,268</u>	<u>52,887,268</u>	<u>52,887,268</u>	<u>-</u>
3000	Fund balances - Ending	<u>\$ 58,001,407</u>	<u>\$ 63,313,738</u>	<u>\$ 64,143,608</u>	<u>\$ 829,870</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION
PROGRAM COMPLIANCE RESPONSES
For the Year Ended June 30, 2023

Exhibit J-4

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$65,461,645
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$40,807,527
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 9,528,555
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 6,410,738

ARLINGTON INDEPENDENT SCHOOL DISTRICT
Exhibit J-5

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET,
AMENDED FINAL AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2023**

Data Control Codes		Capital Projects Fund			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local revenues	\$ 177,444	\$ 19,706,503	\$ 21,136,999	\$ 1,430,496
5900	Federal program revenues	-	362,842	1,365,853	1,003,011
	Total Revenues	<u>177,444</u>	<u>20,069,345</u>	<u>22,502,852</u>	<u>2,433,507</u>
	Expenditures				
	Current:				
0011	Instruction	16,258,781	17,825,540	11,033,317	6,792,223
0034	Student transportation	3,941,858	3,941,858	571,154	3,370,704
0036	Extracurricular activities	370,000	415,627	415,627	-
0041	General administration	-	27,600	11,536	16,064
0051	Plant maintenance and operations	3,906,004	4,777,139	585,242	4,191,897
0052	Security and monitoring services	1,200,000	3,828,755	2,420,494	1,408,261
0053	Data processing services	22,197,334	15,651,405	7,392,315	8,259,090
	Capital Outlay:				
0081	Facilities acquisition and construction	486,315,232	525,089,917	88,507,469	436,582,448
	Total Expenditures	<u>534,189,209</u>	<u>571,557,841</u>	<u>110,937,154</u>	<u>460,620,687</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(534,011,765)</u>	<u>(551,488,496)</u>	<u>(88,434,302)</u>	<u>463,054,194</u>
	Other Financing Sources (Uses)				
7912	Sale of real or personal property	-	11,324,741	11,324,741	-
7915	Operating transfers in	143,282,355	86,465,022	86,465,022	-
	Total Other Financing Sources (Uses)	<u>143,282,355</u>	<u>97,789,763</u>	<u>97,789,763</u>	<u>-</u>
1200	Net change in fund balance	<u>(390,729,410)</u>	<u>(453,698,733)</u>	<u>9,355,461</u>	<u>463,054,194</u>
100	Fund Balances - Beginning	<u>498,296,108</u>	<u>498,296,108</u>	<u>498,296,108</u>	<u>-</u>
3000	Fund Balances - Ending	<u>\$ 107,566,698</u>	<u>\$ 44,597,375</u>	<u>\$ 507,651,569</u>	<u>\$ 463,054,194</u>



STATISTICAL SECTION

(Unaudited)

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

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

	<u>Page</u>
Financial Trends	112
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	122
The schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	131
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	135
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	141
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

	2023	2022	2021	2020	2019
Governmental Net Position					
Net investment in capital assets	\$ 255,248,818	\$ 231,350,616	\$ 248,973,295	\$ 202,728,394	\$ 217,157,321
Restricted for federal and state programs	16,581,717	479,131	6,172,121	12,260,485	16,050,021
Restricted for debt service	48,465,849	36,767,894	44,897,318	46,156,785	22,790,002
Unrestricted	(60,879,687)	(109,117,208)	(196,466,588)	(493,549,281)	(491,301,312)
Total Governmental Net Position	259,416,697	159,480,433	103,576,146	(232,403,617)	(235,303,968)
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	-	-	-	-	-
Restricted for federal and state programs	-	-	-	-	-
Unrestricted	178,188	181,935	130,565	-	-
Total Business-Type Net Position	178,188	181,935	130,565	-	-
Total Primary Government Net Position					
Net investment in capital assets	255,248,818	231,350,616	248,973,295	202,728,394	217,157,321
Restricted for federal and state programs	16,581,717	479,131	6,172,121	12,260,485	16,050,021
Restricted for debt service	48,465,849	36,767,894	44,897,318	46,156,785	22,790,002
Unrestricted	(60,701,499)	(108,935,273)	(196,466,588)	(493,549,281)	(491,301,312)
Total Primary Government Net Position	\$ 259,594,885	\$ 159,662,368	\$ 103,576,146	\$ (232,403,617)	\$ (235,303,968)

⁽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

	2018	2017	2016	2015	2014
Governmental Net Position					
Net investment in capital assets	\$ 168,904,696	\$ 31,929,478	\$ 70,466,966	\$ 94,478,337	\$ 63,648,331
Restricted for federal and state programs	14,603,590	737,936	610,145	384,459	3,267,869
Restricted for debt service	20,286,488	18,173,383	16,838,551	15,936,844	13,376,345
Unrestricted	(372,835,728)	149,027,332	162,870,820	143,006,519	219,267,502
Total Governmental Net Position	(169,040,954)	199,868,129	250,786,482	253,806,159	299,560,047
Business-Type Net Position ⁽¹⁾					
Net investment in capital assets	-	11,045,198	10,500,180	10,278,226	9,573,377
Restricted for federal and state programs	-	7,078,894	5,210,435	6,882,026	11,105,771
Unrestricted	-	-	-	-	-
Total Business-Type Net Position	-	18,124,092	15,710,615	17,160,252	20,679,148
Total Primary Government Net Position					
Net investment in capital assets	168,904,696	42,974,676	80,967,146	104,756,563	73,221,708
Restricted for federal and state programs	14,603,590	7,816,830	5,820,580	7,266,485	14,373,640
Restricted for debt service	20,286,488	18,173,383	16,838,551	15,936,844	13,376,345
Unrestricted	(372,835,728)	149,027,332	162,870,820	143,006,519	219,267,502
Total Primary Government Net Position	\$ (169,040,954)	\$ 217,992,221	\$ 266,497,097	\$ 270,966,411	\$ 320,239,195

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

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

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

Table 2
Page 1 of 2

	2023	2022	2021	2020	2019
Expenses					
Governmental Activities:					
Instruction	\$ 401,974,620	\$ 389,963,936	\$ 398,958,138	\$ 403,653,386	\$ 380,457,281
Instructional resources and media services	9,723,087	7,883,680	7,785,743	8,099,853	7,298,329
Curriculum and instructional staff development	17,684,065	19,223,240	13,717,307	15,470,910	13,828,998
Instructional leadership	19,204,997	17,464,181	15,087,940	14,348,603	12,112,695
School leadership	36,508,916	34,463,426	34,658,929	36,031,189	33,654,325
Guidance, counseling, and evaluation services	36,409,729	34,018,949	34,099,168	35,695,960	33,071,395
Social work services	4,523,449	3,785,746	3,109,593	3,734,875	3,370,543
Health services	7,978,716	7,299,056	8,060,076	7,955,500	7,612,939
Pupil transportation	17,706,938	20,725,520	17,570,646	18,484,066	18,635,291
Food services	30,815,060	26,649,275	25,476,994	34,599,041	32,369,719
Cocurricular/ extracurricular activities	18,193,602	16,270,896	11,746,345	10,668,802	10,697,800
General administration	16,629,491	14,720,804	12,774,716	12,633,186	11,363,349
Facilities maintenance and operations	62,706,443	64,686,927	57,149,997	96,575,925	140,080,959
Security and monitoring services	11,347,656	10,504,356	8,503,383	10,164,483	9,464,470
Data processing services	18,043,380	19,872,521	15,521,433	13,326,765	16,669,735
Community services	2,778,711	2,260,693	2,750,813	3,195,347	3,026,292
Debt service - interest on long-term debt	47,076,285	38,126,285	37,676,125	28,093,965	30,086,505
Bond issuance cost and fees	34,050	2,704,362	1,002,014	18,270	329,566
Facilities planning	98,381	3,002,397	6,313,260	1,705,089	7,314,069
Payments to Juvenile Justice Alt. Ed. Program	23,220	65,274	39,990	10,191	10,449
Contracted instruction services between schools	1,724,507	-	-	-	-
Payments to Tax Increment Fund	-	-	-	-	3,118,757
Other intergovernmental charges	2,185,177	2,106,007	2,286,581	2,308,964	2,230,531
Total Governmental Activities	763,370,480	735,797,531	714,289,191	756,774,370	776,803,997
Business-Type Activities:					
Natatorium/ Food Services	214,606	110,139	12,543	-	-
Total Expenses	763,585,086	735,907,670	714,301,734	756,774,370	776,803,997
Program Revenues					
Governmental Activities:					
Charges for services	12,719,796	10,567,588	3,495,302	6,177,653	8,333,469
Operating grants and contributions	169,734,816	155,230,484	102,322,557	153,420,351	120,673,787
Total Governmental Activities	182,454,612	165,798,072	105,817,859	159,598,004	129,007,256
Business-type activities:					
Charges for services	210,859	161,509	143,108	-	-
Operating grants and contributions	-	-	-	-	-
Total Business-Type Activities	210,859	161,509	143,108	-	-
Total Program Revenues	182,665,471	165,959,581	105,960,967	159,598,004	129,007,256
Net Expenses	\$ (580,919,615)	\$ (569,948,089)	\$ (608,340,767)	\$ (597,176,366)	\$ (647,796,741)

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

Table 2
Page 2 of 2

	2018	2017	2016	2015	2014
Expenses					
Governmental Activities:					
Instruction	\$ 247,018,085	\$ 376,229,465	\$ 399,051,889	\$ 321,641,711	\$ 347,695,598
Instructional resources and media services	4,923,916	7,243,900	8,129,652	6,568,327	7,048,633
Curriculum and instructional staff development	10,317,798	13,947,095	13,199,858	11,706,779	10,292,439
Instructional leadership	8,398,817	11,444,870	9,924,616	6,918,312	7,124,368
School leadership	20,650,705	32,501,719	31,585,630	26,454,600	27,253,780
Guidance, counseling, and evaluation services	25,186,370	30,557,058	29,579,678	26,178,274	25,530,501
Social work services	2,074,384	3,243,077	2,700,653	2,360,625	2,326,072
Health services	4,421,671	6,429,062	5,992,175	5,025,111	5,501,273
Pupil transportation	14,316,258	13,381,080	11,888,600	12,436,347	10,901,683
Food services	26,820,768	421,005	807,280	591,766	388,674
Cocurricular/ extracurricular activities	10,210,220	10,843,567	10,234,216	8,954,157	9,412,633
General administration	7,817,838	9,290,805	8,969,032	7,733,533	7,033,855
Facilities maintenance and operations	143,238,431	120,283,327	69,186,113	49,693,227	51,447,854
Security and monitoring services	7,340,452	8,737,173	7,287,373	6,309,707	5,144,430
Data processing services	8,827,130	12,241,900	10,186,722	14,815,067	8,197,313
Community services	(2,032,546)	2,729,040	2,339,909	2,902,788	3,179,647
Debt service - interest on long-term debt	30,339,181	27,958,981	28,397,762	21,421,011	15,486,058
Bond issuance cost and fees	650,289	-	-	-	-
Facilities repairs and maintenance	3,696,335	4,892,556	1,599,431	38,440,109	1,413,049
Payments to Juvenile Justice Alt. Ed. Program	57,534	77,478	72,885	67,467	53,396
Payments to Tax Increment Fund	2,393,136	1,677,277	1,096,490	7,028,326	7,565,996
Other intergovernmental charges	2,082,715	1,997,237	1,869,421	1,916,015	1,782,827
Total Governmental Activities	578,749,487	696,127,672	654,099,385	579,163,259	554,780,079
Business-Type Activities:					
Natatorium/ Food Services	-	33,527,597	33,604,463	30,500,382	30,208,241
Total Expenses	578,749,487	729,655,269	687,703,848	609,663,641	584,988,320
Program Revenues					
Governmental Activities:					
Charges for services	9,167,905	5,868,531	3,188,625	3,136,176	2,864,989
Operating grants and contributions	(15,832,877)	67,640,176	90,044,617	70,491,908	65,603,117
Total Governmental Activities	(6,664,972)	73,508,707	93,233,242	73,628,084	68,468,106
Business-type activities:					
Charges for services	-	6,124,630	5,772,190	5,982,774	6,197,429
Operating grants and contributions	-	28,372,368	26,222,815	25,714,657	26,175,558
Total Business-Type Activities	-	34,496,998	31,995,005	31,697,431	32,372,987
Total Program Revenues	(6,664,972)	108,005,705	125,228,247	105,325,515	100,841,093
Net Expenses	\$ (585,414,459)	\$ (621,649,564)	\$ (562,475,601)	\$ (504,338,126)	\$ (484,147,227)

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

Table 3
Page 1 of 2

	2023	2022	2021	2020	2019
Net Expense					
Governmental activities	\$ (580,915,868)	\$ (569,999,459)	\$ (608,471,332)	\$ (597,176,366)	\$ (647,796,741)
Business-type activities	(3,747)	51,370	130,565	-	-
Total Net Expenses	(580,919,615)	(569,948,089)	(608,340,767)	(597,176,366)	(647,796,741)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	367,522,315	351,841,337	347,129,622	301,684,968	286,320,427
Property taxes levied for debt service	109,531,997	100,157,196	95,857,548	101,403,166	91,266,549
State Aid Formula Grants	156,637,207	168,770,767	190,358,289	184,435,780	186,058,925
Grants and contributions - not restricted	-	-	1,437,599	430,085	546,505
Investment earnings	33,347,050	1,576,143	851,104	7,223,663	11,954,017
Miscellaneous local and intermediate revenue	13,813,563	1,114,419	2,603,370	4,899,055	5,387,304
Special item - Gain on sale of asset	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Government Activities	680,852,132	623,459,862	638,237,532	600,076,717	581,533,727
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	-	-	-	-	-
Grants and contributions - not restricted	-	-	-	-	-
Transfers in	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-
Total General Revenues	680,852,132	623,459,862	638,237,532	600,076,717	581,533,727
Change in Net Position					
Governmental activities	99,936,264	55,904,287	29,766,200	2,900,351	(66,263,014)
Business-type activities	(3,747)	51,370	130,565	-	-
Total Change in Net Position	\$ 99,932,517	\$ 55,955,657	\$ 29,896,765	\$ 2,900,351	\$ (66,263,014)

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

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

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

Table 3
Page 2 of 2

	2018	2017	2016	2015	2014
Net Expense					
Governmental activities	\$ (585,414,459)	\$ (622,618,965)	\$ (560,866,143)	\$ (505,535,175)	\$ (486,311,973)
Business-type activities	-	969,401	(1,609,458)	1,197,049	2,164,746
Total Net Expenses	(585,414,459)	(621,649,564)	(562,475,601)	(504,338,126)	(484,147,227)
General Revenues					
Governmental Activities:					
Taxes:					
Property taxes levied for general purposes	264,362,150	237,332,902	222,354,931	216,566,195	206,070,657
Property taxes levied for debt service	83,461,267	80,319,360	79,922,367	65,816,287	51,143,124
State Aid Formula Grants	210,290,252	236,250,430	237,366,093	239,828,021	248,873,467
Grants and contributions - not restricted	626,879	11,276,867	7,718,245	9,131,377	8,593,641
Investment earnings	8,787,821	5,238,265	1,966,781	458,884	237,042
Miscellaneous local and intermediate revenue	6,588,246	1,375,808	8,653,947	10,103,186	9,145,584
Special item - Gain on sale of asset	6,487,319	-	-	-	-
Transfers out	-	(93,020)	(135,898)	(307,475)	(79,552)
Total Government Activities	580,603,934	571,700,612	557,846,466	541,596,475	523,983,963
Business-Type Activities ⁽¹⁾					
Unrestricted investment earnings	-	61,586	23,923	6,030	6,146
Grants and contributions - not restricted	-	-	-	8,000	-
Transfers in	-	93,020	135,898	307,475	79,552
Total Business-Type Activities	-	154,606	159,821	321,505	85,698
Total General Revenues	580,603,934	571,855,218	558,006,287	541,917,980	524,069,661
Change in Net Position					
Governmental activities	(4,810,525)	(50,918,353)	(3,019,677)	36,061,300	37,671,990
Business-type activities	-	1,124,007	(1,449,637)	1,518,554	2,250,444
Total Change in Net Position	\$ (4,810,525)	\$ (49,794,346)	\$ (4,469,314)	\$ 37,579,854	\$ 39,922,434

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

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

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

Table 4
Page 1 of 2

	2023	2022	2021	2020	2019
Governmental Funds					
General Fund					
Nonspendable	\$ 5,369,132	\$ 2,806,203	\$ 2,997,123	\$ 2,341,323	\$ 1,919,613
Restricted	-	-	-	-	-
Committed	11,006,281	11,006,281	-	-	-
Assigned	75,265,050	118,265,050	77,199,882	25,346,609	2,556,610
Unassigned	177,075,015	164,554,758	164,299,043	194,696,834	193,531,238
Total General Fund	268,715,478	296,632,292	244,496,048	222,384,766	198,007,461
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	64,143,608	52,887,268	59,129,231	54,774,708	32,856,489
Capital Projects Fund	407,857,538	494,495,988	405,073,175	337,450,512	110,201,609
Special Revenue Funds	11,945,047	12,273,539	6,063,040	12,274,948	16,114,758
Committed, reported in:					
Capital Projects Fund	-	-	-	-	22,258,288
Special Revenue Funds	1,901,361	16,827,925	15,383,694	12,838,205	11,938,295
Assigned, reported in:					
Capital Projects Fund	99,794,028	3,800,117	3,801,120	-	-
Unassigned, reported in:					
Special Revenue Funds	-	-	-	-	-
Total All Other Governmental Funds	585,641,582	580,284,837	489,450,260	417,338,373	193,369,439
Total Governmental Funds	\$ 854,357,060	\$ 876,917,129	\$ 733,946,308	\$ 639,723,139	\$ 391,376,900

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

	2018	2017	2016	2015	2014
Governmental Funds					
General Fund					
Nonspendable	\$ 1,872,418	\$ 1,801,741	\$ 1,768,805	\$ 1,713,539	\$ 1,606,801
Restricted	-	-	1,388,971	578,140	2,870,621
Committed	-	7,754,294	17,100,000	4,729,182	22,729,187
Assigned	1,397,097	1,335,076	1,531,994	7,086,126	8,474,064
Unassigned	198,622,637	188,562,124	182,935,118	174,656,116	153,115,642
Total General Fund	201,892,152	199,453,235	204,724,888	188,763,103	188,796,315
All Other Governmental Funds					
Restricted, reported in:					
Debt Service Fund	30,438,976	27,797,595	25,723,015	22,539,596	17,263,838
Capital Projects Fund	184,633,256	224,989,653	259,672,376	166,150,566	30,150,719
Special Revenue Funds	14,603,590	737,936	610,145	384,459	397,248
Committed, reported in:					
Capital Projects Fund	37,059,497	11,561,723	10,296,787	9,022,742	9,022,741
Special Revenue Funds	10,642,895	30,376,914	29,434,664	28,335,237	25,825,072
Assigned, reported in:					
Capital Projects Fund	-	-	-	-	-
Unassigned, reported in:					
Special Revenue Funds	(4,340)	-	-	(2,284)	(2,284)
Total All Other Governmental Funds	277,373,874	295,463,821	325,736,987	226,430,316	82,657,334
Total Governmental Funds	\$ 479,266,026	\$ 494,917,056	\$ 530,461,875	\$ 415,193,419	\$ 271,453,649

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

	2023	2022	2021	2020	2019
Expenditures					
Governmental Activities:					
11 Instruction	\$ 399,389,575	\$ 393,763,324	\$ 368,785,584	\$ 353,997,503	\$ 342,204,289
12 Instructional resources and media services	9,285,615	7,701,147	7,449,660	7,181,708	6,592,044
13 Curriculum and staff development services	18,085,396	20,349,182	13,293,627	14,169,111	13,022,771
Total Function 10	426,760,586	421,813,653	389,528,871	375,348,322	361,819,104
21 Instructional leadership	19,267,447	18,439,746	14,471,036	12,467,041	10,918,360
23 School leadership	34,881,908	34,314,715	32,995,778	31,223,127	30,015,687
Total Function 20	54,149,355	52,754,461	47,466,814	43,690,168	40,934,047
31 Guidance, counseling, and evaluation services	35,328,533	34,376,774	32,541,307	31,104,369	30,117,938
32 Social work services	4,471,654	3,901,983	2,981,161	3,202,179	3,024,965
33 Health services	7,564,468	7,291,705	7,674,903	6,973,645	6,855,320
34 Student transportation	17,016,304	19,812,202	16,954,125	17,167,405	17,753,529
35 Food service	34,987,446	30,342,414	25,050,369	32,649,298	31,053,664
36 Extracurricular activities	17,439,638	15,940,831	11,282,489	9,931,888	10,165,334
Total Function 30	116,808,043	111,665,909	96,484,354	101,028,784	98,970,750
41 General administration	15,525,780	14,265,154	12,199,711	11,643,040	10,455,205
Total Function 40	15,525,780	14,265,154	12,199,711	11,643,040	10,455,205
51 Plant maintenance and operations	58,761,253	60,195,280	54,971,618	91,783,148	136,562,877
52 Security and monitoring services	12,866,058	9,891,309	8,160,398	9,195,079	8,728,687
53 Data processing services	20,009,795	19,205,462	15,033,953	12,164,339	15,779,669
Total Function 50	91,637,106	89,292,051	78,165,969	113,142,566	161,071,233
61 Community services	3,048,590	2,814,700	2,662,015	2,767,410	2,508,973
Total Function 60	3,048,590	2,814,700	2,662,015	2,767,410	2,508,973
71 Debt service					
71 Principal on long-term debt	56,622,902	64,482,656	54,390,907	49,860,359	58,566,378
72 Interest on long-term debt	48,963,157	44,082,470	37,547,099	32,440,370	33,631,065
73 Bond issuance costs and fees	34,050	1,408,694	1,002,014	2,085,355	329,566
Total Function 70	105,620,109	109,973,820	92,940,020	84,386,084	92,527,009
81 Facilities acquisition/ construction	88,604,330	82,423,285	122,894,126	62,942,513	39,488,630
Total Function 80	88,604,330	82,423,285	122,894,126	62,942,513	39,488,630
91 Contracted instructional services	1,724,507	-	-	-	-
95 Payments to juvenile justice alternative ed. prog.	23,220	65,274	39,990	10,191	10,449
97 Payments to tax increment fund	-	-	-	-	3,118,757
99 Other intergovernmental charges	2,185,177	2,106,007	2,286,581	2,308,964	2,230,531
Total Function 90	3,932,904	2,171,281	2,326,571	2,319,155	5,359,737
Total Expenditures	\$ 906,086,803	\$ 887,174,314	\$ 844,668,451	\$ 797,268,042	\$ 813,134,688
Debt Service as a % of noncapital expenditures ⁽¹⁾ :	13.2%	11.70%	12.82%	11.26%	12.02%

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

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

Table 5
Page 2 of 2

	2018	2017	2016	2015	2014
Expenditures					
Governmental Activities:					
11 Instruction	\$ 350,493,989	\$ 349,061,853	\$ 365,893,789	\$ 341,740,353	\$ 333,760,496
12 Instructional resources and media services	6,660,952	6,732,653	7,670,575	6,965,671	6,759,756
13 Curriculum and staff development services	12,274,734	13,340,775	12,654,301	12,037,844	10,105,982
Total Function 10	369,429,675	369,135,281	386,218,665	360,743,868	350,626,234
21 Instructional leadership	11,010,123	10,632,750	9,311,191	7,380,990	6,836,929
23 School leadership	29,367,814	29,930,652	29,197,851	27,774,460	25,939,275
Total Function 20	40,377,937	40,563,402	38,509,042	35,155,450	32,776,204
31 Guidance, counseling, and evaluation services	29,510,682	28,302,660	27,506,017	27,418,043	24,417,906
32 Social work services	3,110,415	3,027,967	2,514,049	2,576,150	2,325,244
33 Health services	6,261,232	5,938,186	5,550,290	5,370,810	5,233,736
34 Student transportation	15,361,045	14,139,059	17,733,858	12,987,216	13,196,865
35 Food service	31,069,886	419,998	817,318	592,272	388,210
36 Extracurricular activities	10,160,072	10,452,299	9,815,077	9,548,432	9,065,988
Total Function 30	95,473,332	62,280,169	63,936,609	58,492,923	54,627,949
41 General administration	9,529,509	8,674,747	8,392,718	8,253,048	6,739,452
Total Function 40	9,529,509	8,674,747	8,392,718	8,253,048	6,739,452
51 Plant maintenance and operations	148,936,589	118,312,510	67,898,753	51,982,273	50,130,534
52 Security and monitoring services	8,950,601	8,156,756	7,085,194	6,591,625	5,207,624
53 Data processing services	17,669,161	12,833,845	11,543,132	15,350,755	9,408,419
Total Function 50	175,556,351	139,303,111	86,527,079	73,924,653	64,746,577
61 Community services	2,372,256	2,604,072	2,227,766	2,990,839	3,178,207
Total Function 60	2,372,256	2,604,072	2,227,766	2,990,839	3,178,207
71 Debt service					
71 Principal on long-term debt	51,281,455	53,325,019	53,223,746	41,178,329	41,621,319
72 Interest on long-term debt	33,205,341	28,401,733	25,591,148	23,127,591	16,065,298
73 Bond issuance costs and fees	650,289	1,460,430	1,669,609	1,375,241	485,189
Total Function 70	85,137,085	83,187,182	80,484,503	65,681,161	58,171,806
81 Facilities acquisition/ construction	25,975,672	93,652,400	87,295,513	38,440,109	17,302,865
Total Function 80	25,975,672	93,652,400	87,295,513	38,440,109	17,302,865
91 Contracted instructional services					
95 Payments to Juvenile Justice Alt. Ed. Program	57,534	77,478	72,885	67,467	53,396
97 Payments to Tax Increment Fund	2,393,136	1,677,277	1,096,490	7,028,326	7,565,996
99 Other intergovernmental charges	2,082,715	1,997,237	1,869,421	1,916,015	1,782,827
Total Function 90	4,533,385	3,751,992	3,038,796	9,011,808	9,402,219
Total Expenditures	\$ 808,385,202	\$ 803,152,356	\$ 756,630,691	\$ 652,693,859	\$ 597,571,513
Debt Service as a % of noncapital expenditures:	10.89%	11.52%	11.94%	10.65%	10.03%

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

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

Table 6
Page 1 of 2

	2023	2022	2021	2020	2019
Federal Sources					
Federal grants	\$ 156,473,047	\$ 160,180,542	\$ 66,825,940	\$ 83,811,236	\$ 72,472,510
State Sources					
State education finance program	189,569,575	200,295,310	219,725,119	214,440,303	206,984,160
State grants and other sources	4,088,741	2,654,714	5,384,404	15,401,116	6,200,196
Total State Sources	<u>193,658,316</u>	<u>202,950,024</u>	<u>225,109,523</u>	<u>229,841,419</u>	<u>213,184,356</u>
Local Sources					
Property taxes	477,315,075	453,010,028	443,926,991	400,608,720	363,851,404
Capital Projects Funds	810,468	1,203,612	1,138,504	4,457,042	5,883,973
Athletic/ extracurricular activities	746,683	704,507	460,867	605,066	637,305
Other local sources	47,708,319	11,262,098	4,747,617	13,147,966	32,929,289
Total Local Sources	<u>526,580,545</u>	<u>466,180,245</u>	<u>450,273,979</u>	<u>418,818,794</u>	<u>403,301,971</u>
Total Revenues	<u>\$ 876,711,908</u>	<u>\$ 829,310,811</u>	<u>\$ 742,209,442</u>	<u>\$ 732,471,449</u>	<u>\$ 688,958,837</u>

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

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

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

Table 6
Page 2 of 2

	2018	2017	2016	2015	2014
Federal Sources					
Federal grants	\$ 66,326,563	\$ 43,735,764	\$ 51,213,473	\$ 42,136,553	\$ 41,952,884
State Sources					
State education finance program	236,887,068	262,601,123	260,906,490	264,223,711	270,883,707
State grants and other sources	6,875,943	3,371,404	9,567,134	12,912,613	9,900,166
Total State Sources	243,763,011	265,972,527	270,473,624	277,136,324	280,783,873
Local Sources					
Property taxes	345,887,298	318,783,874	301,184,470	281,717,598	261,295,774
Capital Projects Funds	6,379,551	3,129,081	1,172,821	1,381,326	1,185,374
Athletic/ extracurricular activities	716,776	742,334	699,435	647,589	638,644
Other local sources	17,370,756	9,610,181	11,941,213	10,911,176	6,863,764
Total Local Sources	370,354,381	332,265,470	314,997,939	294,657,689	269,983,556
Total Revenues	\$ 680,443,955	\$ 641,973,761	\$ 636,685,036	\$ 613,930,566	\$ 592,720,313

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

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

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

Table 7
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess of Revenues Over (Under) Expenditures	\$ (29,120,674)	\$ (57,863,505)	\$ (102,459,009)	\$ (64,796,593)	\$ (124,175,851)
Other Financial Sources (Uses) :					
General long-term debt issued	-	176,370,000	158,890,000	273,790,000	33,630,000
General long-term debt refunding	-	-	137,794,956	-	-
Premium or discount on issuance of bonds	-	33,630,131	52,987,744	51,039,838	2,616,735
Sale of real and personal property	11,446,403	75,004	218,062	3,000	39,990
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	-	-	-	-	-
Transfers in	86,465,022	-	7,800,000	-	10,252,520
Transfers out	(86,465,022)	-	(7,800,000)	-	(10,252,520)
Payment to escrow agent	-	(11,684,693)	(156,105,140)	(11,690,006)	-
Natural gas lease	-	-	-	-	-
Total Other Financial Sources (Uses)	<u>11,446,403</u>	<u>198,390,442</u>	<u>193,785,622</u>	<u>313,142,832</u>	<u>36,286,725</u>
Extraordinary items (resource)	-	2,443,884	550,000	-	-
Net Change in Fund Balances	<u>\$ (17,674,271)</u>	<u>\$ 142,970,821</u>	<u>\$ 91,876,613</u>	<u>\$ 248,346,239</u>	<u>\$ (87,889,126)</u>

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

	2018	2017	2016	2015	2014
Excess of Revenues Over (Under) Expenditures	\$ (127,941,247)	\$ (161,178,595)	\$ (119,945,655)	\$ (38,763,293)	\$ (4,851,200)
Other Financial Sources (Uses) :					
General long-term debt issued	79,345,000	176,981,368	220,300,000	159,485,000	16,180,000
General long-term debt refunding	-	-	-	-	72,020,000
Premium or discount on issuance of bonds	12,925,940	27,183,879	14,618,702	18,221,181	8,081,458
Sale of real and personal property	6,762,037	-	-	2,886	35,384
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	-	-	431,307	4,113,971	433,107
Transfers in	22,094,385	377,000	-	-	-
Transfers out	(22,094,385)	(478,477)	(135,898)	(307,475)	(79,552)
Payment to escrow agent	-	(78,429,994)	-	-	(79,254,833)
Natural gas lease	-	-	-	987,500	-
Total Other Financial Sources (Uses)	99,032,977	125,633,776	235,214,111	182,503,063	17,415,564
Extraordinary items (resource)	-	-	-	-	-
Net Change in Fund Balances	\$ (28,908,270)	\$ (35,544,819)	\$ 115,268,456	\$ 143,739,770	\$ 12,564,364

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

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

Table 8

Fiscal Year	Appraised Value			Total Estimated Taxable Value	Total Direct Rate
	Residential or Real Property	Personal Property	Less: Exemptions		
2014	\$ 20,953,089,907	\$ 4,746,111,559	\$ 4,992,128,887	\$ 20,707,072,579	1.292170
2015	21,668,162,540	5,218,291,540	5,125,379,155	21,761,074,925	1.348110
2016	22,082,482,932	3,911,103,646	5,576,541,645	20,417,044,933	1.412952
2017	24,109,273,225	4,869,585,583	6,016,359,735	22,962,499,073	1.390080
2018	27,201,847,710	5,336,037,386	7,684,910,377	24,852,974,719	1.368670
2019	29,847,539,711	4,852,231,096	6,975,723,301	27,724,047,506	1.368670
2020	33,496,045,103	6,243,609,725	8,647,552,523	31,092,102,305	1.298670
2021	35,305,296,513	6,131,143,515	9,362,229,418	32,074,210,610	1.387100
2022	35,861,684,254	8,048,950,342	10,555,129,716	33,355,504,880	1.360800
2023	41,151,313,424	9,135,456,109	12,436,631,677	37,850,137,856	1.308700

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
2013-14	1.040000	0.252170	1.292170	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2014-15	1.040000	0.308110	1.348110	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2015-16	1.040000	0.372952	1.412952	0.741397	0.648000	0.855000	0.669998	0.420000	0.253670
2016-17	1.040000	0.350080	1.390080	0.726027	0.644800	0.835000	0.669998	0.420000	0.273979
2017-18	1.040000	0.328670	1.368670	0.710389	0.639800	0.805000	0.669998	0.420000	0.374379
2018-19	1.040000	0.328670	1.368670	0.696399	0.634800	0.785000	0.669998	0.420000	0.580000
2019-20	0.970000	0.328670	1.298670	0.699199	0.624000	0.747500	0.669998	0.420000	0.580000
2020-21	1.086400	0.300700	1.387100	0.699199	0.622500	0.747500	0.669998	0.420000	0.636593
2021-22	1.060100	0.300700	1.360800	0.694199	0.619800	0.732500	0.664998	0.420000	0.658553
2022-23	1.008000	0.300700	1.308700	0.685499	0.599800	0.712500	0.660000	0.475931	0.665133

¹Includes rates 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					
		Tarrant County ¹	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	City of Dalworthington Gardens
2014	\$ 263,208,691	\$ 823,644,959	\$ 115,683,433	\$ 362,833,021	\$ 65,947,913	\$ 1,004,406	\$ 839,569
2015	286,681,027	878,365,639	120,801,020	399,125,408	74,340,365	1,021,855	850,853
2016	301,216,129	917,135,535	125,022,763	421,938,109	82,529,622	1,047,712	849,150
2017	319,178,101	976,317,394	134,099,513	449,236,836	89,688,553	1,118,430	925,504
2018	345,476,231	1,045,684,183	146,934,416	483,233,200	90,594,498	1,246,141	1,246,877
2019	379,450,721	1,113,357,739	159,259,348	520,091,851	98,858,309	1,352,065	1,893,553
2020	403,783,805	1,232,219,747	173,935,691	564,606,595	109,377,998	1,492,791	1,985,079
2021	444,901,375	1,286,963,347	181,105,706	596,145,493	114,382,165	1,537,810	2,169,126
2022	453,901,710	1,340,108,157	187,906,946	622,997,749	124,916,528	1,535,683	2,282,224
2023	475,403,879	1,489,361,429	202,980,833	693,466,632	121,229,382	1,878,095	2,550,125

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

	2023			2014		
	October 2022 Taxable Value	Rank	Percentage of Total Taxable Value	October 2013 Taxable Value	Rank	Percentage of Total Taxable Value
Oncor Electric Delivery Co., LLC	\$ 1,635,085,095	1	4.32 %	\$ 139,549,329	4	0.67 %
American Airlines Inc/Envoy Air Inc	1,579,843,256	2	4.17			0.71
General Motors LLC	1,041,333,618	3	2.75	296,849,826	1	1.43
Winner LLC/Facebook Procurement LLC	994,827,123	4	2.63			
Atmos Energy	838,626,146	5	2.22	128,416,206		0.65
BKV North Texas	615,249,124	6	1.63	143,172,642		0.72
Total E&P USA Barnett, LLC	589,063,068	7	1.56			
Bell Textron Inc./Bell Helicopter	584,811,011	8	1.55	125,885,608	6	0.61
Walmart Stores Texas LLC	528,103,178	9	1.40			
Amazon Services LLC	460,513,003	10	1.22			
Parks at Arlington, LP				165,545,717	2	0.80
Arlington Highlands LTD				165,448,090	3	0.80
Grand Prairie Premium Outlets LP				135,229,080	5	0.65
Chesapeake Operating (WI)				95,418,040	7	0.46
Republic Beverage				94,716,058	8	0.46
Six Flags Fund II LTD				84,252,537	9	0.41
Lincoln Square Dunhill LP				63,490,196	10	0.31
	<u>\$ 8,867,454,622</u>		<u>23.43 %</u>	<u>\$ 1,637,973,329</u>		<u>8.68 %</u>

Source: Tarrant Appraisal District

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

Table 12

Fiscal Year	Adjusted Taxes Levied for the		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year		Amount	Percentage of Levy	Delinquent Taxes	Amount	Percentage of Levy
2014	\$ 263,208,691	\$	257,643,578	97.89%	\$ 3,206,527	\$ 260,850,105	99.10%
2015	286,681,027		282,062,140	98.39%	3,313,990	285,376,130	99.54%
2016	301,212,106		296,234,937	98.35%	4,073,556	300,308,493	99.70%
2017	319,178,101		314,991,957	98.69%	3,563,619	318,555,576	99.80%
2018	345,476,231		340,216,962	98.48%	3,250,004	343,466,966	99.42%
2019	379,450,721		373,190,658	98.35%	2,838,456	376,029,114	99.10%
2020	403,783,805		396,632,097	98.23%	1,952,356	398,584,453	98.71%
2021	444,901,375		439,294,841	98.74%	780,014	440,074,855	98.92%
2022	453,901,710		448,111,811	98.72%	3,004,663	451,116,474	99.39%
2023	477,321,106		471,752,163	98.83%	-	471,752,163	98.83%

Source: Tarrant County

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

Table 13

	Governmental Activities						Percentage of
Fiscal Year	General Obligation Bonds		Contractual Obligations	Leases	SBITAs	Total Primary Government	Personal Income
2014	\$	449,112,552	\$ 2,765,052	\$ -	\$ -	\$ 451,877,604	*
2015		777,872,816	6,032,929	-	-	783,905,745	*
2016		792,273,325	5,360,489	-	-	797,633,814	*
2017		863,898,137	4,102,184	-	-	868,000,321	*
2018		861,460,479	3,552,099	-	-	865,012,578	*
2019		841,802,130	3,049,472	-	-	844,851,602	*
2020		1,097,932,513	2,534,161	-	-	1,100,466,674	*
2021		1,236,242,024	2,005,846	-	-	1,238,247,870	*
2022		1,355,274,774	1,464,199	141,121	-	1,356,880,094	*
2023		1,298,750,743 ¹	-	3,298	995,272	1,299,749,313	*

* Data was not available

¹ Total of \$1,298,750,743 includes accreted interest

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
2014	380,084	\$ 20,707,072,579	\$ 569,009,719 ¹	\$ 18,083,876	\$ 550,925,843	2.66	\$ 1,449
2015	375,600	21,761,074,925	799,944,720 ¹	22,071,904	777,872,816	3.57	2,071
2016	379,370	20,417,044,933	813,958,853 ¹	21,685,528	792,273,325	3.88	2,088
2017	380,740	22,961,131,805	863,898,137 ¹	18,173,383	845,724,754	3.68	2,221
2018	382,230	25,861,424,634	861,460,479 ¹	20,286,488	841,173,991	3.25	2,201
2019	383,950	28,008,827,614	841,802,130 ¹	32,856,489	808,945,641	2.89	2,107
2020	386,180	32,672,993,911	1,097,932,513 ¹	54,774,708	1,043,157,805	3.19	2,701
2021	390,540	32,074,210,610	1,231,451,339 ¹	59,129,231	1,172,322,108	3.66	3,002
2022	393,420	33,355,504,880	1,356,880,094 ¹	36,767,894	1,320,112,200	3.17	2,824
2023	392,304	38,464,636,708	1,298,750,743 ²	48,465,849	1,250,284,894	3.29	3,174

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

¹ Does not include accreted interest

² Total of \$1,298,750,743 includes accreted interest

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

Table 15

Government Entity	Net Amount Outstanding Debt	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt²
Tarrant County ³	\$ 1,463,085,000	15.48 %	\$ 226,485,558
City of Fort Worth	1,045,695,000	0.00	-
City of Arlington	700,790,000	77.79	545,144,541
City of Grand Prairie	474,759,000	34.18	162,272,626
City of Kennedale	11,510,000	1.23	141,573
Town of Pantego	14,785,000	97.98	14,486,343
City of Dalworthington Gardens	4,910,000	98.28	4,825,548
Subtotal, Overlapping Bonded Debt			953,356,189
Arlington Independent School District direct debt		100.00 %	1,294,798,293
Total Direct and Overlapping Debt			\$ 2,248,154,482
Ratio of total direct and overlapping debt to:			
Assessed valuations for 2022 (\$38,464,636,708)		5.91 %	
Full valuations for 2022 (\$50,738,606,912)		4.48 %	
Amount of total direct and overlapping debt per:			
Enrollment (56,167)	\$ 40,477		
Average daily attendance (49,191)	46,217		
Per capita (estimated district population - 392,304)	5,795		

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 JPS Health Network

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

Table 16

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of of Debt Limit</u>
2014	\$ 2,076,933,696	\$ 550,925,843	\$ 1,526,007,853	26.53
2015	2,176,107,493	777,872,816	1,398,234,677	35.75
2016	2,041,704,493	792,273,325	1,249,431,168	38.80
2017	2,296,113,181	863,898,137	1,432,215,044	37.62
2018	2,586,142,463	861,460,476	1,724,681,987	33.31
2019	2,772,404,750	808,945,641	1,963,459,109	29.18
2020	3,109,210,231	1,043,157,805	2,066,052,426	33.55
2021	3,207,421,061	1,231,451,339	1,975,969,722	38.39
2022	3,504,479,018	1,172,322,108	2,332,156,910	33.45
2023	3,846,463,671	1,320,112,200	2,526,351,471	34.32

Legal Debt Margin Calculation for Fiscal Year 2023:

Debt Limit (10% of Assessed Value)	3,846,463,671
Debt Applicable to Limit	1,320,112,200
Total Legal Debt Margin	<u>\$ 2,526,351,471</u>

Source: Arlington ISD 2022-23 Official Budget

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

Table 17

	City of Arlington Population¹	Fort Worth Arlington Metro Division Population²	Fort Worth Arlington Metro Division Personal Income²	Per Capita Personal Income²	City of Arlington Unemployment Rate³
2014	375,305	⁴	⁴	44,417	5.0
2015	375,600	⁴	⁴	46,169	3.9
2016	379,370	⁴	⁴	48,727	3.9
2017	380,740	⁴	⁴	48,050	4.0
2018	382,230	⁴	⁴	47,525	3.8
2019	383,950	⁴	⁴	51,239	3.5
2020	386,180	⁴	⁴	53,292	8.0
2021	390,540	⁴	⁴	55,615	6.8
2022	393,420	⁴	⁴	58,940	6.1
2023	399,560	⁴	⁴	⁴	4.2

¹ Source: City of Arlington acfr

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

		2023		
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District	Public Education	8,200	1	3.78 %
University of Texas at Arlington	Higher Education	5,300	2	2.44
General Motors	Automobile Assembly	4,484	3	2.06
Texas Health Resources	Health Care/Medical Service	4,063	4	1.87
Six Flags Over Texas	Amusement Park	3,800	5	1.75
The Parks Mall	Retail	3,500	6	1.61
GM Financial	Financial Service	3,300	7	1.52
City of Arlington	Government	2,509	8	1.16
J.P. Morgan Chase	Financial Service	1,965	9	0.90
Texas Rangers	Sports/Entertainment	1,881	10	0.87
		<u>39,002</u>		<u>17.96 %</u>

Source: City of Arlington (Total Arlington labor force in 2023 and 2014 was 214,298 and 249,579 respectively)

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

Table 18
Page 2 of 2

2014				
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Arlington Independent School District Public Education	Public Education	8,055	1	3.23 %
University of Texas at Arlington Higher Education	Higher Education	6,239	2	2.50
Six Flags Over Texas Amusement Park	Amusement Park	3,500	3	1.40
City of Arlington Government	Government	3,253	4	1.30
General Motors Automobile Assembly	Automobile Assembly	2,500	5	1.00
Texas Health Resources Health Care/Medical Service	Health Care/Medical Service	2,105	6	0.84
Texas Rangers Sports/Entertainment	Sports/Entertainment	2,100	7	0.84
Medical Center of Arlington Medical Center	Medical Center	1,250	8	0.50
Cowboys Stadium Sports/Entertainment	Sports/Entertainment	1,000	9	0.40
J.P. Morgan Chase Financial Service	Financial Service	800	10	0.32
		<u>30,802</u>		<u>12.33 %</u>

Source: City of Arlington (Total Arlington labor force in 2023 and 2014 was 214,298 and 249,579 respectively)

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

Table 19
Page 1 of 2

	2023	2022	2021	2020	2019
CLASSROOM TEACHERS	3,860.6	3,923.9	4,115.0	4,039.6	4,100.6
Athletic Trainer	11.0	13.0	11.6	12.0	12.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	161.4	166.9	176.7	174.0	169.9
Educational Diagnostician	65.8	56.9	57.0	57.8	55.8
Librarian	69.1	69.6	72.0	71.0	71.8
LSSP/ Psychologist	20.0	20.9	21.0	23.0	23.0
Occupational/ Music Therapist	16.0	16.0	16.0	15.0	15.9
Other Campus Professional Personnel	122.3	3.9	2	0.0	2.0
Other Non-Instructional Prof. Personnel	217.4	360.9	296.6	285.1	244.7
Physical Therapist	16.0	-	-	-	-
Psychological Associate	0.0	-	-	-	-
School Nurse	75.2	76.4	80.3	77.8	81.0
Social Worker	13.7	13.8	16.0	16.0	15.0
Speech Therapist/ Language Pathologist	57.8	60.6	60.4	57.7	57.4
Teacher Facilitator/ Supervisor	200.9	161.1	139.2	142.8	141.6
Work-Based Learning Site Coordinator	-	-	-	-	-
PROFESSIONAL SUPPORT	1,048.5	1,022.0	950.8	934.1	892.1
Campus Administration:					
Principal	64.8	66.2	74.8	77.0	78.9
Assistant Principal	121.0	122.2	144.6	141.0	128.5
Teacher Supervisor	0.0	-	-	0.0	1.0
Central Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/ Assoc/ Deputy Superintendent	10.0	9.0	10.0	9.0	8.0
Athletic Director	0.0	-	-	-	-
Director-Personnel	1.0	-	-	-	-
Program Dir/ Exec Dir/ Instr Officer	4.0	8.0	6.0	6.0	7.9
Teacher Supervisor	15.0	16.0	17.0	14.0	28.9
ADMINISTRATIVE STAFF	216.8	222.4	253.0	248.0	254.2
Certified Interpreter	2.0	4.8	5.9	6.9	5.8
Educational Aide	910.3	810.0	781.0	752.6	762.7
PARAPROFESSIONAL STAFF	912.3	814.8	786.9	759.5	768.5
AUXILIARY PERSONNEL	1,820.2	1,908.0	2,063.9	2,092.3	2,195.9
TOTAL EMPLOYEES	7,858.3	7,891.1	8,169.7	8,073.5	8,211.3

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

	2018	2017	2016	2015	2014
CLASSROOM TEACHERS	4,149.8	4,150.3	4,132.0	4,089.1	4,113.2
Athletic Trainer	12.0	12.0	12.0	12.0	12.0
Audiologist	2.0	2.0	2.0	2.0	2.0
Counselor	168.0	166.0	169.0	161.0	149.4
Educational Diagnostician	57.9	57.9	57.0	53.1	51.9
Librarian	72.0	71.0	68.0	70.0	64.7
LSSP/ Psychologist	22.0	23.0	24.0	21.0	17.9
Occupational/ Music Therapist	16.0	15.0	9.0	9.0	9.0
Other Campus Professional Personnel	2.0	91.9	72.9	55.7	58.9
Other Non-Instructional Prof. Personnel	235.9	274.1	190.0	167.8	148.1
Physical Therapist	-	0.0	5.0	5.0	4.0
Psychological Associate	-	-	-	-	-
School Nurse	78.4	80.7	75.9	77.8	77.4
Social Worker	16.0	16.0	9.0	18.0	21.0
Speech Therapist/ Language Pathologist	56.0	53.2	53.7	48.2	46.7
Teacher Facilitator/ Supervisor	143.1	147.6	157.5	151.8	145.6
Work-Based Learning Site Coordinator	0.0	0.2	0	-	-
PROFESSIONAL SUPPORT	881.3	1,010.6	905.1	852.4	808.6
Campus Administration:					
Principal	78.0	78.8	75.0	75.0	72.0
Assistant Principal	130.6	134.8	135.8	126.8	128.4
Teacher Supervisor	1.0	1	-	-	-
Central Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Asst/ Assoc/ Deputy Superintendent	8.0	9.0	9.0	6.9	7.0
Athletic Director	-	0.0	3.0	1.0	1.0
Director-Personnel	-	0.0	2.0	3.0	3.0
Program Dir/ Exec Dir/ Instr Officer	8.0	26.0	13.0	13.0	12.0
Teacher Supervisor	28.4	34.9	17.0	19.0	21.0
ADMINISTRATIVE STAFF	255.0	285.5	255.8	245.7	245.4
Certified Interpreter	5.9	6.9	5.9	5.8	5.9
Educational Aide	771.1	807.6	805.1	805.0	852.7
PARAPROFESSIONAL STAFF	777.0	814.5	811.0	810.8	858.6
AUXILIARY PERSONNEL	2,221.1	2,037.0	2,038.0	2,066.1	2,029.2
TOTAL EMPLOYEES	8,284.2	8,297.9	8,142.0	8,064.1	8,055.0

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
2014	64,688	\$ 456,594,071	\$ 7,058	8.17%	4,113	15.73	68.42
2015	63,882	498,228,268	7,799	10.00%	4,089	15.62	68.13
2016	63,210	485,172,828	7,676	-1.59 %	4,132	15.30	69.33
2017	62,181	520,232,220	8,366	9.00%	4,238	14.67	69.23
2018	61,076	515,118,870	8,434	0.81%	4,150	14.72	64.52
2019	59,900	514,821,080	8,595	1.90%	4,101	14.61	72.80
2020	59,532	508,434,524	8,541	-0.63 %	4,040	14.74	60.75
2021	56,840	547,417,185	9,631	12.77%	4,115	13.81	55.93
2022	56,311	558,786,459	9,583	3.36%	3,924	14.35	51.05
2023	56,167	543,092,754	9,669	-2.56%	386	14.55	60.73

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

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2023
(UNAUDITED)

Table 21
Page 1 of 2

	2023	2022	2021	2020	2019
Schools					
Buildings	76	76	76	77	77
Portable buildings	61	74	82	95	101
Stadiums	3	2	2	2	2
Square Feet	9,603,400	9,685,566	9,647,208	9,807,653	9,626,983
Maximum Capacity	75,898	78,138	78,138	79,989	79,989
Enrollment	56,179	56,311	56,840	59,532	59,900
Vehicles	13	18	17	11	10
Administration					
Buildings	13	12	12	12	11
Portable buildings	-	-	-	-	-
Square Feet	326,406	352,751	352,751	352,571	313,679
Vehicles	20	12	10	10	8
Maintenance and Operations					
Buildings	7	7	7	7	7
Square Feet	128,376	99,966	99,966	99,966	99,966
Vehicles	276	286	271	259	250
Transportation					
Buildings	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878
Vehicles	302	342	328	296	290
Food Services					
Buildings	2	2	2	3	3
Square Feet	85,726	72,491	72,491	103,774	103,774
Vehicles	26	26	27	28	32

Source: District records

ARLINGTON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
June 30, 2023
(UNAUDITED)

Table 21
Page 2 of 2

	2018	2017	2016	2015	2014
Schools					
Buildings	77	77	72	75	74
Portable buildings	113	152	159	178	175
Stadiums	2	2	2	2	3
Square Feet	9,612,920	9,577,003	8,822,763	8,737,066	8,695,043
Maximum Capacity	79,989	76,080	74,986	74,986	74,986
Enrollment	61,076	62,181	63,210	63,882	64,688
Vehicles		99	11	15	4
Administration					
Buildings	11	11	11	11	8
Portable buildings	2	4	2	3	3
Square Feet	313,679	313,679	313,679	310,607	165,767
Vehicles	6	6	6	12	10
Maintenance and Operations					
Buildings	7	7	7	7	3
Square Feet	99,966	99,666	99,666	99,666	128,376
Vehicles	222	203	215	199	184
Transportation					
Buildings	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878
Vehicles	256	249	250	257	257
Food Services					
Buildings	3	3	3	3	3
Square Feet	103,774	103,774	103,774	103,774	97,436
Vehicles	32	29	28	26	18

Source: District records



ARLINGTON INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2023

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/ or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS) , Texas Workforce Commission (TWC) , Internal Revenue Service (IRS) , and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	Yes
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 4,951,020

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



FEDERAL AWARDS SECTION



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

To the Board of Trustees
Arlington Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Arlington Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2023.

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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

Fort Worth, Texas
November 17, 2023

**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

Report on Compliance for Each Major Federal Program

Opinion On Each Major Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Board of Trustees
Arlington Independent School District

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

Whitley Penn LLP

Fort Worth, Texas
November 17, 2023

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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>
-------------------------------------------	-----------------------------------------

Special Education Cluster

IDEA B, Formula	84.027A
IDEA B, Preschool	84.173A
IDEA B, Formula ARPA (COVID-19)	84.027X
IDEA B, Discretionary (Deaf)	84.027A
ARP Homeless I- TEHCY Supplement (COVID-19)	84.425W
ARP Homeless II (COVID-19)	84.425W
CRRSA ESSER II (COVID-19)	84.425D
ARPA ESSER III (COVID-19)	84.425U
Emergency Connectivity Fund	32.009
Dollar Threshold Considered Between Type A and Type B Federal Programs?	\$3,000,000
Auditee qualified as low risk auditee?	Yes

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2023

II. Financial Statement Findings

There were no current year financial statement findings.

III. Federal Awards Findings and Questioned Costs

There were no current year federal award findings.

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES TO FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1

Page 1 of 2

(1)	(2)	2(A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	Federal Assistance Listing Number	Pass Through Entity Identifying Number
U. S. Department of Defense			Federal Expenditures
Direct Programs:			
<i>ROTC</i>	199	12.000	None
Total U. S. Department of Defense			\$ 105,195
			105,195
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
<i>Total Medicaid Cluster (ALN 93.778)</i>			415,743
Total U. S. Department of Health and Human Services			415,743
			415,743
U. S. Department of Education			
Passed Through Texas Education Agency:			
<i>Texas Education for Homeless Children & Youth</i>	206	84.196A	224600057110050
<i>Texas Education for Homeless Children & Youth</i>	206	84.196A	234600057110006
<i>Total ALN 84.196</i>			56,780
			180,597
			237,377
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	22610101220901
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	23610101220901
<i>Title I - School Improvement Program</i>	216	84.010A	226101577110021
<i>Title I - School Improvement Program</i>	216	84.010A	23610141220901
<i>Total ALN 84.010</i>			506,102
			14,631,897
			284,278
			13,462
			15,435,739
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	22420006220901
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	23420006220901
<i>Total ALN 84.048</i>			33,395
			869,611
			903,006
<i>Title II - Part A Teacher & Principal Training/Recruiting</i>	255	84.367A	22694501220901
<i>Title II - Part A Teacher & Principal Training/Recruiting</i>	255	84.367A	23694501220901
<i>Principal Residency Grant Cycle 4</i>	255	84.367A	21694567710003
<i>Principal Residency Grant Cycle 5</i>	255	84.367A	226945677110004
<i>Total ALN 84.367</i>			23,948
			1,724,481
			14,437
			697,203
			2,460,069
<i>Title III, ELA</i>	263	84.365A	22671001220901
<i>Title III, ELA</i>	263	84.365A	23671001220901
<i>Total ALN 84.365</i>			140,538
			1,313,970
			1,454,508
<i>ARP Homeless I- TEHCY Supplement (COVID-19)</i>	278	84.425W	215330017110006
<i>ARP Homeless II (COVID-19)</i>	280	84.425W	2153302220901
<i>CRRSA ESSER II (COVID-19)</i>	281	84.425D	21521001220901
<i>ARPA ESSER III (COVID-19)</i>	282	84.425U	21528001220901
<i>Total ALN 84.425</i>			149,723
			50,494
			20,967,068
			54,274,913
			75,442,198
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	22680101220901
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	23680101220901
<i>Total ALN 84.424</i>			474,281
			1,020,660
			1,494,941
<i>Lone Star STEM Cycle 1 Year 3</i>	289	84.411B	203929067110002
			10,573

ARLINGTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES TO FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1
Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures
U. S. Department of Education (continued)				
Passed Through Texas Education Agency: (continued)				
<i>IDEA-B Formula</i>	224	84.027A	226600012209016600	430,415
<i>IDEA-B Formula</i>	224	84.027A	23660012209016600	13,613,281
<i>IDEA-B Formula ARPA (COVID-19)</i>	284	84.027X	225350012209015350	175,629
<i>IDEA-B Formula ARPA (COVID-19)</i>	284	84.027X	225350012209015350	490,775
<i>IDEA-B Preschool</i>	225	84.173A	226610012209016610	5,703
<i>IDEA-B Preschool</i>	225	84.173A	236610012209016610	237,906
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	226600112209016673	1,548
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	236600112209016673	103,523
<i>Total Special Education Cluster (ALN 84.027,84.173)</i>				<u>15,058,780</u>
Passed Through Tarrant County Workforce Development Board:				
<i>Adult Education & Literacy</i>	220	84.002	21-SPC-AEL-001	17,914
<i>Adult Education & Literacy - Professional Development</i>	220	84.002	21-SPC-AEL-001	536
<i>Adult Education & Literacy - Federal</i>	220	84.002	22-SPC-AEL-001	576,727
<i>Adult Education & Literacy - Professional Development</i>	220	84.002	22-SPC-AEL-001	1,883
<i>Total ALN 84.002</i>				<u>597,060</u>
Total U. S. Department of Education				<u>113,094,251</u>
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture				
<i>COVID-19 Pandemic EBT (COVID-19)</i>	240	10.649	None	393,435
<i>CACFP Supper Program</i>	240	10.558	None	1,852,549
<i>Supply Chain Assistance</i>	240	10.555	1023	361,812
<i>Cash Assistance</i>				
<i>Summer Feeding Program</i>	242	10.559	1023	438,019
<i>Non-Cash Assistance (Commodities)</i>				
<i>National School Lunch Program</i>	240	10.555	01017	1,735,417
Passed Through Texas Education Agency:				
<i>National School Lunch Program</i>	240	10.555	71302301	22,339,479
<i>School Breakfast Program</i>	240	10.553	71302301	5,881,366
<i>Total Child Nutrition Cluster (ALN 10.553,10.555,10.559)</i>				<u>30,756,093</u>
Total U. S. Department of Agriculture				<u>33,002,077</u>
U.S. Federal Communications Commission				
<i>Emergency Connectivity Fund</i>	199	32.009	None	1,864,100
Total U.S. Federal Communications Commission				<u>1,864,100</u>
Total Expenditures of Federal Awards				<u>\$ 148,481,366</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, 2023. 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	\$ 148,481,366
Medicaid SHARS in the General Fund	6,987,896
ERATE in the General Fund	738,794
Qualified School Construction Bonds in the Debt Service Fund	<u>264,991</u>
Total Federal Revenue - Exhibit C-3	<u>\$ 156,473,047</u>

ARLINGTON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023

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, 2023

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.