



**Arlington**  
INDEPENDENT SCHOOL DISTRICT  
*More Than a Remarkable Education*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



# **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended  
June 30, 2020**

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**

1203 W. Pioneer Pkwy, Arlington, TX 76013

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**Prepared By The Finance Department:**

**Darla Moss  
Chief Financial Officer**



**Arlington**

INDEPENDENT SCHOOL DISTRICT

*More Than a Remarkable Education*

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## **INTRODUCTORY SECTION**



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**Board of Trustees and Administration**

**BOARD OF TRUSTEES**

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

**SUPERINTENDENT**

Marcelo Cavazos, Ph.D.

**CHIEF ACADEMIC OFFICER**

Steven Wurtz, Ph.D.

**CHIEF FINANCIAL OFFICER**

Darla Moss

**ASSISTANT SUPERINTENDENT OF ADMINISTRATION**

Michael Hill, Ed.D.

**ASSISTANT SUPERINTENDENT OF TECHNOLOGY**

Eric Upchurch

**ASSISTANT SUPERINTENDENT OF HUMAN RESOURCES**

Scott Kahl

**ASSISTANT SUPERINTENDENT OF RESEARCH AND ACCOUNTABILITY**

Kevin Barlow, Ph.D.

**ASSISTANT SUPERINTENDENT OF SCHOOL LEADERSHIP**

A. Tracie Brown, Ed.D.

**AREA SUPERINTENDENT- AREA 1**

Christi Buell, Ed.D.

**AREA SUPERINTENDENT- AREA 2**

Theodore Jarchow, Ed.D.

**AREA SUPERINTENDENT- AREA 3**

Laina McDonald, Ed.D.

**AREA SUPERINTENDENT- STRATEGIC SUPPORT NETWORK**

Kristina Turner, Ed.D.

**EXECUTIVE DIRECTOR OF FINANCE**

Tony Drollinger

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

**DIRECTOR OF ACCOUNTING**

Alice Hamrick, CPA

**DIRECTOR OF BUDGET/CASH MANAGEMENT**

Mandy Mew

**DIRECTOR OF FINANCE**

Sheena Joslyn

**CHIEF INTERNAL AUDITOR**

Timothy Edwards, CIA, CFE

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

**BOARD OF TRUSTEES**

**Kecia Mays – President**

Kecia Mays was elected to the Board in 2014. She has been married for 24 years and has three sons that are products of AISD. Mrs. Mays is a graduate of Texas A&M University with a BBA in Accounting and is a Supervisor who has been employed with the Texas Comptroller of Public Accounts - Audit Division for over 30 years.

Mrs. Mays has served in a leadership capacity for several local PTAs and as a Field Service Representative for Texas PTA. She has received the PTA Life Membership and PTA Extended Life Membership Awards. Mrs. Mays has served on the Board for the Dream Weaver Foundation, Black Former Students Association of Texas A&M University, Arlington Education Foundation and Arlington – United Way Advisory Board. Kecia Mays enjoys spending time with her sons, going to the movies and celebrating life with a large extended family.

**Bowie Hogg – Vice President**

Bowie Hogg was elected to the board in May of 2008 and is a product of the Arlington schools from kindergarten through high school graduation. Mr. Hogg graduated from The Mays Business School at Texas A&M University with a Bachelors of Business Administration degree. Mr. Hogg also represented Arlington and the Dallas-Fort Worth Metroplex by being chosen out of 216,000 applicants to appear on the original edition of the Emmy nominated television show, The Apprentice. Mr. Hogg is the Public Sector Leader with Alight Solutions LLC, and serving on the board of multiple non-profits in Arlington. Mr. Hogg also served his community as a Board member for the United Way of Tarrant County, Leadership Arlington, Theatre Arlington, Downton Arlington Management Corporation, Chamber of Commerce, and the Advisory Board for the Arlington Life Shelter and Junior League Arlington. Mr. Hogg's passions are education, healthcare and community service with his two daughters and wife, who is a former 5<sup>th</sup> grade teacher.

**Polly Walton – Secretary**

Polly Walton, elected to the Board in May 2015, is a retired AISD elementary teacher and librarian. She has lived in Arlington for 46 years and been involved with the AISD all 46 years as an educator, parent, and grandparent. She is currently active with Retired Teachers, Director of the Friends and Foundation of Arlington Public Library Board, and a Director of her homeowners' association. During her years of teaching, she was an active member of three teacher organizations, CTA, TSTA, and UEA, serving as president of all three.

Ms. Walton's degrees, a Bachelors and a Masters of Education are from Southern Methodist University, and Library Science is from Texas Woman's University. She has served in leadership roles on civic organizations including the City Arts Grants Review Board, the Board of Creative Arts Theatre and School (CATS), and PTA, including eight years on the Arlington Council of PTAs. Ms. Walton's two children graduated from AISD. She has three grandchildren, two who are now students in the AISD.

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

**BOARD OF TRUSTEES (continued)**

**Justin Chapa**

Mr. Chapa has served on the Board since 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 Bachelor's in Government, with honors, from Harvard University, a Master's in Education from the Stanford Graduate School of Education, and a Juris Doctorate from Stanford Law School. He works as an attorney at the law firm of Morgan, Lewis & Bockius LLP and has been named a "Rising Star" in Appellate Law and Civil Litigation Defense. 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. In addition to AISD, he represents the interests of all school districts in Texas as a member of the Board of Directors for the Texas Association of School Boards. He also currently serves on the Board of Directors of United Way of Tarrant County and previously served on the Boards of Directors of the Arlington ISD Education Foundation, the Arlington Public Library Foundation, and Leadership Arlington, through which he helped direct the Youth Leadership Arlington Program. Before joining the Board, Mr. Chapa served on the AISD's Financial Futures Committee, Citizens Bond Oversight Committee, and Capital Needs Steering Committee. He was also selected by the Arlington City Council for the City of Arlington's Comprehensive Plan Advisory Committee. Along with a friend, Mr. Chapa co-founded a scholarship program for seniors at Sam Houston High School that has awarded over \$35,000 since its inception in 2007.

**Melody Fowler**

Melody Fowler was elected to the Board in 2018. She is a 30 plus year teacher of both public school and at the college level. She currently teaches English at Tarrant County College. She has been involved with AISD as a volunteer with PTS/PTSA and Site Based Decision Making Teams. Mrs. Fowler is the recipient of the PTA Life Membership Award, member of the Arlington Rotary Club and member of the Greater Arlington Chamber of Commerce Women's Alliance and MPAC.

**Aaron Reich**

Dr. Reich has served on the Board since May of 2009. He has lived in Arlington for 28 years and is married with two children, both products of AISD. He and his wife of 27 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 on the Board of Directors for Theatre Arlington, Director for Arlington Children's Toys, and is a member of the First United Methodist Church, Ft. Worth. He enjoys his family, community advocacy, the outdoors, and traveling.

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

**BOARD OF TRUSTEES (continued)**

**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 is currently attending Martin High School and their daughter is a proud graduate of AISD and is currently working towards an advanced degree in Physics. 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 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.

**ADMINISTRATION**

**Dr. Marcelo Cavazos –Superintendent**

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

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

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

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

**ADMINISTRATION (continued)**

**Dr. Steven Wurtz– Chief Academic Officer**

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

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

Dr. Wurtz currently serves on the Texas Learning Collaborative, Urban Curriculum Council and was formerly a member of the state board of directors and state advocacy committee for the Texas Elementary Principals and Supervisors Association (TEPSA). He served as the president-elect for the TEPSA 10 Board and second vice president for the TEPSA District 11 board. Dr. Wurtz is a member of the TEPSA, ASCD, serves as a member of district lead staff for the Texas School Alliance, is a member of the UT Tyler *Diversity, Social Justice and the Educational Leader Journal* Editing Board and serves as the Holdsworth Center District Champion for the Arlington ISD Steering Committee

**Darla Moss – Chief Financial Officer**

Darla Moss joined the Arlington Independent School District in March 2020, as the Chief Financial Officer. Prior to joining Arlington ISD she served as the Chief Financial Officer for the Midland ISD for 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.

Darla has over 34 years of experience in accounting. 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.



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

**ADMINISTRATION (continued)**

**Dr. Michael Hill – Assistant Superintendent of Administration**

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 and 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. Mr. Hill then became the Academic Associate Principal at Timberview High School in the Mansfield ISD. He served in that capacity for a little less than two years before returning to Arlington ISD as the principal at Juan Seguin High School. He served in that capacity from January 2011 until February 2013. Mr. Hill recently completed his Doctorate in k-12 Leadership at Dallas Baptist University and graduated in December 2019. He holds a master's degree in Educational Leadership and Policy Studies and a superintendent certification from the University of Texas at Arlington and a bachelor's degree from Grambling State University in Louisiana.

**Eric Upchurch – Assistant Superintendent of Technology**

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

**Scott Kahl -- Assistant Superintendent of Human Resources**

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

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

**ADMINISTRATION (continued)**

**Dr. Kevin Barlow – Assistant Superintendent of Research and Accountability**

Kevin Barlow is a native Texan who grew up in Rockdale, TX, about 65 miles northeast of Austin. Kevin graduated from the University of Mary Hardin-Baylor in 1986 with a BS in Mathematics. He also holds an MS in Mathematics from Tarleton State University and a Ph.D. in Educational Psychology with an emphasis in Research, Measurement, and Statistics from Texas A&M University. Upon graduation from the University of Mary Hardin-Baylor, Kevin worked as a delivery driver for United Parcel Service (UPS). He began his career in education in 1992 in Lampasas, TX, where he taught all levels of high school mathematics. Since that time, he has taught and/or been an administrator in Bastrop ISD, Georgetown ISD, Clear Creek ISD, and the University of Houston-Clear Lake. Kevin currently serves as the Assistant Superintendent of Research and Accountability for Arlington ISD. In addition, he is an adjunct professor for The University of Texas at Arlington.

Kevin has been a Rotarian since 2013 as well as an active member of educational professional organizations, including Southwest Educational Research Association (SERA), Texas Statewide Network of Assessment Professionals (TSNAP), Accountability Technical Advisory Committee (ATAC), and Texas Performance Assessment Consortium (TPAC). In addition, he is on the Editorial Review Board of *Educational Research Quarterly* and is the lead author of a journal article publication entitled, “Understanding Curricular Student Expectations in Texas: Readiness Standards vs. Supporting Standards.” His research interest is “understanding how to maximize the effectiveness and efficiency of public schools.” Kevin and his wife, Glenna, have resided in Arlington since 2014. Their two children, David and Lauren, are graduates of The University of Texas at Austin and live with their spouses in Austin.

**Dr. A. Tracie Brown – Assistant Superintendent of School Leadership**

Dr. Brown currently serves as the Assistant Superintendent of School Leadership in Arlington Independent School District where she oversees the office of School Leadership and AISD’s 78 campuses. Prior to joining AISD, she served Dallas ISD for 18 years as an elementary and secondary teacher, administrator and Executive Director over the Kimball Feeder Pattern. Dr. Brown joined Southern Methodist University (SMU) where she was part of the inaugural leadership team of Teaching Trust, serving as Director of Leadership Development. She was the founding principal of C.A. Tatum Jr. Elementary School where the school transformed from low performing to a “Blue Ribbon” nominee.

Dr. Brown is also the founder of Future School Leaders Network (FSLN) is a non-profit organization dedicated to supporting and developing school leaders who are committed to changing outcomes for students. Since its inception, more than 150 school leaders have engaged in a year-long professional learning and mentorship by Dr. Brown and other leaders.

Dr. Brown also serves as a leadership consultant and frequently presents at state and national conferences. She was recently honored as a Texas Woman’s University’s Hallmark Alumna, Tarrant County Influencer, recipient of the Educational Developmental Award by Delta Sigma Theta, Women of Visionary Influence Mentor of the Year, and 2019 LinkedIn #2 Top Voice in Education. She has been called upon to deliver commencement addresses, speak at national conferences, and coach other executive leaders.

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

**ADMINISTRATION (continued)**

**Dr. Christi Buell– Area Superintendent - Area 1**

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

**Dr. Theodore Jarchow – Area Superintendent – Area 2**

T. J. Jarchow was appointed Area Superintendent on January 18th, 2018. Prior to joining Arlington ISD, Dr. Jarchow served in the Fort Worth Independent School District for 18.5 years, most recently as an Executive Director of Secondary School Leadership in which he supervised and coached middle and high school principals. Dr. Jarchow served as High School Principal at Southwest High School from 2013-2015 leading the school to six academic distinctions from the state. From 2007-2013 he was principal at Wedgwood Middle School leading a team of educators to move a low performing school through a sustained turnaround. He was an assistant principal at Dunbar High School for three years, and during this time led the successful opening of a ninth grade center on the campus. He was a secondary history teacher and coach for five years at the middle and high school level before becoming an administrator. Dr. Jarchow received his Bachelor of Science Degree in Secondary Education from Kansas State University. Both his Masters and Doctorate degrees are in Educational Administration from Texas Christian University. He also holds both Mid-Management and Superintendent Certifications.

**Dr. Laina McDonald, Area Superintendent - Area 3**

Dr. Laina McDonald began serving as Area Superintendent AISD in July of 2019. 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.

**Dr. Kristina Turner – Area Superintendent – Strategic Support Network**

Kristina Turner has served as Area Superintendent since June 2020. Dr. Turner joined AISD in August 2019 as the Director of School Improvement. In this position she served as the District Coordinator of School Improvement acting as the liaison between AISD campuses with school improvement intervention requirements, the Regional Service Center and TEA. Prior to that, she served as the Manager of Instructional Leadership at ESC Region 11 where she provided input and training for the TEA project, Texas Instructional Leadership. In this role she designed and facilitated professional learning, and coached principal supervisors, principals and assistant principals. Dr. Turner served as a principal and an assistant principal in Crowley ISD. She taught history and was an AVID program teacher and coordinator in FWISD. Prior to that she taught history in Richardson ISD. Dr. Turner has a bachelor's degree in History and master's degree in Educational Leadership and Policy Studies from UT-Arlington. She earned her doctorate from Dallas Baptist University in 2018. She also holds Principal and Superintendent certifications.

## **ARLINGTON INDEPENDENT SCHOOL DISTRICT**

### **Board of Trustees and Administration (continued)**

#### **ADMINISTRATION (continued)**

##### **Tony Drollinger – Executive Director of Finance**

Tony Drollinger originally came to the District in October 1996 as the District's Internal Auditor. After serving in that capacity for three years, he was named Director of Accounting in 1999, and then was named Executive Director of Finance in November of 2008. Prior to coming to the District, Mr. Drollinger worked four years as a financial consultant and software trainer for Texas Educational Consultative Services (TECS) in Austin. Before that time Mr. Drollinger spent five years working for the Texas Education Agency in the areas of School Audits and PEIMS. He is a graduate of Texas State University with a BBA in Accounting. He is a member of the Texas Association of School Business Officials and the Government Finance Officers Association, and was nominated and currently serves on the Accounting and Auditing Advisory Committee of the Texas Education Agency.

##### **Alice Hamrick – Director of Accounting**

Alice Hamrick was hired as the Director of Accounting in March 2015. Prior to joining the District, she worked five years as the Executive Director of Finance for Castleberry ISD. She has an additional seven years of experience working in Director level positions within Finance and Payroll at various independent school districts. Prior to working in school finance, she worked twelve years in internal auditing and accounting with state agencies, federal contractors, and private corporations. She graduated from Texas A&M with a BBA in Accounting and is a Certified Public Accountant.

##### **Mandy Mew – Director of Budget and Cash Management**

Mandy Mew has worked with Public School Finance since 1988. She was the Chief of School Finance for the North Carolina Department of Public Instruction until moving to Texas in 2000. After moving to Texas she worked for the Fort Worth ISD and the Hurst-Euless-Bedford ISD. In July, 2010 she moved to Arlington ISD as the Director of Budget and Cash Management. Ms. Mew graduated from Wake Forest University. She is also a graduate of the Education Policy Fellowship Program, sponsored by the Institute for Educational Leadership.

##### **Sheena Joslyn – Director of 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.

##### **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

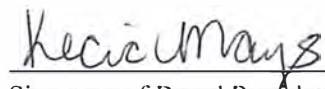
County

220-901-11

Co. - Dist. No.

We, the undersigned, certify that the attached auditors' reports of the above named school district were reviewed and X approved \_\_\_\_\_ disapproved for the year ended June 30, 2020, at a meeting of the board of school trustees of such school district on the 19th day of November 2020.

  
\_\_\_\_\_  
Signature of Board Secretary  
*Acting Secretary*

  
\_\_\_\_\_  
Signature of Board President





November 19, 2020

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

The Texas Education Code requires that all independent school districts file a complete set of financial statements within 150 days of the close of each fiscal year with the Texas Education Agency (“TEA”). The financial statements are in conformity with generally accepted accounting principles (“GAAP”), and a firm of licensed certified public accountants is required to audit them in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Arlington Independent School District (“District” or “AISD”) for the fiscal year ended June 30, 2020.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To the best of our knowledge and belief, we assert that this financial report is complete and reliable in all material respects.

The District’s financial statements have been audited by Whitley Penn, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, 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, 2020, 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 14th largest school district in Texas. The District currently operates six traditional high schools, two early college high schools, one career and technical center, an agricultural science center, 10 junior high schools, 49 traditional elementary schools, two fine arts/dual language academies, one elementary leadership academy, one elementary STEM academy, one world language academy, a pre-kindergarten campus, three alternative schools, and the new Center for Visual and Performing Arts and AISD Athletics Center. During the 2019-20 school year the District employed 8,074 full-time equivalent staff members of which 4,040 were classroom teachers. Enrollment for the 2019-20 year was 59,532 as reported to the State through the Public Education Information Management System ("PEIMS"). This enrollment figure represents a decrease of approximately 0.61% from the enrollment figure reported through PEIMS the previous year. Enrollment for 2020-21 is expected to be 59,117 at the fall PEIMS snapshot date which is 1.31% less than the 2018-19 official enrollment. Because we do not yet know how enrollment will be affected by COVID-19, the 2020-21 projected enrollment is based on normal enrollment patterns and will be adjusted for projection purposes once actual enrollment is determined. All academic and extracurricular programs are supported by a highly qualified, culturally-diverse teaching staff. The average pupil-teacher ratio was 15 to 1 throughout the District. Texas law mandates that no more than 22 students be assigned to one classroom teacher in kindergarten through grade four.

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

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

### **Governance**

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



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

### **Local Economy**

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

### **Relevant Financial Policies**

#### **Factors affecting financial control**

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

#### **Budgetary Control**

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

The District maintains budgetary controls throughout all of its financial systems. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the General Fund, Natural Gas Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Food Service Fund. In accordance with procedures prescribed by the State Board of Education, budget amendments that affect the total amount in a fund or functional spending category must be approved by the Board prior to expenditure of funds. The functional level is specified by Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors.

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

### **Major Initiatives**

#### 2016-2021 Achieve Today. Excel Tomorrow. Strategic Plan

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

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

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

#### Learning Framework

With our mission focused squarely on maximizing our students' potential through relevant, innovative, and rigorous learning experiences, the AISD collaboratively developed the Arlington ISD Active Learning Cycle™, an instructional framework and the 7th and final step in the Teach for Understanding Planning Cycle™. This framework is centered on the design of the actual daily experience students have in the classroom as a result of a purposeful instructional plan. As students prepare for post-secondary life, it is vital that they not only master the academic content, but also acquire the necessary soft skills needed to be successful in college, career and life. These skills include modeling responsible citizenship, being self-directed, collaborating with others, thinking critically to solve real-world problems and communicating effectively with others. Through implementation of the Arlington ISD Active Learning Cycle, students are being provided ownership of their learning through experiences that are designed to facilitate their growth and development of these key life-ready skills. Currently, 41 campuses are implementing the framework system-wide with ongoing professional learning and job-embedded coaching support.

#### Social Emotional Learning

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

### Literacy

Research shows that there is a direct correlation between the reading proficiency of third grade students and those students' future academic success including graduation. In an effort to promote increased achievement in reading, the AISD is strategically focused on implementing the Balanced Literacy framework with an emphasis on early childhood reading. During the 2020-2021 school year, structures and systems are being implemented to promote increased effectiveness in reading instructional practices including job-embedded coaching, instructional planning/design supports, training in guided reading, phonics instruction and close reading practices and participation in state-developed Literacy Academies for all Grade 3 teachers and elementary principals.

### Full-day Prekindergarten

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

### Leadership Development

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

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

### Programs of Choice

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

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

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

#### *Bond Program*

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

Wrapping up the 2014 bond program, the AISD opened the Center for the Visual and Fine Arts and the Athletic Complex this Fall, which will provide students with access to high quality fine arts and athletics facilities in support of best-in-class programming district-wide. On November 3, 2020, the AISD had its first swim competition in the new natatorium.

#### *Other Major Initiatives*

With the passing of HB 3, the District will be collaborating with local stakeholders to develop improvement plans to address grade 3 literacy and mathematics achievement as well as students acquisition of College, Career and Military Readiness (CCMR) indicators as defined by the state accountability system. These plans will be presented to the Board for adoption with articulated annual targets and published routine progress updates.

### **Long-term Financial Planning**

The Board recognizes the significance of adopting balanced budgets, sustaining a healthy fund balance, and long-range financial planning. The Board has adopted a policy that sets forth parameters for annual budget development and targets the unassigned General Operating fund balance at two-months of operating expenditures. The parameters include prioritizing resources into programs that promote student achievement growth, maintaining competitive compensation to attract and retain a highly qualified workforce, board approval of staffing ratios, balancing the budget with limited use of surplus fund balance for one-time expenditures, and prioritizing any necessary reductions in areas that have the least impact on instruction. Multi-year budget forecasts are presented to the Board each summer and are considered by the Board when evaluating the impact of potential new initiatives. Strategies included in the *Achieve Today. Excel Tomorrow*. Strategic Plan focus resources and long-range planning on District priorities in a manner that will help protect the District's financial well-being.

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

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

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

Community involvement in long-range financial planning is a District priority. A Financial Futures Committee comprised of staff and citizens meets quarterly to study the District's strategic plan, budget cost drivers, enrollment and property value trends, and the state school finance system to understand how those issues affect AISD's budget, tax rates, instructional programming and long-range financial planning. The scope and purpose of the committee is to provide the Board with findings and recommendations from community stakeholders relating to budgets and long-range financial planning to support the District's Strategic Plan. The committee's 2020 report to the Board included recommendations to emphasize operating efficiencies, prioritize investment in underperforming schools, competitive compensation and assess the need for a VATRE.

The objectives of our long-range planning include investing in capital priorities, reducing the current budget deficit 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.

Our country, our state, our community and our school district are facing economic strains as a result of the COVID-19 pandemic; however, our mission and vision remain the same. We have a responsibility to the students of AISD to provide an education that allows them to graduate exceptionally prepared for college, career and citizenship. We are here to meet that responsibility and to serve our students and our staff.

The district implemented an online learning environment so students could continue their learning during the mandatory closure from March 16 through the end of the 2019-20 school year. During this time, the District served more than 1.4 million meals to students, and provided approximately 25,000 technology devices and hotspot connections to students for continuous online learning.

COVID-19 will continue to impact district operations in a variety of ways in the coming year. Across the state, campus operations were dramatically modified to keep students and staff safe at school. Neither the nature of the modifications nor the costs to address them could be identified when the 2020-21 budget was adopted. A task force of district administrators, teachers and parents developed plans to re-open Arlington ISD schools for the 2020-21 school year. The budget will be amended throughout the year to direct resources where appropriate to respond to COVID-19.

## Awards and Acknowledgements

Innovative programs, teachers and volunteers are all key to the success of AISD students. Under the new accountability system, TEA rates each district and campus as A – F. In 2019, AISD received a B rating with an overall score of 86 out of 100. 2020 ratings were suspended because of COVID-19.

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Arlington Independent School District for its comprehensive annual financial report for the year ended June 30, 2019. This was the 41st consecutive year that the Arlington Independent School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published a comprehensive annual financial report that was easy to read and was efficiently organized. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the Association of School Business Officials International (“ASBO”) awarded a Certificate of Excellence in Financial Reporting by School Systems to the Arlington Independent School District for the 31st consecutive year. The Certificate of Excellence in Financial Reporting for School Systems Program is a voluntary program sponsored by ASBO to foster excellence in the preparation and issuance of school system financial reports. A Certificate of Excellence is awarded to those school systems that have voluntarily submitted their comprehensive annual financial report (“CAFR”) for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel of review members concluded that the Arlington Independent School District’s financial report met the criteria for excellence in financial reporting. We believe that our current CAFR continues to meet the requirements of the Certificate of Excellence in Financial Reporting by School Systems program, and we are submitting it to ASBO to determine its eligibility for another certificate.

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

Sincerely,



Darla Moss  
Chief Financial Officer



Dr. Marcelo Cavazos  
Superintendent



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Arlington Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO



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

**Arlington Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

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



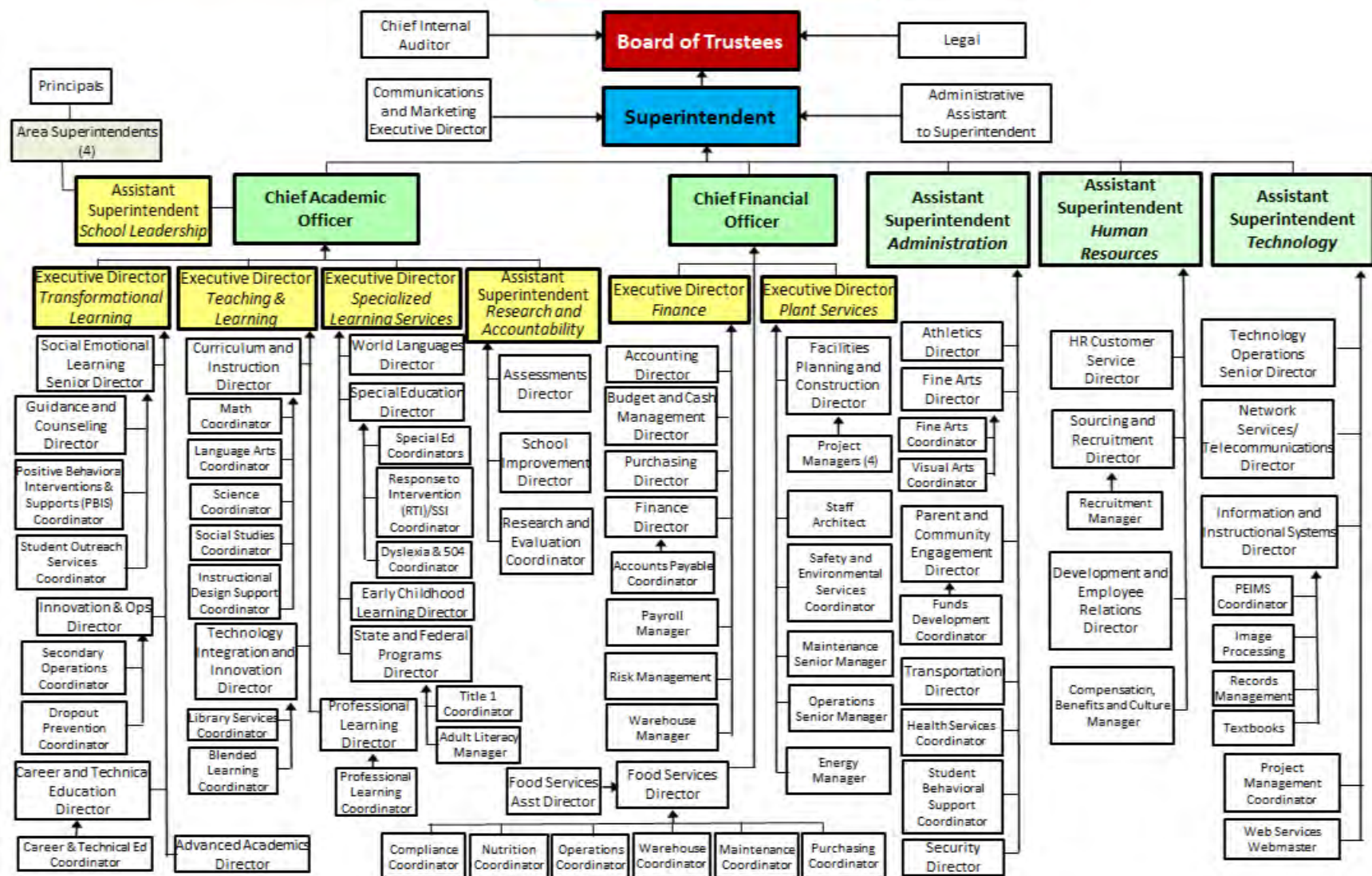
A handwritten signature in black ink, reading 'Claire Hertz'.

**Claire Hertz, SFO  
President**

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

**David J. Lewis  
Executive Director**







## **FINANCIAL SECTION**



## REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees  
Arlington Independent School District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2020, and the related notes to financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

### Management’s Responsibility for the Financial Statements

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

### Auditor’s Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position, the respective budgetary comparison schedule for the general fund and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 20, and pension information and other post-employment benefits on pages 78 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements, TEA required schedules and other supplementary information, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other information, such as the introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

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

To the Board of Trustees  
Arlington Independent School District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Fort Worth, Texas  
November 13, 2020





## **ARLINGTON INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Comprehensive Annual Financial Report, we, the managers of Arlington Independent School District ("District"), discuss and analyze the District's financial performance for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal on pages xi - xviii, the independent auditors' report on pages 1 through 3, and the District's basic financial statements which begin on page 22.

#### **FINANCIAL HIGHLIGHTS**

- The liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the fiscal year by \$232,403,617 (net deficit). This deficit is caused by the recognition of the net pension and other post-employment benefits (OPEB) liabilities, totaling \$202,083,399 and \$231,749,147, respectively. The recognition of these two liabilities does not affect the financial stability of the District nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liabilities that the State of Texas manages and operates on-behalf of all school districts in Texas.
- After recognizing the net pension and OPEB liabilities referenced above, the District's total net position increased by \$2.9 million.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$639,723,139 which is \$248,346,239 greater than the previous year. 30.4% of the combined fund balance, or \$194,696,834, is available for spending at the District's discretion (unassigned balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$194,696,834, or 38.3% of total general fund expenditures.

#### **USING THIS ANNUAL REPORT**

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

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

- 1) *Government-wide financial statements* provide information about the activities of the District as a whole and present both a long-term and short-term view of the District's finances. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 23 through 23).
- 2) *Fund financial statements* (starting on page 24) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For general governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. For proprietary activities, fund financial statements tell how goods or services of the District were sold to external customers and how funds were accumulated and costs were allocated internally among various functions. The remaining fund financial statement, the fiduciary statement, provides financial information about activities for which the District acts solely as a trustee or agent for the benefit of parties outside of the District. The fiduciary statement can be found on page 35.

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

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

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

<b>Table I</b> <b>Arlington Independent School District</b> <b>MAJOR FEATURES OF THE DISTRICT’S FINANCIAL STATEMENTS</b>				
	<b>Government-wide Statements</b>	<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire District’s government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else’s resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Assets and Liabilities</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both financial and capital and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after year end; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Agency funds do not report revenues and expenditures

## **ARLINGTON INDEPENDENT SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

#### ***Government-wide Financial Statements***

The government-wide financial statements – consisting of the Statement of Net Position and the Statement of Activities – report information about the District as a whole. These statements are designed to provide readers with a broad overview of the District's finances. The government-wide statements apply the accrual basis of accounting, which is similar to the accounting basis used by most private-sector companies. The Statement of Net Position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The two government-wide financial statements report the District's net position and changes in them. Net position (the difference between assets, deferred inflows/outflows and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider additional factors as well, such as changes in the District's property tax base, state funding, or its average daily attendance and the condition of the District's facilities.

#### ***Fund Financial Statements***

The fund financial statements provide detailed information about the District's most significant funds, as opposed to the District as a whole. Laws and bond covenants require the District to establish some funds, such as grants received under the Every Student Succeeds Act from the U.S. Department of Education. The District's administration establishes other funds to help it control and manage money for particular purposes. The three kinds of funds used by the District - governmental, proprietary and fiduciary - use different accounting approaches:

- *Governmental funds* - Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting (an accounting method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps users determine the availability of financial resources to finance the District's programs. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- *Proprietary funds* - Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types: (1) Enterprise funds and (2) Internal service funds. The District does not have any enterprise funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District has two internal service funds, the Print Shop and the Workers' Compensation Funds.
- *Fiduciary funds* - The District is the trustee, or fiduciary, for money raised by student activities. These resources can be used only for the student groups that raised the funds; therefore, they are recorded in separate fiduciary funds. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**THE DISTRICT AS A WHOLE**

**Net Position.** The District's net position at June 30, 2020, was a net deficit of \$232.4 million due to the recognition of the net pension and net OPEB liabilities and related deferred outflows and inflows promulgated under GASB Numbers 68 and 75.

A large portion of net position, or \$202.7 million, reflects the District's investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position (\$58.4 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 of \$493.5 million.

**Table II**  
**NET POSITION**  
(in thousands)

	<b>Governmental Activities</b>		<b>Variance</b>
	<b>2020</b>	<b>2019</b>	
Current and other assets	\$ 749,390	\$ 515,269	\$ 234,121
Capital assets	679,808	642,823	36,985
<b>Total Assets</b>	<b>1,429,198</b>	<b>1,158,092</b>	<b>271,106</b>
<b>Total Deferred Outflows of Resources</b>	<b>124,882</b>	<b>138,005</b>	<b>(13,123)</b>
Current liabilities	109,491	126,808	(17,317)
Long term liabilities	1,534,368	1,308,865	225,503
<b>Total Liabilities</b>	<b>1,643,859</b>	<b>1,435,673</b>	<b>208,186</b>
<b>Total Deferred Inflows of Resources</b>	<b>142,624</b>	<b>95,728</b>	<b>46,896</b>
<b>Net Position</b>			
Net Investment in capital assets	202,728	217,157	(14,429)
Restricted	58,417	38,840	19,577
Unrestricted	(493,549)	(491,301)	(2,248)
<b>Total Net Position</b>	<b>\$ (232,404)</b>	<b>\$ (235,304)</b>	<b>\$ 2,900</b>

**Changes in Net Position.** Total net position of the District increased by \$2.9 million over last year. Although the District added capital assets of \$37.0 million, the District's long-term liabilities increased by \$225.5 million. This increase is attributed primarily to the increase in the liabilities due in more than one year for the 2020 bond issuance of \$273 million, offset by retirement of debt.

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

**Governmental activities.** Revenues from governmental activities totaled \$759.7 million for fiscal year 2020. The costs of all governmental programs and services were \$756.8 million. The net effect of these items resulted in an increase in net position of \$2.9 million. Separate discussions appear below for governmental revenues and governmental expenses.

**Table III**  
**CHANGES IN NET POSITION**  
(in thousands)

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Variance</b>
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for services	\$ 6,178	\$ 8,333	\$ (2,155)
Operating grants	153,420	120,674	32,746
<b>General Revenues:</b>			
Property taxes	403,088	377,587	25,501
State Aid - Formula Grants	184,436	186,059	(1,623)
Grants and contributions not restricted	430	547	(117)
Investment earnings	7,224	11,954	(4,730)
Other	4,899	5,387	(488)
<b>Total Revenues</b>	<b>759,675</b>	<b>710,541</b>	<b>49,134</b>
<b>Expenses</b>			
Instruction, curriculum and media services	427,224	401,585	(25,639)
Instructional and school leadership	50,380	45,767	(4,613)
Student support services	65,870	62,690	(3,180)
Food services	34,599	32,370	(2,229)
Cocurricular activities	10,669	10,698	29
General administration	12,633	11,363	(1,270)
Facilities maintenance, security and data processing	120,067	166,215	46,148
Community services	3,195	3,026	(169)
Debt service	28,112	30,416	2,304
Facilities repairs and maintenance	1,705	7,314	5,609
Intergovernmental charges	2,319	5,360	3,041
<b>Total Expenses</b>	<b>756,773</b>	<b>776,804</b>	<b>20,031</b>
Excess (deficiency) before transfers and special items	2,902	(66,263)	69,165
Increase (Decrease) in Net Position	2,902	(66,263)	69,165
<b>Net Position - Beginning</b>	<b>(235,304)</b>	<b>(169,041)</b>	<b>(66,263)</b>
<b>Net Position - Ending</b>	<b>\$ (232,404)</b>	<b>\$ (235,304)</b>	<b>\$ 2,902</b>

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

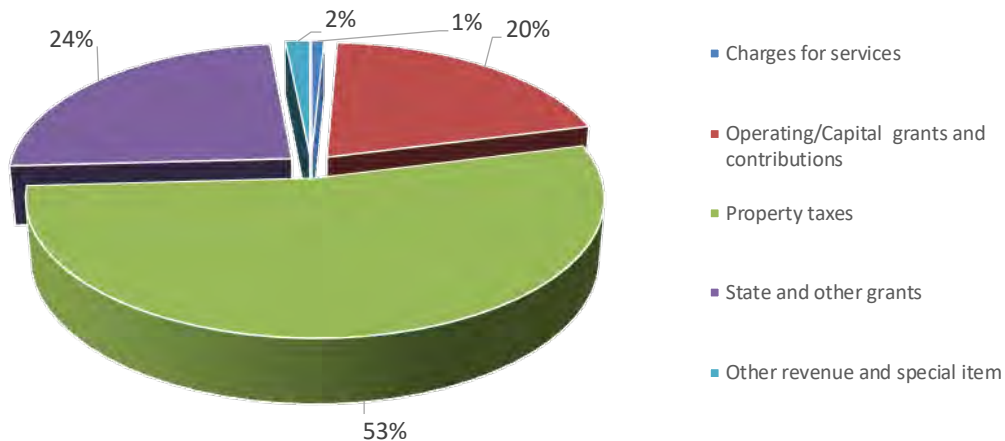
Governmental revenues by type are presented in the chart, below.

**Governmental Revenues by Type (in thousands)**

	FY 2019	FY 2020	Variance
<b>Program Revenues:</b>			
Charges for services	\$ 8,333	\$ 6,178	\$ (2,155)
Operating/Capital grants and contributions	120,674	153,420	32,746
<b>General Revenues:</b>			
Property taxes	377,587	403,088	25,501
State and other grants	186,605	184,866	(1,739)
Other	17,341	12,123	(5,218)
<b>Total Revenues</b>	<b>\$ 710,540</b>	<b>\$ 759,675</b>	<b>\$ 49,135</b>

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

**Governmental Revenues by Source**  
**Figure 1**



As explained in the Transmittal Letter beginning on page xi of this report, two substantial factors impacted the District’s operations and financial position during the 2019-20 fiscal year: House Bill 3 (HB 3) and the COVID-19 virus. The effects of these two forces are described in more detail in the following discussions of changes in revenues and expenditures for the 2019-20 fiscal year.

Revenues for governmental activities increased by \$49.1 million in 2019-20. Major changes in revenue items include:

- State aid decreased by \$1.7 million due to a combination of factors. HB 3 provided additional funding for programs. Also, as in prior years, the District saw substantial growth in property values. This value growth contributed to the net decrease in state aid because of the inverse relationship between property value growth and state aid in the state funding formulas. Additionally, the District’s student enrollment has been trending down in recent years. Lower enrollment, coupled with lower student attendance due to COVID-19 closures, contributed to the net reduction in state aid. TEA did institute ADA hold harmless funding for the last two six-week attendance reporting periods of the 2019-20 school year. This hold harmless funding helped to mitigate lost state aid funding due to COVID-19 closures and decreased student attendance while operating in the virtual

## ARLINGTON INDEPENDENT SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

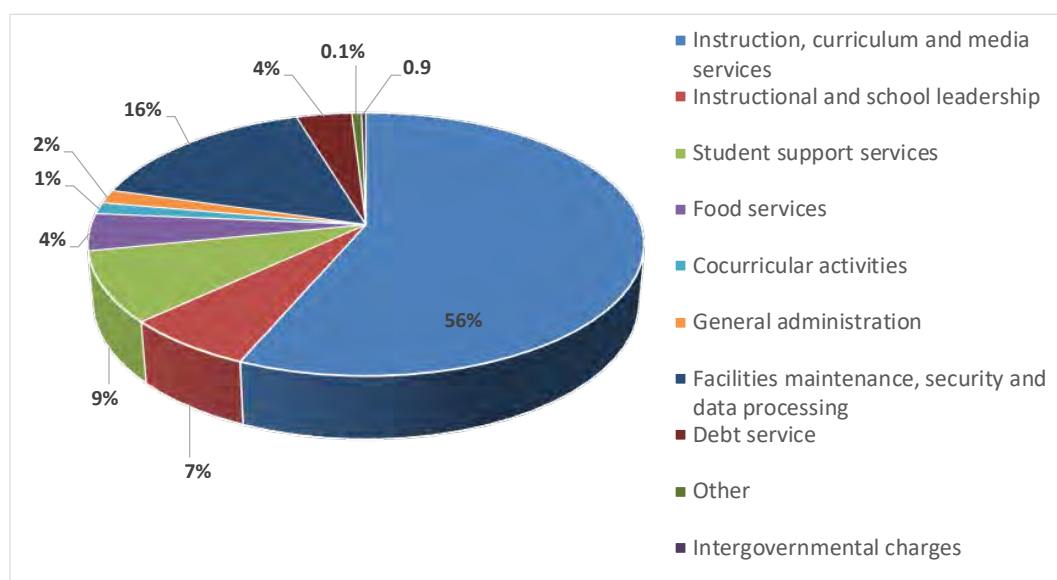
school setting. Finally, the state opted to use Elementary and Secondary School Emergency Relief (ESSER) funding under the CARES Act to backfill funding shortfalls for necessary COVID-19 relief. The District was required to reclassify \$14.4 million in state revenue, as well as equal expenditures (less amounts required to held in reserve for private school participation) from the general operating fund, to a federal special revenue fund to account for ESSER funds.

- M&O property taxes increased \$25.5 million due to a 13.7% increase in property values, and due to strong collection trends. HB 3 required districts to compress their maintenance and operations tax rate in order to provide property tax relief. Without the tax rate compression, the increase in values would have resulted in much higher property tax collections for 2019-2020
- Investment income decreased by \$4.7 million following the trend of declining interest rates for short-term investments throughout the 2020 fiscal year.
- Operating grants increased \$32.2 million, driven primarily by the reclassification of \$14.4 million ESSER funds from the general fund to a federal special revenue fund, combined with increased funding for the Instructional Materials Allotment of \$13.1 million (this state allotment is a bi-annual allotment), an increase in federal Title 1 funds of \$1.5 million and required book entries for TRS On-Behalf and the TRS pension allocation for an increase of \$12 million. These increases, along with other minor increases in other grants, were offset by decreases in federal food service revenue of \$2.0 million due to closures related to COVID-19 and a reduction in federal SHARS revenue of \$3.2 million.

Expenses for the District decreased from last year by \$20.0 million for the year ended June 30, 2020. The following analysis will provide more information on the changes in expenses.

### Governmental Expenses by Function

Figure 2



Payroll costs, accounting for approximately 77.9% of total expenses, are the most significant operating expenses incurred by the District and are recorded in the majority of functional categories. Payroll expenses were \$15.2 million higher than last year due primarily to the net difference between pay increases and a net reduction of 30.5 positions due to declining enrollment. HB 3 included mandated salary increases based on the funding gain the District realized in the Adjusted Basic Allotment for students. Districts were required to use 30% of their funding gain to provide salary increases for employees other than administrators. Additionally, 75% of the 30% had to be spent on compensation increases for teachers, counselors, librarians and nurses, with differentiated pay for

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

classroom teachers with more than 5 years experience. In order to recruit and retain the best possible employees, the Board of Trustees approved a 3.0% increase on base salary for teachers with six or more years of experience and 2.5% increase for all other employees. The Board also approved an increase in the annual health insurance contribution of \$132 for all health insurance participants who are also members of the District's wellness plan. The total cost of salary increases plus the additional health insurance contribution exceeded the mandated increases that were calculated when the 2019-20 budget was adopted.

Contracted services decreased by approximately \$48.6 million. This net decrease was primarily due to various contract increases offset by decreases of \$47.4 million for bond construction and life cycle and deficiency projects (design professionals, engineers, construction contracts, etc.), decreases of \$1.2 million in technology installation contracts related to the 2014 Bond program, and a decrease of \$2.0 million in electricity supply contracts.

Supply expenditures increased \$6.8 million. This change was due primarily to the net difference in an increase of \$13.0 million in Instructional Materials Allotment funds for textbook adoptions that were due for the next two years (this program is funded through bi-annual allotments from the state), offset by the following decreased expenditures: \$1.0 million in general supplies and \$3.2 million in exception assets related to bond purchases, \$1.3 million in food and commodities due to changes in Food Service operations due to the closure for COVID -19, and approximately \$1.0 million in reading materials also due to the COVID-19 closure

Finally, debt service expenditures decreased by \$8.1 million for scheduled debt service payments, while capital assets spending increased \$20.8 million as the District continued spending bond funds.

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

The cost of all governmental activities this year was \$756.8 million compared to \$776.8 million last year.

As shown in the Statement of Activities on page 23, the amount that our taxpayers ultimately financed for these activities through District taxes was \$403.1 million (or 53.1%). The remaining costs were paid by state aid (\$184.4 million, or 24.3%), those who directly benefited from the programs (\$6.2 million, or 0.8%), other governments and organizations that subsidized certain programs with grants and contributions (\$153.8 million, or 20.2%), and miscellaneous other revenues (\$12.1 million, or 1.6%).

**Table IV**  
**COSTS OF SELECTED GOVERNMENTAL ACTIVITIES**  
(in thousands)

	Total Costs			Net Costs		
	2020	2019	% Change	2020	2019	% Change
Instruction	\$ 403,653	\$ 380,457	6%	\$ 318,952	\$ 326,277	-2%
School Leadership	36,031	33,654	7%	32,242	30,238	7%
Plant Maintenance	96,576	140,081	-31%	92,063	135,942	-32%
Guidance, Counseling and Evaluation Services	35,696	33,071	8%	31,229	28,855	8%
Food Service	34,599	32,370	7%	6,305	252	2402%



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

**THE DISTRICT'S FUNDS**

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

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

As the District completed the year, its governmental funds (as presented in the Balance Sheet on pages 24 - 25) reported combined fund balances of \$639.7 million, which is \$248.3 million more than last year's combined fund balances. Of the total amount, 30.4% or \$194.7 million, is *unassigned fund balance* which is available for spending at the District's discretion. The remainder of fund balance is not available for new spending because it is classified as non-spendable, restricted, committed or assigned for the following items: Inventory and prepaid items (\$2.3 million); debt service (\$54.8 million); federal, state and local grants (\$12.3 million); capital acquisition and liquidation of contracts and purchase orders of the prior period (\$340.3 million); COVID-19 pandemic response (\$22.5 million); and special projects (\$12.8 million).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$194.7 million, while the total fund balance was \$222.4 million. During fiscal year 2020, total fund balance of the General Fund increased by \$24.4 million.

Total revenues increased from 2019 to 2020 by \$45 million, primarily due to the following items:

- Higher tax collections were due to increased property values and strong collection trends, which resulted in an increase of \$12.8 million. HB 3 required districts to compress their maintenance and operations tax rate in order to provide property tax relief. Without the tax rate compression, the increase in values would have resulted in much higher property tax collections for 2019-20.
- State aid revenue for the current year increased \$1.8 million, while state aid funds received for prior years decreased \$2.3 million, resulting in a net decrease of \$727,984. The reasons for the changes in state aid were explained in the governmental activities section, above, and were due to the combination of HB 3 legislation and the COVID-19 virus.
- Lower investments revenue resulted in a decrease of \$1.8 million.
- TIF Revenue decreased \$2.2 million. The only TIF the District participated in closed during the prior year.
- Increase of \$5.3 million received as TRS On-Behalf revenue from the state, due to salary increases and a rate increase from 6.8% to 7.5%. This increase, combined with a decrease of \$1.3 million received as Medicare On-Behalf, resulted in a net increase of \$4.0 million.
- Indirect costs from federal grants reclassified to the general fund increased \$1.6 million, while miscellaneous revenues increased \$1.2 million, for a total increase of \$2.8 million.
- Decrease of \$3.2 million in federal reimbursements under the School Health and Related Services program due in large part to the prior year receipt of a one-time catch-up payment by the Texas Health and Human Services Commission for eligible claims that was not received in the current year.

General Fund expenditures decreased over the prior year by \$6.4 million. The overall decrease in expenditures was primarily due to the net effect of the following changes:

- A net decrease of \$0.8 million in the salaries expenditure category. This net decrease in salaries resulted mainly from the effect of mandated HB 3 pay raises (explained in governmental activities section, above), pay raises for all other employees, reductions in numbers of positions, benefits paid on all salaries, changes

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

in TRS On-Behalf, and the reclassification of salary expense to the ESSER federal special revenue fund. In order to recruit and retain the best possible employees, the Board of Trustees, in compliance with HB 3, approved a 3% increase on base salary for all teachers with six or more years of experience, and a 2.5% increase on base salary for all other employees. The Board also approved an increase in the annual health insurance contribution of \$132 for all health insurance participants who are also members of the District's wellness plan. Additionally, TRS On-Behalf increased by \$3.9 million primarily for a change in rate from 6.8% to 7.5%. These increases were offset by the reclassification of \$14.4 million in salary expense to the ESSER special revenue fund, as discussed in the governmental activities section, above.

- A net decrease of \$2.7 million in contracted services. This net reduction was primarily due to a reduction in professional services of \$0.8 million for professional consultants for capital needs assessments in the prior year not being repeated in the current year, a reduction of \$0.9 million for contracted irrigation systems upgrades and waste-water systems repairs from the prior year not being repeated in the current year, decreased utility expenditures of \$1.8 million for electricity supply contract renegotiations and reduced consumption due, in part, to the COVID-19 closure, and an increase of \$1.1 million for contracted transportation for homeless students.
- A net decrease in other operating costs of \$2.0 million. This net decrease was primarily due to a \$0.7 million decrease in student and staff travel expenditures due to the COVID-19 closure, an increase of \$2.4 million for increased property insurance premiums because the District rolled off of a three year guaranteed premium contract, a reduction of \$0.3 million for student transportation to and from school due to the COVID-19 closure, and a decrease in TIF payments of \$3.1 million because the only TIF the District participated in closed in the prior year.

The Natural Gas Special Revenue Fund has a total fund balance of \$12.8 million at year-end, all of which is committed for special projects. Fund balance increased by a net of \$0.9 million over the previous year primarily due to interest earnings and royalties.

The Debt Service Fund has a total fund balance of \$54.8 million at year-end, all of which is restricted to service the District's outstanding debt. Fund balance increased by \$21.9 million from the previous year-end primarily as a result of property tax revenue and state aid in excess of the principal and interest payments.

The Capital Projects Fund ended the current fiscal year with a fund balance of \$337.5 million. This entire amount is restricted to liquidate contracts and to pay for capital acquisitions of the prior period primarily for ongoing projects from the 2014 bond program and for new projects under the 2019 bond program. The Capital Projects fund balance increased by \$205.0 million during the year, the net result of bond sales and project expenditures. Although capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and as discussed in Note IV. E. to the financial statements. The District's capital asset fund is discussed in more detail below.

Nonmajor Governmental Funds, which include Special Revenue Funds other than the Natural Gas Fund, ended the year with a combined fund balance of \$12.3 million, or a decrease of \$3.8 million over the previous year. The fund balance is primarily attributed to the Food Service Program which had a net operating deficit of \$3.1 million and an ending fund balance of \$12.5 million. The net operating deficit in the Food Service fund was caused by required changes in operations due to COVID-19, which negatively impacted both the funding and the expenditures for this program. During the COVID-19 closure, the District served more than 1.4 million meals to students, which were delivered curb-side. These meals were reimbursed at lower rates, and cost more to produce and package, resulting in a net deficit for the year. Various other special revenue funds may also carry a fund balance if the oversight entity allows unused funds from one year to be carried forward to future years.

**Proprietary funds.** The District's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Currently, the only proprietary funds the District maintains are the internal service funds for activity in the District's print shop and workers' compensation funds.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- 1) An amendment for \$1.2 million made shortly after the beginning of the new fiscal year to re-appropriate campus budget allocations not spent at the end of the preceding year (referred to as "carryover funds").
- 2) Changes made to revise estimates of revenues and expenditures based on the latest information on property valuations, student attendance, interest earnings, and operating costs. The following is a summary of the most significant amendments in this category:
  - a. \$2.5 million increase in current year property tax revenues based on certified property values that were higher than the estimated values used in the adopted budget and actual collection trends. Certified values are received on July 25<sup>th</sup> each year, after the annual budget is adopted in June. Estimates are used for the original budget.
  - b. \$1.0 million decrease in prior year tax revenues based on collections and the impact of the COVID-19 virus.
  - c. \$800,000 decrease in tax penalty and interest based on collections and the impact of the COVID-19 virus.
  - d. \$2.2 million decrease in investment earnings due to cash balances available for investment and decreasing market rates.
  - e. \$3.0 million increase in state revenue as a net result of certified property values higher than original estimated values, attendance and state compensatory education funding weights exceeded projection for original adopted budget.
  - f. \$14.0 million decrease in state revenue due to anticipated Elementary and Secondary Schools Emergency Relief (ESSER) grant funding for COVID-19.
  - g. \$3.5 million increase in TRS On-behalf revenue budget based on rate increase from 6.8% to 7.5%.
  - h. \$1.5 million increase in SHARS revenue based on actual services provided to Medicaid eligible students.
  - i. \$2.9 million decrease in Instructional Salaries due to transfer to ESSER grant funding. (20% of total \$14.7 million expected to be received within 60 days of fiscal year end.)
  - j. \$1.5 million decrease in professional salaries based on vacancies.
  - k. \$1.9 million increase in paraprofessional salaries to reflect premium payment for essential personnel during the COVID-19 school closure.
  - l. \$900,000 decrease in employee and student travel due to COVID-19 closure.
  - m. \$750,000 increase in Unemployment based on anticipated claims due to COVID-19.
  - n. \$3.5 million increase in TRS On-behalf expenditure budget based on rate increase from 6.8% to 7.5%.
  - o. \$1.1 million increase in Insurance/Bonding based on actual property insurance increases.
  - p. \$900,000 of excess fund balance was used for one-time equipment purchases.

The District's General Fund balance of \$222.4 million reported on pages 24 - 25 differs from the final budgetary fund balance of \$179.6 million reported in the budgetary comparison statement on page 31. The difference is largely due to the net effect of favorable and unfavorable variances as explained below:

- **Property Taxes** - Ended the year with a net \$2.2 million favorable variance mainly because property values were higher than anticipated and collections remained strong during the fiscal year.
- **Other Local Revenue** – Received \$1.2 million in local revenue more than anticipated primarily due to additional rent and miscellaneous revenue.

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

- **State Foundation Aid** - Higher than the final budget by \$7.3 million primarily due to higher-than-expected certified property values, attendance by students in special populations, and funding weights for students in special populations.
- **Federal Program Revenues** - Ended the year with a favorable variance of \$1.8 million due to higher-than-anticipated reimbursements in the SHARS program and federal indirect cost.
- **Employee Compensation and Related Employment Benefits** - Ended the year with a \$17.5 million favorable variance primarily because the transfer of salaries to ESSER grant funds and because of position vacancy patterns that occurred during the year.
- **Contracted services** - The total favorable variance for contracted services was \$6.4 million primarily because utility expenditures were lower due to mild winter weather conditions, successful efforts to reduce consumption, and due to school closures for the COVID-19 pandemic.
- **Supplies and Materials** - \$6.3 million less than the final budget. In this expenditure category are campus allotments (budgeted mainly in general supplies) that had a year-end balance of \$1.9 million that will be re-appropriated in the 2020-21 fiscal year. Additionally, expenditures were lower than budgeted due to school closures related to the COVID-19 pandemic.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At the end of 2020, the District had \$679.8 million invested (net of accumulated depreciation) in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, maintenance, and food service (see Table V below).

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

	<b>Governmental Activities</b>		<b>Variance</b>
	<b>2020</b>	<b>2019</b>	
Land	\$ 79,983	\$ 79,247	\$ 736
Buildings and improvements	478,536	490,320	(11,784)
Furniture and equipment	32,201	37,537	(5,336)
Construction in progress	89,089	35,719	53,370
<b>Total</b>	<b>\$ 679,809</b>	<b>\$ 642,823</b>	<b>\$ 36,986</b>

In November 2019, Arlington voters approved a \$966 million bond package. Proceeds from the bond issue will be used to build new facilities, upgrade and renovate existing facilities, address safety and security districtwide, upgrade technology infrastructure and equipment, provide fine arts equipment, and purchase transportation and white fleet service vehicles. This bond program is planned as a five-year program. On December 12, 2019 the Board of Trustees authorized the first issuance of the 2019 bonds to produce \$311,105,000 in bond proceeds. The sale of bonds closed on March 5, 2020. The second sale of bonds will occur in 2020-21.

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

During the 2019-20 year approximately \$70.5 million was spent on projects related to the 2014 bond program and \$11.9 million was spent on projects related to the 2019 bond program. Additional information regarding the bond package, including a bond overview, project summaries, project schedules, and the Citizens' Bond Oversight Committee may be found at the AISD Bond webpage, [www.aisd.net/bond](http://www.aisd.net/bond). The following 2014 bond projects were budgeted during the 2019-20 fiscal year:

Districtwide Fine Arts Center	\$ 26,135,543
Districtwide Athletic Complex	14,541,019
Condition deficiency/Life cycle replacements	54,675,100
Technology	10,570,513
Fine Arts	2,243,201
Purchase of new buses/white fleet for transportation	2,535,908

The following 2019 bond projects were budgeted during the 2019-20 fiscal year:

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

In addition to the bond projects, this year's major capital additions funded through other sources cost \$16.8 million and included:

From Local Construction Fund Excess Fund Balance:

Athletics Complex	\$ 11,414,110
Fine Arts Center	1,541,413
Arlington College and Career High School	1,145,148
Jones Academy Additional Classrooms	2,637,371

Other maintenance projects and additional construction needs beyond those items included in the 2014 or 2019 bond may be identified during the 2021 year. These additional needs will be considered on a case-by-case basis. If necessary, Construction Fund balance could be used to pay for identified projects, in which case the Construction Fund budget would be amended during the year to appropriate fund balance for these purposes. More detailed information about the District's capital assets is presented in Note IV.E. to the financial statements.

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

**Debt**

At year-end, the District had total debt outstanding of \$1,101.3 million versus \$844.9 million last year – an increase of 30.3% (see Table VI.) The increase is the net result of building and refunding bonds issued during fiscal year 2020 in the amount of \$273 million, with a premium of \$51 million, offset by scheduled debt principal payments. As of June 30, 2020, the District has \$654,895,000 of the authorized \$966 million bond funds that remain unissued.

**Table VI**  
**OUTSTANDING DEBT**  
(in thousands)

	<b>Governmental Activities</b>		<b>Variance</b>
	<b>2020</b>	<b>2019</b>	
Bonds Payable	\$ 978,887	\$ 766,072	\$ 212,815
Bond Premiums	118,460	74,718	43,742
Accreted interest	586	1,012	(426)
Accrued Service Benefits	68	77	(9)
Notes Payable	2,534	3,049	(515)
<b>Total</b>	<b>\$ 1,100,535</b>	<b>\$ 844,928</b>	<b>\$ 255,607</b>

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

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's elected and appointed officials considered many factors when setting the 2020-21 general operating budget and tax rate.

**COVID-19**

Our country, our state, our community and our school district are facing economic strains as a result of the COVID-19 pandemic; however, our mission and vision remain the same. We have a responsibility to the students of AISD to provide them with an education that allows them to graduate exceptionally prepared for college, career and citizenship.

COVID-19 will continue to impact district operations in a variety of ways in the 2020-21 school year. Neither the nature of the impacts nor the cost to address them can be identified at this time. A task force of district administrators, teachers and parents developed plans for Arlington ISD schools for the 2020-21 school year. Across the state, campus operations will be dramatically modified to keep students and staff safe at school. In-person instruction may be disrupted occasionally during the year if a school experiences an outbreak of COVID-19.

Because we do not yet know what adjustments will be required, the 2020-21 adopted budget assumes normal operations. The budget will be amended throughout the year to direct resources where appropriate to respond to COVID-19.

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

2020-21 Budget Development

Three main issues influenced the 2020-21 budget development – the District's Strategic Plan, adopted budget parameters and fund balance. Each of these issues is discussed in detail below.

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

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

- 2) **Budget Parameters:** The Board of Trustees adopted Budget Parameters to set forth the Board's expectations for future budgets and to create a framework for annually developing a budget. These budget parameters include expectations for a balanced budget, budget allocations staffing formulas, and employee compensation. The Budget Parameters are part of Board Policy CE(LOCAL).
  - a. The Board recognizes the need to target resources into programming that supports achievement growth for all schools, including supplemental resources for schools facing specific additional instructional needs.
  - b. The Board seeks to maintain competitive compensation levels in an effort to recruit and retain a highly qualified workforce and shall consider adjustments necessary for the District to be competitive in this area.
  - c. Staffing ratios shall meet or exceed state standards and shall be approved by the Board before the staffing process begins.
  - d. The Board recognizes its fiduciary responsibility to adopt a balanced budget, but recognizes that some limited use of fund balance may be appropriate for non-recurring expenditures or to sustain services.
  - e. If projected expenditures exceed projected revenue and budget reductions become necessary, the District will first seek budget reductions with the least impact on classrooms.
- 3) **Fund Balance:** The District strives to maintain a fund balance that will provide a sufficient source of funds for operations during periods when the cash flow does not. Property taxes, the District's primary revenue source, are collected mainly in December and January of each fiscal year while state funds flow in the fall and in August. Expenditures occur at a fairly even pace over the twelve months of the fiscal year. When financial statements are prepared for the period ending June 30, fund balance should be close to the calculated amount necessary to fund the expenditures that will occur between the following July through December, when tax collections begin to flow in.

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

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

The 2020-21 General Fund budget has a deficit of \$31,532,203. The Board and administration recognize this budget deficit and have already begun evaluating strategies to reduce expenditures in future years while still supporting the goals and objectives of the strategic plan. Fund balance at June 30, 2021 is projected to be \$177,919,999. This budget enables Arlington ISD to maintain a healthy total fund balance of 3.68 months of operating reserve for the fiscal year beginning July 1, 2021. This healthy fund balance provides stability given the uncertainty of future revenues and expenditures.

A summary of the 2020-21 General Operating budget is presented in Table VII below.

**Table VII**  
**Summary of General Operating Fund Budget**

Fund	2020-2021 Original Budget	2019-2020 Original Budget	Change From 2019-2020
Revenues & Other Resources	\$ 535,536,925	\$ 527,772,669	\$ 7,764,256
Expenditures & Other Uses	567,069,128	534,688,786	32,380,342
Budgeted Surplus/(Deficit)	(31,532,203)	(6,916,117)	(24,616,086)
Beginning Fund Balance	209,452,202*	198,007,461	11,444,741
Ending Fund Balance	\$ 177,919,999*	\$ 191,091,344	(\$13,171,345)

\* Projected as of date the 2020-21 budget was adopted

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Finance Department at Arlington Independent School District, 1203 W. Pioneer Parkway, Arlington, Texas, 76013.



## **BASIC FINANCIAL STATEMENTS**

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

*Exhibit A-1*

<b>Data Control Codes</b>		<b>Governmental Activities</b>
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 661,783,108
1225	Property taxes receivables, net	11,808,680
1240	Due from other governments	67,249,278
1290	Other receivables, net	945,466
1300	Inventories	6,996,903
1410	Prepaid items	606,409
	Capital assets not subject to depreciation:	
1510	Land	79,982,670
1580	Construction in progress	89,088,636
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	478,535,783
1530	Furniture and equipment, net	32,200,772
<b>1000</b>	<b>Total Assets</b>	<b>1,429,197,705</b>
	<b>Deferred Outflows of Resources</b>	
1701	Deferred charge on refunding	7,750,823
1705	Deferred outflows - pension	89,848,762
1706	Deferred outflows - other post-employment benefits (OPEB)	27,282,158
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<b>124,881,743</b>
	<b>Liabilities</b>	
2110	Accounts payable	27,583,344
2140	Interest payable	11,078,181
2150	Payroll deductions and withholdings	9,215,822
2160	Accrued wages payable	51,899,373
2180	Due to other governments	1,451,926
2200	Accrued expenses	7,192,813
2300	Unearned revenue	1,069,975
	Noncurrent Liabilities:	
2501	Due within one year	53,226,186
2502	Due in more than one year	1,047,308,947
2540	Net pension liability	202,083,399
2545	Net other post-employment benefits (OPEB) liability	231,749,147
<b>2000</b>	<b>Total Liabilities</b>	<b>1,643,859,113</b>
	<b>Deferred Inflows of Resources</b>	
2601	Deferred inflows - pensions	36,748,947
2605	Deferred inflows - other post-employment benefits (OPEB)	105,875,005
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>142,623,952</b>
	<b>Net Position</b>	
3200	Net investment in capital assets	202,728,394
	<b>Restricted for:</b>	
3820	Federal and state programs	18,582
3820	Food service	12,241,903
3850	Debt service	46,156,785
3900	Unrestricted	(493,549,281)
<b>3000</b>	<b>Total Net Position</b>	<b>\$ (232,403,617)</b>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**
**Exhibit B-1**
**STATEMENT OF ACTIVITIES**
**For the Year Ended June 30, 2020**

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
	Governmental activities:				
11	Instruction	\$ 403,653,386	\$ -	\$ 84,701,826	\$ (318,951,560)
12	Instructional resources and media services	8,099,853	-	1,189,859	(6,909,994)
13	Curriculum and staff development	15,470,910	-	7,918,347	(7,552,563)
21	Instructional leadership	14,348,603	-	4,735,528	(9,613,075)
23	School leadership	36,031,189	-	3,788,993	(32,242,196)
31	Guidance, counseling, and evaluation services	35,695,960	-	4,466,857	(31,229,103)
32	Social work services	3,734,875	-	1,553,275	(2,181,600)
33	Health services	7,955,500	-	8,691,008	735,508
34	Student transportation	18,484,066	671,559	876,511	(16,935,996)
35	Food service	34,599,041	3,815,550	24,478,210	(6,305,281)
36	Extracurricular activities	10,668,802	605,066	398,186	(9,665,550)
41	General administration	12,633,186	-	1,034,306	(11,598,880)
51	Plant, maintenance and operations	96,575,925	1,066,553	3,446,740	(92,062,632)
52	Security and monitoring services	10,164,483	-	1,492,560	(8,671,923)
53	Data processing services	13,326,765	18,925	901,122	(12,406,718)
61	Community services	3,195,347	-	2,477,260	(718,087)
72	Interest on long-term debt	28,093,965	-	1,269,763	(26,824,202)
73	Debt issuance costs and fees	18,270	-	-	(18,270)
81	Facilities planning	1,705,089	-	-	(1,705,089)
95	Payments to Juvenile Justice Alternative Education Programs	10,191	-	-	(10,191)
99	Intergovernmental charges	2,308,964	-	-	(2,308,964)
<b>TG</b>	<b>Total governmental activities</b>	<b>\$ 756,774,370</b>	<b>\$ 6,177,653</b>	<b>\$ 153,420,351</b>	<b>(597,176,366)</b>

Data Control Codes		
<b>General revenues</b>		
<b>Taxes:</b>		
<b>MT</b>	Property taxes, levied for general purposes	301,684,968
<b>DT</b>	Property taxes, levied for debt service	101,403,166
<b>SF</b>	State-aid formula grants not restricted	184,435,780
<b>GC</b>	Grants and contributions not restricted	430,085
<b>IE</b>	Investment earnings	7,223,663
<b>MI</b>	Miscellaneous	4,899,055
<b>TR</b>	<b>Total general revenues</b>	<b>600,076,717</b>
<b>CN</b>	Change in net position	2,900,351
<b>NB</b>	<b>Net position - beginning</b>	<b>(235,303,968)</b>
<b>NE</b>	<b>Net position - ending</b>	<b>\$ (232,403,617)</b>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit C-1**  
**Page 1 of 2**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ 214,329,715	\$ 65,672,838	\$ 351,966,556
	Receivables:			
1210	Property taxes receivable - current	5,341,727	-	-
1220	Property taxes receivable - delinquent	12,579,925	4,797,319	-
1230	Allowance for uncollectible taxes (credit)	(9,041,631)	(1,868,660)	-
1240	Receivables from other governments	42,488,490	-	-
1260	Due from other funds	28,459,296	-	6,877,298
1290	Other receivables	815,052	-	-
1300	Inventories	1,734,914	-	-
1410	Prepaid items	606,409	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 297,313,897</b>	<b>\$ 68,601,497</b>	<b>\$ 358,843,854</b>
	<b>Liabilities</b>			
2110	Accounts payable	\$ 4,701,762	\$ 750	\$ 18,218,342
2150	Payroll deduction and withholdings	9,215,822	-	-
2160	Accrued wages payable	49,347,438	-	-
2170	Due to other funds	-	11,365,781	3,175,000
2180	Payable to other governments	1,406,681	-	-
2200	Accrued expenditures	2,651,636	-	-
2300	Unearned revenue	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<b>67,323,339</b>	<b>11,366,531</b>	<b>21,393,342</b>
	<b>Deferred Inflows of Resources</b>			
	Deferred inflows - property taxes	7,605,792	2,460,258	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>7,605,792</b>	<b>2,460,258</b>	<b>-</b>
	<b>Fund Balances:</b>			
	<b>Non-Spendable:</b>			
3410	Inventories	1,734,914	-	-
3430	Prepaid items	606,409	-	-
	<b>Restricted:</b>			
3450	Federal/State grant funds	-	-	-
3470	Capital acquisitions and contractual oblig.	-	-	337,450,512
3480	Debt service	-	54,774,708	-
	<b>Committed:</b>			
3545	Other	-	-	-
	<b>Assigned:</b>			
3590	Other	25,346,609	-	-
3600	Unassigned	194,696,834	-	-
<b>3000</b>	<b>Total fund balances</b>	<b>222,384,766</b>	<b>54,774,708</b>	<b>337,450,512</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 297,313,897</b>	<b>\$ 68,601,497</b>	<b>\$ 358,843,854</b>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit C-1**  
**Page 2 of 2**

<b>Data Control Codes</b>		<b>Natural Gas Special Revenue Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ 12,775,125	\$ 11,366,652	\$ 656,110,886
	Receivables:			
1210	Property taxes receivable - current	-	-	5,341,727
1220	Property taxes receivable - delinquent	-	-	17,377,244
1230	Allowance for uncollectible taxes (credit)	-	-	(10,910,291)
1240	Receivables from other governments	-	24,760,788	67,249,278
1260	Due from other funds	36,300	4,448,837	39,821,731
1290	Other receivables	26,780	26,610	868,442
1300	Inventories	-	5,261,989	6,996,903
1410	Prepaid items	-	-	606,409
<b>1000</b>	<b>Total Assets</b>	<b>\$ 12,838,205</b>	<b>\$ 45,864,876</b>	<b>\$ 783,462,329</b>
	<b>Liabilities</b>			
2110	Accounts payable	\$ -	\$ 4,466,702	\$ 27,387,556
2150	Payroll deduction and withholdings	-	-	9,215,822
2160	Accrued wages payable	-	2,551,935	51,899,373
2170	Due to other funds	-	25,456,073	39,996,854
2180	Payable to other governments	-	45,245	1,451,926
2200	Accrued expenditures	-	-	2,651,636
2300	Unearned revenue	-	1,069,973	1,069,973
<b>2000</b>	<b>Total Liabilities</b>	<b>-</b>	<b>33,589,928</b>	<b>133,673,140</b>
	<b>Deferred Inflows of Resources</b>			
	Deferred inflows - property taxes	-	-	10,066,050
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>10,066,050</b>
	<b>Fund Balances:</b>			
	<b>Non-Spendable:</b>			
3410	Inventories	-	-	1,734,914
3430	Prepaid items	-	-	606,409
	<b>Restricted:</b>			
3450	Federal/State grant funds	-	12,274,948	12,274,948
3470	Capital acquisitions and contractual oblig.	-	-	337,450,512
3480	Debt service	-	-	54,774,708
	<b>Committed:</b>			
3545	Other	12,838,205	-	12,838,205
	<b>Assigned:</b>			
3590	Other	-	-	25,346,609
3600	Unassigned	-	-	194,696,834
<b>3000</b>	<b>Total fund balances</b>	<b>12,838,205</b>	<b>12,274,948</b>	<b>639,723,139</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 12,838,205</b>	<b>\$ 45,864,876</b>	<b>\$ 783,462,329</b>



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
*June 30, 2020*

*Exhibit C-2*

<b>Data Control Codes</b>			
	<b>Total fund balance, governmental funds (from C-1)</b>	\$	639,723,139
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
<b>1</b>	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.		679,807,861
<b>2</b>	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.		10,066,050
<b>3</b>	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.		(1,537,695,037)
<b>4</b>	Deferred inflows of resources and deferred outflow of resources related to pension and OPEB.		(25,493,032)
<b>5</b>	Addition of Internal Service Fund net position.		<u>1,187,402</u>
<b>19</b>	<b>Net position of governmental activities</b>	\$	<u><u>(232,403,617)</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit C-3**  
**Page 1 of 2**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Revenues</b>				
5700	Local and intermediate sources	\$ 307,100,166	\$ 101,882,319	\$ 4,457,042
5800	State program revenues	213,820,485	1,269,763	-
5900	Federal program revenues	11,891,178	460,344	-
<b>5020</b>	<b>Total revenues</b>	<b>532,811,829</b>	<b>103,612,426</b>	<b>4,457,042</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	304,869,596	-	3,546,132
0012	Instruction resources and media services	6,696,330	-	-
0013	Curriculum and staff development	7,209,859	-	-
0021	Instructional leadership	9,097,209	-	-
0023	School leadership	31,201,548	-	-
0031	Guidance, counseling and evaluation services	30,047,301	-	-
0032	Social work services	2,050,935	-	-
0033	Health services	6,921,009	-	-
0034	Student transportation	15,915,387	-	1,225,449
0035	Food services	-	-	-
0036	Extracurricular activities	9,737,328	-	189,590
0041	General administration	11,593,811	-	-
0051	Facilities maintenance and operations	51,140,939	-	40,496,642
0052	Security and monitoring services	8,232,946	-	181,205
0053	Data processing services	10,239,325	-	1,925,014
0061	Community services	572,683	-	-
<b>Debt service:</b>				
0071	Principal on long-term debt	515,311	49,345,048	-
0072	Interest on long-term debt	73,852	32,366,518	-
0073	Bond issuance costs and fees	-	18,270	2,067,085
<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	62,942,513
<b>Intergovernmental:</b>				
0095	Payments to juvenile justice alt. ed. prgm.	10,191	-	-
0097	Payments to tax increment fund	-	-	-
0099	Other intergovernmental charges	2,308,964	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>508,434,524</b>	<b>81,729,836</b>	<b>112,573,630</b>
<b>1100</b>	<b>Excess (deficiency) of revenues over expenditures</b>	<b>24,377,305</b>	<b>21,882,590</b>	<b>(108,116,588)</b>
<b>Other Financing Sources (Uses)</b>				
7901	Refunding bonds issued	-	9,950,000	-
7911	Issuance of debt	-	-	263,840,000
7912	Sale of real or personal property	-	-	3,000
7916	Premium or discount on issuance of bonds	-	1,775,635	49,264,203
8949	Payment to Bond Refunding Escrow Agent	-	(11,690,006)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<b>-</b>	<b>35,629</b>	<b>313,107,203</b>
1200	Net change in fund balances	24,377,305	21,918,219	204,990,615
0100	<b>Fund Balance - July 1 (Beginning)</b>	<b>198,007,461</b>	<b>32,856,489</b>	<b>132,459,897</b>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<b>\$ 222,384,766</b>	<b>\$ 54,774,708</b>	<b>\$ 337,450,512</b>



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit C-3**  
**Page 2 of 2**

<b>Data Control Codes</b>		<b>Natural Gas Special Revenue Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
5700	Local and intermediate sources	\$ 917,959	\$ 4,461,308	\$ 418,818,794
5800	State program revenues	-	14,751,171	229,841,419
5900	Federal program revenues	-	71,459,714	83,811,236
<b>5020</b>	<b>Total revenues</b>	<u>917,959</u>	<u>90,672,193</u>	<u>732,471,449</u>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	-	45,581,775	353,997,503
0012	Instruction resources and media services	-	485,378	7,181,708
0013	Curriculum and staff development	-	6,959,252	14,169,111
0021	Instructional leadership	-	3,369,832	12,467,041
0023	School leadership	-	21,579	31,223,127
0031	Guidance, counseling and evaluation services	-	1,057,068	31,104,369
0032	Social work services	-	1,151,244	3,202,179
0033	Health services	-	52,636	6,973,645
0034	Student transportation	-	26,569	17,167,405
0035	Food services	-	32,649,298	32,649,298
0036	Extracurricular activities	-	4,970	9,931,888
0041	General administration	18,049	31,180	11,643,040
0051	Facilities maintenance and operations	-	145,567	91,783,148
0052	Security and monitoring services	-	780,928	9,195,079
0053	Data processing services	-	-	12,164,339
0061	Community services	-	2,194,727	2,767,410
<b>Debt service:</b>				
0071	Principal on long-term debt	-	-	49,860,359
0072	Interest on long-term debt	-	-	32,440,370
0073	Bond issuance costs and fees	-	-	2,085,355
<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	62,942,513
<b>Intergovernmental:</b>				
0095	Payments to juvenile justice alt. ed. prgm.	-	-	10,191
0097	Payments to tax increment fund	-	-	-
0099	Other intergovernmental charges	-	-	2,308,964
<b>6030</b>	<b>Total Expenditures</b>	<u>18,049</u>	<u>94,512,003</u>	<u>797,268,042</u>
<b>1100</b>	<b>Excess (deficiency) of revenues over expenditures</b>	<u>899,910</u>	<u>(3,839,810)</u>	<u>(64,796,593)</u>
<b>Other Financing Sources (Uses)</b>				
7901	Refunding bonds issued	-	-	9,950,000
7911	Issuance of debt	-	-	263,840,000
7912	Sale of real or personal property	-	-	3,000
7916	Premium or discount on issuance of bonds	-	-	51,039,838
8949	Payment to Bond Refunding Escrow Agent	-	-	(11,690,006)
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>313,142,832</u>
1200	Net change in fund balances	899,910	(3,839,810)	248,346,239
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>11,938,295</u>	<u>16,114,758</u>	<u>391,376,900</u>
<b>3000</b>	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 12,838,205</u>	<u>\$ 12,274,948</u>	<u>\$ 639,723,139</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
*For the Year Ended June 30, 2020*

*Exhibit C-4*

<b>Data Control Codes</b>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 248,346,239
	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	66,630,852
2	Governmental activities depreciation expense	(29,640,644)
3	Disposal of asset	(5,425)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,479,414
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.	(263,150,895)
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.	(39,682,772)
7	Pension contributions made during the current fiscal year are reported as expenditures in the governmental funds and are reported as deferred outflows and reductions in net pension and OPEB liabilities as opposed to expenses in the statement of activity.	18,180,930
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)	(257,348)
	<b>Change in net position of governmental activities (see B-1)</b>	<u><u>\$ 2,900,351</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS)**  
**AND ACTUAL – GENERAL FUND**  
**For the Year Ended June 30, 2020**

*Exhibit C-5*

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local revenues	\$ 305,185,820	\$ 303,685,820	\$ 307,100,166	\$ 3,414,346
5800	State program revenues	214,031,849	206,554,273	213,820,485	7,266,212
5900	Federal program revenues	8,555,000	10,055,000	11,891,178	1,836,178
<b>5000</b>	<b>Total revenues</b>	<u>527,772,669</u>	<u>520,295,093</u>	<u>532,811,829</u>	<u>12,516,736</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	325,273,680	321,006,095	304,869,596	16,136,499
0012	Instructional resources and media services	6,629,537	7,106,612	6,696,330	410,282
0013	Curriculum and staff development	6,908,026	9,051,844	7,209,859	1,841,985
0021	Instructional leadership	9,400,374	10,496,907	9,097,209	1,399,698
0023	School leadership	32,154,472	32,087,041	31,201,548	885,493
0031	Guidance, counseling and evaluation services	30,575,881	31,134,427	30,047,301	1,087,126
0032	Social work services	2,180,331	2,650,500	2,050,935	599,565
0033	Health services	7,117,922	7,539,244	6,921,009	618,235
0034	Student transportation	16,881,821	16,991,476	15,915,387	1,076,089
0036	Extracurricular activities	10,496,576	10,690,386	9,737,328	953,058
0041	General administration	11,676,467	12,447,530	11,593,811	853,719
0051	Facilities maintenance and operations	51,646,636	53,082,909	51,140,939	1,941,970
0052	Security and monitoring services	9,315,296	9,317,756	8,232,946	1,084,810
0053	Data processing services	10,786,331	10,950,212	10,239,325	710,887
0061	Community services	581,406	1,072,709	572,683	500,026
	<b>Debt Service:</b>				
0071	Principal on long-term debt	515,312	515,312	515,311	1
0072	Interest on long-term debt	73,852	73,852	73,852	-
	<b>Intergovernmental:</b>				
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	80,000	80,000	10,191	69,809
0099	Other governmental charges	2,394,866	2,394,866	2,308,964	85,902
<b>6030</b>	<b>Total Expenditures</b>	<u>534,688,786</u>	<u>538,689,678</u>	<u>508,434,524</u>	<u>30,255,154</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(6,916,117)</u>	<u>(18,394,585)</u>	<u>24,377,305</u>	<u>42,771,890</u>
1200	Net change in fund balances	(6,916,117)	(18,394,585)	24,377,305	42,771,890
0100	<b>Fund balances - beginning</b>	<u>198,007,461</u>	<u>198,007,461</u>	<u>198,007,461</u>	<u>-</u>
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 191,091,344</u>	<u>\$ 179,612,876</u>	<u>\$ 222,384,766</u>	<u>\$ 42,771,890</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

*Exhibit D-1*

	<b>Internal Service Funds</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 5,672,222
Receivables:	
Due from other funds	175,123
<b>Total Assets</b>	<u>5,847,345</u>
 <b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	118,766
Accrued expenses	4,541,177
<b>Total Liabilities</b>	<u>4,659,943</u>
 <b>Net Position</b>	
Unrestricted	1,187,402
<b>Total Net Position</b>	<u>\$ 1,187,402</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Year Ended June 30, 2020*

*Exhibit D-2*

	<b>Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 2,170,277
<b>Total Operating Revenues</b>	<u>2,170,277</u>
<b>Operating Expenses</b>	
Purchased and contracted services	215,652
Supplies and materials	150,315
Claims expense and other operating expenses	2,061,658
<b>Total Operating Expenses</b>	<u>2,427,625</u>
Operating Income (Loss)	<u>(257,348)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Investment earnings	87,297
<b>Total Nonoperating Revenues (Expenses)</b>	<u>87,297</u>
Change in Net Position	(170,051)
<b>Net Position - July 1 (Beginning)</b>	<u>1,357,453</u>
<b>Net Position - June 30 (Ending)</b>	<u><u>\$ 1,187,402</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*For the Year Ended June 30, 2020*

*Exhibit D-3*

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 2,383,159
Cash payments for insurance claims	(1,762,066)
Cash payments to suppliers for goods and services	(139,490)
Cash payments for other operating expenses	(215,652)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>265,951</u>
 <b>Cash Flows from Investing Activities:</b>	
Interest on investments	<u>87,297</u>
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>87,297</u>
 Net Change in Cash and Cash Equivalents	353,248
Cash and Cash Equivalents at Beginning of Year	5,318,974
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 5,672,222</u></u>
 <b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 5,672,222</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 5,672,222</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>	
Operating (Loss)	\$ (257,348)
<b>Change in Assets, Liabilities, Deferred Inflows and Outflows:</b>	
(Increase) decrease in Interfund Receivables	221,389
Increase (decrease) in Accounts Payable	(18,009)
Increase (decrease) in Accrued Expenses	<u>319,919</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ 265,951</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**June 30, 2020**

**Exhibit E-1**

**Assets**

Cash and cash equivalents	\$ 5,747,507
<b>Total Assets</b>	<b>\$ 5,747,507</b>

**Liabilities**

Accounts payable	\$ 114,672
Due to student groups	5,632,835
<b>Total Liabilities</b>	<b>\$ 5,747,507</b>





## **I. 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.

### **The following GASB pronouncements have been issued but not yet implemented by the District:**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. It was issued in June 2020, but the requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. Implementation of this Statement is planned for fiscal year 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). 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. This statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of this Statement is planned for fiscal year 2023.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in March 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement are effective immediately.

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The District plans on implementing GASB No. 84 *Fiduciary Activities* in fiscal year 2021 and GASB No. 87 *Leases* in fiscal year 2022.

The following is a summary of the most significant accounting policies.

**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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Major Governmental Funds**

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

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

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

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

**Proprietary Funds**

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**

Agency Fund - The Agency Fund, which is an unbudgeted fund, accounts for the activities of student groups. The student activity funds account for monies collected principally through fund-raising efforts of the students and District-sponsored student groups. Collections and disbursements of these funds are generally controlled by the student group itself under the supervision of a member of the professional staff. These funds have no equity, assets are equal to liabilities, and the funds do not include revenues and expenditures for general operations of the District. The District's main involvement with these funds is to provide stewardship by accounting for the funds.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

The proprietary fund types are accounted for on an economic resources measurement focus. Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**Management's Use of Estimates**

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

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

**1. Cash and cash equivalents**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**2. Investments**

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

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

**3. Receivables and payables**

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

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

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 \$0.97 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 \$0.97 per \$100 valuation and \$0.328670 per \$100 valuation, respectively, based on a net assessed valuation of \$31,092,102,305.

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 48.0% of total outstanding property taxes at June 30, 2020.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**4. Inventories and prepaid items**

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

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

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

**5. Capital assets**

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

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

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

Buildings and improvements	20-40 years
Furniture and equipment	5-12 years

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

**6. Long-term obligations**

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**7. Accrued service benefits**

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

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

**8. Compensated absences**

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

**9. Pensions**

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

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

**10. Other Post-Employment Benefits.**

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**11. Deferred outflows/inflows of resources**

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

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

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

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

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



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**11. Deferred outflows/inflows of resources (continued)**

- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

**12. Net position and fund balances**

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

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

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

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

*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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**12. Net position and fund balances (continued)**

*Non-spendable Fund Balance*

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

*Spendable Fund Balance*

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

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

*Committed Fund Balance* – the component of the spendable fund balance constrained to a specific purpose by Board. A Board resolution is required to establish a fund balance commitment. Only the action that constitutes the most binding constraint of the Board can be considered a commitment for fund balance classification purposes. The Board has committed the funds in the natural gas fund of \$12.8 million and \$337.5 million in construction fund revenues and other resources generated through transactions other than bond issues for projects to be determined by the Board of Trustees.

*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 balance in the amount of \$2.8 million for general fund encumbrances and \$22,500,000 for expenditures related to the COVID-19.

*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.

*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.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**13. Data control codes**

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

**II. 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 of this \$679,807,861 are as follows:

Land	\$ 79,982,670
Construction in progress	89,088,636
Buildings and improvements	967,264,642
Less: Accumulated depreciation - buildings and improvements	(488,728,859)
Furniture and equipment	113,066,230
Less: Accumulated depreciation - furniture and equipment	<u>(80,865,458)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 679,807,861</u></u>

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 of this (\$1,537,695,037) difference are as follows:

Bonds payable	\$ (978,886,970)
Less: Deferred charge on refunding (to be amortized as interest expense)	7,750,823
Add: Issuance premium (to be amortized over life of debt)	(118,459,957)
Add: Accumulated accretion on capital appreciation bonds	(585,586)
Accrued service benefits	(68,459)
Notes payable	(2,534,161)
Accrued interest payable	(11,078,181)
Net pension liability	(202,083,399)
Net OPEB liability	<u>(231,749,147)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (1,537,695,037)</u></u>

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *total net changes in fund balance – governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$(263,150,895) difference are as follows:

Debt issued or incurred:	
General obligation bonds	\$ (273,790,000)
Plus premium	(51,039,838)
Loans	
Principal repayments:	
General obligation bonds	49,345,048
Payment to escrow agent for refunding	11,690,006
Notes payable	515,311
Loss on refunding	128,578
Net adjustment to increase changes in fund balance - total governmental funds	
to arrive at changes in net position of governmental activities	<u><u>\$ (263,150,895)</u></u>

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 of the \$(39,682,772) difference are as follows:

Accrued service benefits	\$ 8,130
Accrued interest	781,557
Amortization of bond premiums	6,519,453
Amortization of deferred charge on refunding	(1,442,544)
Accretion on capital appreciation bonds	426,445
Pension and OPEB expense for the pension and OPEB plan measurement year	<u>(45,975,813)</u>
Net adjustment to decrease changes in fund balance - total governmental funds	
to arrive at changes in net position of governmental activities	<u><u>\$ (39,682,772)</u></u>

### **III. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

#### **A. Budgets and Budgetary Accounting**

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

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

1. The superintendent or his designate prepares a budget covering all estimated revenues and proposed expenditures of the District for the next succeeding fiscal year. The budget is prepared by generic fund type and function.
2. Ten days after public notice of the meeting has been given, a public hearing is held, allowing the public to comment on the proposed budget.
3. A public meeting of the Board of Trustees is called for the purpose of adopting the budget. The State Board of Education requires that the budget be prepared no later than June 30<sup>th</sup> 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, 2019. 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.

### **IV. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

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

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

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**A. Deposits and Investments (continued)**

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, 2020, the carrying value of the District's deposits (other than the temporary investments listed below) was \$11,875,365 and the bank balance was \$22,451,441. The District's cash deposits at June 30, 2020, and during the year then ended, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**Investments**

As of June 30, 2020, 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.

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.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**A. Deposits and Investments (continued)**

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.

The District's temporary investments at June 30, 2020, are shown below:

	<b>Fair Value</b>	<b>Percentage of Investments</b>	<b>Weighted Average Maturity (Days)</b>
<b>Investments:</b>			
Local Government Investment Pools:			
Lone Star	\$ 358,179,477	54.6%	35
Texas CLASS			
Texas Term			
TexPool	5,530,889	0.8%	33
LOGIC	291,564,348	44.5%	51
Total Local Government Investment Pools	<u>\$ 655,274,714</u>	<u>99.9%</u>	
<b>Fiduciary Funds</b>			
<b>Investments:</b>			
Local Government Investment Pools:			
TexPool	380,536	0.1%	29
<b>Total Investments</b>	<u>380,536</u>	<u>0.1%</u>	29
<b>Total Fiduciary Funds</b>	<u>380,536</u>	<u>0.1%</u>	29
<b>Total</b>	<u><u>\$ 655,655,250</u></u>	<u><u>100.0%</u></u>	0

**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, 2020, the District's investments in Lone Star was rated AAA and, TexPool and LOGIC were rated AAAM.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**A. Deposits and Investments (continued)**

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

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

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

**B. Receivables**

Receivables due from other governments, as of June 30, 2020 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>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from the State of Texas/Other Governments	\$ 42,488,490	\$ 24,760,788	\$ 67,249,278
Total Due from Other Governments	<u>\$ 42,488,490</u>	<u>\$ 24,760,788</u>	<u>\$ 67,249,278</u>

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



**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**C. Interfund Receivables, Payables, and Transfers**

The composite of interfund balances as of June 30, 2020, is as follows. All interfund balances are expected to be repaid within one year.

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
General Fund:		
Nonmajor Special Revenue Funds	\$ 17,093,515	\$ -
Debt Service Fund (major governmental fund)	11,365,781	-
Total General Fund	<u>28,459,296</u>	<u>-</u>
Debt Service Fund (major governmental fund):		
General Fund	-	11,365,781
	<u>-</u>	<u>11,365,781</u>
Capital Projects Fund (major governmental fund):		
General Fund	<u>6,877,298</u>	<u>3,175,000</u>
Natural Gas Special Revenue Fund:		
General Fund	<u>36,300</u>	<u>-</u>
Nonmajor Special Revenue Funds:		
General Fund	4,448,837	-
Nonmajor Special Revenue Funds	-	25,456,073
	<u>4,448,837</u>	<u>25,456,073</u>
Internal Service Fund:		
General Fund	<u>175,123</u>	<u>-</u>
Total Internal Service Fund	<u>175,123</u>	<u>-</u>
<b>Total all funds</b>	<u><u>\$ 39,996,854</u></u>	<u><u>\$ 39,996,854</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.

There were no interfund transfers during fiscal year 2020.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**D. Operating Leases**

The District leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases were \$126,084 for the year ended June 30, 2020. The future minimum lease payments for all active operating leases can be summarized as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2021	\$ 129,240
2022	132,468
2023	136,440
Total	<u>\$ 398,148</u>

**E. Capital Assets**

A summary of changes in governmental activities capital assets for the year ended June 30, 2020 as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 79,246,985	\$ 735,685	\$ -	\$ 79,982,670
Construction in progress	35,718,531	60,501,739	(7,131,634)	89,088,636
<b>Total Capital assets, not being depreciated</b>	<u>114,965,516</u>	<u>61,237,424</u>	<u>(7,131,634)</u>	<u>169,071,306</u>
Capital assets, being depreciated:				
Buildings and improvements	958,576,327	1,556,681	7,131,634	967,264,642
Furniture and equipment	109,234,908	3,836,747	(5,425)	113,066,230
<b>Total Capital assets, being depreciated</b>	<u>1,067,811,235</u>	<u>5,393,428</u>	<u>7,126,209</u>	<u>1,080,330,872</u>
Less accumulated depreciation for:				
Buildings and improvements	(468,255,599)	(20,473,260)	-	(488,728,859)
Furniture and Equipment	(71,698,074)	(9,167,384)	-	(80,865,458)
<b>Total Accumulated depreciation</b>	<u>(539,953,673)</u>	<u>(29,640,644)</u>	<u>-</u>	<u>(569,594,317)</u>
<b>Governmental Capital Assets</b>	<u>\$ 642,823,078</u>	<u>\$ 36,990,208</u>	<u>\$ (5,425)</u>	<u>\$ 679,807,861</u>

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Capital Assets (continued)**

Depreciation was charged to functions as follows:

<b>Function</b>	<b>Depreciation Expense</b>
<b>Governmental Activities:</b>	
Instruction	\$ 17,874,961
Instructional resources and media services	392,616
Curriculum and staff development	422,725
Instructional leadership	533,383
School leadership	1,829,394
Guidance, counseling and evaluation services	1,762,603
Social work services	120,249
Health services	405,789
Student transportation	933,143
Extracurricular activities	570,914
General administration	679,763
Plant maintenance and operations	2,998,470
Security and monitoring services	482,710
Data processing services	600,347
Community services	33,577
<b>Total Governmental Activities</b>	<b>\$ 29,640,644</b>

**Construction Commitments**

The District has active construction projects as of June 30, 2020. Construction in progress and remaining commitments as of June 30, 2020 are as follows:

<b>Project</b>	<b>Approved Construction Budget</b>	<b>Construction in Progress</b>	<b>Estimated Remaining Commitment</b>
Athletics Complex	\$ 45,512,386	\$ 38,644,816	\$ 6,867,570
Fine Arts Center	49,137,047	41,501,346	7,635,701
Gunn Junior High	70,444,051	8,408,710	62,035,341
Child Nutrition Renovation	9,539,250	533,764	9,005,486
	<b>\$ 174,632,734</b>	<b>\$ 89,088,636</b>	<b>\$ 85,544,098</b>

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Long-Term Debt**

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

The following is a summary of changes in long-term debt for governmental activities for the year ended June 30, 2020:

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2020</b>	<b>Due Within One Year</b>
Bonds payable	\$ 766,072,018	\$ 273,790,000	\$ (60,975,048)	\$ 978,886,970	\$ 52,091,970
Bond premiums	74,718,080	51,039,838	(7,297,961)	118,459,957	-
Accreted interest	1,012,031	108,507	(534,952)	585,586	585,586
Notes payable	3,049,472	-	(515,311)	2,534,161	528,315
Accrued service benefits	76,589	-	(8,130)	68,459	20,315
<b>Total</b>	<b>\$ 844,928,190</b>	<b>\$ 324,938,345</b>	<b>\$ (69,331,402)</b>	<b>\$ 1,100,535,133</b>	<b>\$ 53,226,186</b>

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

The District issued \$9,950,000 (par value) of Unlimited Tax Refunding Bonds, Series 2020, with interest rates ranging from 4.00% to 5.00% for the purpose of refunding portions of the outstanding Unlimited Tax Refunding Bonds, Series 2011 (\$11,630,000). The bonds were issued as current interest bonds. The bonds were issued with a premium of \$1,775,635. Proceeds totaling \$11,690,006 were delivered on March 5, 2020 and placed in escrow with a refunding agent. The difference between the carrying value of the refunded debt and its reacquisition price was approximately \$64,000. The refunded bonds are considered defeased and are no longer included in the debt schedules of the district. The transaction resulted in a present value savings of \$1,501,755 (difference between the present value of debt payments on the old and new debt).

On March 5, 2020, the District also issued Unlimited School Building Bonds, Series 2020 in the amount of \$263,840,000 (par value). The bonds were issued at a premium of \$49,264,203 and interest rates range from 4.00% to 5.00%. The proceeds from the bonds will be used for the acquisition, construction and equipment of school buildings in the District and the purchase of school sites and school buses. The serial bonds mature February 15, 2045.

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 \$460,344 in subsidy payments from the federal government during the fiscal year ended June 30, 2020.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Long-Term Debt (continued)**

**Bonds Payable**

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

A summary of changes in general obligation bonds for the year ended June 30, 2020, are as follows:

	Interest Rates	Original Amount	Range of Future Maturities	6/30/2019 Balances	Issued	Retired / Defeased	6/30/2020 Balances
2009 Refunding	3.00 to 4.25%	\$ 12,465,000	2015-24	\$ 5,350,000	\$ -	\$ 5,070,000	\$ 280,000
2009 QSCB	0.40%	36,320,000	2018-26	28,250,000	-	4,035,000	24,215,000
2010A Building	2.00 to 4.00%	29,435,000	2015-35	790,000	-	790,000	-
2011A Building	2.89 to 5.00%	50,717,485	2015-36	3,042,018	-	1,560,048	1,481,970
2011 QSCB	5.25 to 6.00%	13,655,000	2018-26	10,615,000	-	1,520,000	9,095,000
2011 Refunding	2.00 to 4.00%	19,479,966	2015-28	12,805,000	-	12,805,000	-
2012 Building	2.00 to 5.00%	24,885,000	2015-37	13,390,000	-	710,000	12,680,000
2013 Building	2.75 to 5.00%	16,390,000	2017-38	7,230,000	-	525,000	6,705,000
2013 Refunding	0.34 to 3.007%	76,482,234	2015-25	7,305,000	-	2,450,000	4,855,000
2014 Building	2.00 to 5.00%	16,180,000	2016-39	6,475,000	-	425,000	6,050,000
2014 Refunding	5.00%	72,020,000	2017-24	60,630,000	-	12,155,000	48,475,000
2014A Building	1.00 to 5.00%	159,485,000	2015-39	141,580,000	-	730,000	140,850,000
2015 Building	1.00 to 5.00%	220,300,000	2016-40	210,245,000	-	3,705,000	206,540,000
2016A Building	3.00 to 5.00%	109,420,000	2017-41	101,590,000	-	2,610,000	98,980,000
2016B Refunding	2.00-5.00%	46,475,000	2017-36	45,730,000	-	945,000	44,785,000
2016C Refunding	.85-1.603%	21,086,368	2017-21	10,795,000	-	5,355,000	5,440,000
2017 Building	3.00 to 5.00%	79,345,000	2018-42	74,405,000	-	2,630,000	71,775,000
2018 Building	4.00 to 5.00%	33,630,000	2019-43	25,845,000	-	2,955,000	22,890,000
2020 Building	4.00 to 5.00%	273,790,000	2020-45	-	273,790,000	-	273,790,000
<b>Total Bonds Payable</b>				<u>\$ 766,072,018</u>	<u>\$ 273,790,000</u>	<u>\$ 60,975,048</u>	<u>\$ 978,886,970</u>

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

Year Ending June 30,	Principal	Interest	Totals
2021	\$ 52,091,970	\$ 36,266,964	\$ 88,358,934
2022	48,450,000	39,760,016	88,210,016
2023	44,285,000	37,752,794	82,037,794
2024	47,285,000	35,934,339	83,219,339
2025	37,075,000	33,947,603	71,022,603
2026-2030	189,360,000	144,693,613	334,053,613
2031-2035	221,020,000	100,336,800	321,356,800
2036-2040	234,555,000	50,435,354	284,990,354
2041-2045	104,765,000	11,302,600	116,067,600
	<u>\$ 978,886,970</u>	<u>\$ 490,430,083</u>	<u>\$ 1,469,317,053</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, 2020, no arbitrage payments were made to the IRS. Furthermore, there was no rebatable arbitrage liability at June 30, 2020.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Long-Term Debt (continued)**

**Accreted Interest**

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

A portion of the Series 2011A bond issues was Capital Appreciation Bonds. These bonds were issued at a discount, and there are no scheduled interest payments due until maturity of the bonds. A portion of the difference between the principal received at issuance and the total amount due at maturity is accreted each year until the total liability equals the cash due at maturity. The 2011A bonds mature in fiscal years 2020 and 2021. As noted in this section, the 2016C bond issuance included premium capital appreciation bonds.

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

Issue	Amount Due at Maturity	Amount Received at Issue	Total To Be Accreted	Balance 6/30/19	Current Year Accretion	Additions / Maturities	Balance 6/30/20
2011A	\$ 10,480,000	\$ 8,217,485	\$ 2,262,515	\$ 1,012,031	\$ 108,507	\$ (534,952)	\$ 585,586
		\$ 8,217,485	\$ 2,262,515	\$ 1,012,031	\$ 108,507	\$ (534,952)	\$ 585,586

**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, 2020, \$119,425,000 of defeased bonds remain outstanding.

**Notes Payable**

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

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**F. Long-Term Debt (continued)**

The District is required by the agreement to submit quarterly principal and interest payments on both notes payable, based on seven-year amortizations. The total notes payable balance at year end is \$2,534,161 and annual maturities are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 528,315	\$ 60,848	\$ 589,163
2022	541,647	47,516	589,163
2023	555,316	33,847	589,163
2024	569,329	19,834	589,163
2025	339,554	5,466	345,020
	<u>\$ 2,534,161</u>	<u>\$ 167,511</u>	<u>\$ 2,701,672</u>

**G. Employee Benefits**

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

**1. Insurance plans**

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

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

The Fund engages the service of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2019, 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.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**1. Insurance plans (continued)**

An actuarial study is performed on the plan to estimate the claims liability at the fiscal year-end. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The resultant liability calculation is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claim liabilities are evaluated periodically. The following summarizes the self-insured plan claims and liabilities for workers' compensation:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payments</u>	<u>End of Year Accrual</u>
2019	\$ 4,238,457	\$ 1,869,949	\$ (1,887,148)	\$ 4,221,258
2020	4,221,258	2,081,985	(1,762,066)	4,541,177

**2. Defined benefit pension plan**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2019.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.



**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

**Benefits Provided**

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

**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. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. The 86<sup>th</sup> legislature, May 2019, established rates for 2020 and 2021.

	<b>Contribution Rates</b>	
	<b>2020</b>	<b>2019</b>
Member (Employee)	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	6.8%
District	7.5%	6.8%

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

Contributions and pension expense for all contributions were as follows:

	<u>Measurement Year (2019)</u>		<u>Fiscal Year (2020)</u>
	<b>Contributions Required and Made</b>		<b>TRS Contributions</b>
		<b>Pension Expense</b>	
Member (Employee)	\$ 31,694,407	\$ -	\$ 32,533,687
Non-Employer Contributing Entity (State)	18,602,754	43,402,250	21,542,341
District	13,606,651	40,520,577	14,570,224

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

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

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

**Actuarial Assumptions**

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate	2.63%*
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

\* 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."

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. The actuarial methods and assumption were primarily based on a study of actual experience for the three-year ending August 31, 2018 and were adopted in July 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019, are summarized below:

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

<b>Asset Class</b>	<b>Target Allocation<sup>1</sup></b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Returns</b>
<b>Global Equity</b>			
U.S.A.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.30%
<b>Stable Value</b>			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	0.30%	0.00%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation	0.00%		2.30%
Volatility Drag <sup>2</sup>	0.00%		-0.79%
<b>Total</b>	<b>100.00%</b>		<b>7.2%</b>

<sup>1</sup> Target allocations are based on the Strategic Asset Allocation dated 10/1/2018.

<sup>2</sup> The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

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

*Discount Rate Sensitivity Analysis* – The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 Net Pension Liability.

	<b>Discount Rate</b>		
	<b>1% Decrease (6.25%)</b>	<b>Current Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District's proportional share of the net pension liability	\$ 310,631,543	\$ 202,083,399	\$ 114,138,453

At June 30, 2020, the District reported a liability of \$202,083,399 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 proportion of the net pension liability	0.3887%
District's proportionate share of the collective net pension liability	\$ 202,083,399
State's proportionate share that is associated with the District	276,296,260
Total	<u>\$ 478,379,659</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 and rolled forward to August 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.3887% which was a decrease from its proportion measured as of August 31, 2018 of 0.3923%.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

*Change since the Prior Actuarial Valuation*

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

- The Total Pension Liability as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2018.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 6.907 percent as of August 31, 2018 to 7.25 percent as of August 31, 2019.
- The long-term assumed rate of return remained at 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

For the year ended June 30, 2020, the District recognized pension expense of \$40,520,577. The District also recognized total revenue of \$43,402,250 for support provided by the State.

At June 30, 2020, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 848,931	\$ (7,016,656)
Changes of assumptions	62,696,195	(25,909,034)
Net difference between projected and actual earnings on pension plan investments	2,029,151	-
Changes in proportion and differences between District contributions and proportionate share of contributions	11,948,385	(3,823,257)
District contributions subsequent to the measurement date	12,326,100	-
Total	<u>\$ 89,848,762</u>	<u>\$ (36,748,947)</u>

The \$12,326,100 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

**2. Defined benefit pension plan (continued)**

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30</b>	<b>Pension Expense Amount</b>
2021	\$ 10,729,325
2022	8,427,436
2023	10,951,387
2024	9,867,221
2025	2,736,065
2026	(1,937,719)
	<u>\$ 40,773,715</u>

**3. Defined Other Post-Employment Benefit Plans**

**a. 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 plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

**b. OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2019.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf); or by calling (512) 542-6592.

**c. Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**c. Benefits Provided (continued)**

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

	<b>TRS-Care Plan Premium Rates</b>	
	<b>Medicare</b>	<b>Non-Medicare</b>
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

**d. Contributions**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% 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. 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.

	<b>Contribution Rates</b>	
	<b>2020</b>	<b>2019</b>
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%



**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**d. Contributions (continued)**

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions and pension expense for all contributors were as follows:

	<u>Measurement Year (2019)</u>		<u>Fiscal Year (2020)</u>
	<b>Contributions</b>		
	<b>Required and</b>	<b>OPEB</b>	<b>TRS Care</b>
	<b>Made</b>	<b>Expense</b>	<b>Contributions</b>
Active Employee	\$ 2,675,502	\$ -	\$ 2,296,214
Non-employer Contributing Entity (State)	4,621,174	8,116,107	7,842,366
District	3,477,976	5,557,029	3,576,251

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. 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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

**e. Actuarial Assumptions**

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in this report. 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 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).

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**e. Actuarial Assumptions (continued)**

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

***Additional Actuarial Methods and Assumptions:***

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate*	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Healthcare trend rates	Initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. Initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Ad hoc post-employment benefit changes	None

\* Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**f. Discount Rate**

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a change of 1.06% 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 applied to all periods of projected benefit payments to determine the total OPEB liability

**g. Sensitivity of the Net OPEB Liability**

Discount Rate – The following presents the District’s proportional share of the net OPEB liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (1.63%) or one-percentage point higher (3.63%) than the AA/Aa rate.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions		
1% Decrease in Discount Rate (1.63%)	Current Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
\$279,795,584	231,749,147	\$194,162,378

Healthcare Cost Trend Rates – The following presents the District’s proportional share of the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate:

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions		
1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$189,052,826	231,749,147	\$288,942,616

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

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

At June 30, 2020, the District reported a liability of \$231,749,147 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	\$	231,749,147
State's proportionate share that is associated with (employer)		307,942,781
<b>Total</b>	<b>\$</b>	<b>539,691,928</b>

The Net OPEB Liability was measured as of August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was 0.4900%, which was a slight decrease from proportion measured as of August 31, 2018 of 0.4967%.

For the year ended June 30, 2020, the District recognized OPEB expense of \$5,557,029 and revenue of \$8,116,107 for support provided by the State.

***Changes since the Prior Actuarial Valuation***

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- 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 Total OPEB Liability (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 TOL.
- The trend rates were resented to better reflect the plan's anticipated experience. This change increased 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 due while actively employed was lowered from 20 percent to 10 percent. These changes decreased TOL.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 11,369,266	\$ (37,923,290)
Changes in actuarial assumptions	12,871,858	(62,334,833)
Difference between projected and actual investment earnings	30,071	(5,069)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	739	(5,611,813)
Contributions paid to TRS subsequent to the measurement date	3,010,224	-
Total	<u>\$ 27,282,158</u>	<u>\$ (105,875,005)</u>

The \$3,010,224 reported as 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 OPEB liability in the year ending June 30, 2021. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB activity will be recognized in OPEB expense as follows:

<b>Year Ended June 30:</b>	<b>OPEB Expense Amount</b>
2021	\$ (13,519,245)
2022	\$ (13,519,245)
2023	(13,527,337)
2024	(13,531,966)
2025	(13,530,699)
Thereafter	(13,974,579)
	<u>\$ (81,603,071)</u>

**i. Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2020, 2019, and 2018 the subsidy payments received by TRS-Care on behalf of the District are as follows:

<b>Fiscal Year</b>	<b>Medicare Part D</b>
2020	\$ 1,816,655
2019	1,579,980
2018	1,627,543

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**j. Commitments and Contingencies**

**State and Federal Grants**

The District receives monies under various state and federal grant project awards. These grants are subject to audit by the individual grantors and any disallowed costs arising from these audits would have to be refunded by the District. Management believes that the District has substantially complied with the terms and provisions of these grants, and any refunds, which might arise from these audits, would not be material.

**Litigation**

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

**k. 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.

**l. 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.

**m. Subsequent Events**

**Debt Issuance**

On July 1, 2020, the District issued the 2020 Unlimited Tax Refunding Bonds with a par value of \$137,794,956. Proceeds from the sale of the bonds will be used to (1) refund a portion of the District's outstanding Unlimited Tax School Building Bonds, Series 2014A for debt service savings and (2) to pay the costs associated with the issuance of the bonds.

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**G. Employee Benefits (continued)**

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

**m. Subsequent Events (continued)**

**COVID-19**

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in Texas in response to the COVID-19, which disaster declaration he has subsequently extended. In addition, certain local officials, including the County Judge of Tarrant County, also declared a local state of disaster. TEA will institute the ADA hold harmless for the first two six-week attendance reporting periods as follows: if an LEA’s Refined ADA counts during those first two six-week reporting periods are less than the ADA hold harmless projections (described in the paragraph below), the first two six-week attendance reporting periods for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. For purposes of the hold harmless calculation, TEA will not consider each six weeks attendance period independent of each other. TEA will replace attendance numbers for each eligible LEA’s 2020-2021 first two six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020-2021 LPE projections. In the latter case, 2020-2021 LPE counts will be used.

TEA will make available an ADA hold harmless for the third six weeks attendance reporting period, on the condition that LEAs allow on-campus instruction throughout the entire third six weeks period, as further described below. The ADA hold harmless methodology will be identical to the methodology used for the first two six weeks attendance reporting periods, except that the third six weeks will be examined independent of the first two six weeks attendance reporting periods. Specifically, if an LEA’s refined ADA counts during the third six weeks attendance reporting period is less than the ADA hold harmless projections (described in the prior question and available online), the third six-weeks attendance reporting period for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. As noted above, this ADA hold harmless methodology will only apply to attendance-based counts and will not apply to enrollment-based FSP allotments such as the state compensatory education allotment and the dyslexia allotment.





## **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 Six Measurement Years Ended August 31 <sup>(1)</sup>**

**Exhibit G-1**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
District's proportion of the net pension liability	0.3887%	0.3923%	0.4031%	0.3935%
District's proportionate share of the net pension liability	\$ 202,083,399	\$ 215,929,798	\$ 128,887,686	\$ 148,696,381
State's proportionate share of the net pension liability associated with the District	<u>276,296,260</u>	<u>308,845,844</u>	<u>187,381,594</u>	<u>225,379,353</u>
Total	<u>\$ 478,379,659</u>	<u>\$ 524,775,642</u>	<u>\$ 316,269,280</u>	<u>\$ 374,075,734</u>
District's covered payroll (for Measurement Year)	\$ 411,615,670	\$ 408,126,343	\$ 406,117,695	\$ 391,215,683
District's proportionate share of the net pension liability as a percentage of it's covered payroll	49.10%	52.91%	31.74%	38.01%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%	78.00%
Plan's net pension liability as a percentage of covered-employee payroll *	114.93%	126.11%	75.93%	92.75%
	<b>2015</b>	<b>2014</b>		
District's proportion of the net pension liability	0.3942%	0.2829%		
District's proportionate share of the net pension liability	\$ 139,331,975	\$ 75,557,286		
State's proportionate share of the net pension liability associated with the District	<u>219,091,643</u>	<u>190,008,374</u>		
Total	<u>\$ 358,423,618</u>	<u>\$ 265,565,660</u>		
District's covered payroll (for Measurement Year)	\$ 375,129,379	\$ 367,187,392		
District's proportionate share of the net pension liability as a percentage of it's covered payroll	37.14%	20.58%		
Plan fiduciary net position as a percentage of the total pension liability *	78.43%	83.25%		
Plan's net pension liability as a percentage of covered-employee payroll *	91.94%	72.89%		

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

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

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

<sup>(1)</sup> 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 Seven Fiscal Years (1)**

**Exhibit G-2**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contributions	\$ 14,570,224	\$ 13,383,140	\$ 13,319,359	\$ 13,061,085
Contributions in relation to the contractual required contributions	14,570,224	13,383,140	13,319,359	13,061,085
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 422,515,424	\$ 411,031,166	\$ 409,175,566	\$ 402,410,725
Contributions as a percentage of covered payroll	3.45%	3.26%	3.26%	3.25%
	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Contractually required contributions	\$ 12,378,352	\$ 11,065,220	\$ 6,868,636	
Contributions in relation to the contractual required contributions	12,378,352	11,065,220	6,868,636	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 388,883,913	\$ 373,526,450	\$ 363,736,625	
Contributions as a percentage of covered payroll	3.18%	2.96%	1.89%	

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

**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.
- 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 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.

**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 Three Measurement Years Ended August 31 (1)**

**Exhibit G-4**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability	0.4900%	0.4967%	0.5007%
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' comprehensive annual financial report.

<sup>(1)</sup> 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 Seven Fiscal Years**

**Exhibit G-5**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contributions	\$ 3,576,251	\$ 3,450,595	\$ 3,315,476	\$ 2,580,445
Contributions in relation to the contractual required contributions	3,576,251	3,450,595	3,315,476	2,580,445
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 422,515,424	\$ 411,031,166	\$ 409,175,566	\$ 402,410,725
Contributions as a percentage of covered employee payroll	0.85%	0.84%	0.81%	0.64%
	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Contractually required contributions	\$ 2,659,382	\$ 2,325,049	\$ 2,264,533	
Contributions in relation to the contractual required contributions	2,659,382	2,325,049	2,264,533	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered employee payroll	\$ 388,883,913	\$ 373,526,450	\$ 363,736,625	
Contributions as a percentage of covered employee payroll	0.68%	0.62%	1.89%	

<sup>(1)</sup> Ten year of data should be presented in this schedule, but data was unavailable prior to 2014

Net OPEB contributions and related ratios will be presented as data becomes available.





## **OTHER SUPPLEMENTARY INFORMATION**



## Nonmajor Governmental Funds

### Special Revenue Funds

The Special Revenue Funds are used to account for all federal, state and locally-funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational goals. Grants included in the Special Revenue Funds are described below.

<b>Fund Number</b>	<b>Fund Name &amp; Description</b>
<b>206</b>	<b>McKinney - Vento Education for the Homeless Children and Youth</b> - Variety of staff development and supplemental services.
<b>211</b>	<b>Title I, Part A</b> - 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
<b>220</b>	<b>English Literacy &amp; Civics Education</b> - 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.
<b>223</b>	<b>Temporary Assistance for Needy Families (TANF)</b> - Funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF)
<b>224</b>	<b>IDEA, Part B - Formula</b> - Operate educational programs for children with disabilities.
<b>225</b>	<b>IDEA, Part B - Preschool</b> - Program for preschool children with disabilities.
<b>226</b>	<b>IDEA - Part B, Evaluation Capacity Award</b> - identify, procure and deploy resources to assist in securing certified/licensed staff to complete evaluations for special education services.
<b>240</b>	<b>Food Service Program</b> - School Breakfast and National School Lunch Programs serving students meals that qualify for free, reduced or full priced meals per the USDA guidelines.
<b>242</b>	<b>Summer Feeding Program</b> - Provide nutritious summer meals to low-income children when school is not in session.
<b>244</b>	<b>Carl D. Perkins Technology</b> - Provide career and technical education to develop new and/or improve career and technical education programs for paid and unpaid employment.
<b>255</b>	<b>ESEA, Title II, Part A - TPTR (Teacher and Principal Training and Recruiting)</b> - Increase student academic achievement through increasing the number of qualified teachers, assistant principals and principals.
<b>263</b>	<b>ESEA, Title III, Part A - English Language Acquisition and Language Enhancement</b> - Improve the education of limited English proficient children by assisting the children to learn English.

## Nonmajor Governmental Funds (Continued)

### Special Revenue Funds (Continued)

Fund Number	Fund Name & Description
288	<b>Title IV, part A - SSAEP</b> - This grant is to provide students with a well-rounded education, support safe and healthy students, and support the effective use of technology.
289	<b>Texas Literary Initiative</b> - Improve school readiness and success in the areas of language and literacy for disadvantaged students.
315	<b>SSA - IDEA B - Discretionary</b> - Support ESC basic special education component, regional day school
316	<b>SSA - IDEA B - Formula (Deaf)</b> - Operate educational programs for children with hearing disabilities.
340	<b>SSA - IDEA C - Early Intervention (Deaf)</b> - Provide educational programs for preschool children with hearing disabilities.
381	<b>Adult Basic Education (ABE) - State</b> - Funds granted to provide or support programs for adult education and literacy services to adults 16 and above, who do not have a high school diploma and are out of school.
385	<b>Visually Impaired State</b> - Provide teachers and services to students who are visually impaired.
397	<b>Advanced Placement Incentives</b> - Professional development of teachers teaching advanced classes.
410	<b>Instructional Materials Allotment</b> - State funds allotted to school districts to purchase instructional materials and technology-related equipment and services.
414	<b>Texas Reading Initiative/Texas Reading, Math and Science</b> - Funds granted to improve student achievement in reading, math and science.

**Nonmajor Governmental Funds (Continued)**

**Special Revenue Funds (Continued)**

<b>Fund Number</b>	<b>Fund Name &amp; Description</b>
<b>424</b>	<b>Texas Fitness Now (TNF)</b> - program provided grants to support in-school physical education and fitness programs for students in Grades 6, 7, and 8. The primary purpose of the grant was to help reduce childhood obesity and Type II diabetes.
<b>429</b>	<b>Other State Programs</b> - Supplemental state funds for various educational and support programs.
<b>435</b>	<b>Regional Day School for the Deaf</b> - Provide funding for staff and services to students with auditory handicaps.
<b>481</b>	<b>AISD Access</b> - The communications department partners with News for My School to sell advertising in the <i>AISD Achieving Excellence</i> e-newsletter. Proceeds are used to promote the District.
<b>490</b>	<b>Other Local Programs</b> - Supplemental local funds from other agencies to assist with educational programs and construction projects.
<b>492</b>	<b>National Semi Conductor Grant</b> - funds provided by Project Lead the Way, Inc (PLTW) to be used for PLTW Computer Science Program.
<b>497</b>	<b>Arlington Education Foundation</b> - Nonprofit tax-exempt organization which raises private funds for the District.

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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<b>Data Control Codes</b>		<b>206</b>	<b>211</b>	<b>220</b>	<b>223 Temporary Assistance for Needy Families (TANF)</b>
		<b>McKinney Homeless Education</b>	<b>Title I-A Improving Basic Programs</b>	<b>English Literacy &amp; Civics Ed.</b>	
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ 52,305	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	39,013	3,270,115	71,932	-
1260	Due from other funds	-	2,755	-	5,330
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 39,013</u>	<u>\$ 3,325,175</u>	<u>\$ 71,932</u>	<u>\$ 5,330</u>
	<b>Liabilities:</b>				
	<b>Current Liabilities:</b>				
2110	Accounts payable	\$ -	\$ 54,634	\$ 12,627	\$ 3,749
2160	Accrued wages payable	10,571	935,044	4,508	1,581
2170	Due to other funds	28,442	2,335,497	54,797	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	<b>Total Liabilities</b>	<u>39,013</u>	<u>3,325,175</u>	<u>71,932</u>	<u>5,330</u>
	<b>Fund Balance:</b>				
	<b>Restricted:</b>				
3450	Federal/State funds grant restrictions	-	-	-	-
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 39,013</u>	<u>\$ 3,325,175</u>	<u>\$ 71,932</u>	<u>\$ 5,330</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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		224	225	240
<b>Data Control Codes</b>		<b>IDEA B - Formula</b>	<b>IDEA B - Preschool</b>	<b>Child Nutrition Program</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ -	\$ -	\$ 11,314,347
	Receivables:			
1240	Receivables from other governments	4,200,546	77,198	-
1260	Due from other funds	-	-	-
1290	Other receivables	4,485	-	9,702
1300	Inventories	-	-	5,261,989
1000	<b>Total Assets</b>	<u>\$ 4,205,031</u>	<u>\$ 77,198</u>	<u>\$ 16,586,038</u>
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$ 33,295	\$ -	\$ 602,932
2160	Accrued wages payable	1,120,445	28,825	94,487
2170	Due to other funds	3,051,291	48,373	3,819,192
2180	Due to other governments	-	-	-
2300	Unearned revenue - other	-	-	-
2000	<b>Total Liabilities</b>	<u>4,205,031</u>	<u>77,198</u>	<u>4,516,611</u>
	<b>Fund Balance:</b>			
	<b>Restricted:</b>			
3450	Federal/State funds grant restrictions	-	-	12,069,427
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>12,069,427</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 4,205,031</u>	<u>\$ 77,198</u>	<u>\$ 16,586,038</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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		242	244	255	263
<b>Data</b>					
<b>Control</b>					
<b>Codes</b>					
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	979,261	101,202	462,619	285,053
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 979,261</u>	<u>\$ 101,202</u>	<u>\$ 462,619</u>	<u>\$ 285,053</u>
	<b>Liabilities:</b>				
	<b>Current Liabilities:</b>				
2110	Accounts payable	\$ 12,640	\$ 4,935	\$ 13,280	\$ 29,536
2160	Accrued wages payable	159,836	5,619	83,264	58,756
2170	Due to other funds	806,785	90,648	366,075	196,761
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	<b>Total Liabilities</b>	<u>979,261</u>	<u>101,202</u>	<u>462,619</u>	<u>285,053</u>
	<b>Fund Balance:</b>				
	<b>Restricted:</b>				
3450	Federal/State funds grant restrictions	-	-	-	-
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 979,261</u>	<u>\$ 101,202</u>	<u>\$ 462,619</u>	<u>\$ 285,053</u>



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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		266	288	289	315
<b>Data Control Codes</b>		<b>State Fiscal Stabilization Fund</b>	<b>Title IV, Part A SSAEP</b>	<b>Texas Literary Initiative</b>	<b>IDEA B - Discretionary</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	14,423,468	96,020	-	25,233
1260	Due from other funds	-	-	45,245	6,951
1290	Other receivables	-	12,146	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 14,423,468</u>	<u>\$ 108,166</u>	<u>\$ 45,245</u>	<u>\$ 32,184</u>
	<b>Liabilities:</b>				
	<b>Current Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 31,318
2160	Accrued wages payable	-	-	-	866
2170	Due to other funds	14,423,468	108,166	-	-
2180	Due to other governments	-	-	45,245	-
2300	Unearned revenue - other	-	-	-	-
2000	<b>Total Liabilities</b>	<u>14,423,468</u>	<u>108,166</u>	<u>45,245</u>	<u>32,184</u>
	<b>Fund Balance:</b>				
	<b>Restricted:</b>				
3450	Federal/State funds grant restrictions	-	-	-	-
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 14,423,468</u>	<u>\$ 108,166</u>	<u>\$ 45,245</u>	<u>\$ 32,184</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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Data Control Codes		316	340	381	385
		IDEA B - Formula (Deaf)	SSA - IDEA C - Early Intervention (Deaf)	Adult Basic Education (ABE)	State Visual Impairment
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	-	1,917	-	19,532
1260	Due from other funds	8,911	-	-	-
1290	Other receivables	-	-	277	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 8,911</u>	<u>\$ 1,917</u>	<u>\$ 277</u>	<u>\$ 19,532</u>
	<b>Liabilities:</b>				
	<b>Current Liabilities:</b>				
2110	Accounts payable	\$ 8,911	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	1,917	277	19,524
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	-	-	-
2000	<b>Total Liabilities</b>	<u>8,911</u>	<u>1,917</u>	<u>277</u>	<u>19,524</u>
	<b>Fund Balance:</b>				
	<b>Restricted:</b>				
3450	Federal/State funds grant restrictions	-	-	-	8
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 8,911</u>	<u>\$ 1,917</u>	<u>\$ 277</u>	<u>\$ 19,532</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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		397	410	414	424
<b>Data</b>		<b>Advanced</b>	<b>Instructional</b>	<b>Texas</b>	
<b>Control</b>		<b>Placement</b>	<b>Materials</b>	<b>Accelerated</b>	<b>Texas Fitness</b>
<b>Codes</b>		<b>Incentive</b>	<b>Allotment</b>	<b>Science</b>	<b>Now (TFN)</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	-	421,190	-	-
1260	Due from other funds	23,775	3,807,402	70,340	5,000
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 23,775</u>	<u>\$ 4,228,592</u>	<u>\$ 70,340</u>	<u>\$ 5,000</u>
	<b>Liabilities:</b>				
	<b>Current Liabilities:</b>				
2110	Accounts payable	\$ -	\$ 3,638,790	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue - other	-	589,802	-	5,000
2000	<b>Total Liabilities</b>	<u>-</u>	<u>4,228,592</u>	<u>-</u>	<u>5,000</u>
	<b>Fund Balance:</b>				
	<b>Restricted:</b>				
3450	Federal/State funds grant restrictions	23,775	-	70,340	-
	<b>Total Fund Balance</b>	<u>23,775</u>	<u>-</u>	<u>70,340</u>	<u>-</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 23,775</u>	<u>\$ 4,228,592</u>	<u>\$ 70,340</u>	<u>\$ 5,000</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
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		429	435	481
<b>Data</b>				
<b>Control</b>				
<b>Codes</b>				
	<b>Assets</b>		<b>Regional Day</b>	
		<b>Other State</b>	<b>School for the</b>	<b>AISD Access</b>
		<b>Programs</b>	<b>Deaf</b>	
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
	<b>Receivables:</b>			
1240	Receivables from other governments	130,584	155,905	-
1260	Due from other funds	170,006	-	36,154
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000	<b>Total Assets</b>	<u>\$ 300,590</u>	<u>\$ 155,905</u>	<u>\$ 36,154</u>
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$ 1,203	\$ 15,055	\$ -
2160	Accrued wages payable	12,143	35,990	-
2170	Due to other funds	-	104,860	-
2180	Due to other governments	-	-	-
2300	Unearned revenue - other	212,000	-	-
2000	<b>Total Liabilities</b>	<u>225,346</u>	<u>155,905</u>	<u>-</u>
	<b>Fund Balance:</b>			
	<b>Restricted:</b>			
3450	Federal/State funds grant restrictions	75,244	-	36,154
	<b>Total Fund Balance</b>	<u>75,244</u>	<u>-</u>	<u>36,154</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 300,590</u>	<u>\$ 155,905</u>	<u>\$ 36,154</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2020**

**Exhibit H-1**  
**Page 8 of 8**

		492	497	
<b>Data Control Codes</b>		<b>National Semi Conductor Grant</b>	<b>Arlington Education Foundation</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Assets</b>			
1110	Cash and cash equivalents	\$ -	\$ -	\$ 11,366,652
	<b>Receivables:</b>			
1240	Receivables from other governments	-	-	24,760,788
1260	Due from other funds	6,600	260,368	4,448,837
1290	Other receivables	-	-	26,610
1300	Inventories	-	-	5,261,989
1000	<b>Total Assets</b>	<u>\$ 6,600</u>	<u>\$ 260,368</u>	<u>\$ 45,864,876</u>
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$ -	\$ 3,797	\$ 4,466,702
2160	Accrued wages payable	-	-	2,551,935
2170	Due to other funds	-	-	25,456,073
2180	Due to other governments	-	-	45,245
2300	Unearned revenue - other	6,600	256,571	1,069,973
2000	<b>Total Liabilities</b>	<u>6,600</u>	<u>260,368</u>	<u>33,589,928</u>
	<b>Fund Balance:</b>			
	<b>Restricted:</b>			
3450	Federal/State funds grant restrictions	-	-	12,274,948
	<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>12,274,948</u>
4000	<b>Total liabilities and fund balance</b>	<u>\$ 6,600</u>	<u>\$ 260,368</u>	<u>\$ 45,864,876</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-2**  
**Page 1 of 8**

		206	211	220
<b>Data Control Codes</b>		<b>McKinney Homeless Education</b>	<b>Title I-A Improving Basic Programs</b>	<b>English Literacy &amp; Civics Ed.</b>
	<b>Revenues</b>			
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	205,227	17,578,883	573,215
5020	<b>Total Revenues</b>	<u>205,227</u>	<u>17,578,883</u>	<u>573,215</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	-	8,418,000	400,857
0012	Instructional Resources and Media Services	-	464,075	-
0013	Curriculum and Instructional Staff Development	-	2,845,470	682
0021	Instructional Leadership	23,652	3,071,764	163,059
0023	School Leadership	-	20,583	-
0031	Guidance, Counseling and Evaluation Services	-	105,332	8,617
0032	Social work services	151,280	675,977	-
0033	Health Services	-	-	-
0034	Student Transportation	5,069	21,500	-
0035	Food Services	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	25,226	1,956,182	-
6030	<b>Total Expenditures</b>	<u>205,227</u>	<u>17,578,883</u>	<u>573,215</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<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, 2020**

**Exhibit H-2**  
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		224	225	240
<b>Data</b>				
<b>Control</b>				
<b>Codes</b>				
	<b>Revenues</b>	<b>IDEA B -</b>	<b>IDEA B -</b>	<b>Child Nutrition</b>
		<b>Formula</b>	<b>Preschool</b>	<b>Program</b>
5700	Local and Intermediate Sources	\$ -	\$ -	\$ 4,320,740
5800	State Program Revenues	-	-	163,454
5900	Federal Program Revenues	10,192,225	203,897	18,675,597
5020	<b>Total Revenues</b>	<u>10,192,225</u>	<u>203,897</u>	<u>23,159,791</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	8,588,728	203,897	-
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	1,001,558	-	-
0021	Instructional Leadership	2,654	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling and Evaluation Services	544,983	-	-
0032	Social work services	-	-	-
0033	Health Services	52,636	-	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	26,475,944
0036	Cocurricular/Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Plant Maintenance and Operations	-	-	144,657
0052	Security and Monitoring Services	-	-	-
0061	Community Services	1,666	-	-
6030	<b>Total Expenditures</b>	<u>10,192,225</u>	<u>203,897</u>	<u>26,620,601</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(3,460,810)</u>
1200	Net change in fund balances	-	-	(3,460,810)
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>15,530,237</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,069,427</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-2**  
**Page 3 of 8**

		242	244	255	263
<b>Data Control Codes</b>		<b>Summer Feeding Program TDA</b>	<b>Carl D. Perkins Technology</b>	<b>Title II-A Principal Training</b>	<b>Title III-A ELA</b>
	<b>Revenues</b>				
5700	Local, Intermediate and Out-of-State	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	5,741,531	552,281	2,328,256	1,147,526
5020	<b>Total Revenues</b>	<u>5,741,531</u>	<u>552,281</u>	<u>2,328,256</u>	<u>1,147,526</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	-	179,091	883	187,145
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	2,327,351	746,077
0021	Instructional Leadership	-	30,330	22	21,719
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	342,860	-	2,920
0032	Social work services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	6,173,354	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0061	Community Services	-	-	-	189,665
6030	<b>Total Expenditures</b>	<u>6,173,354</u>	<u>552,281</u>	<u>2,328,256</u>	<u>1,147,526</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(431,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	(431,823)	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>431,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<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, 2020**

**Exhibit H-2**  
**Page 4 of 8**

		266	288	289	315
<b>Data Control Codes</b>		<b>State Fiscal Stabilization Fund</b>	<b>Title IV, Part A - SSAEP</b>	<b>Texas Literary Initiative</b>	<b>IDEA B - Discretionary</b>
	<b>Revenues</b>				
5700	Local, Intermediate and Out-of-State	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	13,062,488	914,362	98,802	183,427
5020	<b>Total Revenues</b>	<u>13,062,488</u>	<u>914,362</u>	<u>98,802</u>	<u>183,427</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	13,062,488	51,183	687	183,427
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	11,861	10,902	-
0021	Instructional Leadership	-	55,892	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	9,510	-	-
0032	Social work services	-	121,625	16,275	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	642,303	70,938	-
0061	Community Services	-	21,988	-	-
6030	<b>Total Expenditures</b>	<u>13,062,488</u>	<u>914,362</u>	<u>98,802</u>	<u>183,427</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<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, 2020**

**Exhibit H-2**  
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Data Control Codes		340	381	385
		SSA - IDEA C - Early Intervention (Deaf)	Adult Basic Education (ABE)	State Visual Impairment
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ -	\$ -	\$ -
5800	State Program Revenues	-	293	19,532
5900	Federal Program Revenues	1,997	-	-
5020	<b>Total Revenues</b>	<u>1,997</u>	<u>293</u>	<u>19,532</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	1,997	130	19,532
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	163	-
0032	Social work services	-	-	-
0033	Health Services	-	-	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Facilities Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	-	-	-
6030	<b>Total Expenditures</b>	<u>1,997</u>	<u>293</u>	<u>19,532</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>-</u>	<u>-</u>	<u>8</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-2**  
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		397	410	414
<b>Data Control Codes</b>		<b>Advanced Placement Incentive</b>	<b>Instructional Materials Allotment</b>	<b>Texas Accelerated Science</b>
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ -	\$ -	\$ -
5800	State Program Revenues	42,683	13,585,375	-
5900	Federal Program Revenues	-	-	-
5020	<b>Total Revenues</b>	<u>42,683</u>	<u>13,585,375</u>	<u>-</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	-	13,584,196	-
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling and Evaluation Services	42,683	-	-
0032	Social work services	-	-	-
0033	Health Services	-	-	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-
0041	General Administration	-	1,180	-
0051	Facilities Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	-	-	-
6030	<b>Total Expenditures</b>	<u>42,683</u>	<u>13,585,376</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1)</u>	<u>-</u>
1200	Net change in fund balances	-	(1)	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>23,775</u>	<u>1</u>	<u>70,340</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 23,775</u>	<u>\$ -</u>	<u>\$ 70,340</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-2**  
**Page 7 of 8**

		429	435	481	490
<b>Data Control Codes</b>		<b>Other State Programs</b>	<b>Regional Day School for the Deaf</b>	<b>AISD Access</b>	<b>Other Local Programs</b>
	<b>Revenues</b>				
5700	Local, Intermediate and Out-of-State	\$ -	\$ -	\$ -	\$ 30,000
5800	State Program Revenues	351,170	588,664	-	-
5900	Federal Program Revenues	-	-	-	-
5020	<b>Total Revenues</b>	<u>351,170</u>	<u>588,664</u>	<u>-</u>	<u>30,000</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	28,376	571,708	-	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	15,306	-	-
0021	Instructional Leadership	-	740	-	-
0023	School Leadership	996	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social work services	186,087	-	-	-
0033	Health Services	-	-	-	-
0034	Student Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurricular/Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	30,000
0051	Facilities Maintenance and Operations	-	910	-	-
0052	Security and Monitoring Services	67,687	-	-	-
0061	Community Services	-	-	-	-
6030	<b>Total Expenditures</b>	<u>283,146</u>	<u>588,664</u>	<u>-</u>	<u>30,000</u>
1100	Excess (deficiency) of revenues over expenditures	<u>68,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	68,024	-	-	-
0100	<b>Fund Balance - July 1 (Beginning)</b>	<u>7,220</u>	<u>-</u>	<u>36,154</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (Ending)</b>	<u>\$ 75,244</u>	<u>\$ -</u>	<u>\$ 36,154</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, 2020**

**Exhibit H-2**  
**Page 8 of 8**

Data Control Codes		492	497	
		National Semi Conductor Grant	Arlington Education Foundation	Total Nonmajor Governmental Funds
	<b>Revenues</b>			
5700	Local, Intermediate and Out-of-State	\$ -	\$ 110,568	\$ 4,461,308
5800	State Program Revenues	-	-	14,751,171
5900	Federal Program Revenues	-	-	71,459,714
5020	<b>Total Revenues</b>	-	110,568	90,672,193
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	15,155	84,295	45,581,775
0012	Instructional Resources and Media Services	-	21,303	485,378
0013	Curriculum and Instructional Staff Development	45	-	6,959,252
0021	Instructional Leadership	-	-	3,369,832
0023	School Leadership	-	-	21,579
0031	Guidance, Counseling and Evaluation Services	-	-	1,057,068
0032	Social work services	-	-	1,151,244
0033	Health Services	-	-	52,636
0034	Student Transportation	-	-	26,569
0035	Food Services	-	-	32,649,298
0036	Cocurricular/Extracurricular Activities	-	4,970	4,970
0041	General Administration	-	-	31,180
0051	Facilities Maintenance and Operations	-	-	145,567
0052	Security and Monitoring Services	-	-	780,928
0061	Community Services	-	-	2,194,727
6030	<b>Total Expenditures</b>	15,200	110,568	94,512,003
1100	Excess (deficiency) of revenues over expenditures	(15,200)	-	(3,839,810)
1200	Net change in fund balances	(15,200)	-	(3,839,810)
0100	<b>Fund Balance - July 1 (Beginning)</b>	15,200	-	16,114,758
3000	<b>Fund Balance - June 30 (Ending)</b>	\$ -	\$ -	\$ 12,274,948

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
*June 30, 2020*

*Exhibit H-3*

	<b>752</b>	<b>770</b>	
	<b>Print Shop</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 261,864	\$ 5,410,358	\$ 5,672,222
Receivables:			
Due from other funds	44,269	130,854	175,123
<b>Total Current Assets</b>	<u>306,133</u>	<u>5,541,212</u>	<u>5,847,345</u>
<b>Total Assets</b>	<u>306,133</u>	<u>5,541,212</u>	<u>5,847,345</u>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	2,902	115,864	118,766
Accrued expenses	-	4,541,177	4,541,177
<b>Total current liabilities</b>	<u>2,902</u>	<u>4,657,041</u>	<u>4,659,943</u>
<b>Total Liabilities</b>	<u>2,902</u>	<u>4,657,041</u>	<u>4,659,943</u>
<b>Net Position</b>			
Unrestricted	303,231	884,171	1,187,402
<b>Total Net Position</b>	<u>\$ 303,231</u>	<u>\$ 884,171</u>	<u>\$ 1,187,402</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-4**

	<b>752</b>	<b>770</b>	
	<b>Print Shop</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 421,038	\$ 1,749,239	\$ 2,170,277
<b>Total operating revenues</b>	<u>421,038</u>	<u>1,749,239</u>	<u>2,170,277</u>
<b>Operating Expenses</b>			
Purchased and contracted services	215,652	-	215,652
Supplies and materials	150,315	-	150,315
Claims expense and other operating expenses	-	2,061,658	2,061,658
<b>Total operating expenses</b>	<u>365,967</u>	<u>2,061,658</u>	<u>2,427,625</u>
Operating Income (Loss)	<u>55,071</u>	<u>(312,419)</u>	<u>(257,348)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Earnings - temporary deposits and investments	-	87,297	87,297
<b>Total non-operating revenues (expenses)</b>	<u>-</u>	<u>87,297</u>	<u>87,297</u>
Change in Net Position	55,071	(225,122)	(170,051)
<b>Net Position - July 1 (Beginning)</b>	<u>248,160</u>	<u>1,109,293</u>	<u>1,357,453</u>
<b>Net Position - June 30 (Ending)</b>	<u>\$ 303,231</u>	<u>\$ 884,171</u>	<u>\$ 1,187,402</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit H-5**

	<b>752</b>	<b>770</b>	
	<b>Print Shop</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash received from user charges	\$ 421,038	\$ 1,962,121	\$ 2,383,159
Cash payments for insurance claims	-	(1,762,066)	(1,762,066)
Cash payments to suppliers	(139,490)	-	(139,490)
Cash payments for other operating expenses	(215,652)	-	(215,652)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>65,896</u>	<u>200,055</u>	<u>265,951</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	-	87,297	87,297
<b>Net Cash Provided by Investing Activities</b>	<u>-</u>	<u>87,297</u>	<u>87,297</u>
Net Increase (decrease) in Cash and Cash Equivalents	65,896	287,352	353,248
Cash and Cash Equivalents at Beginning of Year	195,968	5,123,006	5,318,974
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 261,864</u>	<u>\$ 5,410,358</u>	<u>\$ 5,672,222</u>
<b>Reconciliation to Balance Sheet:</b>			
Cash and Cash Equivalents Per Cash Flow	\$ 261,864	\$ 5,410,358	\$ 5,672,222
Cash and Cash Equivalents per Balance Sheet	<u>\$ 261,864</u>	<u>\$ 5,410,358</u>	<u>\$ 5,672,222</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by operating Activities:</b>			
Operating Income (Loss)	\$ 55,071	\$ (312,419)	\$ (257,348)
<b>Change in Assets and Liabilities:</b>			
Decrease (increase) in Interfund Receivables	8,507	212,882	221,389
Increase (decrease) in Accounts Payable	2,318	(20,327)	(18,009)
Increase (decrease) in Accrued Expenses	-	319,919	319,919
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 65,896</u>	<u>\$ 200,055</u>	<u>\$ 265,951</u>



## **FIDUCIARY FUND**

### **Agency Fund**

Student Activity Fund – An unbudgeted fund that accounts for the receipt and disbursement of monies from student activity organizations. This fund has no equity; assets are equal to liabilities, and it does not include revenues and expenditures for general operations of the school district.



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
*For the Year Ended June 30, 2020*

*Exhibit H-6*

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
<b>Student Activities</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,126,285	\$ 621,222	\$ -	\$ 5,747,507
<b>Liabilities</b>				
Accounts payable	\$ 114,672	\$ -	\$ -	\$ 114,672
Due to student groups	5,011,613	621,222	-	5,632,835
<b>Total liabilities</b>	<u>\$ 5,126,285</u>	<u>\$ 621,222</u>	<u>\$ -</u>	<u>\$ 5,747,507</u>



## **REQUIRED TEA SCHEDULES**

Section 21.256, Texas Education Code, requires an annual audit and authorizes the State Board of Education, with the approval of the State Auditor, to prescribe minimum regulations and report forms for the annual audit. *The Financial Accountability System Resource Guide* of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. This section fulfills the requirements for certain forms and formats required to be filed with the Texas Education Agency.

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
*For the Year Ended June 30, 2020*

*Exhibit J-1*  
*Page 1 of 2*

	1	2	3	10
	<b>Tax Rates</b>		<b>Net Assessed/Appraised Value For School Tax Purposes</b>	<b>Beginning Balance 7/1/2019</b>
<b>Last Ten Fiscal Years</b>	<b>Maintenance</b>	<b>Debt Service</b>		
2011 and prior	Various	Various	Various	\$ 8,937,826
2012	1.040000	0.265500	19,472,765,823	462,901
2013	1.040000	0.261000	19,779,331,339	527,072
2014	1.040000	0.252170	20,220,917,724	561,320
2015	1.040000	0.308110	21,265,403,194	561,192
2016	1.040000	0.372950	21,317,959,305	894,348
2017	1.040000	0.350080	22,961,131,839	867,456
2018	1.040000	0.328670	24,852,974,719	1,208,487
2019	1.040000	0.328670	27,724,047,506	6,260,063
2020	0.970000	0.328670	31,092,102,305	-
<b>1000 TOTALS</b>				<u><u>\$ 20,280,665</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
*For the Year Ended June 30, 2020*

**Exhibit J-1**  
**Page 2 of 2**

	20	31	32	40	50
<b>Last Ten Fiscal Years</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Total Collections</b>	<b>Debt Service Total Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 6/30/2020</b>
2011 and prior	\$ -	58,366	\$ 17,434	\$ (44,712)	\$ 8,817,314
2012	-	9,947	2,539	(172)	450,243
2013	-	11,881	2,982	(331)	511,878
2014	-	13,546	3,284	(170)	544,320
2015	-	37,816	11,204	(2,534)	509,638
2016	-	56,010	20,085	5,342	823,595
2017	-	45,491	15,313	(45,030)	761,622
2018	-	(116,720)	(36,887)	(399,666)	962,428
2019	-	1,630,974	515,435	(1,927,429)	2,186,225
2020	<u>403,783,805</u>	<u>296,251,653</u>	<u>100,380,444</u>	<u>-</u>	<u>7,151,708</u>
<b>1000 TOTALS</b>	<u>\$ 403,783,805</u>	<u>\$ 297,998,964</u>	<u>\$ 100,931,833</u>	<u>\$ (2,414,702)</u>	<u>\$ 22,718,971</u>
<b>Total taxes receivable per Exhibit C-1</b>					<u>\$ 22,718,971</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - CHILD NUTRITION**  
**For the Year Ended June 30, 2020**

**Exhibit J-2**

Data Control Codes		Child Nutrition			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local revenues	\$ 6,498,811	\$ 3,798,811	\$ 4,320,740	\$ 521,929
5800	State program revenues	185,000	160,000	163,454	3,454
5900	Federal program revenues	26,115,830	18,615,830	18,675,597	59,767
	<b>Total operating revenues</b>	<u>32,799,641</u>	<u>22,574,641</u>	<u>23,159,791</u>	<u>585,150</u>
	<b>Expenditures:</b>				
0035	Food services	32,517,001	31,017,001	26,475,944	4,541,057
0051	Facilities maintenance and operations	173,412	273,412	144,657	128,755
	<b>Total expenditures</b>	<u>32,690,413</u>	<u>31,290,413</u>	<u>26,620,601</u>	<u>4,669,812</u>
1100	Excess (Deficiency) Revenues Over Expenditures	<u>109,228</u>	<u>(8,715,772)</u>	<u>(3,460,810)</u>	<u>5,254,962</u>
1200	Change in fund balance	109,228	(8,715,772)	(3,460,810)	5,254,962
0100	<b>Fund Balance - July 1 (beginning)</b>	<u>15,530,237</u>	<u>15,530,237</u>	<u>15,530,237</u>	<u>-</u>
3000	<b>Fund Balance - June 30 (ending)</b>	<u>\$ 15,639,465</u>	<u>\$ 6,814,465</u>	<u>\$ 12,069,427</u>	<u>\$ 5,254,962</u>



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - DEBT SERVICE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit J-3**

Data Control Codes		Debt Service			
		Budgeted Amounts		Actual Amounts, GAAP Basis	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local revenues	\$ 104,278,907	\$ 100,278,907	\$ 101,882,319	\$ 1,603,412
5800	State program revenues	1,225,815	1,225,815	1,269,763	43,948
5900	Federal program revenues	459,610	459,610	460,344	734
	<b>Total revenues</b>	<u>105,964,332</u>	<u>101,964,332</u>	<u>103,612,426</u>	<u>1,648,094</u>
	<b>Expenditures</b>				
	<b>Debt Service:</b>				
0071	Debt service expenditures	78,242,053	52,659,707	49,345,048	3,314,659
0072	Interest on long-term debt	28,251,725	28,251,725	32,366,518	(4,114,793)
0073	Bond issuance costs and fees	257,789	840,135	18,270	821,865
	<b>Total expenditures</b>	<u>106,751,567</u>	<u>81,751,567</u>	<u>81,729,836</u>	<u>21,731</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(787,235)</u>	<u>20,212,765</u>	<u>21,882,590</u>	<u>1,669,825</u>
	<b>Other Financing Sources (Uses)</b>				
7901	Refunding bonds issued	-	-	9,950,000	9,950,000
7911	Capital-related Debt Issued (Regular Bonds)	-	11,725,636	-	(11,725,636)
7916	Premium or discount on issuance of bonds	-	-	1,775,635	1,775,635
8949	Payment to Bond Refunding Escrow Agent	-	(11,690,006)	(11,690,006)	
	<b>Total other financing sources (uses)</b>	<u>-</u>	<u>35,630</u>	<u>35,629</u>	<u>(1)</u>
1200	Net change in fund balance	(787,235)	20,248,395	21,918,219	1,669,824
0100	<b>Fund balances - beginning</b>	<u>32,856,489</u>	<u>32,856,489</u>	<u>32,856,489</u>	<u>-</u>
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 32,069,254</u>	<u>\$ 53,104,884</u>	<u>\$ 54,774,708</u>	<u>\$ 1,669,824</u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL – CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2020**

**Exhibit J-4**

		Capital Projects Fund			
Data Control Codes		Budgeted Amounts			
				Actual	
		Original	Final	Amounts, GAAP Basis	Variance with Final Budget
	Revenues				
5700	Local revenues	\$ 4,600,000	\$ 3,100,000	\$ 4,457,042	\$ 1,357,042
	Total revenues	4,600,000	3,100,000	4,457,042	1,357,042
	Expenditures				
	Current:				
0011	Instruction	2,244,401	18,276,602	3,546,132	14,730,470
0034	Student transportation	3,632,375	6,416,798	1,225,449	5,191,349
0036	Extracurricular activities	-	1,174,600	189,590	985,010
0051	Plant maintenance and operations	54,186,123	141,421,118	40,496,642	100,924,476
0052	Security and monitoring services	500,000	6,767,062	181,205	6,585,857
0053	Data processing services	11,526,790	12,789,741	1,925,014	10,864,727
	Debt Service:				
0071	Debt service expenditures	-	2,067,085	-	2,067,085
	Capital Outlay:				
0081	Facilities acquisition and construction	70,067,583	252,852,632	62,942,513	189,910,119
	Total expenditures	142,157,272	441,765,638	112,573,630	329,192,008
1100	Excess (deficiency) of revenues over expenditures	(137,557,272)	(438,665,638)	(108,116,588)	330,549,050
	Other Financing Sources (Uses)				
7911	Capital-related Debt Issued (Regular Bonds)	-	313,104,203	263,840,000	(49,264,203)
7912	Sale of real or personal property	-	-	3,000	3,000
7916	Premium or discount on issuance of bonds	-	-	49,264,203	49,264,203
	Total other financing sources (uses)	-	313,104,203	313,107,203	3,000
1200	Net change in fund balance	(137,557,272)	(125,561,435)	204,990,615	330,552,050
0100	Fund balances - beginning	132,459,897	132,459,897	132,459,897	-
3000	Fund balances - ending	\$ (5,097,375)	\$ 6,898,462	\$ 337,450,512	\$ 330,552,050

# STATISTICAL SECTION

(Unaudited)

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

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

## Page

### **Financial Trends**

**120**

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**

**130**

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

### **Debt Capacity**

**139**

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**

**143**

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**

**149**

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**

	2020	2019	2018	2017	2016
<b>Governmental Net Position</b>					
Net investment in capital assets	\$ 202,728,394	\$ 217,157,321	\$ 168,904,696	\$ 31,929,478	\$ 70,466,966
Restricted for federal and state programs	12,260,485	16,050,021	14,603,590	737,936	610,145
Restricted for debt service	46,156,785	22,790,002	20,286,488	18,173,383	16,838,551
Unrestricted	(493,549,281)	(491,301,312)	(372,835,728)	149,027,332	162,870,820
Total Governmental Net Position	<u>(232,403,617)</u>	<u>(235,303,968)</u>	<u>(169,040,954)</u>	<u>199,868,129</u>	<u>250,786,482</u>
<b>Business-Type Net Position <sup>(1)</sup></b>					
Net investment in capital assets	-	-	-	11,045,198	10,500,180
Restricted for federal and state programs	-	-	-	7,078,894	5,210,435
Total Business-Type Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,124,092</u>	<u>15,710,615</u>
<b>Total Primary Government Net Position</b>					
Net investment in capital assets	202,728,394	217,157,321	168,904,696	42,974,676	80,967,146
Restricted for federal and state programs	12,260,485	16,050,021	14,603,590	7,816,830	5,820,580
Restricted for debt service	46,156,785	22,790,002	20,286,488	18,173,383	16,838,551
Unrestricted	(493,549,281)	(491,301,312)	(372,835,728)	149,027,332	162,870,820
Total Primary Government Net Position	<u>\$ (232,403,617)</u>	<u>\$ (235,303,968)</u>	<u>\$ (169,040,954)</u>	<u>\$ 217,992,221</u>	<u>\$ 266,497,097</u>

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

<sup>(1)</sup> 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**

	2015	2014	2013	2012	2011
<b>Governmental Net Position</b>					
Net investment in capital assets	\$ 94,478,337	\$ 63,648,331	\$ 69,384,718	\$ 108,758,102	\$ 141,209,274
Restricted for federal and state programs	384,459	3,267,869	3,545,144	4,012,243	765,793
Restricted for debt service	15,936,844	13,376,345	13,151,459	13,521,565	10,372,956
Unrestricted	143,006,519	219,267,502	175,806,732	121,565,824	31,612,353
Total Governmental Net Position	253,806,159	299,560,047	261,888,053	247,857,734	183,960,376
<b>Business-Type Net Position <sup>(1)</sup></b>					
Net investment in capital assets	10,278,226	9,573,377	8,031,599	6,490,976	6,836,367
Restricted for federal and state programs	6,882,026	11,105,771	10,397,105	8,758,026	6,332,092
Total Business-Type Net Position	17,160,252	20,679,148	18,428,704	15,249,002	13,168,459
<b>Total Primary Government Net Position</b>					
Net investment in capital assets	104,756,563	73,221,708	77,416,317	115,249,078	148,045,641
Restricted for federal and state programs	7,266,485	14,373,640	13,942,249	12,770,269	765,793
Restricted for debt service	15,936,844	13,376,345	13,151,459	13,521,565	10,372,956
Unrestricted	143,006,519	219,267,502	175,806,732	121,565,824	37,944,445
Total Primary Government Net Position	\$ 270,966,411	\$ 320,239,195	\$ 280,316,757	\$ 263,106,736	\$ 197,128,835

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

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

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

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**EXPENSES, PROGRAM REVENUES, AND NET EXPENSES**  
**LAST TEN FISCAL YEARS**

**Table 2**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 403,653,386	\$ 380,457,281	\$ 247,018,085	\$ 376,229,465	\$ 399,051,889
Instructional resources and media services	8,099,853	7,298,329	4,923,916	7,243,900	8,129,652
Curriculum and instructional staff development	15,470,910	13,828,998	10,317,798	13,947,095	13,199,858
Instructional leadership	14,348,603	12,112,695	8,398,817	11,444,870	9,924,616
School leadership	36,031,189	33,654,325	20,650,705	32,501,719	31,585,630
Guidance, counseling, and evaluation services	35,695,960	33,071,395	25,186,370	30,557,058	29,579,678
Social work services	3,734,875	3,370,543	2,074,384	3,243,077	2,700,653
Health services	7,955,500	7,612,939	4,421,671	6,429,062	5,992,175
Pupil transportation	18,484,066	18,635,291	14,316,258	13,381,080	11,888,600
Food services	34,599,041	32,369,719	26,820,768	421,005	807,280
Cocurricular/extracurricular activities	10,668,802	10,697,800	10,210,220	10,843,567	10,234,216
General administration	12,633,186	11,363,349	7,817,838	9,290,805	8,969,032
Facilities maintenance and operations	96,575,925	140,080,959	143,238,431	120,283,327	69,186,113
Security and monitoring services	10,164,483	9,464,470	7,340,452	8,737,173	7,287,373
Data processing services	13,326,765	16,669,735	8,827,130	12,241,900	10,186,722
Community services	3,195,347	3,026,292	(2,032,546)	2,729,040	2,339,909
Debt service - interest on long-term debt	28,093,965	30,086,505	30,339,181	27,958,981	28,397,762
Bond issuance cost and fees	18,270	329,566	650,289	-	-
Facilities repairs and maintenance	1,705,089	7,314,069	3,696,335	4,892,556	1,599,431
Payments to Juvenile Justice Alt. Ed. Program	10,191	10,449	57,534	77,478	72,885
Payments to Tax Increment Fund	-	3,118,757	2,393,136	1,677,277	1,096,490
Other intergovernmental charges	2,308,964	2,230,531	2,082,715	1,997,237	1,869,421
Total governmental activities	756,774,370	776,803,997	578,749,487	696,127,672	654,099,385
Business-type activities:					
Food services	-	-	-	33,527,597	33,604,463
<b>Total Expenses</b>	756,774,370	776,803,997	578,749,487	729,655,269	687,703,848
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	6,177,653	8,333,469	9,167,905	5,868,531	3,188,625
Operating grants and contributions	153,420,351	120,673,787	(15,832,877)	67,640,176	90,044,617
Total governmental activities	159,598,004	129,007,256	(6,664,972)	73,508,707	93,233,242
Business-type activities:					
Charges for services	-	-	-	6,124,630	5,772,190
Operating grants and contributions	-	-	-	28,372,368	26,222,815
Total business-type activities	-	-	-	34,496,998	31,995,005
<b>Total Program Revenues</b>	159,598,004	129,007,256	(6,664,972)	108,005,705	125,228,247
<b>Net Expenses</b>	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)	\$ (621,649,564)	\$ (562,475,601)

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

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

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

**Table 2**  
**Page 2 of 2**

	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 321,641,711	\$ 347,695,598	\$ 326,972,420	\$ 292,381,916	\$ 348,387,954
Instructional resources and media services	6,568,327	7,048,633	6,274,891	5,963,914	6,897,415
Curriculum and instructional staff development	11,706,779	10,292,439	9,499,551	6,701,859	10,215,377
Instructional leadership	6,918,312	7,124,368	6,687,141	5,435,172	7,334,939
School leadership	26,454,600	27,253,780	25,724,635	21,294,889	26,790,801
Guidance, counseling, and evaluation services	26,178,274	25,530,501	23,682,670	17,621,819	22,504,083
Social work services	2,360,625	2,326,072	2,138,454	1,780,216	2,336,399
Health services	5,025,111	5,501,273	5,108,523	4,840,254	5,197,041
Pupil transportation	12,436,347	10,901,683	10,203,605	8,976,259	11,096,233
Food services	591,766	388,674	432,435	344,969	322,046
Cocurricular/extracurricular activities	8,954,157	9,412,633	8,833,151	8,147,211	9,483,994
General administration	7,733,533	7,033,855	6,540,185	5,499,431	6,986,698
Facilities maintenance and operations	49,693,227	51,447,854	50,879,295	45,045,408	54,973,176
Security and monitoring services	6,309,707	5,144,430	4,942,866	3,835,434	4,839,013
Data processing services	14,815,067	8,197,313	7,628,023	6,664,602	8,134,179
Community services	2,902,788	3,179,647	3,115,412	2,835,888	3,991,485
Debt service - interest on long-term debt	21,421,011	15,486,058	19,368,480	16,860,954	19,944,575
Bond issuance cost and fees	-	-	-	-	-
Facilities repairs and maintenance	38,440,109	1,413,049	970,785	-	-
Payments to Juvenile Justice Alt. Ed. Program	67,467	53,396	41,125	266,250	350,625
Payments to Tax Increment Fund	7,028,326	7,565,996	3,817,396	3,507,648	3,526,152
Other intergovernmental charges	1,916,015	1,782,827	1,668,202	1,234,497	1,557,935
Total governmental activities	579,163,259	554,780,079	524,529,245	459,238,590	554,870,120
Business-type activities:					
Food services	30,500,382	30,208,241	28,573,344	25,529,203	25,846,331
<b>Total Expenses</b>	<b>609,663,641</b>	<b>584,988,320</b>	<b>553,102,589</b>	<b>484,767,793</b>	<b>580,716,451</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	3,136,176	2,864,989	2,956,248	2,682,308	2,992,981
Operating grants and contributions	70,491,908	65,603,117	62,110,376	55,880,066	123,583,489
Total governmental activities	73,628,084	68,468,106	65,066,624	58,562,374	126,576,470
Business-type activities:					
Charges for services	5,982,774	6,197,429	6,233,987	5,744,326	6,296,733
Operating grants and contributions	25,714,657	26,175,558	25,409,362	21,856,266	21,051,104
Total business-type activities	31,697,431	32,372,987	31,643,349	27,600,592	27,347,837
<b>Total Program Revenues</b>	<b>105,325,515</b>	<b>100,841,093</b>	<b>96,709,973</b>	<b>86,162,966</b>	<b>153,924,307</b>
<b>Net Expenses</b>	<b>\$ (504,338,126)</b>	<b>\$ (484,147,227)</b>	<b>\$ (456,392,616)</b>	<b>\$ (398,604,827)</b>	<b>\$ (426,792,144)</b>

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

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

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

**Table 3**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Net expense</b>					
Governmental activities	\$ (597,176,366)	\$ (647,796,741)	\$ (585,414,459)	\$ (622,618,965)	\$ (560,866,143)
Business-type activities	-	-	-	969,401	(1,609,458)
Total net expenses	<u>(597,176,366)</u>	<u>(647,796,741)</u>	<u>(585,414,459)</u>	<u>(621,649,564)</u>	<u>(562,475,601)</u>
<b>General Revenues</b>					
Governmental Activities					
Taxes					
Property taxes levied for general purposes	301,684,968	286,320,427	264,362,150	237,332,902	222,354,931
Property taxes levied for debt service	101,403,166	91,266,549	83,461,267	80,319,360	79,922,367
State Aid Formula Grants	184,435,780	186,058,925	210,290,252	236,250,430	237,366,093
Grants and contributions - not restricted	430,085	546,505	626,879	11,276,867	7,718,245
Investment earnings	7,223,663	1,195,401	8,787,821	5,238,265	1,966,781
Miscellaneous local and intermediate revenue	4,899,055	538,730	6,588,246	1,375,808	8,653,947
Special item - Gain on sale of asset	-	-	6,487,319	-	-
Transfers out	-	-	-	(93,020)	(135,898)
Total Government Activities	<u>600,076,717</u>	<u>581,533,727</u>	<u>580,603,934</u>	<u>571,700,612</u>	<u>557,846,466</u>
Business-type Activities <sup>(1)</sup>					
Unrestricted investment earnings	-	-	-	61,586	23,923
Grants and contributions - not restricted	-	-	-	-	-
Transfers in	-	-	-	93,020	135,898
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,606</u>	<u>159,821</u>
Total General Revenues	<u>600,076,717</u>	<u>581,533,727</u>	<u>580,603,934</u>	<u>571,855,218</u>	<u>558,006,287</u>
<b>Change in Net Position</b>					
Governmental activities	2,900,351	(66,263,014)	(4,810,525)	(50,918,353)	(3,019,677)
Business-type activities	-	-	-	1,124,007	(1,449,637)
Total change in net position	<u>\$ 2,900,351</u>	<u>\$ (66,263,014)</u>	<u>\$ (4,810,525)</u>	<u>\$ (49,794,346)</u>	<u>\$ (4,469,314)</u>

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

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

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



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

**Table 3**  
**Page 2 of 2**

	2015	2014	2013	2012	2011
<b>Net expense</b>					
Governmental activities	\$ (505,535,175)	\$ (486,311,973)	\$ (459,462,621)	\$ (400,676,216)	\$ (428,293,650)
Business-type activities	1,197,049	2,164,746	3,070,005	2,071,389	1,501,506
Total net expenses	(504,338,126)	(484,147,227)	(456,392,616)	(398,604,827)	(426,792,144)
<b>General Revenues</b>					
Governmental Activities					
Taxes					
Property taxes levied for general purposes	216,566,195	206,070,657	200,219,710	196,230,568	192,163,019
Property taxes levied for debt service	65,816,287	51,143,124	50,876,378	50,736,898	55,384,589
State Aid Formula Grants	239,828,021	248,873,467	209,684,541	208,267,754	175,464,300
Grants and contributions - not restricted	9,131,377	8,593,641	9,835,162	4,421,877	6,513,486
Investment earnings	458,884	237,042	418,043	470,629	378,193
Miscellaneous local and intermediate revenue	10,103,186	9,145,584	6,209,381	4,445,848	4,758,899
Special item - Gain on sale of asset	-	-	-	-	-
Transfers out	(307,475)	(79,552)	(99,159)	-	(142,598)
Total Government Activities	541,596,475	523,983,963	477,144,056	464,573,574	434,519,888
Business-type Activities <sup>(1)</sup>					
Unrestricted investment earnings	6,030	6,146	10,538	9,154	9,126
Grants and contributions - not restricted	8,000	-	-	-	-
Transfers in	307,475	79,552	99,159	-	142,598
Total Business-type Activities	321,505	85,698	109,697	9,154	151,724
Total General Revenues	541,917,980	524,069,661	477,253,753	464,582,728	434,671,612
<b>Change in Net Position</b>					
Governmental activities	36,061,300	37,671,990	17,681,435	63,897,358	6,226,238
Business-type activities	1,518,554	2,250,444	3,179,702	2,080,543	1,653,230
Total change in net position	\$ 37,579,854	\$ 39,922,434	\$ 20,861,137	\$ 65,977,901	\$ 7,879,468

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

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

Note: The District's fiscal year end date was changed from August 31 to June 30, with the fiscal year ended

June 30, 2012 being a ten month conversion year.

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

**Table 4**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Governmental Funds</b>					
General Fund					
Nonspendable	\$ 2,341,323	\$ 1,919,613	\$ 1,872,418	\$ 1,801,741	\$ 1,768,805
Restricted	-	-	-	-	1,388,971
Committed	-	-	-	7,754,294	17,100,000
Assigned	25,346,609	2,556,610	1,397,097	1,335,076	1,531,994
Unassigned	194,696,834	193,531,238	198,622,637	188,562,124	182,935,118
Total General Fund	222,384,766	198,007,461	201,892,152	199,453,235	204,724,888
All Other Governmental Funds					
<i>Restricted, reported in:</i>					
Debt Service Fund	54,774,708	32,856,489	30,438,976	27,797,595	25,723,015
Capital Projects Fund	337,450,512	110,201,609	184,633,256	224,989,653	259,672,376
Special Revenue Funds	12,274,948	16,114,758	14,603,590	737,936	610,145
<i>Committed, reported in:</i>					
Capital Projects Fund	-	22,258,288	37,059,497	11,561,723	10,296,787
Special Revenue Funds	12,838,205	11,938,295	10,642,895	30,376,914	29,434,664
<i>Unassigned, reported in:</i>					
Special Revenue Funds	-	-	(4,340)	-	-
Total All Other Governmental Funds	417,338,373	193,369,439	277,373,874	295,463,821	325,736,987
Total Governmental Funds	\$ 639,723,139	\$ 391,376,900	\$ 479,266,026	\$ 494,917,056	\$ 530,461,875

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

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

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

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

**Table 4**  
**Page 2 of 2**

	2015	2014	2013	2012	2011
<b>Governmental Funds</b>					
General Fund					
Nonspendable	\$ 1,713,539	\$ 1,606,801	\$ 1,628,288	\$ 2,321,489	\$ 1,442,647
Restricted	578,140	2,870,621	3,340,521	3,426,730	3,139,278
Committed	4,729,182	22,729,187	24,295,514	-	-
Assigned	7,086,126	8,474,064	2,279,066	1,796,695	1,110,123
Unassigned	174,656,116	153,115,642	124,747,892	131,710,852	82,699,694
Total General Fund	188,763,103	188,796,315	156,291,281	139,255,766	88,391,742
All Other Governmental Funds					
<i>Restricted, reported in:</i>					
Debt Service Fund	22,539,596	17,263,838	17,991,873	19,943,320	10,319,240
Capital Projects Fund	166,150,566	30,150,719	52,341,698	74,596,781	78,507,888
Special Revenue Funds	384,459	397,248	204,623	585,883	765,793
<i>Committed, reported in:</i>					
Capital Projects Fund	9,022,742	9,022,741	7,960,557	9,773,397	7,867,404
Special Revenue Funds	28,335,237	25,825,072	24,099,660	21,763,063	20,878,309
<i>Unassigned, reported in:</i>					
Special Revenue Funds	(2,284)	(2,284)	(410)	-	-
Total All Other Governmental Funds	226,430,316	82,657,334	102,598,001	126,662,444	118,338,634
Total Governmental Funds	\$ 415,193,419	\$ 271,453,649	\$ 258,889,282	\$ 265,918,210	\$ 206,730,376

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

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

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

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

**Table 5**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Expenditures</b>					
Governmental Activities					
11 Instruction	\$ 353,997,503	\$ 342,204,289	\$ 350,493,989	\$ 349,061,853	\$ 365,893,789
12 Instructional resources and media services	7,181,708	6,592,044	6,660,952	6,732,653	7,670,575
13 Curriculum and staff development services	14,169,111	13,022,771	12,274,734	13,340,775	12,654,301
Total function 10	375,348,322	361,819,104	369,429,675	369,135,281	386,218,665
21 Instructional leadership	12,467,041	10,918,360	11,010,123	10,632,750	9,311,191
23 School leadership	31,223,127	30,015,687	29,367,814	29,930,652	29,197,851
Total function 20	43,690,168	40,934,047	40,377,937	40,563,402	38,509,042
31 Guidance, counseling, and evaluation services	31,104,369	30,117,938	29,510,682	28,302,660	27,506,017
32 Social work services	3,202,179	3,024,965	3,110,415	3,027,967	2,514,049
33 Health services	6,973,645	6,855,320	6,261,232	5,938,186	5,550,290
34 Student transportation	17,167,405	17,753,529	15,361,045	14,139,059	17,733,858
35 Food service	32,649,298	31,053,664	31,069,886	419,998	817,318
36 Extracurricular activities	9,931,888	10,165,334	10,160,072	10,452,299	9,815,077
Total function 30	101,028,784	98,970,750	95,473,332	62,280,169	63,936,609
41 General administration	11,643,040	10,455,205	9,529,509	8,674,747	8,392,718
Total function 40	11,643,040	10,455,205	9,529,509	8,674,747	8,392,718
51 Plant maintenance and operations	91,783,148	136,562,877	148,936,589	118,312,510	67,898,753
52 Security and monitoring services	9,195,079	8,728,687	8,950,601	8,156,756	7,085,194
53 Data processing services	12,164,339	15,779,669	17,669,161	12,833,845	11,543,132
Total function 50	113,142,566	161,071,233	175,556,351	139,303,111	86,527,079
61 Community services	2,767,410	2,508,973	2,372,256	2,604,072	2,227,766
Total function 60	2,767,410	2,508,973	2,372,256	2,604,072	2,227,766
71 Debt service					
71 Principal on long-term debt	49,860,359	58,566,378	51,281,455	53,325,019	53,223,746
72 Interest on long-term debt	32,440,370	33,631,065	33,205,341	28,401,733	25,591,148
73 Bond issuance costs and fees	2,085,355	329,566	650,289	1,460,430	1,669,609
Total function 70	84,386,084	92,527,009	85,137,085	83,187,182	80,484,503
81 Facilities acquisition/construction	62,942,513	39,488,630	25,975,672	93,652,400	87,295,513
Total function 80	62,942,513	39,488,630	25,975,672	93,652,400	87,295,513
95 Payments to Juvenile Justice Alt. Ed. Program	10,191	10,449	57,534	77,478	72,885
97 Payments to Tax Increment Fund	-	3,118,757	2,393,136	1,677,277	1,096,490
99 Other intergovernmental charges	2,308,964	2,230,531	2,082,715	1,997,237	1,869,421
Total function 90	2,319,155	5,359,737	4,533,385	3,751,992	3,038,796
Total Expenditures	\$ 797,268,042	\$ 813,134,688	\$ 808,385,202	\$ 803,152,356	\$ 756,630,691
Debt Service as a % of noncapital expenditures:	11.26%	12.02%	10.89%	11.52%	11.94%

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

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

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

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

**Table 5**  
**Page 2 of 2**

	2015	2014	2013	2012	2011
<b>Expenditures</b>					
Governmental Activities					
11 Instruction	\$ 341,740,353	\$ 333,760,496	\$ 315,443,325	\$ 282,673,930	\$ 337,517,461
12 Instructional resources and media services	6,965,671	6,759,756	6,013,136	5,701,051	6,627,414
13 Curriculum and staff development services	12,037,844	10,105,982	9,347,159	6,613,513	10,075,614
Total function 10	360,743,868	350,626,234	330,803,620	294,988,494	354,220,489
21 Instructional leadership	7,380,990	6,836,929	6,408,693	5,253,816	7,086,068
23 School leadership	27,774,460	25,939,275	24,550,708	20,425,269	25,630,104
Total function 20	35,155,450	32,776,204	30,959,401	25,679,085	32,716,172
31 Guidance, counseling, and evaluation services	27,418,043	24,417,906	22,666,317	16,979,919	21,652,300
32 Social work services	2,576,150	2,325,244	2,137,027	1,736,929	2,245,542
33 Health services	5,370,810	5,233,736	4,872,288	4,623,820	4,956,320
34 Student transportation	12,987,216	13,196,865	12,524,372	8,723,934	15,807,145
35 Food service	592,272	388,210	433,000	349,393	323,496
36 Extracurricular activities	9,548,432	9,065,988	8,467,395	7,804,876	9,094,628
Total function 30	58,492,923	54,627,949	51,100,399	40,218,871	54,079,431
41 General administration	8,253,048	6,739,452	6,285,394	5,466,109	6,654,255
Total function 40	8,253,048	6,739,452	6,285,394	5,466,109	6,654,255
51 Plant maintenance and operations	51,982,273	50,130,534	49,651,274	43,947,936	53,716,243
52 Security and monitoring services	6,591,625	5,207,624	5,540,877	3,780,303	4,905,258
53 Data processing services	15,350,755	9,408,419	8,440,673	7,158,556	9,272,962
Total function 50	73,924,653	64,746,577	63,632,824	54,886,795	67,894,463
61 Community services	2,990,839	3,178,207	3,111,373	2,835,888	4,013,529
Total function 60	2,990,839	3,178,207	3,111,373	2,835,888	4,013,529
71 Debt service					
71 Principal on long-term debt	41,178,329	41,621,319	37,769,533	37,834,692	38,553,033
72 Interest on long-term debt	23,127,591	16,065,298	20,349,329	10,554,395	20,227,161
73 Bond issuance costs and fees	1,375,241	485,189	682,386	587,366	686,532
Total function 70	65,681,161	58,171,806	58,801,248	48,976,453	59,466,726
81 Facilities acquisition/construction	38,440,109	17,302,865	18,511,812	14,201,868	14,016,545
Total function 80	38,440,109	17,302,865	18,511,812	14,201,868	14,016,545
95 Payments to Juvenile Justice Alt. Ed. Program	67,467	53,396	41,125	266,250	350,625
97 Payments to Tax Increment Fund	7,028,326	7,565,996	3,817,396	3,507,648	3,526,152
99 Other intergovernmental charges	1,916,015	1,782,827	1,668,202	1,234,497	1,557,935
Total function 90	9,011,808	9,402,219	5,526,723	5,008,395	5,434,712
Total Expenditures	\$ 652,693,859	\$ 597,571,513	\$ 568,732,794	\$ 492,261,958	\$ 598,496,322
Debt Service as a % of noncapital expenditures:	10.65%	10.03%	10.70%	10.18%	10.20%

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

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

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

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

**Table 6**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Federal Sources</b>					
Federal grants	\$ 83,811,236	\$ 72,472,510	\$ 66,326,563	\$ 43,735,764	\$ 51,213,473
<b>State Sources</b>					
State education finance program	214,440,303	206,984,160	236,887,068	262,601,123	260,906,490
State grants and other sources	15,401,116	6,200,196	6,875,943	3,371,404	9,567,134
Total State Sources	229,841,419	213,184,356	243,763,011	265,972,527	270,473,624
<b>Local Sources</b>					
Property taxes	400,608,720	363,851,404	345,887,298	318,783,874	301,184,470
Capital Projects Funds	4,457,042	5,883,973	6,379,551	3,129,081	1,172,821
Athletic/extracurricular activities	605,066	637,305	716,776	742,334	699,435
Other local sources	13,147,966	32,929,289	17,370,756	9,610,181	11,941,213
Total Local Sources	418,818,794	403,301,971	370,354,381	332,265,470	314,997,939
Total Revenues	\$ 732,471,449	\$ 688,958,837	\$ 680,443,955	\$ 641,973,761	\$ 636,685,036

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

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

Note: As of July 1, 2017, the District closed its Business-Type Food Service Program and converted it to a Special Revenue Fund

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

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

**Table 6**  
**Page 2 of 2**

	2015	2014	2013	2012	2011
<b>Federal Sources</b>					
Federal grants	\$ 42,136,553	\$ 41,952,884	\$ 43,385,720	\$ 36,002,530	\$ 97,835,232
<b>State Sources</b>					
State education finance program	264,223,711	270,883,707	228,966,201	219,479,345	197,935,860
State grants and other sources	12,912,613	9,900,166	8,966,911	11,896,826	7,008,854
Total State Sources	277,136,324	280,783,873	237,933,112	231,376,171	204,944,714
<b>Local Sources</b>					
Property taxes	281,717,598	261,295,774	251,505,877	246,967,468	251,384,848
Capital Projects Funds	1,381,326	1,185,374	785,629	758,161	807,012
Athletic/extracurricular activities	647,589	638,644	665,371	716,770	705,751
Other local sources	10,911,176	6,863,764	9,670,141	7,365,653	9,094,658
Total Local Sources	294,657,689	269,983,556	262,627,018	255,808,052	261,992,269
Total Revenues	\$ 613,930,566	\$ 592,720,313	\$ 543,945,850	\$ 523,186,753	\$ 564,772,215

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

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

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

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

**Table 7**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b>Excess of revenues over (under) expenditures</b>	\$ (64,796,593)	\$ (124,175,851)	\$ (127,941,247)	\$ (161,178,595)	\$ (119,945,655)
<b>Other financial sources (uses):</b>					
General long-term debt issued	273,790,000	33,630,000	79,345,000	176,981,368	220,300,000
General long-term debt refunding	-	-	-	-	-
Premium or discount on issuance of bonds	51,039,838	2,616,735	12,925,940	27,183,879	14,618,702
Sale of real and personal property	3,000	39,990	6,762,037	-	-
Proceeds from capital leases	-	-	-	-	-
Loan Issuance	-	-	-	-	431,307
Transfers in	-	10,252,520	22,094,385	377,000	-
Transfers out	-	(10,252,520)	(22,094,385)	(478,477)	(135,898)
Payment to escrow agent	(11,690,006)	-	-	(78,429,994)	-
Natural gas lease	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>313,142,832</b>	<b>36,286,725</b>	<b>99,032,977</b>	<b>125,633,776</b>	<b>235,214,111</b>
<b>Net change in fund balances</b>	<b>\$ 248,346,239</b>	<b>\$ (87,889,126)</b>	<b>\$ (28,908,270)</b>	<b>\$ (35,544,819)</b>	<b>\$ 115,268,456</b>

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

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



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

*Table 7*  
*Page 2 of 2*

	2015	2014	2013	2012	2011
<b>Excess of revenues over (under) expenditures</b>	\$ (38,763,293)	\$ (4,851,200)	\$ (24,786,944)	\$ 30,924,795	\$ (33,724,107)
<b>Other financial sources (uses):</b>					
General long-term debt issued	159,485,000	16,180,000	16,390,000	44,364,966	64,372,485
General long-term debt refunding		72,020,000	76,482,234	-	-
Premium or discount on issuance of bonds	18,221,181	8,081,458	7,667,322	4,733,364	2,644,506
Sale of real and personal property	2,886	35,384	69,561	34,881	395,149
Proceeds from capital leases	-	-	-	-	89,815
Loan Issuance	4,113,971	433,107	-	-	-
Transfers in		-	2,799	1,925,679	-
Transfers out	(307,475)	(79,552)	(98,958)	(1,925,679)	(142,598)
Payment to escrow agent	-	(79,254,833)	(82,754,942)	(20,870,172)	-
Natural gas lease	987,500	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>182,503,063</b>	<b>17,415,564</b>	<b>17,758,016</b>	<b>28,263,039</b>	<b>67,359,357</b>
<b>Net change in fund balances</b>	<b>\$ 143,739,770</b>	<b>\$ 12,564,364</b>	<b>\$ (7,028,928)</b>	<b>\$ 59,187,834</b>	<b>\$ 33,635,250</b>

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

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

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

*Table 8*

Fiscal Year	Appraised Value			Less: Exemptions	Total Estimated Taxable Value	Total Direct Rate
	Residential or Real Property	Personal Property				
2011	\$ 20,041,660,089	\$ 3,858,013,644		\$ 4,550,637,253	\$ 19,349,036,480	1.335000
2012	20,018,366,118	4,131,626,701		4,677,226,996	19,472,765,823	1.305500
2013	20,281,235,605	4,289,821,428		4,792,406,539	19,778,650,494	1.301000
2014	20,953,089,907	4,746,111,559		4,992,128,887	20,707,072,579	1.292170
2015	21,668,162,540	5,218,291,540		5,125,379,155	21,761,074,925	1.348110
2016	22,082,482,932	3,911,103,646		5,576,541,645	20,417,044,933	1.412952
2017	24,109,273,225	4,869,585,583		6,016,359,735	22,962,499,073	1.390080
2018	27,201,847,710	5,336,037,386		7,684,910,377	24,852,974,719	1.368670
2019	29,847,539,711	4,852,231,096		6,975,723,301	27,724,047,506	1.368670
2020	33,496,045,103	6,243,609,725		8,647,552,523	31,092,102,305	1.298670

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	Total	Tarrant County <sup>1</sup>	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	City of Dalworthington Gardens
2010-11	1.040000	0.295000	1.335000	0.713537	0.648000	0.855000	0.669998	0.373270	0.262739
2011-12	1.040000	0.265500	1.305500	0.724867	0.648000	0.855000	0.669998	0.410000	0.262739
2012-13	1.040000	0.261000	1.301000	0.724867	0.648000	0.855000	0.669998	0.410000	0.262739
2013-14	1.040000	0.252170	1.292170	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2014-15	1.040000	0.308110	1.348110	0.741397	0.648000	0.855000	0.669998	0.420000	0.262739
2015-16	1.040000	0.372952	1.412952	0.741397	0.648000	0.855000	0.669998	0.420000	0.253670
2016-17	1.040000	0.350080	1.390080	0.726027	0.644800	0.835000	0.669998	0.420000	0.273979
2017-18	1.040000	0.328670	1.368670	0.710389	0.639800	0.805000	0.669998	0.420000	0.374379
2018-19	1.040000	0.328670	1.368670	0.696399	0.634800	0.785000	0.669998	0.420000	0.580000
2019-20	0.970000	0.328670	1.298670	0.699199	0.624000	0.747500	0.669998	0.420000	0.580000

<sup>1</sup>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  
[www.tad.org/data/rates](http://www.tad.org/data/rates)

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

**Table 10**

Fiscal Year	AISD Property Tax Levy	Overlapping Levies					City of Dalworthington Gardens
		Tarrant County <sup>1</sup>	City of Arlington	City of Fort Worth	City of Grand Prairie	Town of Pantego	
2011	\$ 251,394,282	\$ 774,047,114	\$ 110,604,993	\$ 341,028,726	\$ 62,231,126	\$ 903,789	\$ 789,284
2012	248,339,784	798,447,284	111,088,494	348,384,651	63,267,520	988,951	799,455
2013	252,776,355	808,754,010	113,513,529	355,057,237	62,804,427	1,003,031	855,580
2014	263,208,691	823,644,959	115,683,433	362,833,021	65,947,913	1,004,406	839,569
2015	286,681,027	878,365,639	120,801,020	399,125,408	74,340,365	1,021,855	850,853
2016	301,216,129	917,135,535	125,022,763	421,938,109	82,529,622	1,047,712	849,150
2017	319,178,101	976,317,394	134,099,513	449,236,836	89,688,553	1,118,430	925,504
2018	345,476,231	1,045,684,183	146,934,416	483,233,200	90,594,498	1,246,141	1,246,877
2019	379,450,721	1,108,287,053	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

<sup>1</sup> 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**

	2020			2011		
	October 2019 Taxable Value	Rank	Percentage of Total Taxable Value	October 2010 Taxable Value	Rank	Percentage of Total Taxable Value
General Motors Corp.	\$ 898,293,646	1	2.89 %	\$ 227,426,993	1	1.18 %
Arlington Highlands LTD	214,372,287	2	0.69	111,888,933	5	0.58
Parks at Arlington, LP.	172,159,764	3	0.55	140,258,067	2	0.72
360 Logistics Center LLC	145,582,013	4	0.47	-		0.00
Oncor Electric Delivery Co., LLC	139,283,997	5	0.45	135,289,186	3	0.70
Bell Helicopter Textron, Inc	119,930,640	6	0.39	117,791,293	4	0.61
Grand Prairie Outlets LP	109,286,365	7	0.35	-		0.00
Six Flags Fund II LTD	108,296,864	8	0.35	66,162,610	8	0.34
Bedrock Holdings II (Dallas) LLC	96,380,000	9	0.31	-		0.00
Republic Beverage	82,612,399	10	0.27	67,750,000	7	0.35
Southwestern Bell	-		0.00	78,062,605	6	0.40
Usmd Surgical Hospital of Arlington	-		0.00	56,194,374	9	0.29
HCA - Arlington Inc	-		0.00	37,000,304	10	0.19
	<u>\$ 2,086,197,975</u>		6.71 %	<u>\$ 1,037,824,365</u>		5.36 %

Source: Tarrant Appraisal District

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

*Table 12*

Fiscal Year	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Delinquent Taxes	Amount	Percentage of Levy
2011	251,394,282	249,404,594	99.21	1,964,264	251,368,858	99.99
2012	248,339,783	243,830,921	98.18	4,389,460	248,220,381	99.95
2013	252,693,760	247,680,443	98.02	3,683,766	251,364,209	99.47
2014	263,208,691	257,643,578	97.89	3,183,743	260,827,321	99.10
2015	286,681,027	282,062,140	98.39	3,283,406	285,345,546	99.53
2016	301,212,106	296,234,937	98.35	4,024,803	300,259,740	99.68
2017	319,178,101	314,991,957	98.69	3,501,341	318,493,298	99.79
2018	345,476,231	340,216,962	98.48	3,148,540	343,365,502	99.39
2019	379,450,721	373,190,658	98.35	2,146,409	375,337,067	98.92
2020	403,783,805	396,632,097	98.23	-	396,632,097	98.23

Source: Tarrant County

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

*Table 13*

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita
	General Obligation Bonds	Contractual Obligations	Capital Financing Agreements (Capital Leases)			
2011	\$ 477,462,485	\$ 4,694,885	\$ 211,961	\$ 482,369,331	*	\$ 1,237
2012	465,377,451	3,909,136	131,428	469,418,015	*	1,204
2013	459,641,810	3,045,158	59,636	462,746,604	*	1,187
2014	449,112,552	2,765,052	-	451,877,604	*	1,189
2015	777,872,816	6,032,929	-	783,905,745	*	2,087
2016	792,273,325	5,360,489	-	797,633,814	*	2,103
2017	863,898,137	4,102,184	-	868,000,321	*	2,280
2018	861,460,479	3,552,099	-	865,012,578	*	2,263
2019	841,802,130	3,049,472	-	844,851,602	*	2,200
2020	1,097,932,513	2,534,161	-	1,100,466,674	*	2,850

\* Data was not available

Source: Notes to the Basic Financial Statements

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

**Table 14**

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
2011	389,967	\$ 19,349,036,480	\$ 477,462,485	\$ 10,319,240	\$ 467,143,245	2.41	1,198
2012	389,967	19,472,765,823	465,377,451	19,943,320	445,434,131	2.29	1,142
2013	389,967	19,778,650,494	445,147,485	17,291,581	427,855,904	2.16	1,097
2014	380,084	20,707,072,579	569,009,719	18,083,876	550,925,843	2.66	1,449
2015	375,600	21,761,074,925	799,944,720	22,071,904	777,872,816	3.57	2,071
2016	379,370	20,417,044,933	813,958,853	21,685,528	792,273,325	3.88	2,088
2017	380,740	22,961,131,805	863,898,137	18,173,383	845,724,754	3.68	2,221
2018	382,230	25,861,424,634	861,460,479	20,286,488	841,173,991	3.25	2,201
2019	383,950	28,008,827,614	841,802,130	32,856,489	808,945,641	2.89	2,107
2020	386,180	31,092,102,305	1,097,932,513	54,774,708	1,043,157,805	3.36	2,701

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

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



**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF DIRECT AND OVERLAPPING DEBT**  
**June 30, 2020**  
**(Unaudited)**

**Table 15**

Government Entity	Net Amount Outstanding Debt	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Direct and Overlapping Debt <sup>2</sup>
Tarrant County <sup>3</sup>	\$ 282,510,000	16.10 %	\$ 45,484,110
City of Fort Worth	813,495,000	0.01	81,350
City of Arlington	436,790,000	80.08	349,781,432
City of Grand Prairie	306,690,000	38.86	119,179,734
City of Kennedale	11,080,000	1.26	139,608
Town of Pantego	2,665,000	98.41	2,622,627
City of Dalworthington Gardens	4,445,000	97.64	4,340,098
Subtotal, Overlapping Bonded Debt	-		521,628,958
Arlington Independent School District direct debt	-	100.00 %	1,097,932,513
Total direct and overlapping debt	-		<u>\$ 1,619,561,471</u>
Ratio of total direct and overlapping debt to:			
Assessed valuations for 2019 (\$32,672,993,911)	-	4.96 %	
Full valuations for 2019 (\$39,844,978,143)	-	4.06 %	
Amount of total direct and overlapping debt per:			
Enrollment (59,532)	\$ 27,205		
Average daily attendance (54,092.24)	29,941		
Per capita (estimated district population - 386,160)	4,194		

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

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

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

<sup>3</sup> Includes Tarrant County, Tarrant County College, and Tarrant County Hospital

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

*Table 16*

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2011	\$ 1,934,903,648	\$ 467,143,245	\$ 1,467,760,403	24.14
2012	1,947,276,582	445,434,131	1,501,842,451	22.87
2013	1,977,865,049	427,855,904	1,550,009,145	21.63
2014	2,076,933,696	550,925,843	1,526,007,853	26.53
2015	2,176,107,493	777,872,816	1,398,234,677	35.75
2016	2,041,704,493	792,273,325	1,249,431,168	38.80
2017	2,296,113,181	863,898,137	1,432,215,044	37.62
2018	2,586,142,463	861,460,476	1,724,681,987	33.31
2019	2,772,404,750	808,945,641	1,963,459,109	29.18
2020	3,109,210,231	1,043,157,805	2,066,052,426	33.55

Legal debt margin calculation for fiscal year 2020:

Debt Limit (10% of Assessed Value)	3,109,210,231
Debt Applicable to Limit	<u>1,043,157,805</u>
Legal Debt Margin	<u><u>\$ 2,066,052,426</u></u>

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

*Table 17*

Period Ending	City of Arlington Population <sup>1</sup>	Fort Worth Arlington Metro Division Population <sup>2</sup>	Fort Worth Arlington Metro Division Personal Income <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	City of Arlington Unemployment Rate <sup>3</sup>
2011	389,967	2,231,390	*	*	8.3
2012	389,967	2,290,239	*	*	6.7
2013	389,967	2,409,121	*	*	5.6
2014	380,084	*	*	*	5.0
2015	375,600	*	*	*	3.9
2016	379,370	*	*	*	3.9
2017	380,740	*	*	*	4.0
2018	382,230	*	*	*	3.8
2019	383,950	*	*	*	3.5
2020	386,180	*	79,655	29,207	8

<sup>1</sup> Source: City of Arlington operating budget projection

<sup>2</sup> Source: Texas Workforce Commission or DSHS

<sup>3</sup> Source: Arlington Chamber of Commerce

\* Data not available

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

**Table 18**  
**Page 1 of 2**

		2020		
Taxpayer	Type of Business	Employees	Rank	Percentage of Total City Employment
Arlington Independent School District	Public Education	8,500	1	3.94 %
University of Texas at Arlington	Higher Education	5,300	2	2.46
General Motors	Automobile Assembly	4,484	3	2.08
Texas Health Resources	Health Care/Medical Service	4,063	4	1.88
Six Flags Over Texas	Amusement Park	3,800 <sup>1</sup>	5	1.76
The Parks Mall	Retail	3,500	6	1.62
GM Financial	Financial Service	3,300	7	1.53
City of Arlington	Government	2,509	8	1.16
J.P. Morgan Chase	Financial Service	1,965	9	0.91
Texas Rangers	Sports/Entertainment	1,881 <sup>1</sup>	10	0.87
Arlington Memorial Hospital	Medical Center			-
AmeriCredit	Finance			-
Cowboys Stadium	Sports/Entertainment			-
Medical Center of Arlington	Medical Center			-
		<u>39,302</u>		<u>18.23 %</u>

<sup>1</sup> Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2020 and 2011 was 215,596 and 247,890 respectively)

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

**Table 18**  
**Page 2 of 2**

		2011		
Taxpayer	Type of Business	Employees	Rank	Percentage of Total City Employment
Arlington Independent School District	Public Education	7,908	1	3.19 %
University of Texas at Arlington	Higher Education	4,987	2	2.01
General Motors	Automobile Assembly	2,362	5	0.95
Texas Health Resources	Health Care/Medical Service	2,105	6	0.85
Six Flags Over Texas	Amusement Park	2,500	3	1.01
The Parks Mall	Retail			
GM Financial	Financial Service			
City of Arlington	Government	2,468	4	1.00
J.P. Morgan Chase	Financial Service	1,117	10	0.45
Texas Rangers	Sports/Entertainment	1,295	8	0.52
Arlington Memorial Hospital	Medical Center			
AmeriCredit	Finance	1,570	7	0.63
Cowboys Stadium	Sports/Entertainment			
Medical Center of Arlington	Medical Center	1,250	9	0.50
		<u>27,562</u>		<u>11.11 %</u>

<sup>1</sup> Includes part-time and peak seasonal employees

Source: City of Arlington (Total Arlington labor force in 2020 and 2011 was 215,596 and 247,890 respectively)

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

*Table 19*  
*Page 1 of 2*

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>CLASSROOM TEACHERS</b>	4,039.6	4,100.6	4,149.8	4,150.3	4,132.0
<i>Athletic Trainer</i>	12.0	12.0	12.0	12.0	12.0
<i>Audiologist</i>	2.0	2.0	2.0	2.0	2.0
<i>Counselor</i>	174.0	169.9	168.0	166.0	169.0
<i>Educational Diagnostician</i>	57.8	55.8	57.9	57.9	57.0
<i>Librarian</i>	71.0	71.8	72.0	71.0	68.0
<i>LSSP/Psychologist</i>	23.0	23.0	22.0	23.0	24.0
<i>Occupational/Music Therapist</i>	15.0	15.9	16.0	15.0	9.0
<i>Other Campus Professional Personnel</i>	-	2.0	2.0	91.9	72.9
<i>Other Non-Instructional Prof. Personnel</i>	285.1	244.7	235.9	274.1	190.0
<i>Physical Therapist</i>	-	-	-	-	5.0
<i>Psychological Associate</i>	-	-	-	-	-
<i>School Nurse</i>	77.8	81.0	78.4	80.7	75.9
<i>Social Worker</i>	16.0	15.0	16.0	16.0	9.0
<i>Speech Therapist/Language Pathologist</i>	57.7	57.4	56.0	53.2	53.7
<i>Teacher Facilitator/Supervisor</i>	142.8	141.6	143.1	147.6	157.5
<i>Work-Based Learning Site Coordinator</i>	-	-	-	0.2	0.1
<b>PROFESSIONAL SUPPORT</b>	934.1	892.1	881.3	1,010.6	905.1
<u><i>Campus Administration:</i></u>					
<i>Principal</i>	77.0	78.9	78.0	78.8	75.0
<i>Assistant Principal</i>	141.0	128.5	130.6	134.8	135.8
<i>Teacher Supervisor</i>	14.0	1.0	1.0	1.0	-
<u><i>Central Administration:</i></u>					
<i>Superintendent</i>	1.0	1.0	1.0	1.0	1.0
<i>Asst/Assoc/Deputy Superintendent</i>	9.0	8.0	8.0	9.0	9.0
<i>Athletic Director</i>	-	-	-	-	3.0
<i>Director-Personnel</i>	-	-	-	-	2.0
<i>Program Dir/Exec Dir/Instr Officer</i>	4.0	7.9	8.0	26.0	13.0
<i>Teacher Supervisor</i>	-	28.9	28.4	34.9	17.0
<i>Business Manager</i>	2.0	-	-	-	-
<b>ADMINISTRATIVE STAFF</b>	248.0	254.2	255.0	285.5	255.8
<i>Certified Interpreter</i>	6.9	5.8	5.9	6.9	5.9
<i>Educational Aide</i>	752.6	762.7	771.1	807.6	805.1
<b>PARAPROFESSIONAL STAFF</b>	759.5	768.5	777.0	814.5	811.0
<b>AUXILIARY PERSONNEL</b>	2,092.3	2,195.9	2,221.1	2,037.0	2,038.0
<b>TOTAL EMPLOYEES</b>	8,073.5	8,211.3	8,284.2	8,297.9	8,142.0

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*

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b><u>CLASSROOM TEACHERS</u></b>	<b>4,089.1</b>	<b>4,113.2</b>	<b>4,051.2</b>	<b>3,931.4</b>	<b>4,148.3</b>
<i>Athletic Trainer</i>	12.0	12.0	12.0	10.0	5.0
<i>Audiologist</i>	2.0	2.0	2.0	2.0	2.0
<i>Counselor</i>	161.0	149.4	148.5	147.6	145.6
<i>Educational Diagnostician</i>	53.1	51.9	50.5	49.6	48.5
<i>Librarian</i>	70.0	64.7	68.9	68.5	69.0
<i>LSSP/Psychologist</i>	21.0	17.9	19.0	17.0	17.0
<i>Occupational/Music Therapist</i>	9.0	9.0	9.2	9.0	8.0
<i>Other Campus Professional Personnel</i>	55.7	58.9	73.4	49.0	51.8
<i>Other Non-Instructional Prof. Personnel</i>	167.8	148.1	154.3	144.2	169.8
<i>Physical Therapist</i>	5.0	4.0	4.0	4.0	4.0
<i>Psychological Associate</i>	-	-	-	-	3.0
<i>School Nurse</i>	77.8	77.4	75.9	74.2	74.8
<i>Social Worker</i>	18.0	21.0	15.9	13.0	14.0
<i>Speech Therapist/Language Pathologist</i>	48.2	46.7	49.9	57.5	54.2
<i>Teacher Facilitator/Supervisor</i>	151.8	145.6	146.4	141.3	149.2
<i>Work-Based Learning Site Coordinator</i>	-	-	-	-	-
<b><u>PROFESSIONAL SUPPORT</u></b>	<b>852.4</b>	<b>808.6</b>	<b>829.9</b>	<b>786.9</b>	<b>815.9</b>
<u><i>Campus Administration:</i></u>					
<i>Principal</i>	75.0	72.0	71.5	72.7	73.8
<i>Assistant Principal</i>	126.8	128.4	126.1	120.1	129.0
<i>Teacher Supervisor</i>	-	-	-	-	-
<u><i>Central Administration:</i></u>					
<i>Superintendent</i>	1.0	1.0	1.0	1.0	1.0
<i>Asst/Assoc/Deputy Superintendent</i>	6.9	7.0	4.3	5.0	5.0
<i>Athletic Director</i>	1.0	1.0	1.0	1.0	3.0
<i>Director-Personnel</i>	3.0	3.0	3.0	3.0	4.0
<i>Program Dir/Exec Dir/Instr Officer</i>	13.0	12.0	11.8	12.0	13.0
<i>Teacher Supervisor</i>	19.0	21.0	21.7	22.0	28.0
<i>Business Manager</i>	-	-	-	-	-
<b><u>ADMINISTRATIVE STAFF</u></b>	<b>245.7</b>	<b>245.4</b>	<b>240.4</b>	<b>236.8</b>	<b>256.8</b>
<i>Certified Interpreter</i>	5.8	5.9	6.7	5.9	5.9
<i>Educational Aide</i>	805.0	852.7	835.0	792.8	982.1
<b><u>PARAPROFESSIONAL STAFF</u></b>	<b>810.8</b>	<b>858.6</b>	<b>841.7</b>	<b>798.7</b>	<b>988.0</b>
<b><u>AUXILIARY PERSONNEL</u></b>	<b>2,066.1</b>	<b>2,029.2</b>	<b>2,006.0</b>	<b>1,950.5</b>	<b>1,967.4</b>
<b><u>TOTAL EMPLOYEES</u></b>	<b>8,064.1</b>	<b>8,055.0</b>	<b>7,969.2</b>	<b>7,704.3</b>	<b>8,176.4</b>

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	Enrollment <sup>1</sup>	General Fund Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2011	64,484	392,297,791	6,084	-3.84 %	4,301	14.99	62.98
2012	64,703	374,817,746	5,793	-4.78 %	3,931	16.46	65.34
2013	65,001	424,144,895	6,525	12.64 %	4,051	16.05	68.29
2014	64,688	456,594,071	7,058	8.17 %	4,113	15.73	68.42
2015	63,882	498,228,268	7,799	10.00 %	4,089	15.62	68.13
2016	63,210	485,172,828	7,676	-1.59 %	4,132	15.30	69.33
2017	62,181	520,232,220	8,366	9.00 %	4,238	14.67	69.23
2018	61,076	515,118,870	8,434	0.81 %	4,150	14.72	64.52
2019	59,900	514,821,080	8,595	1.90 %	4,101	14.61	72.80
2020	59,532	508,434,524	8,541	-0.63 %	4040	14.74	60.75

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

<sup>1</sup>Amounts reported to the Texas Education Agency Public Education Information Management System (PEIMS)

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**CAPITAL ASSET INFORMATION**  
June 30, 2020  
(Unaudited)

**Table 21**  
**Page 1 of 2**

	2020	2019	2018	2017	2016
<b><u>Schools</u></b>					
Buildings	77	77	77	77	72
Portable buildings	95	101	113	152	159
Stadiums	2	2	2	2	2
Square Feet	9,807,653	9,626,983	9,612,920	9,577,003	8,822,763
Maximum Capacity	79,989	79,989	79,989	76,080	74,986
Enrollment	59,532	59,900	61,076	62,181	63,210
Vehicles	11	10	9	9	11
<b><u>Administration</u></b>					
Buildings	12	11	11	11	11
Portable buildings	-	-	2	4	2
Square Feet	352,571	313,679	313,679	313,679	313,679
Vehicles	10	8	6	6	6
<b><u>Maintenance and Operations</u></b>					
Buildings	7	7	7	7	7
Square Feet	99,966	99,966	99,966	99,666	99,666
Vehicles	259	250	222	203	215
<b><u>Transportation</u></b>					
Buildings	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878
Vehicles	296	290	256	249	250
<b><u>Food Services</u></b>					
Buildings	3	3	3	3	3
Square Feet	103,774	103,774	103,774	103,774	103,774
Vehicles	28	32	32	29	28

Source: District records

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**CAPITAL ASSET INFORMATION**  
June 30, 2020  
(Unaudited)

*Table 21*  
Page 2 of 2

	2015	2014	2013	2012	2011
<b><u>Schools</u></b>					
Buildings	75	74	74	73	73
Portable buildings	178	175	175	176	178
Stadiums	2	3	3	3	3
Square Feet	8,737,066	8,695,043	8,687,448	8,679,853	8,679,853
Maximum Capacity	74,986	74,986	74,386	74,386	74,386
Enrollment	63,882	64,688	65001	64,703	64,484
Vehicles	15	4	3	3	3
<b><u>Administration</u></b>					
Buildings	11	8	8	8	8
Portable buildings	3	3	3	3	3
Square Feet	310,607	165,767	165,767	165,767	165,767
Vehicles	12	10	11	13	11
<b><u>Maintenance and Operations</u></b>					
Buildings	7	3	3	3	3
Square Feet	99,666	128,376	128,376	128,376	128,376
Vehicles	199	184	182	189	189
<b><u>Transportation</u></b>					
Buildings	1	1	1	1	1
Square Feet	65,878	65,878	65,878	65,878	65,878
Vehicles	257	257	257	259	239
<b><u>Food Services</u></b>					
Buildings	3	3	3	3	3
Square Feet	103,774	97,436	97,436	97,436	97,436
Vehicles	26	18	16	16	15

Source: District records



## **FEDERAL AWARDS SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Arlington Independent School District (the “District”), as of and for the year ended June 30, 2020, 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 13, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Whitley Penn LLP

Fort Worth, Texas  
November 13, 2020



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

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

**Report on Compliance for Each Major Federal Program**

We have audited Arlington Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

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

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

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

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

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

Fort Worth, Texas  
November 13, 2020

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended June 30, 2020*

**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

Name of Federal Program or Cluster	CFDA Numbers
<b>US Department of Education</b>	
<i>Special Education Cluster</i>	84.027A, 84.173A
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	84.367A
<i>Title IV, Part A, Subpart I</i>	84.424A
<i>CARES Act, Section 18003 - Elementary and Secondary School</i>	84.425D
<i>Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,276,201
Auditee qualified as low risk auditee?	Yes

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended June 30, 2020***

**II. Financial Statement Findings**

There were no current year financial statement findings.

**III. Federal Awards Findings And Questioned Costs**

There were no current year federal award findings.

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

**Exhibit K-1**  
**Page 1 of 2**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	(2) Federal CFDA Number	2(A) Pass Through Entity Identifying Number	(3) Federal Expenditures
<b>U.S. Department of Defense</b>				
<b>Direct Programs:</b>				
<i>ROTC</i>	199	12.000	None	\$ 122,488
<b>Total U.S. Department of Defense</b>				<b>122,488</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Passed Through Texas Health and Human Services Commission:</b>				
<i>Medicaid Administrative Claims (MAC)</i>	199	93.778	None	321,756
<b>Total Medicaid Cluster (93.778)</b>				<b>321,756</b>
<b>Total U.S. Department of Health and Human Services</b>				<b>321,756</b>
<b>U.S. Department of Justice</b>				
<b>Direct Programs:</b>				
<i>School Violence Prevention Program (COPS)</i>	289	16.710	2018SVWX0084	70,939
<b>Passed Through Texas Office of the Governor:</b>				
<i>Elevate Project</i>	289	16.540	JA 3297602	15,027
<i>Elevate Project</i>	289	16.540	JA 3297603	13,275
<b>Total CFDA# 16.540</b>				<b>28,302</b>
<b>Total U.S. Department of Justice</b>				<b>99,241</b>
<b>U.S. Department of Education</b>				
<b>Passed Through Texas Education Agency:</b>				
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	19610101220901	\$ 1,362,841
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	20610101220901	16,563,591
<i>Title I - School Improvement Program</i>	216	84.010A	19610141220901	146,349
<i>Title I - School Improvement Program</i>	216	84.010A	20610141220901	134,108
<b>Total CFDA# 84.010</b>				<b>18,206,889</b>
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	19420006220901	37,795
<i>Carl D. Perkins Basic Grant</i>	244	84.048A	20420006220901	514,486
<b>Total CFDA# 84.048</b>				<b>552,281</b>
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	19694501220901	87,139
<i>ESEA Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	20694501220901	2,322,419
<b>Total CFDA# 84.367</b>				<b>2,409,558</b>
<i>Title III, ELA</i>	263	84.365A	19671001220901	192,579
<i>Title III, ELA</i>	263	84.365A	20671001220901	994,982
<b>Total CFDA# 84.365</b>				<b>1,187,561</b>
<i>CARES Act, Section 18003 - Elementary and Secondary</i>				
<i>School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	266	84.425D	20521001220901	14,423,468
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	19680101220901	439,244
<i>Title IV, Part A, Subpart 1</i>	288	84.424A	20680101220901	501,005
<b>Total CFDA# 84.424A</b>				<b>940,249</b>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2019**

**Exhibit K-1**  
**Page 2 of 2**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	District Fund Number	(2) Federal CFDA Number	2(A) Pass Through Entity Identifying Number	(3) Federal Expenditures
<b>U.S. Department of Education (continued)</b>				
<b>Passed Through Texas Education Agency: (continued)</b>				
<i>IDEA-C Early Childhood Intervention</i>	340	84.181A	203911012209013911	1,997
<i>IDEA-B Formula</i>	224	84.027A	186600012209016600	111,207
<i>IDEA-B Formula</i>	224	84.027A	196600012209016600	1,690,826
<i>IDEA-B Formula</i>	224	84.027A	206600012209016600	8,746,176
<i>IDEA-B Preschool</i>	225	84.173A	186610012209016610	288
<i>IDEA-B Preschool</i>	225	84.173A	196610012209016610	21,085
<i>IDEA-B Preschool</i>	225	84.173A	206610012209016610	189,643
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	196600112209016673	61,051
<i>IDEA-B Discretionary (Deaf)</i>	315	84.027A	206600112209016673	128,781
<b>Total Special Education Cluster (84.027, 84.173, 84.027)</b>				<u>10,949,057</u>
<i>Texas Education for Homeless Children &amp; Youth</i>	206	84.196A	194600057110007	52,544
<i>Texas Education for Homeless Children &amp; Youth</i>	206	84.196A	204600057110007	159,725
<b>Total CFDA# 84.196</b>				<u>212,269</u>
<b>Passed Through Fort Tarrant County Workforce Development Board:</b>				
<i>Federal Adult Education</i>	220	84.002	18-SPC-AEL-001	\$ 4,050
<i>Federal Adult Education</i>	220	84.002	19-SPC-AEL-001	557,843
<i>Adult Education EL Civics</i>	220	84.002	18-SPC-AEL-001	78
<i>Adult Education EL Civics</i>	220	84.002	19-SPC-AEL-001	24,115
<b>Total CFDA# 84.002</b>				<u>586,086</u>
<b>Total U.S. Department of Education</b>				<u><b>49,469,415</b></u>
<b>U.S. Department of Agriculture</b>				
<b>Passed Through Texas Department of Agriculture</b>				
<i>CACFP Supper Program</i>	240	10.558	01020	213,021
<i>Cash Assistance</i>				
<i>Summer Feeding Program</i>	242	10.559	01019	164,888
<i>COVID-19 Summer Feeding Program</i>	242	10.559	01020	5,576,643
<i>Non-Cash Assistance (Commodities)</i>				
<i>National School Lunch Program</i>	240	10.555	01020	1,757,660
<b>Passed Through Texas Education Agency:</b>				
<i>National School Lunch Program</i>	240	10.555	71302001	13,980,658
<b>Total CFDA# 10.555</b>				<u>15,738,318</u>
<i>School Breakfast Program</i>	240	10.553	71402001	4,167,610
<b>Total Child Nutrition Cluster (10.553, 10.555, 10.559)</b>				<u>25,647,459</u>
<b>Total U.S. Department of Agriculture</b>				<u><b>25,860,480</b></u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 75,873,380</u></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, 2020. 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 considered to be 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 federal sources per financial statements for Governmental Funds	\$ 83,811,236
Qualified School Construction Bond (QSCB) interest subsidy payments recorded in the Debt Service Fund	(460,344)
School Health and Related services (SHARS) reimbursements not reported in the Schedule of Expenditures of Federal Awards	<u>(7,477,512)</u>
Total federal expenditures on Schedule of Expenditures of Federal Awards	<u><u>\$ 75,873,380</u></u>

**ARLINGTON INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the Year Ended June 30, 2020*

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, 2020***

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.

