



RICHARDSON INDEPENDENT SCHOOL DISTRICT
Every Child, Every Teacher, Every Leader, Every Day

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Richardson, Texas 75081

Annual Comprehensive Financial Report

Richardson Independent School District
400 S. Greenville Ave.
Richardson, Texas 75081

Fiscal Year Ended June 30, 2023

Prepared by
Financial Services



RICHARDSON INDEPENDENT SCHOOL DISTRICT

Every Child, Every Teacher, Every Leader, Every Day

**Richardson Independent School District
Annual Comprehensive Financial Report
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As of June 30, 2023**

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CERTIFICATE OF BOARD

Richardson Independent School District
Name of School District

Dallas
County

057-916
County-District Number

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one) X approved ___ disapproved for the year ended June 30, 2023, at a meeting of the board of school trustees of such school district on the 9th day of November 2023.

Chris Poteet

Signature of Board Secretary

Regina Harris

Signature of Board President

INTRODUCTORY SECTION

RICHARDSON INDEPENDENT SCHOOL DISTRICT

SCHOOL ADMINISTRATION

ELECTED OFFICIALS

<u>Board of Trustees</u>	<u>Years of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Regina Harris, President Single-Member District 4	4	2025	Program Director Webvent Inc.
Debbie Renteria, Vice President Single-Member District 3	3	2026	Education Consultant
Chris Poteet, Secretary At-Large Place 7	2	2024	Civil Engineer Freese and Nichols
Megan Timme Single-Member District 1	2	2024	Director of Administrative Services Region 10 Education Service Center
Vanessa Pacheco Single-Member District 2	1	2025	Vice President Ohana Cottonwood, LLC
Rachel McGowan Single-Member District 5	1	2025	Regional Manager Behr Paint
Eric Eager At-Large Place 6	3	2026	Co-Founder, CEO 4impactdata

APPOINTED AND FINANCIAL OFFICIALS

	<u>Position</u>	<u>Length of Service</u>
Tabitha Branum	Superintendent	2 years
David Pate	Assistant Superintendent, Finance and Support Services	7 years
Vacant	Executive Director, Financial Services	
Dorcas Mejia	Director, Tax Services	2 years

RICHARDSON ISD ORGANIZATIONAL CHART 2023-2024

EVERY CHILD. EVERY TEACHER. EVERY LEADER. EVERY DAY.



Tabitha Branum

SUPERINTENDENT

Emily Doherty

SUPERINTENDENT'S
OFFICE/
ADMINISTRATIVE
MANAGER

Viri Gutierrez

BOARD RELATIONS/
ADMINISTRATIVE
MANAGER

CABINET:



Mike Jasso
CHIEF OF STAFF



Dr. Kristin Leeper
ASSISTANT SUPERINTENDENT
OF TEACHING AND LEARNING



Dr. Matthew Gibbins
ASSISTANT SUPERINTENDENT
OF ADMINISTRATIVE SERVICES



Dr. Christopher Goodson
ASSISTANT SUPERINTENDENT
OF HUMAN RESOURCES



Henry Hall
ASSISTANT SUPERINTENDENT
OF TECHNOLOGY



Sandra Hayes
ASSISTANT SUPERINTENDENT
OF DISTRICT OPERATIONS



Dr. Melissa Heller
ASSISTANT SUPERINTENDENT
OF STRATEGY AND
ENGAGEMENT



David Pate
ASSISTANT SUPERINTENDENT
OF FINANCE AND SUPPORT
SERVICES



Leticia McGowan
GENERAL COUNSEL

RICHARDSON INDEPENDENT SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

INDEPENDENT AUDITORS

Weaver and Tidwell LLP
2300 N. Field Street, Suite 1000
Dallas, Texas 75201

BOND ATTORNEYS

Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, Texas 75202

FINANCIAL ADVISORS

Hilltop Securities
1201 Elm Street, Suite 3500
Dallas, Texas 75270

OFFICIAL DEPOSITORY

Frost Bank
2950 North Harwood, Ste. 1100
Dallas, TX 75201

TAX COLLECTION COUNSEL

Perdue, Brandon, Fielder, Collins & Mott, LLP
500 East Border St., Ste. 640
Arlington, Texas 76010

OUTSIDE COUNSEL

Thompson & Horton LLP
500 N. Akard St., Ste. 3150
Dallas, Texas 75201

Brackett & Ellis, P.C.
100 Main Street
Fort Worth, Texas 76102

Walsh, Gallegos, Trevino, Russo & Kyle, P.C.
105 Decker Ct., Ste. 700
Irving, Texas 75062

Geary, Porter & Donovan, P.C.
16475 Dallas Parkway
Addison, Texas 75001



November 9, 2023

To the Citizens of the Richardson Independent School District:

The Annual Comprehensive Financial Report (ACFR) of the Richardson Independent School District (“RISD” or the “District”) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the RISD. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included. The District discusses its financial position in greater detail in the Management’s Discussion and Analysis (MD&A) in the Financial Section of this report.

RISD is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 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). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and independent auditors’ reports on internal control, compliance, and other matters is included in the Federal Awards Section of this report.

This report includes all funds of the RISD. The District is a public-school system offering a full pre-kindergarten through twelfth grade educational opportunity for all school-age residents within its geographic boundaries. All activities over which the RISD Board of Trustees exercises authority and/or oversight responsibility are included.

GOVERNING BODY

The seven members of the Board of Trustees serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held the second Saturday in May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are generally scheduled the first Thursday of the month and are held in the District’s administration building. Special meetings and work sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of the quorum present.

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, and organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, 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.

Since members of the Board are elected by the public and have the authority to make decisions, significantly influence operations, appoint administrators and managers, and have the primary accountability for fiscal matters, the District is not included in any other governmental “reporting entity” as defined in GASB Statement No. 61, an amendment of GASB Statements No. 14 and No. 39. Furthermore, there are no component units for which the District or the Board are financially accountable.

The Board solicits and evaluates community input and support concerning school policies. The Board meets regularly with a variety of citizen groups to receive input on topics of public interest.

GENERAL INFORMATION

The adopted North Star Goal for RISD is:

Every student, teacher, and leader will meet or exceed their academic growth goals.

To accomplish this vision, RISD provides a full range of educational services, appropriate to grade levels ranging from pre-kindergarten through twelfth grade. The RISD covers more than 38.5 square miles and serves approximately 37,200 students. RISD encompasses most of the City of Richardson, parts of far north and northeast Dallas and two small areas in northwest Garland. Approximately 60 percent of the District lies within the city limits of Dallas. RISD occupies 4.32 percent of Dallas County's approximately 880 square miles.

History of the District

In 1854 the Dallas County Commissioners Court designated District #3, which consisted of many small schools including one in Richardson. In 1896 the District was redefined. It was well known as District #3, but consisted of only about four school systems, the largest of which was Richardson's Wheeler School. In 1900 the Wheeler School moved to a new site. The first Monday after Thanksgiving in 1914, a new red brick building was opened close to the Wheeler School. This facility was enlarged in 1927 and now serves as the RISD Administration Building.

RISD has experienced growth since the early 1950s. In 1952 its only building served 352 students. Today, 54 schools, including 4 high schools (9th through 12th grades), 8 junior high schools (7th through 8th grades), 40 elementary schools (kindergarten through 6th grade), four multipurpose activity centers, one early education elementary school (early education through kindergarten), and one Alternative Learning Center, serve approximately 37,200 students. The average age for all school buildings is 52 years, with ages ranging from 70 years (MST Magnet, originally Richardson Junior High, built in 1952) to 18 years (Thurgood Marshall Elementary built in 2004).

Additionally, RISD educates an economically diverse student population, with 28 percent of students qualifying as Limited English Proficient and 54 percent qualifying as economically disadvantaged. In the 2022-2023 school year, the District served an ethnically and culturally diverse enrollment of 37,260 students. The ethnic composition was approximately 38.8 percent Hispanic, 28.9 percent White, 22 percent African American, 6.9 percent Asian, and 3.4 percent other ethnicities. The District employed 5,600 total staff for the 2022-2023 school year.

District Programs

The educational philosophy stressed by the District includes a student-centered approach to learning and academic growth through the use of a widely diversified curriculum. An individualized educational program is offered at all grade levels. Beginning in elementary and extending through high school, students study the essential elements of language arts, reading, science, mathematics, social studies, art, music, theater arts, physical education and computer literacy. All sixth graders participate in music class, which has a choral emphasis. In addition, students may elect to participate in band and orchestra in sixth grade.

At the secondary level, a diversified group of elective subjects is added to the required studies, including career and technology education (CTE), art, band, choir, orchestra, advanced sciences and foreign languages. Additional courses meet individual needs at the District's four comprehensive high schools. These courses cover a wide range of electives and include over 200 course selections.

Special education provides an appropriate public education, which includes provisions for specialized instruction and related services, designed to meet the unique needs of the mentally and physically challenged. Utilizing settings on each campus or centrally located facilities, instruction is designed to help the student most effectively develop skills and concepts necessary for independent functioning.

RISD schools have long been committed to excellence in education. Excellence in education is supplemented through honors studies, career education in a variety of fields, guidance and counseling services from grade school through high school, and a gifted and talented program. The District's students continue to win academic and co-curricular honors in district, state and national competitions. The staff members, likewise, are recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

There are a number of charter schools that serve the same population as RISD. These charter schools receive their charters from the state and are separate and apart from RISD. The District competes with these charter schools for the same students. Similar to the District, these charter schools receive state funding based on their Average Daily Attendance and special population counts. However, unlike RISD, they do not have the ability to levy local property taxes, and therefore are generally more heavily dependent on state revenues for their Maintenance and Operations funding.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The District is located in the north central portion of Dallas County, with residential property comprising 55.07 percent of the total market assessed valuation. The quality of the educational opportunity through attendance in the District's schools helps keep the real estate market within the District in a relatively strong position. Additionally, the District offers an optional homestead exemption of 10 percent to its qualifying residential homestead properties. This, combined with the mandated \$100,000 homestead exemption, should it pass on the November 7th election, reduces the taxable value of a \$100,000 single-family residence to \$60,000.

The District has seen strong property value growth in recent years. The District's certified net taxable property value grew from \$23.8 billion in 2018 to \$32.5 billion in 2023, a 41.5 percent increase over the five-year period. The District's certified taxable value base also continues to be diversified among commercial, residential, and business personal property. In 2023, the District's top ten taxpayers comprised only 8.1 percent of the District's total taxable value and no one taxpayer had a significant impact on the District's property tax income.

In an effort to strengthen, stabilize, and encourage growth in the District's tax base, the Board of Trustees adopted a resolution in March 1999 granting a "Freeport property" tax exemption to businesses with qualifying inventory. Beginning in the 1999-2000 school year, inventories held for fewer than 175 days and destined for out-of-state shipment were exempt from ad valorem tax. During the first year, the majority of qualifying businesses provided the District with payments in lieu of taxes equalizing the majority of revenue lost through this action.

Financial Planning and Fiscal Policies

RISD has been effective in anticipating, planning, and implementing strategies that permit it to work within the constraints of available revenues but not reduce the overall quality of its educational programs. The District views itself as a strong and resilient entity that is committed to providing the finest educational opportunity possible for its student population.

In an effort to meet current and potential future financial challenges, the District employs financial management efforts through the use of a multi-year financial plan, annual analysis of peer district comparative financial data, the engagement of stakeholder groups (community members, campus staff, and central staff) in the budget process, and regular interaction with the Superintendent's Cabinet and the Board of Trustees throughout the year. The RISD Board of Trustees, along with management, monitors fund balance levels as a percent of projected expenditures. The Board of Trustees annually evaluates and approves non-recurring expenditures when fund balance exceeds certain levels. Should fund balance fall beneath the desired level, cuts are recommended by management, and the Board of Trustees has final approval of where cuts are made.

Net taxable property values are projected to grow 2.3 percent assuming passage of amendments to the Texas Constitution on November 7th for the 2023 tax year and are projected to grow between 3.0 percent annually through the 2026 tax year. The estimated tax collection rate will remain at 98% through the forecast period. However, because House Bill 2 (HB 2) requires compression of local property tax rates, a Maintenance and Operations (M&O) tax rate of \$0.96460 will be levied for 2023-2024.

Student enrollment is a major factor in our long-range financial plan. Over the past 5 years, the District's enrollment has decreased by 4.95 percent from 39,108 to 37,260 students. The District's enrollment has not returned to pre-pandemic levels. For fiscal year 2023-2024 peak enrollment decreased by .42% (156 students), from 37,260 to 37,104 students.

INTERNAL CONTROL

The Board and administration of RISD are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate

accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

RISD maintains budgetary controls throughout all of its financial systems. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget as adopted by the Board of Trustees. Activities in the General Fund, Child Nutrition Fund, and Debt Service Fund are included in the official budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund-function level as required by the Texas Education Agency. In addition, lower level organizational units' expenditures are controlled through the District's automated financial computer systems at varying combinations of the account code structure. The system also provides controls limiting accessibility to budgetary account codes. Oversight control of all RISD expenditures is maintained by the Financial Services staff.

RISD also utilizes an encumbrance accounting system to maintain budgetary control through a transaction's life cycle. At the end of a fiscal year, outstanding encumbrances, subject to review and approval, are rolled forward into the subsequent fiscal period, with the subsequent budget amended accordingly.

As demonstrated by the statements and schedules included in the Financial Section of this report, RISD continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State law and District policy require an annual audit by independent certified public accountants. The Board of Trustees selected the accounting firm of Weaver and Tidwell, LLP during fiscal year 2023 based on the recommendation of the financial management staff. Weaver and Tidwell, LLP is the sixth accounting firm to audit the District since the 1950s.

In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1996 and related Uniform Guidance. The auditors' report on the financial statements is included in the Financial Section of this report. The auditors' reports related specifically to the single audit are included in the Federal Awards Section of this report.

AWARDS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to RISD for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the 42nd consecutive year that RISD has received these prestigious awards. In order to be awarded these certificates, the District had to publish an easily readable and efficiently organized ACFR that satisfied both generally accounting principles and applicable program requirements.

In 1999, the 76th Texas Legislature approved legislation requiring the Commissioner of Education in consultation with the Comptroller of Public Accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having a system in place to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. RISD has received the highest rating available for 21 consecutive years, since the inception of the rating system in the 2001-2002 school year.

ACKNOWLEDGMENTS

In closing, without the leadership and support of the Board of Trustees and the dedicated service of the entire staff of the Financial Services Department, preparation of this report in a timely manner would not have been possible.

Respectfully,

Tabitha Branum

Tabitha Branum, Superintendent

David Pate

David Pate, Assistant Superintendent
Finance and Support Services



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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Richardson Independent School District for its annual comprehensive financial report for the fiscal year ended June 30, 2022.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Richardson Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Richardson Independent School District for its annual comprehensive financial report for the fiscal year ended June 30, 2022.

The Certificate of Excellence in Financial Reporting is an award of recognition granted by the Association of School Business Officials of the United States and Canada. The award certifies that the recipient school system has presented its annual comprehensive financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO.

Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting.



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Richardson Independent School District

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

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



A handwritten signature in black ink, reading 'John W. Hutchinson'. The signature is written in a cursive style and is positioned above a horizontal line.

President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Board of Trustees
Richardson Independent School District

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 7, 2023

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

As management of the Richardson Independent School District (the "District"), we offer the readers of these financial statements this narrative overview and analysis of the District's financial performance for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages v-ix of this report, as well as the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the end of the fiscal year by \$76,254,299 (net position). The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations to citizens and creditors, was a deficit of \$57,712,362. The District is required to recognize liabilities associated with its employees' pension and post-employment benefits. As of June 30, 2023, these liabilities totaled \$241.0 million, which contributed to the deficit balance in unrestricted net position.
- The net investment in capital assets portion of net position decreased by \$37,055,527. This decrease is primarily due to the issuance of the \$193.9 million in bonds which increased bonds payable by 17%.
- At the close of the fiscal year, governmental funds reported a combined fund balance of \$513,585,287, a decrease of \$5,419,712 in comparison with the prior year. This decrease was due to the increased spending in capital projects offset by the issuance of the Series 2022A Unlimited Tax School Building Bonds in the amount of \$193.9 million and an increase in investment earnings of \$22.5 million.
- The District ended the year with an unassigned fund balance of \$104,138,245. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$177,802,875, or approximately 46% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The financial statements include two kinds of statements that present different views of the District. The *government-wide financial statements* provide both long-term and short-term information about the District's overall financial status. The remaining *fund financial statements* focus on individual parts of the District, reporting each of its major operations in more detail than the government-wide statements.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government it covers and the types of information it contains. The remainder of this overview section explains the structure and contents of each of the statements.

Figure A-1. Major Features of the District’s Government-Wide and Fund Financial Statements

<i>Type of Statement</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	All activities of the District (except fiduciary funds) and the District’s component units	The activities of the District that are not proprietary or fiduciary	Activities of the District that operate similarly to a private business	Activities for which the District is the trustee or agent for another entity’s resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Net Position
<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 period-end information reported</i>	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term	Only assets, liabilities, and deferred inflows/outflows expected to be used or due during the year or soon thereafter; no capital or long-term items included	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can
<i>Type of activities reported</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 thereafter; 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	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the District’s finances in a manner similar to private-sector business. All of the District’s services are reported in the government-wide financial statements, including but not limited to instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction, food services, and capital and debt financing. Property taxes and state and federal aid finance most of these activities.

The *Statement of Net Position* presents information on all of the District’s assets, liabilities, and deferred inflows/outflows of resources, with the net of these amounts reported as net position. Net position serves as an indicator of the District’s overall financial position.

The *Statement of Activities* presents how the District’s net position changed over the course of 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. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). All of the activities of the District are considered *governmental activities*.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants while others are established by the Board of Trustees for various purposes. The fund financial statements provide more detailed information about the District's most significant funds rather than the District as a whole.

All of the District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on (1) the flow of cash and other current financial assets and (2) the balance of spendable resources available at the end of the fiscal year. Such information provides a detailed, short-term view of the current financial resources available to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. We provide reconciliations of the fund financial statements to the government-wide financial statements in Exhibits C-1R and C-2R to facilitate the comparison between *governmental funds* and *governmental activities*.

The District maintains five governmental funds. Information is presented separately in the governmental fund *Balance Sheet* and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the Child Nutrition Fund, the Debt Service Fund, the Capital Projects Fund, and the Special Revenue Fund, all of which are considered to be major funds.

The District adopts annual appropriated budgets for the General Fund, Child Nutrition Fund and Debt Service Fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

The governmental fund financial statements can be found on pages 17 and 19 of this report.

Proprietary Funds are used to account for operations that are financed similarly to those found in the private sector. These funds provide both long- and short-term financial information. The District maintains one type of proprietary fund, *internal service funds*. These funds are used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to report activities that provide services within the District, such as workers' compensation, print shop, and discretionary renovations. Because these services predominately benefit governmental functions, they have been included as *governmental activities* within the government-wide financial statements.

The proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the District. The District acts in a trustee capacity and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. However, these funds are not reported in the government-wide financial statements because their resources are not available to support the District's operations.

The District maintains one type of fiduciary fund, *custodial funds*. The funds report resources, not in a trust, that are held on-behalf of the District's student clubs.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-57 of this report.

Other Information

In addition to the financial statements and accompanying notes, this report also presents required supplementary information reporting budget versus actual comparisons for the General Fund and Child Nutrition Fund, and the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 58-70 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's overall financial position. At June 30, 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76.2 million.

Table A-2
The District's Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>
Assets			
Current and Other Assets	\$ 635,622,592	\$ 621,681,079	\$ 13,941,513
Capital Assets	891,997,084	751,245,574	140,751,510
Total Assets	<u>1,527,619,676</u>	<u>1,372,926,653</u>	<u>154,693,023</u>
Total Deferred Outflows of Resources	<u>112,216,756</u>	<u>81,396,162</u>	<u>30,820,594</u>
Liabilities			
Long-Term Liabilities Outstanding	1,285,397,969	1,093,520,588	191,877,381
Other Liabilities	136,314,166	101,242,128	35,072,038
Total Liabilities	<u>1,421,712,135</u>	<u>1,194,762,716</u>	<u>226,949,419</u>
Total Deferred Inflows of Resources	<u>141,869,998</u>	<u>112,362,556</u>	<u>29,507,442</u>
Net Position			
Net Investment in Capital Assets	97,084,676	134,140,203	(37,055,527)
Restricted	36,881,985	27,899,281	8,982,704
Unrestricted	(57,712,362)	(70,303,144)	12,590,782
Total Net Position	<u>\$ 76,254,299</u>	<u>\$ 91,736,340</u>	<u>\$ (15,482,041)</u>

Current and other assets increased in governmental activities by \$13.9 million from the prior year. The district issued \$193.9 million in unlimited tax school building bonds. The unexpended proceeds are held in the District's capital projects investment pool.

Other liabilities increased by \$35.0 million from the previous year due to the increase of spending in the Capital Projects Fund. Accounts payable for the Capital Projects Fund increased by \$12.4 million.

Long term liabilities, which consist of bonds, leases, compensated absences and post-employment benefit obligations, increased by \$191.9 million. Outstanding bonds (including unamortized bond premiums) increased by \$136.7 million, due to the issuance of the Series 2022A Unlimited Tax School Building Bonds totaling \$193.9 million.

The largest portion of the District's net position is its investment in capital assets (e.g., land, buildings, furniture and equipment), net of any related outstanding debt used to acquire those assets. 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay that debt must be provided from other sources, since the capital assets themselves cannot be used

to liquidate liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

The District's overall net position decreased \$15,482,041 from the prior year for an ending balance of \$76,254,299. The total cost of governmental activities was \$626,798,263, an increase of \$72,498,126 from the previous year. Approximately \$128.3 million of these costs were funded by program revenues and charges for services directly attributable to specific activities. The remaining costs were funded primarily by property taxes and state aid, which are not attributable to specific programs.

The following Table A-3 illustrates the changes in net position from June 30, 2022 to June 30, 2023. This information is also found on the government-wide *Statement of Activities* (Exhibit B-1).

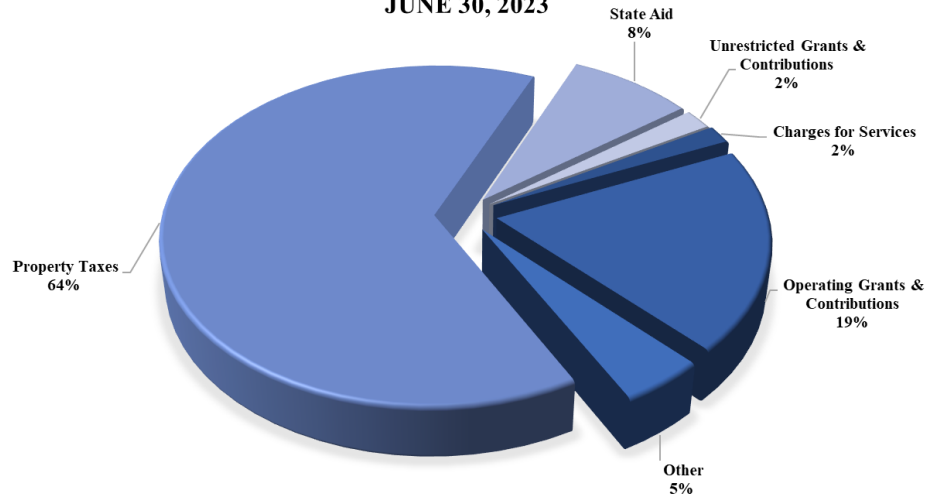
Table A-3
Changes In Net Position

	June 30, 2023	June 30, 2022	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges for Services	\$ 10,339,339	\$ 7,021,781	\$ 3,317,558
Operating Grants and Contributions	117,990,566	70,869,624	47,120,942
General Revenues:			
Property Taxes	393,147,873	368,262,638	24,885,235
State Program Revenues	50,885,279	64,651,647	(13,766,368)
Grants and Contributions Not Restricted to Specific Programs	11,503,040	9,929,245	1,573,795
Interest Income	22,529,534	993,926	21,535,608
Other	4,920,591	3,195,022	1,725,569
Special Items:			
Sales of Real or Personal Property	-	5,945,258	(5,945,258)
Total Revenue	611,316,222	530,869,141	80,447,081
Expenses			
Instruction	334,496,270	305,763,202	28,733,068
Instructional Resources and Media Services	8,719,527	8,038,318	681,209
Curriculum Development and Instructional Staff Development	15,996,616	16,665,639	(669,023)
Instructional Leadership	7,729,745	7,100,287	629,458
School Leadership	27,145,262	24,582,764	2,562,498
Guidance, Counseling, and Evaluation Services	21,706,075	20,520,460	1,185,615
Social Work Services	2,054,735	1,983,012	71,723
Health Services	6,458,715	5,828,103	630,612
Student Transportation	12,042,709	12,538,610	(495,901)
Food Services	17,326,563	15,231,975	2,094,588
Extracurricular Activities	11,930,890	9,884,982	2,045,908
General Administration	13,141,564	13,853,085	(711,521)
Facilities Maintenance and Operations	83,190,718	62,850,514	20,340,204
Security and Monitoring Services	5,934,527	3,533,479	2,401,048
Data Processing Services	11,314,010	15,011,492	(3,697,482)
Community Services	2,092,009	1,692,979	399,030
Interest on Long-term Debt	36,658,788	22,783,328	13,875,460
Contracted Instructional Services between Public Schools	4,226,286	2,278,124	1,948,162
Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements	721,488	995,729	(274,241)
Payments to Juvenile Justice Alternative Education Programs	61,482	3,000	58,482
Payments to Tax Increment Fund	2,486,362	1,990,493	495,869
Other Intergovernmental Charges	1,363,922	1,170,562	193,360
Total Expenses	626,798,263	554,300,137	72,498,126
Increase (Decrease) in Net Position	(15,482,041)	(23,430,996)	7,948,955
Net Position - Beginning	91,736,340	115,167,336	(23,430,996)
Net Position - Ending	\$ 76,254,299	\$ 91,736,340	\$ (15,482,041)

Revenues increased by \$80.4 million from the prior year due to increases in operating grants and contributions, property taxes and interest income.

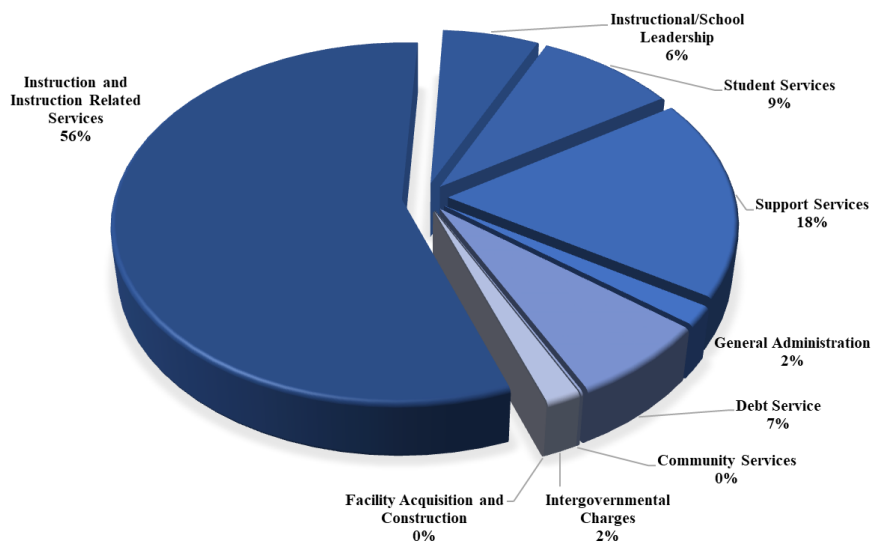
The following Figure A-4 illustrates the District’s sources of revenue for the current fiscal year.

**FIGURE A-4
SOURCES OF REVENUE FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



The total cost of all programs and services totaled \$498.5 million. The following Figure A-5 depicts the net costs of services (total cost less program revenue and intergovernmental aid) for the District aggregated by functional areas. Approximately 56% of the District’s governmental activities were dedicated to instructional areas. Direct student services, such as guidance and counseling, nursing, and transportation services, comprised 9% of governmental expenses. The cost to operate facilities, including utilities, security and data processing comprised 18% of net costs.

**FIGURE A-5
NET COST FOR THE FISCAL YEAR ENDED JUNE 30, 2023**



FUND LEVEL FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide a more detailed account of specific District programs and activities.

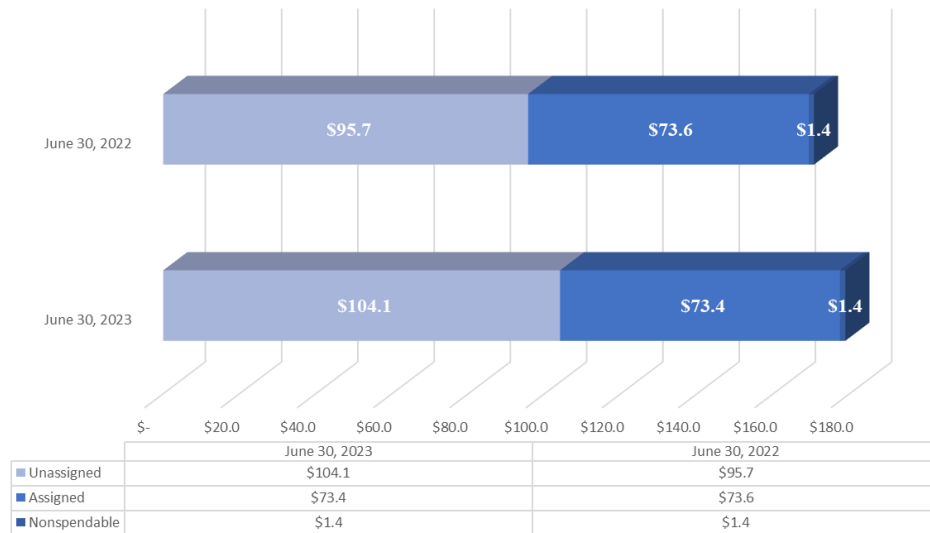
Governmental Funds

The focus of the District’s governmental funds is to provide information on current 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 discretionary use since this is the portion of fund balance that has not yet been limited to a particular purpose.

The General Fund is the chief operating fund of the District. At June 30, 2023, the fund balance in the General Fund was \$179,185,352, an increase of \$8,489,187 in comparison to the prior year. Of this amount, \$104,138,245, or 58%, constitutes the unassigned fund balance, which is available for spending at the District’s discretion. The increase in fund balance can be attributed to the increase in investment earnings as well as federal revenue received from the SHARS program and indirect cost charged to the federal grants. During the current year, the SHARS program reimbursement received increased by \$1.57 million, 15.9% more than the previous year, due to an increase in the number of eligible students served. In addition, the indirect cost revenue received from federal grants increased by \$2.9 million, 50.7% more than the previous year. A total of \$6.3 million in indirect cost revenue was received for the ESSER II and ESSER III grants. The District expended \$32.6 million on these grants, and were reimbursed at the unrestricted indirect cost rate of 18.892%.

It is useful to compare unassigned fund balance to total expenditures for the fund as a measure of liquidity – to determine the portion of annual operating costs that could be funded without cash inflows. For the current fiscal year, the unassigned fund balance represents 27% of total General Fund expenditures.

**Figure A-6
Components of Fund Balance
General Fund
(in millions of dollars)**



At June 30, 2023, the District’s governmental funds reported combined fund balances of \$513,585,287, a decrease of \$5.4 million. Approximately 20.3% (\$104,138,245) of the total combined fund balances is unassigned and available for spending at the District’s discretion. The remainder of the fund balances is either non-spendable, restricted, committed, or assigned:

- *Non-spendable* means the balance is not in spendable form (e.g. inventories and prepaid items). The total balance of non-spendable funds is \$1,484,380.
- *Restricted* balances are legally required to be maintained intact or are restricted for particular purposes by a third party (e.g. funds restricted by bond covenants or by federal granting agencies). The total combined restricted balance for governmental funds is \$314,085,859.

- *Committed* balances total \$15,788,234 and are committed to serve a particular purpose by the District’s Board of Trustees. This total includes funds committed for the District’s local Permanent School Fund which had a balance of \$13,128,375 at June 30, 2023.
- *Assigned* balances are tentatively earmarked by management for a particular program or purpose. Total assigned funds at June 30, 2023 totaled \$78,088,569.

Further information on each type of fund balance can be found within Note 1 on pages 33-34 of this report.

The overall decrease in fund balance is attributed from the increase in expenditures of \$89.8 million in the Capital Projects Fund. The change in fund balance in the Capital Projects Fund resulted in the decrease in total restricted fund balance illustrated in Figure A-7 below.

**Figure A-7
Components of Fund Balance
Other Governmental Funds
(in millions of dollars)**



Changes in the fund balances of other individual governmental funds were as follows:

- The Child Nutrition Fund recognized an increase in fund balance of \$1,959,157 due to an increase in local revenue.
- The Non-Major Governmental Funds increased \$1,135,763 during the current fiscal year. This increase is due to District’s portion of the Tax Increment Fund (TIF) from the City of Dallas of \$745,908. The TIF revenue is reported in the District’s Permanent School Fund, which is controlled by the Board of Trustees.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

During the year, the most significant amendments to the original budget were as follows:

- Appropriations
 - Instruction increased by \$5.7 million to cover payroll costs;
 - Guidance, counseling and evaluation services increased by \$1.1 million to cover special education evaluation services;
 - Maintenance and operations increased by \$4.8 million to cover overtime, rising utility costs, and an increase in property insurance;

- Student transportation increased by \$4.7 million to cover payroll costs;
- Extracurricular activities increased by \$1.3 million to cover increased extracurricular activities;
- Security and monitoring increased by \$2.8 million to cover increased costs for resource officers;
- Facilities acquisition and construction decreased by \$4 million to support the employee day care renovation in the local capital projects fund; and
- Contracted instructional services between public schools increased by \$1.4 million to cover the cost of attendance credits to offset excess revenue.

Final Budget Compared to Actual Results

As of June 30, 2023, actual revenue exceeded the final estimated revenues by \$38.1 million, and final appropriations exceeded actual expenditures by \$21.1 million. The most significant variances are summarized below:

- Property tax collections exceeded budget by \$11.6 million. Current year tax collections are budgeted at 98% of levy. However, actual collections were 98.9%. In addition, penalties and interest related to delinquent property taxes, exceeded budget by \$0.8 million.
- Tuition from the xPlore after school program exceeded budget by \$1.5 million due to participation rates steadily returning to pre-COVID-19 enrollment.
- Expenditures varied due to unfilled positions, attrition and unspent funds within departmental budgets.

Budget amendments and adjustments were made over the course of the year to account for prior year rollovers of encumbered funds and to give flexibility within functional budgets. Additionally, significant amendments were made at the end of the fiscal year in anticipation of liabilities that may be owed but not paid by June 30 and to safeguard against overspending at the fund-function level.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District’s investment in capital assets as of June 30, 2023 totals \$882,446,974 (net of accumulated depreciation/amortization). This investment in capital assets includes land, equipment, buildings, communications systems, and vehicles and represents a 17.5% increase in capital assets for the current fiscal year.

**Table A-8
District's Capital Assets**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>
Land and Improvements	\$ 73,009,019	\$ 65,824,988	7,184,031
Building and Improvements	1,112,934,498	1,110,626,942	2,307,556
Furniture, Equipment and Vehicles	163,005,329	151,115,769	11,889,560
Right-to-Use Lease Assets	21,858,719	5,455,085	16,403,634
Construction in Progress	215,700,727	74,274,370	141,426,357
Total	<u>1,586,508,292</u>	<u>1,407,297,154</u>	<u>179,211,138</u>
Accumulated Depreciation/Amortization	<u>(704,061,318)</u>	<u>(656,051,580)</u>	<u>(48,009,738)</u>
Net Capital Assets	<u>\$ 882,446,974</u>	<u>\$ 751,245,574</u>	<u>\$ 131,201,400</u>

Major capital assets events during the current fiscal year included the following:

- The renovation of baseball and softball fields at Berkner, Lake Highlands and Richardson High Schools with an added cost of \$7.2 million;

- The renovation for a new daycare on Beltline Road totaling \$2 million;
- The purchase of \$2.4 million of school buses;
- The restatement and addition of \$16 million for subscription-based information technology arrangements (SBITAs);
- The purchase of new furniture and equipment at Pearce High School and Lake Highlands Junior High totaling \$3.3 million; and
- On-going renovation projects with a cost expended as of June 30, 2023 of \$208 million.

More detailed information about the District’s capital assets can be found in Note 5 on page 39 of this report.

Long-Term Debt

The District’s debt-management policies seek to provide the most favorable climate for debt projects while adhering to taxpayers’ expectations that the District will be a prudent and conservative steward with the tax dollars that have been entrusted to it. Management’s policies include the following points:

- All debt service obligations will be met when due.
- A financial advisor is consulted regularly to review outstanding obligations and ensure the most favorable funding structure for the District.
- Debt will be structured to recognize positive debt savings.
- The District will maintain a goal of generally matching asset lives with the maturities of liabilities incurred, which will also maintain our aggressive debt repayment schedule.
- The District will build capacity for debt in the debt plan and maintain debt capacity for the future.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- All necessary information and material regarding the District’s financial statuses will be provided to the appropriate parties.
- The District will continue to develop debt plans with community input.

At the end of the current fiscal year, the District had total bonded debt outstanding of \$952,430,000, all of which is considered to be direct tax supported debt. The remainder of the District’s long-term obligations is comprised of actuarially determined workers compensation claims payable, compensated absences, capital financing arrangements and unamortized bond premiums.

**Table A-9
District's Outstanding Debt**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>
Unlimited Tax School Building Bonds	\$ 774,775,000	\$ 621,850,448	152,924,552
Unlimited Tax Refunding Bonds	177,655,000	194,959,552	(17,304,552)
Unamortized Bond Premium	85,398,299	84,359,505	1,038,794
Compensated Absences	1,003,175	1,021,893	(18,718)
Lease Liability	1,823,487	2,328,506	(505,019)
SBITA Liability	2,196,252	1,442,323	753,929
Workers' Compensation Claims Payable	1,545,775	1,442,323	103,452
Total Long-Term Debt	<u>\$ 1,044,396,988</u>	<u>\$ 907,404,550</u>	<u>136,992,438</u>

The District’s total outstanding long-term debt increased by 15% during the current fiscal year.

The District issued \$193,930,000 in Unlimited Tax School Building Bonds, with the proceeds being used for capital construction, repairs, safety and security and technology. These sales resulted in \$7,592,915 in unamortized bond premiums. In addition, the District entered into and recognized liabilities for SBITAs totaling \$9,728,844.

Note 7 on pages 40-41 of this report contains more detailed information about the District's long-term debt activity, including incremental payment schedules. The amount of general bonded debt outstanding and the total primary government debt per capita are also useful indicators of the District's debt position. That data is represented in Exhibit S-12 on page 99 of this report.

The District maintained its high underlying credit ratings of AA+ from Standards & Poor's and Aaa from Moody's Investors Service. These ratings result in lower debt issuance costs for the District.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected and appointed officials considered many factors when setting the budget. The District's main priority is student achievement gains, achieved by focusing on the following Board goals:

- The percent of students who score at the meets level in 3rd grade reading will grow from 49% to 60% by June 2027.
- The percent of students who score at the meets level in 3rd grade math will grow from 43% to 55% by June 2027.
- College, Career, Military Readiness (CCMR) indicator score for all students will increase from 55% to 70% by June 2027.

The 2023-2024 budget, adopted on June 8, 2023, was built to foster the achievement of these goals in a financially sustainable manner.

The General Operating budget was built on a projected student enrollment of 35,447.

The District's property value grew by 2.27%, which resulted in the decrease of the M&O tax rate from \$0.9646 to \$0.7931 per hundred dollars of valuation. The General Operating adopted revenue budget decreased by \$4.0 million when compared to the previous year. The decrease is due to taxpayer decline in student enrollment.

In addition, the following factors were considered in developing the 2023-2024 budget:

- In order to remain competitive and encourage employee retention, the District increased the starting salary for new teachers, and provided a 3% - 8% raise for returning employees;
- Increases in utility, fuel, election and Dallas County Appraisal costs resulted in increases in the expenditure budget.

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 demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent of Finance and Support Services at 400 South Greenville Avenue, Richardson, Texas 75081, or call (469) 593-0331.

Basic Financial Statements

Government-wide Financial Statements

Richardson Independent School District
Statement of Net Position
June 30, 2023

Exhibit A - 1

<u>Data Control Codes</u>		<u>1 Governmental Activities</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 382,910,817
1120	Current investments	205,742,896
1220	Delinquent property taxes receivables	11,305,083
1230	Allowance for uncollectible taxes	(1,219,717)
1240	Due from other governments	34,283,632
1250	Accrued interest	164,113
1290	Other receivables (net)	951,388
1300	Inventories	1,482,383
1410	Prepaid items	1,997
	Capital assets:	
1510	Land and improvements, net	64,462,581
1520	Buildings and improvements, net	556,277,059
1530	Furniture and equipment, net	27,859,842
1550	Intangible right to use assets, net	14,419,496
1580	Construction in progress	215,700,727
1590	Communication systems, net	3,727,269
1910	Long-term investments	9,550,110
1000	Total assets	1,527,619,676
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred losses on debt refundings	2,537,336
1705	Deferred pension outflows	68,910,392
1710	Deferred OPEB outflows	40,769,028
1700	Total deferred outflows of resources	112,216,756
	LIABILITIES	
2110	Accounts payable	39,196,739
2120	Other liabilities	475,327
2140	Interest payable	15,883,767
2150	Payroll deductions & withholdings	2,063,993
2160	Accrued wages payable	42,308,279
2177	Due to fiduciary funds	533,810
2180	Due to other governments	21,650,118
2200	Accrued expenses	1,843,332
2300	Unearned revenue	3,188,593
2400	Retainage payable	9,170,208
	Noncurrent liabilities:	
2501	Due within one year	47,112,910
2502	Due in more than one year	997,284,078
2540	Net pension liability	158,116,832
2545	Net OPEB liability	82,884,149
2000	Total liabilities	1,421,712,135
	DEFERRED INFLOWS OF RESOURCES	
2600	Deferred lease inflows	182,163
2605	Deferred pension inflows	13,710,944
2610	Deferred OPEB inflows	127,976,891
2600	Total deferred inflows of resources	141,869,998
	NET POSITION	
3200	Net investment in capital assets	97,084,676
	Restricted for:	
3820	Federal and state grants	698,844
3850	Debt service	27,032,737
3890	Child nutrition	9,150,404
3900	Unrestricted	(57,712,362)
3000	Total net position	\$ 76,254,299

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

Richardson Independent School District
Statement of Activities
For the year ended June 30, 2023

Exhibit B - 1

Data Control Codes	Functions/Programs	Program Revenues			Net (Expense) / Revenue and Changes in Net Position
		1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	6 Governmental Activities
Primary government:					
Governmental activities:					
11	Instruction	\$ 334,496,270	\$ 3,709,524	\$ 62,648,271	\$ (268,138,475)
12	Instructional resources and media services	8,719,527	-	541,655	(8,177,872)
13	Curriculum and staff development	15,996,616	-	11,251,821	(4,744,795)
21	Instructional leadership	7,729,745	-	1,708,040	(6,021,705)
23	School leadership	27,145,262	-	2,642,118	(24,503,144)
31	Guidance, counseling, and evaluation services	21,706,075	-	4,717,315	(16,988,760)
32	Social work services	2,054,735	-	526,079	(1,528,656)
33	Health services	6,458,715	-	496,910	(5,961,805)
34	Student transportation	12,042,709	-	867,003	(11,175,706)
35	Food service	17,326,563	3,189,008	15,812,775	1,675,220
36	Extracurricular activities	11,930,890	619,370	921,144	(10,390,376)
41	General administration	13,141,564	-	4,679,137	(8,462,427)
51	Plant maintenance and operations	83,190,718	2,821,437	6,436,406	(73,932,875)
52	Security and monitoring services	5,934,527	-	813,564	(5,120,963)
53	Data processing services	11,314,010	-	683,903	(10,630,107)
61	Community services	2,092,009	-	1,505,841	(586,168)
72	Interest on long-term debt	36,658,788	-	1,493,762	(35,165,026)
91	Contracted instructional services between schools	4,226,286	-	-	(4,226,286)
93	Payments related to shared services arrangements	721,488	-	244,822	(476,666)
95	Juvenile justice alternative education programs	61,482	-	-	(61,482)
97	Payments to tax increment fund	2,486,362	-	-	(2,486,362)
99	Other intergovernmental charges - appraisal cost	1,363,922	-	-	(1,363,922)
TG	Total governmental activities	<u>\$ 626,798,263</u>	<u>\$ 10,339,339</u>	<u>\$ 117,990,566</u>	<u>(498,468,358)</u>
TP	TP Total primary government	<u>\$ 626,798,263</u>	<u>\$ 10,339,339</u>	<u>\$ 117,990,566</u>	<u>(498,468,358)</u>
General revenues:					
Taxes:					
	Property taxes, levied for general purposes				289,514,267
	Property taxes, levied for debt service				103,633,606
	State aid-formula grants, unrestricted				50,885,279
	Grants and contributions not restricted to specific programs				11,503,040
	Investment earnings				22,529,534
	Miscellaneous				4,920,591
	Total general revenues				<u>482,986,317</u>
	Change in net position				(15,482,041)
	Net position—beginning				91,736,340
	Net position—ending				<u>\$ 76,254,299</u>

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

Governmental Funds Financial Statements

**Richardson Independent School District
Balance Sheet
Governmental Funds
June 30, 2023**

Exhibit C - 1

Data Control Codes	10 General Fund	24 Child Nutrition Fund	50 Debt Service Fund	60 Capital Projects Fund	Non-major Governmental Funds	98 Total Governmental Funds
ASSETS						
1110 Cash and cash equivalents	\$ 146,383,485	\$ 7,452,022	\$ 10,241,843	\$ 214,463,855	\$ 1,393,421	\$ 379,934,626
1120 Current investments	78,556,632	2,957,182	24,897,694	88,455,500	10,875,888	205,742,896
1220 Delinquent property taxes receivable	8,450,975	-	2,854,108	-	-	11,305,083
1230 Allowance for uncollectible taxes	(945,435)	-	(274,282)	-	-	(1,219,717)
1240 Receivables from other governments	10,050,578	118,018	-	-	24,115,036	34,283,632
1250 Accrued interest	50,955	-	-	-	113,158	164,113
1260 Due from other funds	9,817,999	-	5,889,216	-	5,675,446	21,382,661
1290 Other receivables	205,480	-	-	-	745,908	951,388
1300 Inventories	1,380,480	101,903	-	-	-	1,482,383
1410 Prepaid Items	1,997	-	-	-	-	1,997
1910 Long-Term Investments	-	-	-	-	9,550,110	9,550,110
1000 Total assets	<u>253,953,146</u>	<u>10,629,125</u>	<u>43,608,579</u>	<u>302,919,355</u>	<u>52,468,967</u>	<u>663,579,172</u>
Total assets and deferred outflows of resources	<u>253,953,146</u>	<u>10,629,125</u>	<u>43,608,579</u>	<u>302,919,355</u>	<u>52,468,967</u>	<u>663,579,172</u>
LIABILITIES						
2110 Accounts payable	3,073,826	121,453	-	35,246,700	700,661	39,142,640
2120 Other liabilities	408,320	632	-	59,116	6,558	474,626
2150 Payroll deductions and withholdings	2,063,993	-	-	-	-	2,063,993
2160 Accrued wages payable	36,784,508	337,046	-	-	5,175,758	42,297,312
2170 Due to other funds	3,527,432	1,013,453	-	70,988	17,366,346	21,978,219
2180 Payable to other governments	20,958,043	-	692,075	-	-	21,650,118
2200 Accrued expenditures/expenses	1,843,332	-	-	-	-	1,843,332
2300 Unearned revenue	-	6,137	-	-	3,182,456	3,188,593
2400 Retainage payable	-	-	-	9,170,208	-	9,170,208
2000 Total liabilities	<u>68,659,454</u>	<u>1,478,721</u>	<u>692,075</u>	<u>44,547,012</u>	<u>26,431,779</u>	<u>141,809,041</u>
DEFERRED INFLOWS OF RESOURCES						
2600 Unavailable revenue	5,926,177	-	2,076,504	-	-	8,002,681
2605 Deferred Lease Inflow	182,163	-	-	-	-	182,163
Total deferred inflows of resources	<u>6,108,340</u>	<u>-</u>	<u>2,076,504</u>	<u>-</u>	<u>-</u>	<u>8,184,844</u>
FUND BALANCES						
Nonspendable:						
3410 Inventories	1,380,480	101,903	-	-	-	1,482,383
3430 Prepaid Items	1,997	-	-	-	-	1,997
Restricted for:						
3450 Child nutrition program	-	9,048,501	-	-	-	9,048,501
3450 Federal and state grants	-	-	-	-	698,844	698,844
3470 Capital acquisitions and contractual obligations	-	-	-	253,948,404	-	253,948,404
3480 Retirement of long term debt	-	-	40,840,000	-	-	40,840,000
3490 Long-term investments	-	-	-	-	9,550,110	9,550,110
Committed to:						
3545 Local grants, awards and contributions	-	-	-	-	15,788,234	15,788,234
Assigned to:						
3550 Construction	20,000,000	-	-	4,423,939	-	24,423,939
3560 Claims and judgments	2,000,000	-	-	-	-	2,000,000
3590 Insurance deductible	8,000,000	-	-	-	-	8,000,000
3590 Instructional projects	3,000,000	-	-	-	-	3,000,000
3590 Compensated absences	1,003,175	-	-	-	-	1,003,175
3590 Equipment acquisition, repair and replacement	24,812,801	-	-	-	-	24,812,801
3590 2023-2024 Budget Deficit	14,848,654	-	-	-	-	14,848,654
3600 Unassigned	104,138,245	-	-	-	-	104,138,245
3000 Total fund balances	<u>179,185,352</u>	<u>9,150,404</u>	<u>40,840,000</u>	<u>258,372,343</u>	<u>26,037,188</u>	<u>513,585,287</u>
4000 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 253,953,146</u>	<u>\$ 10,629,125</u>	<u>\$ 43,608,579</u>	<u>\$ 302,919,355</u>	<u>\$ 52,468,967</u>	<u>\$ 663,579,172</u>

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

Richardson Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Exhibit C - 1R

Total fund balances - governmental funds (Exhibit C-1)	\$ 513,585,287
<p>Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	882,446,974
Certain receivables will be earned this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources at the fund level.	8,002,681
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(952,430,000)
Accrued interest on the bonds	(15,883,767)
Compensated absences	(1,003,175)
Lease Liability	(1,823,487)
SBITA Liability	(2,196,252)
Unamortized bond premium	(85,398,299)
Accounting losses resulting from debt refunding transactions are deferred outflows of resources at the government-wide level and amortized over the life of the debt.	2,537,336
Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation. The assets and liabilities of the internal service funds (Exhibit D-1) are included in governmental activities in the Statement of Net Position.	1,426,397
The District's portion of the TRS net pension liability and related deferred inflows and deferred outflows are not current in nature and therefore not reported in the funds.	(102,917,384)
The District's portion of the TRS OPEB liability and related deferred inflows and deferred outflows are not current in nature and therefore not reported in the funds.	(170,092,012)
Total net position - governmental activities (Exhibit A-1)	\$ 76,254,299

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

Richardson Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

Exhibit C - 2

Data Control Codes	10	24	50	60	98		
	General Fund	Child Nutrition Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds	
REVENUES							
5700	Local and intermediate sources	\$ 305,794,571	\$ 3,556,454	\$ 106,963,378	\$ 12,822,728	\$ 3,746,111	\$ 432,883,242
5800	State program revenues	72,992,345	80,101	1,214,797	-	2,178,767	76,466,010
5900	Federal program revenues	20,250,419	14,879,403	-	-	60,478,664	95,608,486
5020	Total revenues	<u>399,037,335</u>	<u>18,515,958</u>	<u>108,178,175</u>	<u>12,822,728</u>	<u>66,403,542</u>	<u>604,957,738</u>
EXPENDITURES							
Current:							
0011	Instruction	230,928,961	-	-	29,238,892	45,823,768	305,991,621
0012	Instructional resources and media services	5,707,716	-	-	3,173,771	184,146	9,065,633
0013	Curriculum and staff development	8,490,102	-	-	988,742	7,448,972	16,927,816
0021	Instructional leadership	6,492,692	-	-	2,416	1,220,487	7,715,595
0023	School leadership	26,024,176	-	-	8,688	1,070,731	27,103,595
0031	Guidance, counseling, and evaluation services	18,769,231	-	-	29,526	3,415,037	22,213,794
0032	Social work services	1,581,108	-	-	12,178	448,092	2,041,378
0033	Health services	6,114,286	-	-	718,223	134,358	6,966,867
0034	Student transportation	10,257,572	-	-	2,411,620	168,810	12,838,002
0035	Food service	733,411	16,323,999	-	1,284	369,183	17,427,877
0036	Extracurricular activities	7,529,745	-	-	6,760,580	730,334	15,020,659
0041	General administration	10,560,811	-	-	378,432	394,333	11,333,576
0051	Plant maintenance and operations	36,049,069	232,802	-	47,057,822	2,242,645	85,582,338
0052	Security and monitoring services	4,933,238	-	-	482,103	705,356	6,120,697
0053	Data processing services	4,297,470	-	-	12,273,751	371,632	16,942,853
0061	Community services	710,729	-	-	-	1,372,359	2,083,088
Debt service:							
0071	Principal on long-term debt	129,433	-	58,310,000	7,561,343	379,100	66,379,876
0072	Interest on long-term debt	5,408	-	34,955,840	38,811	-	35,000,059
0073	Bond issuance costs and fees	-	-	1,554	1,522,916	-	1,524,470
Capital outlay:							
0081	Facilities acquisition and construction	-	-	-	144,293,509	-	144,293,509
Intergovernmental charges:							
0091	Contracted instructional services between schools	4,226,286	-	-	-	-	4,226,286
0093	Payments related to shared services arrangements	476,666	-	-	-	244,822	721,488
0095	Juvenile justice alternative education programs	61,482	-	-	-	-	61,482
0097	Payments to tax increment fund	-	-	2,486,362	-	-	2,486,362
0099	Other intergovernmental charges - appraisal cost	1,363,922	-	-	-	-	1,363,922
6030	Total expenditures	<u>385,443,514</u>	<u>16,556,801</u>	<u>95,753,756</u>	<u>256,954,607</u>	<u>66,724,165</u>	<u>821,432,843</u>
1100	Excess (deficiency) of revenues over expenditures	<u>13,593,821</u>	<u>1,959,157</u>	<u>12,424,419</u>	<u>(244,131,879)</u>	<u>(320,623)</u>	<u>(216,475,105)</u>
OTHER FINANCING SOURCES (USES)							
7911	Capital-related debt issued (regular bonds)	-	-	-	193,930,000	-	193,930,000
7912	Sale of real or personal property	163,052	-	-	-	-	163,052
7913	Leases (as lessee)	-	-	-	32,265	-	32,265
7915	Transfers in	-	-	-	4,000,000	1,000,000	5,000,000
7916	Premium on issuance of bonds	-	-	-	7,592,915	-	7,592,915
7949	Subscription-based information technology arrangements (SBITAs)	123,997	-	-	9,148,461	456,386	9,728,844
8911	Transfers out	(5,391,683)	-	-	-	-	(5,391,683)
7080	Total other financing sources and (uses)	<u>(5,104,634)</u>	<u>-</u>	<u>-</u>	<u>214,703,641</u>	<u>1,456,386</u>	<u>211,055,393</u>
1200	Net change in fund balances	8,489,187	1,959,157	12,424,419	(29,428,238)	1,135,763	(5,419,712)
0100	Fund balances--beginning	170,696,165	7,191,247	28,415,581	287,800,581	24,901,425	519,004,999
3000	Fund balances--ending	<u>\$ 179,185,352</u>	<u>\$ 9,150,404</u>	<u>\$ 40,840,000</u>	<u>\$ 258,372,343</u>	<u>\$ 26,037,188</u>	<u>\$ 513,585,287</u>

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

Richardson Independent School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Exhibit C - 2R

Net change in fund balances—total governmental funds (Exhibit C-2)	\$ (5,419,712)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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. This is the amount by which capital outlays (\$179,342,538) exceeded depreciation (\$48,074,343) in the current period.</p>	
	131,268,195
<p>In the statement of activities, only the loss on the asset disposals are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets disposed.</p>	
	(66,795)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	1,003,748
<p>Repayment of long-term debt principal on bond, leases and SBITAs are expenditures in the governmental funds, but these activities reduce long-term liabilities in the statement of net position.</p>	
	66,379,876
<p>Bond issuances, leases and SBITAs are shown as other resources in the governmental funds but are shown as increases in long-term debt in the statement of net position.</p>	
	(211,284,024)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Amortization of bond premiums	6,554,121
Change in interest payable	(5,718,380)
Change in compensated absences	18,718
Amortization of deferred loss on refunding	(970,000)
<p>Internal service funds are used by management to charge the costs of certain activities, such as workman's compensation, to individual funds. The net revenue (expense) of the internal service funds (Exhibit D-2) is reported with governmental activities.</p>	
	(1,247,062)
<p>Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net pension liability affect government-wide pension expense but have no impact at the governmental fund level.</p>	
	(6,571,519)
<p>Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS OPEB liability affect government-wide pension expense but have no impact at the governmental fund level.</p>	
	10,570,793
Change in net position of governmental activities (Exhibit B-1)	\$ (15,482,041)

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

Proprietary Funds Financial Statements

Richardson Independent School District
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

Exhibit D - 1

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Funds (See H-4)</u>
ASSETS		
Current assets:		
1110	Cash and Investments	\$ 2,976,191
1260	Due from other funds	63,455
	Total current assets	<u>3,039,646</u>
	Total assets	<u>3,039,646</u>
 LIABILITIES		
Current liabilities:		
2110	Accounts payable	54,099
2120	Other Liabilities	701
2160	Accrued wages payable	10,967
2170	Due to other funds	1,707
2210	Claims and judgments	770,296
	Total current liabilities	<u>837,770</u>
Noncurrent liabilities:		
2210	Claims and judgments	775,479
	Total noncurrent liabilities	<u>775,479</u>
	Total liabilities	<u>1,613,249</u>
 NET POSITION		
3900	Unrestricted	1,426,397
	Total net position	<u>\$ 1,426,397</u>

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

Richardson Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2023

Exhibit D - 2

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Funds (See H-5)</u>
	Operating revenues:	
5754	Charges for services	\$ 1,400,528
	Total operating revenues	<u>1,400,528</u>
	Operating expenses:	
6100	Personnel services	699,863
6200	Contractual services	337,981
6300	Supplies	282,589
6429	Insurance claims and expenses	1,809,058
6400	Other operating expenses	9,086
	Total operating expenses	<u>3,138,577</u>
	Operating loss	<u>(1,738,049)</u>
	Nonoperating revenues:	
5742	Interest and investment revenue	99,304
	Total non-operating revenue	<u>99,304</u>
	Loss before transfers	<u>(1,638,745)</u>
	Transfers:	
7915	Transfers in	391,683
	Total transfers	<u>391,683</u>
	Change in net position	(1,247,062)
	Total net position—beginning	<u>2,673,459</u>
3900	Total net position—ending	<u>\$ 1,426,397</u>

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

**Richardson Independent School District
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023**

Exhibit D - 3

	Governmental Activities Internal Service Funds (See H-6)
CASH FLOWS FROM OPERATING ACTIVITIES	
Internal activity - receipts from other funds	1,424,618
Payments to suppliers	(2,450,746)
Payments to employees	(701,674)
Internal activity - disbursements to other funds	(13,604)
Claims paid	105,923
Net cash used by operating activities	(1,635,483)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	391,683
Net cash provided by noncapital financing activities	391,683
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	100,109
Net cash provided by investing activities	100,109
Net decrease in cash and investments	(1,143,691)
Cash - beginning of the year	4,119,882
Cash - end of the year	\$ 2,976,191
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,738,049)
Change in assets and liabilities:	
Due from (to) other funds	10,486
Accounts payable	(12,032)
Claims payable	103,452
Payroll deductions and withholdings payable	660
Net cash used by operating activities	\$ (1,635,483)

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

Fiduciary Fund Financial Statements

**Richardson Independent School District
Statement of Fiduciary Net Position
June 30, 2023**

Exhibit E - 1

	<u>Custodial Funds</u>
ASSETS	
Due from other funds	\$ 533,810
Total assets	<u>\$ 533,810</u>
LIABILITIES	
Accounts payable	\$ 16,355
Other Liabilities	1,208
Total liabilities	<u>\$ 17,563</u>
NET POSITION	
Restricted for student activities	\$ 516,247
Total net position	<u>\$ 516,247</u>

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

Richardson Independent School District
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2023

Exhibit E- 2

	Custodial Funds
Contributions	
Gifts and contributions	\$ 44,908
Revenues from student activities	481,359
Revenues from fundraising activities	217,714
Total contributions	743,981
Deductions	
Contractual services	219,562
Payments for student activities	432,440
Total deductions	652,002
Change in net position	91,979
Total net position—beginning	424,268
Total net position—ending	\$ 516,247

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

Notes to the Financial Statements

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Richardson Independent School District (the “District”) Board of Trustees (the “Board”), a seven-member group all of whom are elected officials, has governance responsibilities and control over all activities related to public elementary and secondary education in the City of Richardson and portions of the cities of Dallas and Garland. The Board is not included in any other governmental “reporting entity” as defined in Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards issued by the Government Accounting Standards Board (GASB). The District implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, and it was determined that there are no component units that would have a material effect on the District’s financial statements.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to governmental units.

Government-Wide and Fund Financial Statements - The *Statement of Net Position* and the *Statement of Activities* report information on all of the nonfiduciary activities of the District. Taxes and intergovernmental revenues normally support governmental activities. The effect of interfund activity has been removed from these statements as internal services provided and used are eliminated in the process of consolidation.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges for services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Program revenues included in the *Statement of Activities* reduce the cost of the function to be financed from general activities. Taxes and other items not identifiable as program revenues are reported instead as general revenues.

The District reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the program expenses of each function.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Fund Financial Statements - 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. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recognized in the current fiscal year for debt service principal and interest payments due within 30 days of the subsequent fiscal year. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and interest associated with the current fiscal year are susceptible to accrual and are considered to be available if collected within 60 days of the fiscal year end.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2023

Under GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property taxes are imposed non-exchange revenues. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable, legal claim to the asset or when the entity receives the resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. Therefore, the District recognized taxes receivable and a deferred inflow of resources for taxes assessed as of October 1, 2022, which were not available as of June 30, 2023.

Investment earnings are recorded as earned since they are both measurable and available at the earnings date. All other revenue items, with the exception of grants, are considered measurable and available only when the District receives cash.

Grant Fund Accounting – The special revenue funds include programs that are financed on a project grant basis. These projects have grant periods that range from less than twelve months to in excess of two years. Grant funds are considered to be earned to the extent expenditures are made under the provisions of the grant. When grant funds are received in advance of being earned, they are recorded as unearned revenue until earnings criteria are met.

FUNDS

The District reports its financial activities through the use of “fund accounting”. The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purposes to assist management in demonstrating compliance with finance-related legal and contractual provisions. As required by the Texas Education Agency, the following funds are included in the financial statements.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District’s expendable financial resources and the related liabilities are accounted for through the governmental funds. The following are the District’s major governmental funds:

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses that are not paid through other funds are paid from the General Fund.

Child Nutrition Fund – The Child Nutrition Fund is a special revenue fund used to account for the proceeds received from and costs associated with food service operations. Funds are legally restricted for use within the Child Nutrition Program.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, long-term debt principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, renovation or construction of major capital projects.

Other Governmental Funds are used to account for funds received from other governmental agencies or local sources that are legally restricted or locally committed to expenditures for specified purposes. These funds also account for receipts and expenditures of resources transferred from the General Fund to finance specified activities. Activities included within these non-major special revenue funds are as follows:

Federal Grants – Used to account for grants whose primary sources are funds from the federal government, either received directly from the funding agency or passed through the State.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

State Grants – Used to account for grants whose primary sources are funds from the Texas Education Agency and other State agencies.

Local Funds – Used to account for all other grants and the District’s local Permanent School Fund, a sub-fund of the Local Funds. The primary funding sources are local governments and other non-government entities. The local Permanent School Fund’s primary sources are transfers from the General Fund, the closing of other funds, and awards earned by the District.

Proprietary Funds

Proprietary funds are funds used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of providing the service as well as administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds – Internal service funds are used to account for operations related to risk financing activities and for financing goods or services of one organizational unit of the District for another. The District has internal service funds for Workers’ Compensation, Print Shop, Discretionary Renovations, and Building Supplies.

Fiduciary Funds

All fiduciary funds, including custodial funds, use the accrual, rather than the modified accrual, basis of accounting.

Custodial Fund – A custodial fund is used to account for assets held by the District in a trustee capacity or as a custodian for individuals, organizations, and/or other funds. The Student Activity Fund accounts for the receipt and disbursement of monies from student activity organizations. Receivables may exist in this account when cash transactions flow through a shared bank account that creates a “due from other funds” for in-transit items. This accounting reflects the District’s custodial relationship with the student activity organizations.

ASSETS, LIABILITIES AND DEFERRED INFLOWS/OUTFLOWS

Cash and Cash Equivalents – The District’s cash and cash equivalents include cash on hand, demand deposits, money markets, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - Investments are recorded at fair value. Fair value is determined by the amount at which a financial instrument can be exchanged in a current transaction between willing parties. District management believes that the District adheres to the requirements of the State of Texas Public Funds Investment Act regarding investment practice, management reports and establishment of appropriate policies. Additionally, management believes that the investment practices of the District are in accordance with local policies for the current fiscal year.

Receivables and Payables – Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” All residual balances between governmental activities are eliminated in the government-wide statements. All property taxes receivable and the allowance for uncollectible taxes are reported in the government-wide statements.

Inventories – Inventories include plant maintenance and operating supplies, instructional supplies, and food commodities. Inventories of supplies are carried on the balance sheet at weighted average cost and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023

at no cost, the market values are supplied by the Texas Department of Agriculture and are recorded as inventory on the date received.

Revenues related to the receipt of food commodities are recorded when title passes to the District, which is when the commodity is used. The balance of commodities inventory received but not consumed is recorded as unearned revenue in the Child Nutrition Fund. All inventories are offset at year-end by nonspendable fund balance in the fund financial statements.

Encumbrances – Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to assign the portion of the applicable appropriation. This methodology is employed in the governmental fund financial statements. Encumbrances are not liabilities and are therefore not recorded as expenditures until receipt of the material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are re-appropriated in the next fiscal year. None of the individual encumbrances reported are considered significant to the financial statements.

Compensated Absences - Employees of the District are granted vacation and sick leave annually. Teachers do not receive paid vacations but are paid only for the number of days they are required to work each year. The District’s policy permits full-time classified employees in positions that require 12 months of service to be eligible to accumulate a limited amount of earned but unused salary-related vacation time which will be paid upon termination from District service, subject to specific deductions. The District accrues salary-related payments earned for vacation days in the government-wide financial statements. Accumulated sick leave is not paid out upon termination; accordingly, no liability for unused sick leave has been recorded.

Capital Assets – Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life more than one year. As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Classification</u>	<u>Useful Life</u>
Land Improvements	10 - 20 years
Building and Building Improvements	15 - 30 years
Furniture and Other Equipment	5 - 20 years
Right-to-use Lease Asset	1 - 20 years

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the *Statement of Net Position*. Effective for bonds issued after September 1, 2002, bond premiums and discounts are reported as a liability or contra-liability, as appropriate, and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources while discounts on debt issuances and payments to bond refunding escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

Leases

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

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

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

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

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

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

Lessor – The District is a lessor for non-cancellable leases agreements. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITA) – The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2023

the government-wide and proprietary fund financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

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.

Other Post-Employment Benefits (OPEB) - 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.

Deferred Outflows/Inflows of Resources – In addition to assets and liabilities, the government-wide *Statement of Net Position* and governmental fund *Balance Sheet* report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports amounts related to leases and deferred amounts related to pension and OPEB.

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 Post-employment Benefits – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments and 2) changes in the District’s proportional share of pension liabilities. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit 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 post-employment benefit plan.

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 Post-employment Benefits – 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 post-employment related deferred inflows 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 post-employment benefit plan.

Data Control Codes - Data control codes refer to the account code structure prescribed by the Texas Education Agency, *Financial Accountability System Resource Guide*.

FUND BALANCES AND NET POSITION

Government-wide Financial Statements – Net position on the *Statement of Net Position* includes the following:

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2023

Net Investment in Capital Assets reports the difference between capital assets, net of accumulated depreciation, and the outstanding balance of debt, excluding unspent bond proceeds, which are directly attributable to the acquisition, construction or improvement of those capital assets.

Restricted for Federal and State Grants is the component of net position restricted to be spent for specific purposes prescribed by federal and state granting agencies.

Restricted for Debt Service is the component of net position that is restricted for payment of debt service by constraints established by the bond covenants.

Restricted for Child Nutrition is the component of net position restricted by the Department of Agriculture for use in the Child Nutrition Program.

Unrestricted Net Position is the residual difference between assets, deferred outflows, liabilities and deferred inflows that is not reported in the net investment in capital assets or net position restricted for specific purposes.

It is the District's policy to spend funds available from restricted sources prior to unrestricted sources.

Governmental Fund Financial Statements – Fund balances on the *Balance Sheet* include the following:

Nonspendable Fund Balance is the portion of the fund balance that is not expendable because it is either not in spendable form or it is legally or contractually required to be maintained intact. The District has classified inventory and prepaid expenditures as being nonspendable as these items are not expected to be converted to cash.

Restricted Fund Balance includes amounts restricted for a specific purpose by the provider (such as a grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital Projects bond funds are restricted by the bondholders for the specific purpose of capital projects and capital outlays. Child Nutrition and other Federal and State grant resources are restricted pursuant to the mandates of the granting agency.

Committed Fund Balance is that portion of fund balance that is committed to a specific purpose by the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the constraint by exercising the same type of action originally used to commit the funds. The Board of Trustees has committed resources as of June 30, 2023, for local grants and awards to be spent for campus activities. Additionally, fund balance associated with the District's Local Permanent School Fund has been committed to remain intact, with interest earnings used as an additional revenue source for the General Fund.

Assigned Fund Balance is that portion of fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose. Board policy CA (Local) delegates authority to assign fund balance to the Superintendent or Chief Financial Officer; although the Board may also directly assign fund balance for specific purposes. As of June 30, 2023, the District has assigned fund balance in the General Fund for the following purposes:

- Construction – assigned to renovation projects.
- Claims and judgments – assigned to cover potential claims and judgements.
- Insurance Deductibles – assigned to the coverage of the deductibles of certain insurance policies.
- Instructional Projects – assigned to cover instructional programs selected by the board and administration.
- Other Assignments:
 - Compensated absences – assigned to salary related payments for accrued and unused vacation days for qualifying employees.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

- Equipment acquisition, repair and replacement – assigned to accommodate unforeseeable catastrophic events.
- 2023-2024 Budget – assigned to offset the deficit budget adopted for the 2023-2024 fiscal year.

Unassigned Fund Balance is the difference between the total fund balance and the total of the non-spendable, restricted, committed, and assigned fund balances and can be utilized for any legal purpose. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

The following table classifies the fund balances for all major governmental funds by purpose. Committed fund balances are divided between federal, state and local sources, including the District’s Permanent School Fund (a sub-fund of the non-major Local Funds), based on the granting authority or local guidelines.

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
2023-2024 Budget Deficit	\$ -	\$ -	\$ -	\$ 14,848,654	\$ -
Capital Acquisitions and Construction	-	253,948,404	-	24,423,939	-
Child Nutrition Program	-	9,048,501	-	-	-
Claims and Judgments	-	-	-	2,000,000	-
Inventories	1,482,383	-	-	-	-
Insurance Deductible	-	-	-	8,000,000	-
Instructional Projects	-	-	-	3,000,000	-
Long-term Investments	-	9,550,110	-	-	-
Other Purposes:					
Compensated Absences	-	-	-	1,003,175	-
Equipment Acquisition, Repair and Replacement	-	-	-	24,812,801	-
Prepaid Items	1,997	-	-	-	-
Retirement of Long-Term Debt	-	40,840,000	-	-	-
State Grants	-	698,844	-	-	-
Local Grants					
Local Grants and Awards	-	-	2,659,859	-	-
Local Permanent School Fund	-	-	13,128,375	-	-
All Other Purposes	-	-	-	-	104,138,245
Total Fund Balance	\$ 1,484,380	\$ 314,085,859	\$ 15,788,234	\$ 78,088,569	\$ 104,138,245

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first from committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

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, deferred outflows, liabilities, and deferred inflows 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.

2. CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law, and these securities are held for safekeeping and trust with the District's and the depository bank’s agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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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.

Under Texas state law, a bank serving as the school depository must have a bond or, in lieu thereof, deposited or pledged securities with the District or an independent third-party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At June 30, 2023, the carrying amount of the District's deposits (cash) and outstanding checks was (\$12,996,077). The combined bank balance was \$154,758. During 2022-2023, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Frost Bank - Dallas
2. The date of the highest deposit was January 20, 2023, when combined cash, savings and time deposits amounted to \$23,473,629.
3. The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was \$34,216,797.
4. The total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities, repurchase agreements and certain other investments. The investments owned at fiscal year-end are held by the District or its agent in the District's name.

All investment pools utilized by the District meet the requirements of the Texas Public Funds Investment Act. The fair value of the positions in the pools is the same as the value of the pools. There are no limitations or restrictions on withdrawals (i.e. notice periods or maximum transaction amounts). The District invests the following investment pools:

TexPool is a public funds investment pool administered by the State Comptroller of Texas. The portfolio of *TexPool* is managed by Federated Investors, Inc., and the assets are held in a separate custodial account at the State Street Bank in the name of *TexPool*.

The Lone Star Investment Pool is governed by an 11 member board, all of whom are participants in the pool. American Beacon Advisors and BNY Mellon Cash Investment Strategies manage the investment of *Lone Star's* assets.

TexSTAR is co-administered by J.P. Morgan Asset Management, Inc. and Hilltop Securities, Inc.

The District complies with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Investment risks are addressed in the Public Funds Investment Act (PFIA), a legal document reviewed regularly by the District's authorized investment officers. Methodologies to mitigate and control these risks are included as part of the District's local investment policy.

- *Credit risk* is the risk that a security issuer may default on an interest or principal payment. 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. The District's policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of at least A or its equivalent.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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- *Custodial credit risk* is the risk that, in the event of the failure of a depository financial institution or counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover its deposits, value of its investments, or collateral securities that are in the possession of an outside party. The PFIA, the District’s investment policy, and Government Code Chapter 2257 “Collateral for Public Funds” contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments. The District’s funds are deposited and invested under terms of a depository contract with amounts greater than the FDIC insurance coverage protected by approved pledged securities held on behalf of the District. Public funds investment pools created to function as money market mutual funds must mark their portfolios to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. The District’s policy manages custodial credit risk by requiring securities purchased by a broker-dealer for the District to be held in a Safekeeping account in the District’s name. The policy also requires that security transactions be conducted on a delivery-versus-payment basis.
- *Concentration of credit risk* is the risk associated with holding investments that are not pools and full faith credit securities. These risks are controlled by limiting the percentages of these investments in the District’s portfolio. Investments held by the District as of June 30, 2023, are listed in the following table.
- *Interest rate risk* is the risk that interest rates will rise and an investment in a fixed-income security will decrease in value. Interest rate risk is reduced by diversifying, investing in securities with different durations, and laddering maturity dates and is disclosed by listing all securities held as of June 30, 2023, with their date of maturity and weighted average maturities. The District’s policy manages interest rate risk by placing limits on the maximum maturities of each type of investment as well as using a ladder and liability-matching portfolio structure.
- *Foreign currency risk* is the potential for loss due to fluctuations in exchange rates. The District’s policy does not allow for any direct foreign investments and therefore the District is not exposed to foreign currency risk.

The following table reflects the District’s investments at June 30, 2023:

CUSIP/Account	Description	Buy Date	Maturity Date	Par Value	Fair Value	Rating	% Portfolio	WAM (in days)
Money Market Funds								
Prosperity Bank	MMDA	-	N/A	2,153,550	2,153,550	A1	0.35%	1
Money Market Total				<u>2,153,550</u>	<u>2,153,550</u>		<u>0.35%</u>	<u>1</u>
Local Government Investment Pools								
Lone Star IP	LGIP	-	N/A	26,344,198	26,344,198	AAAm	4.29%	1
TexPool	LGIP	-	N/A	352,451,301	352,451,301	AAAm	57.41%	13
TexSTAR	LGIP	-	N/A	14,819,114	14,819,114	AAAm	2.41%	1
LGIP Total				<u>393,614,613</u>	<u>393,614,613</u>		<u>64.12%</u>	<u>15</u>
Agency								
313384JS9	FHLB	05/01/23	07/28/23	24,150,000	24,068,542	A-1+	3.93%	1
313384LJ6	FHLB	03/29/23	09/06/23	5,000,000	4,954,205	A-1+	0.81%	1
313384MD8	FHLB	05/01/23	09/25/23	25,000,000	24,702,300	A-1+	4.07%	4
313384NA3	FHLB	05/01/23	10/16/23	25,000,000	24,624,875	A-1+	4.07%	4
3130AQV26	FHLB	03/31/23	09/04/24	10,000,000	9,550,110	AAA	1.63%	7
3135GAGS4	FNMA	04/18/23	04/18/24	11,000,000	10,957,353	AAA	1.79%	5
Agency Total				<u>100,150,000</u>	<u>98,857,385</u>		<u>16.31%</u>	<u>22</u>
U.S. Government								
912797FT9	T-Bill	06/08/23	12/07/23	25,000,000	24,430,875	A-1+	4.07%	7
912797GA9	T-Bill	04/04/23	08/01/23	50,000,000	49,795,389	A-1+	8.14%	3
912797HA8	T-Bill	06/13/23	10/10/23	13,000,000	12,814,458	A-1+	2.12%	2
U.S. Government Total				<u>88,000,000</u>	<u>87,040,722</u>		<u>14.33%</u>	<u>12</u>
Commercial Paper								
89233HYA6	Toyota Motor CC	05/16/23	11/10/23	30,000,000	29,394,900	A-1+	4.89%	6
Commercial Paper Total				<u>30,000,000</u>	<u>29,394,900</u>		<u>4.89%</u>	<u>6</u>
Grand Total				<u>\$ 613,918,163</u>	<u>\$ 611,061,170</u>		<u>100.00%</u>	<u>56</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments by Fair Value Level:	Fair Value Measurements Using			
	Balance as of June 30, 2023	Quoted Process in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 2,153,550	\$ 2,153,550	\$ -	\$ -
Agency	98,857,385	-	98,857,385	-
U.S. Government	87,040,722	-	87,040,722	-
Commercial Paper	29,394,900	-	29,394,900	-
Total:	\$ 217,446,556	\$ 2,153,550	\$ 215,293,007	\$ -

The District’s investments in State Investment Pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

3. PROPERTY TAXES

The District’s ad valorem property tax is levied on all real and business personal property located in the District. A lien exists on all property on January 1st of each year. Tax statements are mailed on October 1st each year or as soon thereafter as possible. Taxes are due upon receipt and become delinquent if not paid before February 1st of the following calendar year. The assessed value of the roll as of the end of the fiscal year was \$31,827,906,238.

The tax rates levied for the fiscal year ended June 30, 2023, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.96460 and \$0.35 per \$100 valuation, respectively, for a total of \$1.31460 per \$100 valuation.

Current year tax collections for the period ended June 30, 2023, were 98.41% of the levy.

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

TAX INCREMENT FINANCING

On September 11, 2006, the Board of Trustees approved a resolution to enter into an Interlocal Agreement with the City of Dallas, Texas and established Tax Increment Financing (TIF) Reinvestment Zone Number Fourteen, Skillman Corridor TIF District, in accordance with the Tax Increment Financing Act, as amended, under Chapter 311 of the Texas Tax Code. The purpose of the TIF is to promote development and redevelopment of the Skillman Corridor area through the use of tax increment financing.

RISD agreed to participate in the TIF, beginning with the tax year 2008-2009, by contributing a portion of debt service levy associated with any taxable value increase in the TIF zone as established in the 2005 base year up to a total contribution of \$10,000,000 (net present value) and total dollar contribution of \$16,577,358. The proposed duration of the Skillman Corridor TIF Zone is 30 years, ending December 31, 2035.

RISD may reduce or withdraw its contribution of tax increment if it determines that participation in the TIF decreases the aggregate amount of state and local funds available to or received by RISD in any school year. Tax increment funds of \$5,000,000 have been budgeted for RISD educational facilities. Other provisions have been made for relocation assistance programs for families with children in RISD schools affected by the zone.

Taxes collected and paid to the TIF in 2023 were \$2,486,362.

4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. All federal grants included below in Federal & State Special Revenue Funds are passed through the TEA and are reported on the financial statements as Due from Other Governments. Furthermore, there are times when overpayments are received from a State agency and money may be due to a State agency.

Balances at June 30, 2023 consisted of the following Due from Other Governments:

	General Fund	Child Nutrition Fund	Non-major Governmental Funds	Total
Due from the State of Texas	\$ 10,050,578	\$ -	\$ 225,472	\$ 10,276,050
Due from the Federal Government	-	118,018	23,717,116	23,835,134
Due from Other Local Governments	-	-	172,448	172,448
	<u>\$ 10,050,578</u>	<u>\$ 118,018</u>	<u>\$ 24,115,036</u>	<u>\$ 34,283,632</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023**

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance Beginning of Year, June 30, 2022	Additions	Deletions	Balance End of Year, June 30, 2023
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 53,228,685	\$ -	\$ -	\$ 53,228,685
Construction-in-progress	74,274,370	143,387,875	1,961,518	215,700,727
Total capital assets, not being depreciated/amortized	<u>127,503,055</u>	<u>143,387,875</u>	<u>1,961,518</u>	<u>268,929,412</u>
Capital assets, being depreciated				
Land improvements	12,596,303	7,184,031	-	19,780,334
Buildings	1,110,626,942	2,307,556	-	1,112,934,498
Furniture, equipment, and vehicles	128,402,892	9,668,439	131,400	137,939,931
Right-to-use lease assets	5,455,085	16,403,634	-	21,858,719
Infrastructure	22,712,877	2,352,521	-	25,065,398
Total capital assets, being depreciated/amortized	<u>1,279,794,099</u>	<u>37,916,181</u>	<u>131,400</u>	<u>1,317,578,880</u>
Less accumulated depreciation/amortization for:				
Land improvements	(7,979,929)	(566,509)	-	(8,546,438)
Buildings	(521,623,293)	(35,034,146)	-	(556,657,439)
Furniture, equipment, and vehicles	(104,548,681)	(5,596,013)	(64,605)	(110,080,089)
Right-to-use lease assets	(2,312,034)	(5,127,189)	-	(7,439,223)
Infrastructure	(19,587,643)	(1,750,486)	-	(21,338,129)
Total accumulated depreciation/amortization	<u>(656,051,580)</u>	<u>(48,074,343)</u>	<u>(64,605)</u>	<u>(704,061,318)</u>
Total capital assets, being depreciated/amortized, net	<u>623,742,519</u>	<u>(10,158,162)</u>	<u>66,795</u>	<u>613,517,562</u>
Total governmental activities capital assets	<u>\$ 751,245,574</u>	<u>\$ 133,229,713</u>	<u>\$ 2,028,313</u>	<u>\$ 882,446,974</u>

Depreciation/amortization expense for the year ended June 30, 2023 was charged to the functions of the governmental activities of the primary government as follows:

Function	Expensed
11 Instruction	\$ 36,988,514
12 Instructional Resources and Media	124,834
13 Curriculum and Staff Development	723,671
21 Instructional Leadership	3,200
23 School Leadership	9,863
31 Guidance, Counseling, and Evaluation Services	457
32 Social Work Services	9,596
33 Health Services	90,976
34 Student Transportation	1,500,606
35 Food Services	308,326
36 Extracurricular Activities	2,473,689
41 General Administration	1,482,422
51 Maintenance and Operations	2,670,854
52 Security and Monitoring Services	188,814
53 Data Processing Services	1,496,973
61 Community Services	1,548
	<u>\$ 48,074,343</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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AS OF JUNE 30, 2023

6. LIABILITY FOR COMPENSATED ABSENCES

Employees of the District are granted vacation and sick leave annually. Teachers do not receive paid vacations but are paid only for the number of days they are required to work each year. The District’s policy permits full-time classified employees in positions that require 12 months of service to be eligible to accumulate a limited amount of earned but unused salary-related vacation time which will be paid upon termination from District service, subject to specific deductions. The District accrues salary-related payments earned for vacation days in the government-wide financial statements. The amount for accumulated compensated absences as of June 30, 2023 is \$1,003,175. The amount eligible to be taken within the following year is \$278,158. Accumulated sick leave is not paid out upon termination; accordingly, no liability for unused sick leave has been recorded.

7. LONG-TERM DEBT

The District issued \$193,930,000 (par value) of Unlimited Tax School Building Bonds, Series 2022A with interest rates of 4.75% - 5.00%. Proceeds were delivered on November 30, 2022. Proceeds were expended on capital construction, infrastructure, repairs, and student and staff technology.

As of June 30, 2023, \$156 million in debt was authorized but not issued.

A summary of changes in long-term debt for the fiscal year ended June 30, 2023, is as follows:

Description	Sale Date	Original Issue Amount	Interest Rate(s)	Final Maturity	Balance at June 30, 2022	Issued/Increases	Retired/Refunded	Balance at June 30, 2023	Amounts Due Within One Year
<i>Unlimited Tax School Building Bonds:</i>									
Series 2013	2013	36,080,000	2.00%-5.00%	2038	\$ 1,635,448	\$ -	\$ 1,635,448	\$ -	\$ -
Series 2014A	2014	17,140,000	2.00%-5.00%	2039	50,000	-	-	50,000	50,000
Series 2015	2015	16,340,000	1.00%-5.00%	2040	6,570,000	-	155,000	6,415,000	295,000
Series 2016	2016	76,625,000	2.00%-5.00%	2041	46,765,000	-	100,000	46,665,000	905,000
Series 2017	2017	198,735,000	3.00%-5.00%	2042	156,410,000	-	-	156,410,000	3,950,000
Series 2019	2019	116,960,000	4.00%-5.00%	2044	73,545,000	-	1,590,000	71,955,000	1,345,000
Series 2021	2021	176,215,000	3.00%-5.00%	2046	144,850,000	-	17,855,000	126,995,000	3,655,000
Series 2022	2022	192,025,000	3.875%-5.00%	2047	192,025,000	-	19,670,000	172,355,000	10,705,000
Series 2022A	2022	193,930,000	4.750%-5.00%	2048	-	193,930,000	-	193,930,000	7,505,000
Total general obligation bonds					621,850,448	193,930,000	41,005,448	774,775,000	28,410,000
<i>Unlimited Tax Refunding Bond:</i>									
Series 2011 Ref	2011	42,335,000	2.00%-4.375%	2028	700,000	-	350,000	350,000	350,000
Series 2013	2013	35,675,000	2.00%-5.00%	2038	2,159,552	-	2,159,552	-	-
Series 2014B Ref	2014	19,230,000	1.00%-5.00%	2031	13,090,000	-	1,180,000	11,910,000	1,240,000
Series 2015B Ref	2015	25,225,000	2.00%-5.00%	2032	20,825,000	-	1,605,000	19,220,000	1,695,000
Series 2015C Ref	2015	38,660,000	2.00%-5.00%	2025	13,975,000	-	8,470,000	5,505,000	2,640,000
Series 2016 Ref	2016	11,905,000	2.00%-4.00%	2033	8,065,000	-	260,000	7,805,000	1,010,000
Series 2017 Ref	2017	85,105,000	2.00%-5.00%	2037	77,540,000	-	2,905,000	74,635,000	4,610,000
Series 2020 Ref	2020	33,799,970	2.47%-4.00%	2039	33,320,000	-	165,000	33,155,000	170,000
Series 2020A Ref	2020	36,675,000	1.769%-3.00%	2034	25,285,000	-	210,000	25,075,000	4,500,000
Total unlimited tax refunding bonds					194,959,552	-	17,304,552	177,655,000	16,215,000
Total bonds payable					816,810,000	193,930,000	58,310,000	952,430,000	44,625,000
Unamortized Bond Premium					84,359,505	7,592,915	6,554,121	85,398,299	-
Accrued compensated absences					1,021,893	205,688	224,406	1,003,175	278,158
Lease liability					2,328,506	32,265	537,284	1,823,487	534,778
SBIT A liability					-	9,728,844	7,532,592	2,196,252	1,389,234
Self-insurance claims payable					1,442,323	1,690,877	1,587,425	1,545,775	770,296
Total					\$ 905,962,227	\$213,180,589	\$74,745,828	\$1,044,396,988	\$47,597,466

Changes in debt-related deferred outflows of resources for the fiscal year ended June 30, 2023 were:

	Balance at June 30, 2022	Increases/Decreases	Retired/Refunded	Balance at June 30, 2023
Deferred loss on refundings	\$ 3,507,336	\$ -	\$ 970,000	\$ 2,537,336

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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The following is a summary of bond principal maturities and interest requirements.

Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Principal & Interest
2024	\$ 44,625,000	\$ 42,356,709	\$ 86,981,709
2025	39,195,000	40,274,809	79,469,809
2026	30,840,000	38,427,909	69,267,909
2027	31,690,000	36,981,959	68,671,959
2028	33,790,000	35,461,459	69,251,459
2029-2033	190,160,000	151,935,208	342,095,208
2034-2038	225,880,000	106,852,180	332,732,180
2039-2043	218,180,000	57,687,285	275,867,285
2044-2048	138,070,000	16,251,425	154,321,425
Total	\$ 952,430,000	\$ 526,228,943	\$ 1,478,658,943

General obligation bonds of the District are reported as long-term liabilities of the governmental activities. At June 30, 2023, \$35,088,859 was available in the Debt Service Fund to service these bonds.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management asserts that the District is in compliance with all significant limitations and restrictions at June 30, 2023.

The accrued compensated absences and the self-insurance claims payable are reported as long-term liabilities of the governmental activities and are accounted for in the General Fund and Workers’ Compensation Internal Service Fund, respectively.

The District is not subject to a debt limit. Texas Education Code Chapter 45, Subchapter A governs the issuance of bonds by the independent school districts in the State of Texas. Key points regarding limitations on the issuance of bonds are:

- The bonds must mature serially or otherwise not more than 40 years from their date; and
- Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general that with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

8. LEASES

LEASE RECEIVABLE

On November 30, 2021, the District entered into an agreement to purchase 7.162 acres of land located at 600 and 610 S. Sherman Street and 401 S. Sherman Street Buildings 1, 2, and 3. This purchase included the assignment of the active leases currently held on space in the buildings. The District will honor terms of the leases transferred by the seller. In addition, the District leased building space and towers located on four campuses to telecommunication companies.

The District recognized \$302,461 in lease revenue and \$1,667 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the District’s receivable for lease payments was \$186,489. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$182,163.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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AS OF JUNE 30, 2023

On 07/01/2021, the District entered into a 29-month lease as lessor for the use of Apollo Junior High School. An initial lease receivable was recorded in the amount of \$57,704. As of 06/30/2023, the value of the lease receivable is \$9,989. The lessee is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 0.4345%. The value of the deferred inflow of resources as of 06/30/2023 was \$9,949, and the District recognized lease revenue of \$23,878 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 12/01/2021, the District entered into a 23-month lease as lessor for the use of Sherman Plaza - Suite #100. An initial lease receivable was recorded in the amount of \$37,913. As of 06/30/2023, the value of the lease receivable is \$6,703. The lessee is required to make monthly fixed payments of \$1,634. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$6,59, and the District recognized lease revenue of \$19,781 during the fiscal year.

On 12/01/2021, the District entered into a 28-month lease as lessor for the use of Sherman Plaza - Suite #221, #305. An initial lease receivable was recorded in the amount of \$94,285. As of 06/30/2023, the value of the lease receivable is \$30,964. The lessee is required to make monthly fixed payments of \$3,280. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$30,306, and the District recognized lease revenue of \$40,408 during the fiscal year.

On 12/01/2021, the District entered into a 30-month lease as lessor for the use of Sherman Plaza - Suite #102. An initial lease receivable was recorded in the amount of \$35,313. As of 06/30/2023, the value of the lease receivable is \$13,266. The lessee is required to make monthly fixed payments of \$1,155. The lease has an interest rate of 0.7980%. The value of the deferred inflow of resources as of 06/30/2023 was \$12,948, and the District recognized lease revenue of \$14,125 during the fiscal year.

On 12/01/2021, the District entered into a 21-month lease as lessor for the use of Sherman Plaza - Suite #119. An initial lease receivable was recorded in the amount of \$23,147. As of 06/30/2023, the value of the lease receivable is \$2,236. The lessee is required to make monthly fixed payments of \$1,092. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$2,204, and the District recognized lease revenue of \$13,227 during the fiscal year.

On 12/01/2021, the District entered into a 14-month lease as lessor for the use of Commercial Park - Suite #101. An initial lease receivable was recorded in the amount of \$38,777. The lessee is required to make monthly fixed payments of \$2,714. The lease has an interest rate of 0.3480%. The District recognized lease revenue of \$19,389 during the fiscal year.

On 12/01/2021, the District entered into a 26-month lease as lessor for the use of Sherman Plaza - Suite #116. An initial lease receivable was recorded in the amount of \$29,208. As of 06/30/2023, the value of the lease receivable is \$8,006. The lessee is required to make monthly fixed payments of \$1,094. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$7,864, and the District recognized lease revenue of \$13,480 during the fiscal year.

On 12/01/2021, the District entered into a 31-month lease as lessor for the use of Commercial Park - Suite #209, #211. An initial lease receivable was recorded in the amount of \$166,654. As of 06/30/2023, the value of the lease receivable is \$65,716. The lessee is required to make monthly fixed payments of \$5,270. The lease has an interest rate of 0.2370%. The value of the deferred inflow of resources as of 06/30/2023 was \$64,511, and the District recognized lease revenue of \$64,511 during the fiscal year.

On 12/01/2021, the District entered into a 24-month lease as lessor for the use of Sherman Plaza - Suite #120. An initial lease receivable was recorded in the amount of \$52,805. As of 06/30/2023, the value of the lease receivable is \$11,174. The lessee is required to make monthly fixed payments of \$2,186. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$11,001, and the District recognized lease revenue of \$26,402 during the fiscal year.

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On 12/01/2021, the District entered into a 17-month lease as lessor for the use of Sherman Plaza - Suite #122. An initial lease receivable was recorded in the amount of \$21,090. The lessee is required to make monthly fixed payments of \$1,226. The lease has an interest rate of 0.3480%. The District recognized lease revenue of \$12,638 during the fiscal year.

On 12/01/2021, the District entered into a 14-month lease as lessor for the use of Commercial Park - Suite #307. An initial lease receivable was recorded in the amount of \$16,438. The lessee is required to make monthly fixed payments of \$1,144. The lease has an interest rate of 0.3480%. The District recognized lease revenue of \$8,219 during the fiscal year.

On 12/01/2021, the District entered into a 24-month lease as lessor for the use of Sherman Plaza - Suite #113. An initial lease receivable was recorded in the amount of \$46,271. As of 06/30/2023, the value of the lease receivable is \$9,797. The lessee is required to make monthly fixed payments of \$1,914. The lease has an interest rate of 0.5450%. The value of the deferred inflow of resources as of 06/30/2023 was \$9,640, and the District recognized lease revenue of \$23,135 during the fiscal year.

On 12/01/2021, the District entered into a 33-month lease as lessor for the use of Sherman Plaza - Suite #111. An initial lease receivable was recorded in the amount of \$63,987. As of 06/30/2023, the value of the lease receivable is \$28,638. The lessee is required to make monthly fixed payments of \$1,969. The lease has an interest rate of 0.7980%. The value of the deferred inflow of resources as of 06/30/2023 was \$27,146, and the District recognized lease revenue of \$23,268 during the fiscal year.

LEASE PAYABLE

On August 1, 2021, the District entered into a 60-month lease for the use of Canon Copiers. An initial lease liability was recorded in the amount of \$2,434,337. As of 06/30/2023, the value of the lease liability is \$1,460,537. The District is required to make annual fixed payments of \$494,867. The lease has an interest rate of 0.8216%. The value of the right to use the asset as of 06/30/2023, is \$2,434,337 with accumulated amortization of \$933,162.

On September 1, 2021, the District entered into a 119-month lease for the use of 1500 International Parkway. An initial lease liability was recorded in the amount of \$427,415. As of 06/30/2023, the value of the lease liability is \$351,661. The District is required to make annual payments of \$14 per square foot with 2% annual increase. The payment for the year was \$42,783. The lease has an interest rate of 1.3900%. The value of the right to use asset as of 06/30/2023, is \$427,415 with accumulated amortization of \$78,359. The District has one extension option for 60 months.

On 07/18/2022, the District entered into an 18-month lease for the use of office furniture at Forest Meadow Junior High. An initial lease liability was recorded in the amount of \$32,266. As of 06/30/2023, the value of the lease liability is \$13,160. The District is required to make monthly fixed payments of \$2,188.93. The lease has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$42,756 with accumulated amortization of \$26,519.

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

June 30,	Office Furniture			Copier			Office Space			Total		
	Principal	Interest	Payments	Principal	Interest	Payments	Principal	Interest	Payments	Principal	Interest	Payments
2024	\$ 13,161	\$ 83	\$ 13,244	\$ 482,868	\$ 12,000	\$ 494,867	\$ 38,751	\$ 4,888	\$ 43,639	\$ 534,780	\$ 16,971	\$ 551,750
2025				486,834	8,033	494,867	40,162	4,349	44,511	526,996	12,382	539,378
2026				490,834	4,033	494,867	41,611	3,791	45,402	532,445	7,824	540,269
2027							43,097	3,213	46,310	43,097	3,213	46,310
2028							44,622	2,614	47,236	44,622	2,614	47,236
2029							46,186	1,994	48,180	46,186	1,994	48,180
2030							47,792	1,352	49,144	47,792	1,352	49,144
2031							49,440	687	50,127	49,440	687	50,127
	<u>\$ 13,161</u>	<u>\$ 83</u>	<u>\$ 13,244</u>	<u>\$ 1,460,536</u>	<u>\$ 24,066</u>	<u>\$ 1,484,601</u>	<u>\$ 351,661</u>	<u>\$ 22,888</u>	<u>\$ 374,549</u>	<u>\$ 1,825,358</u>	<u>\$ 47,037</u>	<u>\$ 1,872,394</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor’s information technology software over the subscription term. The District is required to make monthly, quarterly, or annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	<u>Interest Rate(s)</u>	<u>Liability at Commencement</u>	<u>SBITA Term in Years</u>	<u>Ending Balance</u>
SBITA	0.285 - 3.305%	\$ 9,728,844	1.4 - 5.8	\$ 2,196,252

The future principal and interest SBITA payments as of fiscal year end are as follows:

<u>June 30,</u>	<u>SBITA</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2024	\$ 1,389,234	\$ 38,339	\$ 1,427,573
2025	607,504	22,082	629,586
2026	130,669	8,467	139,136
2027	100,570	5,266	105,836
2028	108,395	2,732	111,127
Total	\$ 2,336,372	\$ 76,886	\$ 2,413,258

10. UNEARNED REVENUE

Unearned revenue at June 30, 2023, consisted of the following:

	<u>Child Nutrition Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Food service receipts	\$ 6,137	\$ -	\$ 6,137
Federal grants	-	2,783,550	2,783,550
Local grants	-	330,840	330,840
State grants	-	68,066	68,066
Total	\$ 6,137	\$ 3,182,456	\$ 3,188,593

11. INTERFUND BALANCES AND TRANSFERS

Interfund Balances - Interfund balances at June 30, 2023, consisted of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General Fund	\$ 9,817,999	\$ (3,527,432)
Child Nutrition Fund	-	(1,013,453)
Debt Service Fund	5,889,216	-
Capital Projects Fund	-	(70,988)
Non-major Governmental Funds	5,675,446	(17,366,346)
Internal Service Funds	63,455	(1,707)
Custodial Funds	533,810	-
Total	\$ 21,979,926	\$ (21,979,926)

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All interfund balances represent transactions between the General Fund and other funds. These interfund balances occur when (1) General Fund cash is used to finance expenditures that take place in another fund or (2) available funds are stored in the General Fund’s investment pool (i.e. student activity fund). Balances between funds are liquidated at least monthly with the exception of the grant funds in which balances are liquidated once cash is received from the granting agencies. All interfund balances reported at June 30, 2023, were liquidated shortly after year-end.

The following is a summary of the District’s internal transfers for the fiscal year ended June 30, 2023:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Capital Project Fund	\$ 4,000,000
General Fund	Non-major Governmental Funds	1,000,000
General Fund	Internal Service Fund	391,683
		<u>\$ 5,391,683</u>

The transfer from the General Fund to Non-Major Governmental Funds in the amount of \$1,000,000 was to finance the Instructional Enhancement Fund, a sub-fund of the Non-Major Local Funds. The \$4,000,000 transfer from the General Fund to Capital Projects was to fund the child learning academies. The \$391,683 transfer from the General Fund to the Internal Service Fund was to fund excess expenses for the Print Shop.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

Employees of the District were covered by TRS Active Care for medical care. TRS Active Care is a statewide health coverage program for public education employees established by the 77th Texas Legislature. The District contributed approximately \$315 per month per participant to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents.

Self-Funded Plan

Beginning September 1, 1986, the District established a self-insurance plan for workers’ compensation benefits. Claims exceeding \$500,000 for any one accident or occurrence are covered through an insurance carrier. The District utilizes an internal service fund to account for activity related to workers’ compensation self-insurance on a cost-reimbursement basis to all departments of the District.

The costs associated with the self-funded workers’ compensation plan are reported as interfund transactions to the extent of amounts actuarially determined. Contributions are paid from all governmental and proprietary funds to the workers’ compensation insurance fund from which all claims and administrative expenses are paid. The accrued liabilities of the workers’ compensation self-insurance plan of \$1,545,775 include incurred but not reported claims. The liability is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. An actuary evaluated the

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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District’s workers’ compensation liability for incurred losses. These losses will be settled by fixed or reasonably determinable payments over a long period of time.

Changes in the workers’ compensation claims liability in fiscal year 2023 and fiscal year 2022 were:

	<u>Period Liability</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period</u>
2023 Workers' Compensation	\$ 1,442,323	\$ 451	\$ (103,001)	\$ 1,545,775
2022 Workers' Compensation	\$ 1,283,147	\$ 300	\$ (158,876)	\$ 1,442,323

13. 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). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension’s Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
Employers (District)	8.00%	7.75%

The contribution amounts for the District’s fiscal year 2023 are as follows:

District contributions	\$ 13,555,761
Member contributions	26,048,105
Non-Employer Contributing Entity On-behalf Contributions (State)	16,066,772

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 surcharges an employer is subject to:

- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member’s salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

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

At June 30, 2023, the District reported a liability of \$158,116,832 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 158,116,832
State's proportionate share of the net pension liability associated with the District	<u>204,411,165</u>
	<u>\$ 362,527,997</u>

The net pension liability was measured as of August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the District’s proportion of the collective net pension liability was 0.26634% which was an increase of 0.01826% from its proportion measured as of August 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$19,539,390 and revenue of \$16,066,772 for support provided by the State.

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,292,681	\$ (3,447,246)
Changes of assumption	29,462,312	(7,342,831)
Net difference between projected and actual earnings on pension plan investments	15,621,437	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,154,970	(2,920,867)
District contributions subsequent to the measurement date	<u>11,378,992</u>	<u>-</u>
Totals	<u>\$ 68,910,392</u>	<u>\$ (13,710,944)</u>

\$11,378,992 reported as deferred outflows of resources 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2024	\$ 11,850,857
2025	6,699,617
2026	2,336,206
2027	19,443,627
2028	3,490,149
Thereafter	-
	<u>\$ 43,820,456</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023**

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

<u>Component</u>	<u>Result</u>
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None
Mortality Rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB (2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

Discount Rate and Long-Term Expected Rate of Return

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2022 are summarized below:

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute return includes credit sensitive investments.

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

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

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

Discount Rate Sensitivity Analysis

The following table presents the District’s proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 245,969,839	\$ 158,116,832	\$ 86,907,846

Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change of Benefit Terms Since the Prior Measurement Date

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023

14. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, on the internet at http://www.trs.texas.gov/Pages/about_publications.aspx, or by calling (512) 542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

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

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 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

The contribution amounts for the District’s fiscal year 2023 are as follows:

District Contributions	\$ 2,923,327
Member Contributions	2,116,383
Non-employer Contributing Entity	
On-behalf Contributions (State)	3,468,183

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

The State of Texas also contributed \$1,741,855, \$1,313,699 and \$1,336,118 in 2023, 2022, and 2021 respectively for on-behalf payments for Medicare Part D.

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19 related health care costs during fiscal year 2022.

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

At June 30, 2023, the District reported a liability of \$82,884,149 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	\$ 82,884,149
State's proportionate share that is associated with the District	<u>101,105,640</u>
Total	<u>\$ 183,989,789</u>

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

At the measurement date of August 31, 2022, the District’s proportion of the collective net OPEB liability was 0.34616% which was an increase of 0.02371% from its proportion measured as of August 31, 2021.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
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For the fiscal year ended June 30, 2023, the District recognized net OPEB expense of (\$14,347,706) due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of (\$3,468,183) was recognized for support provided by the State.

At June 30, 2023, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,608,066	\$ (69,049,936)
Changes of assumption	12,624,898	(57,582,976)
Net difference between projected and actual earnings on OPEB plan investments	246,889	-
Changes in proportion and differences between District contributions and proportionate share of contributions	20,869,007	(1,343,979)
District contributions subsequent to the measurement date	2,420,168	-
Total	<u>\$ 40,769,028</u>	<u>\$ (127,976,891)</u>

\$2,420,168 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2024	\$ (17,079,050)
2025	(17,078,155)
2026	(13,563,319)
2027	(8,804,847)
2028	(11,394,941)
Thereafter	<u>(21,707,719)</u>
Total	\$ (89,628,031)

Actuarial Methods and Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 13 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Component	Result
Actuarial Cost Method	Individual Entry Age Normal
Single Discount Rate	3.91%
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of August 31, 2022.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

	Discount Rate		
	1% Decrease (2.91%)	Current Rate (3.91%)	1% Increase (4.91%)
District's proportional share of the net OPEB liability	\$ 97,726,984	\$ 82,884,149	\$ 70,859,547

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023

Healthcare Cost Trend Rates

The following table presents the District’s proportionate share of net OPEB liability 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 1% lower or 1% higher than the assumed health-care cost trend rate:

	<u>Healthcare Cost Trend Rate</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
District’s proportional share of the net OPEB liability	\$ 68,296,912	\$ 82,884,149	\$ 101,794,624

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

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

15. COMMITMENTS AND CONTINGENCIES

Litigation

The District is occasionally the defendant in a small number of lawsuits and administrative claims arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits and claims will not materially affect the accompanying combined financial statements. A total of \$2,000,000 of fund balance has been assigned to cover deductibles of certain insurance policies for claims, and for uninsured judgements, and/or administrative orders.

State and Federal Programs

The District participates in numerous state and federal funding programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Construction

The District was obligated at June 30, 2023, under major contracts, for construction, renovations and repair of various existing facilities. The outstanding construction contracts associated with these projects totaled approximately \$69.7 million as of June 30, 2023.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

<u>Projects</u>	<u>Contract Remaining</u>
Building Renovations-BFE	\$ 2,775,934
Building Renovations-FMJH	8,904,132
Building Renovations-HPPM	491,633
Building Renovations-LHJH	38,737,531
Building Renovations-MOH	1,958,769
Building Renovations-NRE	427,624
Building Renovations-PHS	3,932,489
Building Renovations-STU	428,585
Electrical Projects	277,823
Fine Arts Auditorium Projects	442,258
Flooring Renovations	455,433
HVAC Projects	3,137,715
Playground Projects	3,915,027
Roofing Projects	1,535,099
Other Miscellaneous Projects	2,254,063
Total	\$ 69,674,115

16. RELATED ORGANIZATION

The RISD Excellence in Education Foundation, Inc. (the Foundation) was established to develop community relationships and to provide supplemental funds for programs in the District. Its mission is to “promote enrichment, innovation, and excellence in education.” The Foundation is a “related organization” of the District, as defined by GASB Statement No. 14, *The Financial Reporting Entity*. The Foundation is not reported as a component unit because it is not fiscally dependent on the District, and the funds held by the organization are not significant to the District’s financial statements, as defined by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

17. SHARED SERVICES ARRANGEMENT

Regional Day School Program for the Deaf

The District participates in the Plano Regional Day School Program for the Deaf, a shared services arrangement (SSA) which provides deaf education services to sixteen member districts. The member districts also include Allen, Anna, Blue Ridge, Celina, Community, Coppell, Farmersville, Frisco, Lovejoy, McKinney, Melissa, Plano, Princeton, Prosper, and Wylie ISDs.

The District made payments totaling \$476,666 to the Plano ISD (the fiscal agent) for services provided during the year. The District accounts for the payments to the fiscal agent in Function 93 – Payments to Fiscal Agent of Shared Service Arrangements. Payments are determined based on predetermined criteria established in the shared service arrangement agreement. The fiscal agent is responsible for all financial activities of the SSA.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2023

Autism Grant Program

The District is the fiscal agent for the Autism Grant Program shared service agreement (SSA). In addition to the District, other member districts include Dennison, Frisco, Plano, Sherman and Wylie ISDs. The District, acting as the fiscal agent, receives monies from the granting agency and administers the program. The District is also responsible for employment of personnel, budgeting, accounting and reporting.

According to the SSA agreement, the fiscal agent upon receipt of proper documentation will reimburse costs incurred by the member districts. Member districts must not exceed the amounts authorized without prior written approval of the fiscal agent.

Expenditures reimbursed to the member districts as of June 30, 2023 are summarized below:

<u>Member Districts</u>	<u>Reimbursement</u>
Denison ISD	\$ 45,033
Frisco ISD	50,525
Plano ISD	15,126
Richardson ISD	47,054
Sherman ISD	65,498
Wylie ISD	21,586
	<u>\$ 244,822</u>

18. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96, *Subscription-Based Implementation Arrangements (SBITAs)* was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. The District has evaluated the effects of this standard and has determined that this Statement does impact to the financial statements and has incorporated SBITAs into capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

The GASB issued Statement No. 99, Omnibus 2022. This standard becomes effective for the District in fiscal year 2023 (requirements related to PPPs and SBITAs are effective for the District in fiscal year 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the District in fiscal year 2024).

The GASB issued Statement No. 100, Accounting Changes and Error Corrections. This standard becomes effective for the District in fiscal year 2024.

The GASB issued Statement No. 101, Compensated Absences. This standard becomes effective for the District in fiscal year 2025.

The District will evaluate the impact of the standards on its financial statements and will take the necessary steps to implement them.

Required Supplementary Information

**Richardson Independent School District
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2023**

Exhibit G - 1

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 287,468,535	\$ 287,809,116	\$ 305,794,571	\$ 17,985,455
5800	State program revenues	71,334,964	71,334,964	72,992,345	1,657,381
5900	Federal program revenues	7,580,000	7,580,000	20,250,419	12,670,419
5020	Total revenues	<u>366,383,499</u>	<u>366,724,080</u>	<u>399,037,335</u>	<u>32,313,255</u>
EXPENDITURES					
Current:					
0011	Instruction	238,170,732	243,853,961	230,928,961	12,925,000
0012	Instructional resources and media services	5,872,244	6,040,302	5,707,716	332,586
0013	Curriculum and staff development	8,713,055	9,259,494	8,490,102	769,392
0021	Instructional leadership	6,496,958	7,352,497	6,492,692	859,805
0023	School leadership	26,779,078	26,925,145	26,024,176	900,969
0031	Guidance, counseling, and evaluation services	19,159,315	20,264,837	18,769,231	1,495,606
0032	Social work services	1,367,702	1,706,815	1,581,108	125,707
0033	Health services	5,953,188	6,347,429	6,114,286	233,143
0034	Student transportation	7,701,197	12,423,989	10,257,572	2,166,417
0035	Food service	775,600	875,600	733,411	142,189
0036	Extracurricular activities	6,396,028	7,685,929	7,529,745	156,184
0041	General administration	11,729,010	11,682,326	10,560,811	1,121,515
0051	Plant maintenance and operations	33,187,314	38,029,306	36,049,069	1,980,237
0052	Security and monitoring services	2,583,149	5,410,915	4,933,238	477,677
0053	Data processing services	5,184,802	5,439,653	4,297,470	1,142,183
0061	Community services	2,079,497	2,084,822	710,729	1,374,093
Debt service:					
0071	Principal on long-term debt	9,245	51,245	129,433	(78,188)
0072	Interest on long-term debt	-	-	5,408	(5,408)
Capital Outlay:					
0081	Facilities acquisition and construction	4,048,000	48,000	-	48,000
Intergovernmental charges:					
0091	Contracted instructional services between schools	3,680,761	5,080,761	4,226,286	854,475
0093	Payments related to shared services arrangements	255,704	476,666	476,666	-
0095	Juvenile justice alternative education programs	50,000	79,346	61,482	17,864
0099	Other intergovernmental charges - appraisal cost	1,239,453	1,363,922	1,363,922	-
6030	Total expenditures	<u>391,432,032</u>	<u>412,482,960</u>	<u>385,443,514</u>	<u>27,039,446</u>
1100	Excess of revenues over expenditures	<u>(25,048,533)</u>	<u>(45,758,880)</u>	<u>13,593,821</u>	<u>59,352,701</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	100,000	100,000	163,052	63,052
7949	Subscription-based information technology arrangements (SBITAs)	-	-	123,997	123,997
8911	Transfers out	(1,000,000)	(5,700,000)	(5,391,683)	308,317
7080	Total other financing sources and (uses)	<u>(900,000)</u>	<u>(5,600,000)</u>	<u>(5,104,634)</u>	<u>495,366</u>
1200	Net change in fund balances	<u>(25,948,533)</u>	<u>(51,358,880)</u>	<u>8,489,187</u>	<u>59,848,067</u>
0100	Fund balances--beginning	170,696,165	170,696,165	170,696,165	-
1300	Prior Period Adjustment(s)				
3000	Fund balances--ending	<u>\$ 144,747,632</u>	<u>\$ 119,337,285</u>	<u>\$ 179,185,352</u>	<u>\$ 59,848,067</u>

See the notes to the required supplementary information at the end of the Budgetary Comparison Reporting - Required Supplemental Information section.

**Richardson Independent School District
Budgetary Comparison Schedule
Child Nutrition Fund
For the year ended June 30, 2023**

Exhibit G - 2

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 5,516,158	\$ 5,516,158	\$ 3,556,454	\$ (1,959,704)
5800	State program revenues	88,883	88,883	80,101	(8,782)
5900	Federal program revenues	13,000,673	13,000,673	14,879,403	1,878,730
5020	Total revenues	<u>18,605,714</u>	<u>18,605,714</u>	<u>18,515,958</u>	<u>(89,756)</u>
EXPENDITURES					
Current:					
0035	Food service	22,582,087	22,582,087	16,323,999	6,258,088
0051	Plant maintenance and operations	318,145	318,145	232,802	85,343
0061	Community services	2,500	2,500	-	2,500
6030	Total expenditures	<u>22,902,732</u>	<u>22,902,732</u>	<u>16,556,801</u>	<u>\$ 6,345,931</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(4,297,018)</u>	<u>(4,297,018)</u>	<u>1,959,157</u>	<u>6,256,175</u>
1200	Net change in fund balances	(4,297,018)	(4,297,018)	1,959,157	6,256,175
0100	Fund balances--beginning	<u>7,191,247</u>	<u>7,191,247</u>	<u>7,191,247</u>	<u>-</u>
1300	Prior Period Adjustment(s)				
3000	Fund balances--ending	<u>\$ 2,894,229</u>	<u>\$ 2,894,229</u>	<u>\$ 9,150,404</u>	<u>\$ 6,256,175</u>

See the notes to the required supplementary information at the end of the Budgetary Comparison Reporting - Required Supplemental Information section.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Budgetary Information

Annual budgets are adopted for the General Fund, Child Nutrition Special Revenue Fund and the Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. To comply with those principles, each annual budget is presented on the modified accrual basis. The Budgetary Comparison Schedule for the Debt Service Fund can be found on Exhibit H-1. The remaining special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the subsequent fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Trustees.

Once a budget is approved, it can be amended at the fund and function level only. To do so requires the approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at its regular meetings. Such amendments are reflected in the official minutes of the Board. During the year, several amendments were necessary.

The Director of Budget controls each budget for revenues and expenditures at the fund, function, and object level. Management is able to transfer amounts within each function. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST NINE MEASUREMENT YEARS⁽¹⁾**

	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability ⁽²⁾	0.26634%	0.24810%
District's proportionate share of the net pension liability	\$ 158,116,832	\$ 63,177,003
State's proportionate share of the net pension liability associated with the District	<u>204,411,165</u>	<u>86,598,680</u>
Total	\$ 362,527,997	\$ 149,775,683
District's covered payroll ⁽³⁾	\$ 317,970,886	\$ 302,223,898
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	49.73%	20.90%
Plan fiduciary net position as a percentage of the total pension liability *	75.62%	88.79%
Plan's net pension liability as a percentage of covered payroll *	112.72%	51.08%

* Per Teacher's Retirement System of Texas' Annual Comprehensive Financial Report

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

(1) Ten-year historical data is not available.

(2) Net pension liability is presented prospectively in accordance with GASB 68.

(3) Covered payroll includes all TRS-eligible payroll paid by the district during the plan year (September 1 - August 31).

2020	2019	2018	2017	2016	2015	2014
0.24360%	0.25638%	0.24998%	0.23729%	0.23325%	0.24403%	0.16510%
\$ 130,453,450	\$ 133,275,141	\$ 137,594,491	\$ 75,873,354	\$ 88,142,186	\$ 86,261,251	\$ 44,101,616
198,665,078	186,147,028	196,078,414	117,388,473	141,697,938	135,250,133	116,529,937
\$ 329,118,528	\$ 319,422,169	\$ 333,672,905	\$ 193,261,827	\$ 229,840,124	\$ 221,511,384	\$ 160,631,553
\$ 293,210,674	\$ 275,303,043	\$ 259,708,146	\$ 248,739,714	\$ 240,629,776	\$ 231,869,363	\$ 222,188,769
44.49%	48.41%	52.98%	30.50%	36.63%	37.20%	19.85%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.89%

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

	2023	2022	2021
Contractually required contribution	\$ 13,555,761	\$ 12,065,099	\$ 10,193,095
Contributions in relation to the contractually required contribution	13,555,761	12,065,099	10,193,095
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll ⁽¹⁾	\$ 325,601,356	\$ 315,569,467	\$ 298,431,012
Contributions as a percentage of covered payroll	4.16%	3.82%	3.42%

⁽¹⁾ Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).

Notes to Pension Required Supplementary Information

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. Since 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.

Effective September 1, 2020, the State increased the employer's contribution to 1.6%

Changes of Assumptions

The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

Changes of Benefit Terms

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

Exhibit G-4

2020	2019	2018	2017	2016	2015	2014
\$ 9,952,433	\$ 8,867,892	\$ 8,317,201	\$ 7,711,085	\$ 7,392,322	\$ 6,705,335	\$ 4,072,931
9,952,433	8,867,892	8,317,201	7,711,085	7,392,322	6,705,335	4,072,931
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 291,835,068	\$ 272,585,171	\$ 257,387,641	\$ 247,788,010	\$ 239,347,653	\$ 230,174,332	\$ 220,136,132
3.41%	3.25%	3.23%	3.11%	3.09%	2.91%	1.85%

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS PLANS
JUNE 30, 2023

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

Measurement Year 2022: The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.



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**RICHARDSON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHERS RETIREMENT SYSTEM OF TEXAS
 FOR THE LAST SIX MEASUREMENT YEARS⁽¹⁾**

	<u>2022</u>
District's proportion of the net OPEB liability	0.34616%
District's proportionate share of the net OPEB liability	\$ 82,884,149
State's proportionate share of the net OPEB liability associated with the District	<u>101,105,640</u>
Total	\$ 183,989,789
District's covered payroll (for Measurement Year)	\$ 317,970,886
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	26.07%
Plan's fiduciary net position as a percentage of the total OPEB liability *	11.52%
Plan's net OPEB liability as a percentage of covered payroll *	59.10%

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

Net OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

* Per Teacher Retirement System of Texas' Comprehensive Annual Financial Report.

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017

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

Exhibit G-5

2021	2020	2019	2018	2017
0.32240%	0.32360%	0.32547%	0.31499%	0.29800%
\$ 124,381,358	\$ 123,018,119	\$ 153,917,279	\$ 157,277,551	\$ 129,595,350
166,643,301	165,306,864	204,521,636	219,114,033	191,886,599
\$ 291,024,659	\$ 288,324,983	\$ 358,438,915	\$ 376,391,584	\$ 321,481,949
\$ 302,223,898	\$ 293,210,647	\$ 275,303,043	\$ 259,708,146	\$ 248,739,714
41.16%	41.96%	55.90%	60.56%	52.10%
6.18%	4.99%	2.66%	1.57%	0.91%
100.13%	101.46%	135.21%	146.64%	132.55%

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 2,923,327	\$ 2,757,352	\$ 2,466,588	\$ 2,443,715
Contributions in relation to the contractual required contributions	<u>2,923,327</u>	<u>2,757,352</u>	<u>2,466,588</u>	<u>2,443,715</u>
Contribution Deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$325,601,356	\$315,569,467	\$298,431,012	\$291,835,068
Contributions as a percentage of covered payroll	0.90%	0.87%	0.83%	0.84%

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.

Exhibit G-6

2019	2018	2017	2016	2015	2014
\$ 2,291,140	\$ 2,067,244	\$ 1,362,833	\$ 1,508,595	\$ 1,461,176	\$ 1,245,976
2,291,140	2,067,244	1,362,833	1,508,595	1,461,176	1,245,976
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$272,585,171	\$257,387,641	\$247,788,010	\$239,347,653	\$230,174,332	\$202,678,708
0.84%	0.80%	0.55%	0.63%	0.63%	0.61%

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
JUNE 30, 2023

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.

Other Supplementary Information:

Non-major Governmental Funds

Richardson Independent School District
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2023

Exhibit H - 1

Data Control Codes	Federal Grants	State Grants	Local Funds	Total Nonmajor Special Revenue Funds (See C-1)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
1110	\$ -	\$ -	\$ 1,393,421	\$ 1,393,421
1120	-	-	10,875,888	10,875,888
1240	23,940,349	174,687	-	24,115,036
1250	-	-	113,158	113,158
1260	1,524,286	789,978	3,361,182	5,675,446
1290	-	-	745,908	745,908
1910	-	-	9,550,110	9,550,110
Total assets	<u>25,464,635</u>	<u>964,665</u>	<u>26,039,667</u>	<u>52,468,967</u>
Total assets	<u>\$ 25,464,635</u>	<u>\$ 964,665</u>	<u>\$ 26,039,667</u>	<u>\$ 52,468,967</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
2110	\$ 284,220	\$ 124,064	\$ 292,377	\$ 700,661
2120	-	-	6,558	6,558
2160	5,103,274	936	71,548	5,175,758
2170	17,293,591	72,755	-	17,366,346
2310	2,783,550	68,066	330,840	3,182,456
Total liabilities	<u>25,464,635</u>	<u>265,821</u>	<u>701,323</u>	<u>26,431,779</u>
Fund balances:				
Restricted for:				
3450	-	698,844	-	698,844
3490	-	-	9,550,110	9,550,110
Committed to:				
3545	-	-	15,788,234	15,788,234
Total fund balances	<u>-</u>	<u>698,844</u>	<u>25,338,344</u>	<u>26,037,188</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,464,635</u>	<u>\$ 964,665</u>	<u>\$ 26,039,667</u>	<u>\$ 52,468,967</u>

Richardson Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the year ended June 30, 2023

Exhibit H - 2

Data Control Codes	Federal Grants	State Grants	Local Funds	Total Nonmajor Special Revenue Funds (See C-2)
REVENUES				
5700 Local and intermediate sources	\$ -	\$ 222,596	\$ 3,523,515	\$ 3,746,111
5800 State program revenues	-	2,178,767	-	2,178,767
5900 Federal program revenues	60,120,946	-	357,718	60,478,664
5020 Total revenues	<u>60,120,946</u>	<u>2,401,363</u>	<u>3,881,233</u>	<u>66,403,542</u>
EXPENDITURES				
Current:				
0011 Instruction	42,483,711	1,646,931	1,693,126	45,823,768
0012 Instructional resources and media services	114,500	15	69,631	184,146
0013 Curriculum and staff development	7,160,662	181,037	107,273	7,448,972
0021 Instructional leadership	1,216,929	616	2,942	1,220,487
0023 School leadership	612,788	-	457,943	1,070,731
0031 Guidance, counseling, and evaluation services	3,125,703	255,148	34,186	3,415,037
0032 Social work services	392,286	-	55,806	448,092
0033 Health services	131,640	-	2,718	134,358
0034 Student transportation	168,810	-	-	168,810
0035 Food Service	369,183	-	-	369,183
0036 Extracurricular activities	24,480	-	705,854	730,334
0041 General administration	114,438	-	279,895	394,333
0051 Plant maintenance and operations	1,958,187	-	284,458	2,242,645
0052 Security and monitoring services	505,540	195,218	4,598	705,356
0053 Data processing services	371,632	-	-	371,632
0061 Community services	1,370,457	-	1,902	1,372,359
0071 Principal on long-term debt	-	379,100	-	379,100
0093 Payments related to shared service arrangements	-	244,822	-	244,822
Total expenditures	<u>60,120,946</u>	<u>2,902,887</u>	<u>3,700,332</u>	<u>66,724,165</u>
Deficiency of revenues over expenditures	-	(501,524)	180,901	(320,623)
OTHER FINANCING SOURCES (USES)				
7915 Transfers in	-	-	1,000,000	1,000,000
7949 Subscription-based information technology arrangements (SBITAs)	-	456,386	-	456,386
Total other financing sources (uses)	<u>-</u>	<u>456,386</u>	<u>1,000,000</u>	<u>1,456,386</u>
Total other financing sources (uses) and special items	<u>-</u>	<u>456,386</u>	<u>1,000,000</u>	<u>1,456,386</u>
Net change in fund balances	-	(45,138)	1,180,901	1,135,763
Fund balances—beginning	-	743,982	24,157,443	24,901,425
Fund balances—ending	<u>\$ -</u>	<u>\$ 698,844</u>	<u>\$ 25,338,344</u>	<u>\$ 26,037,188</u>

Other Supplementary Information:

Debt Service Fund

**Richardson Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the year ended June 30, 2023**

Exhibit H - 3

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 101,712,063	\$ 103,767,549	\$ 106,963,378	\$ 3,195,829
5800	State program revenues	-	1,663,000	1,214,797	(448,203)
5900	5900 Federal program revenues	-	-	-	-
5020	Total revenues	<u>101,712,063</u>	<u>105,430,549</u>	<u>108,178,175</u>	<u>2,747,626</u>
EXPENDITURES					
Debt Service:					
0071	Principal on long-term debt	63,242,657	63,242,657	58,310,000	4,932,657
0072	Interest on long-term debt	36,762,817	36,762,817	34,955,840	1,806,977
0073	Bond issuance costs and fees	200,000	200,000	1,554	198,446
0097	Payments to tax increment fund	1,900,000	2,500,000	2,486,362	13,638
6030	Total expenditures	<u>102,105,474</u>	<u>102,705,474</u>	<u>95,753,756</u>	<u>6,951,718</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(393,411)</u>	<u>2,725,075</u>	<u>12,424,419</u>	<u>9,699,344</u>
1200	Net change in fund balances	(393,411)	2,725,075	12,424,419	9,699,344
0100	Fund balances--beginning	<u>28,415,581</u>	<u>28,415,581</u>	<u>28,415,581</u>	<u>-</u>
1300	Prior Period Adjustment(s)				
3000	Fund balances--ending	<u>\$ 28,022,170</u>	<u>\$ 31,140,656</u>	<u>\$ 40,840,000</u>	<u>\$ 9,699,344</u>

Other Supplementary Information:

Internal Service Funds

Richardson Independent School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2023

Exhibit H - 4

Data Control Codes	Workers' Compensation	Print Shop	Discretionary Renovations	Total (See D-1)	
ASSETS					
Current assets:					
1110	Cash and investments	\$ 2,975,991	\$ 200	\$ -	\$ 2,976,191
1260	Due from other funds	-	24,444	39,011	63,455
	Total current assets	<u>2,975,991</u>	<u>24,644</u>	<u>39,011</u>	<u>3,039,646</u>
	Total assets	<u>2,975,991</u>	<u>24,644</u>	<u>39,011</u>	<u>3,039,646</u>
LIABILITIES					
Current liabilities:					
2110	Accounts payable	39,626	12,976	1,497	54,099
2120	Other Liabilities	-	701	-	701
2160	Accrued wages payable	-	10,967	-	10,967
2170	Due to other funds	1,707	-	-	1,707
2210	Claims and judgments	770,296	-	-	770,296
	Total current liabilities	<u>811,629</u>	<u>24,644</u>	<u>1,497</u>	<u>837,770</u>
Noncurrent liabilities:					
2210	Claims and judgments	775,479	-	-	775,479
	Total noncurrent liabilities	<u>775,479</u>	<u>-</u>	<u>-</u>	<u>775,479</u>
	Total liabilities	<u>1,587,108</u>	<u>24,644</u>	<u>1,497</u>	<u>1,613,249</u>
NET POSITION					
3900	Unrestricted	1,388,883	-	37,514	1,426,397
	Total net position	<u>\$ 1,388,883</u>	<u>\$ -</u>	<u>\$ 37,514</u>	<u>\$ 1,426,397</u>

Richardson Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
June 30, 2023

Exhibit H - 5

Data Control Codes	Workers' Compensation	Print Shop	Discretionary Renovations	Total (See D-2)
Operating revenues :				
5754	\$ 898,772	\$ 309,308	\$ 192,448	\$ 1,400,528
	898,772	309,308	192,448	1,400,528
Operating expenses :				
6100	287,448	412,415	-	699,863
6200	196,535	25,019	116,427	337,981
6300	2,238	257,803	22,548	282,589
6429	1,809,058	-	-	1,809,058
6400	3,332	5,754	-	9,086
	2,298,611	700,991	138,975	3,138,577
	(1,399,839)	(391,683)	53,473	(1,738,049)
Non-operating revenues :				
5742	99,304	-	-	99,304
	99,304	-	-	99,304
	(1,300,535)	(391,683)	53,473	(1,638,745)
7915	-	391,683	-	391,683
	(1,300,535)	-	53,473	(1,247,062)
	2,689,418	-	(15,959)	2,673,459
3900	\$ 1,388,883	\$ -	\$ 37,514	\$ 1,426,397

Richardson Independent School District
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2022

Exhibit H - 6

	Workers'		Discretionary	Total
	Compensation	Print Shop	Renovations	(See D-3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Internal activity - receipts from other funds	\$ 986,317	\$ 284,864	\$ 153,437	1,424,618
Payments to suppliers	(2,001,955)	(310,665)	(138,126)	(2,450,746)
Payments to employees	(287,899)	(413,775)	-	(701,674)
Internal activity - disbursements to other funds	1,707	-	(15,311)	(13,604)
Claims paid	103,903	2,020	-	105,923
Net cash provided (used) by operating activities	<u>(1,197,927)</u>	<u>(437,556)</u>	<u>-</u>	<u>(1,635,483)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	391,683	-	391,683
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>391,683</u>	<u>-</u>	<u>391,683</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	100,109	-	-	100,109
Net cash provided (used) by investing activities	<u>100,109</u>	<u>-</u>	<u>-</u>	<u>100,109</u>
Net increase (decrease) in cash and investments	(1,097,818)	(45,873)	-	(1,143,691)
Cash - beginning of the year	4,073,809	46,073	-	4,119,882
Cash - end of the year	<u>\$ 2,975,991</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 2,976,191</u>
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	\$ (1,399,839)	\$ (391,683)	\$ 53,473	(1,738,049)
Change in assets and liabilities:				
Due from (to) other funds	89,252	(24,444)	(54,322)	10,486
Accounts payable	9,208	(22,089)	849	(12,032)
Claims payable	103,452	-	-	103,452
Payroll deductions and withholdings payable	-	660	-	660
Net cash provided (used) by operating activities	<u>\$ (1,197,927)</u>	<u>\$ (437,556)</u>	<u>\$ -</u>	<u>\$ (1,635,483)</u>

Other Supplementary Information:

Required TEA Schedule



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RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
AS OF JUNE 30, 2023

Data Control Codes	Last Ten Fiscal Years	Tax Rates		3 Net Assessed/Appraised Value For School Tax Purposes
		1 Maintenance	2 Debt Service	
	Prior to 2015	various	various	various
	2015	1.04005	0.30000	17,427,165,693
	2016	1.04005	0.30000	18,291,885,506
	2017	1.04005	0.30000	20,106,983,186
	2018	1.04005	0.35000	21,896,395,339
	2019	1.17000	0.35000	22,485,774,539
	2020	1.06835	0.35000	24,212,402,735
	2021	1.05470	0.35000	25,764,976,747
	2022	1.04090	0.35000	26,748,973,542
	2023	0.96460	0.35000	31,827,906,238
1000	TOTALS			
8000	TOTALS	Taxes Refunded		
9000	TOTALS	Tax Increment		

Exhibit J - 1

10	20	31	32	40	50
Beginning Balance	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance
\$ 1,108,670		\$ 59,406	\$ 15,226	\$ (23,028)	1,011,010
144,200		12,443	3,589	(80)	128,088
157,331		12,040	3,473	(79)	141,739
188,371		17,071	5,745	(82)	165,473
229,604		19,459	6,549	1,764	205,360
837,027		59,448	17,787	(356,787)	403,005
1,023,495		114,404	37,487	(5,584)	866,020
1,352,018		34,008	11,287	(334,113)	972,610
4,178,610		412,439	138,655	(2,181,078)	1,446,438
	396,514,287	286,333,922	103,894,926	(320,099)	5,965,340
<u>\$ 9,219,326</u>	<u>\$ 396,514,287</u>	<u>\$ 287,074,640</u>	<u>\$ 104,134,724</u>	<u>\$ (3,219,166)</u>	<u>\$ 11,305,083</u>
		\$ (20,917)			
		\$ 2,486,362			

RICHARDSON INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

**COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM RESPONSES
AS OF JUNE 30, 2023**

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$33,293,067
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$29,152,444
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA’s fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA’s fiscal year.	\$6,855,267
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PICs 25, 35)	\$3,328,476

**STATISTICAL
SECTION**

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
STATISTICAL SECTION CONTENTS (UNAUDITED)**

This part of the Richardson Independent School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	81
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	95
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	103
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	105



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

	<u>2014</u> ¹	<u>2015</u>	<u>2016</u>	<u>2017</u> ²
Governmental activities				
Net investment in capital assets	\$163,101,801	\$ 177,605,048	\$ 172,227,554	\$ 190,394,746
Restricted:				
Federal and State Grants	-	851,828	473,667	475,891
Debt Service	11,691,794	12,983,490	15,720,885	19,490,981
Child Nutrition	4,886,480	2,858,227	1,796,015	2,295,187
Unrestricted	<u>97,256,452</u>	<u>96,154,476</u>	<u>100,723,544</u>	<u>(144,681,736)</u>
Total primary government net position	<u>\$276,936,527</u>	<u>\$ 290,453,069</u>	<u>\$ 290,941,665</u>	<u>\$ 67,975,069</u>

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

Notes:

¹ Net position for fiscal 2014 was adjusted in 2015 for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Adjustment to periods prior to 2014 was not practical.

² Net position for fiscal 2017 was restated in 2018 for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 202,000,786	\$ 192,081,509	\$ 205,627,885	\$ 164,425,703	\$ 134,140,203	\$ 97,084,676
757,960	662,718	646,023	741,977	743,981	698,844
15,337,873	20,114,100	17,525,187	21,330,975	19,964,053	27,032,737
2,896,792	4,090,723	4,044,586	1,386,124	7,191,247	9,150,404
<u>(94,178,399)</u>	<u>(62,139,054)</u>	<u>(71,095,308)</u>	<u>(72,717,443)</u>	<u>(70,303,144)</u>	<u>(57,712,362)</u>
<u>\$ 126,815,012</u>	<u>\$ 154,809,996</u>	<u>\$ 156,748,373</u>	<u>\$ 115,167,336</u>	<u>\$ 91,736,340</u>	<u>\$ 76,254,299</u>

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities				
Instruction	\$ 220,026,784	\$ 220,493,602	\$ 245,539,001	\$ 256,304,723
Instructional resources and media services	6,565,294	6,715,716	6,292,360	6,337,012
Curriculum and staff development services	7,568,777	8,430,597	10,672,947	10,375,582
Instructional leadership	5,276,009	5,491,080	6,193,286	7,279,650
School leadership	21,200,174	21,531,159	24,983,019	25,370,027
Guidance, counseling, and evaluation services	11,647,885	14,647,332	18,973,508	18,985,753
Social work services	781,282	867,179	963,892	1,157,341
Health services	4,144,725	4,340,075	4,939,651	5,157,922
Student transportation	4,768,989	5,664,330	6,265,317	6,896,867
Food Service	14,985,082	16,002,370	15,812,738	14,127,166
Extracurricular activities	7,821,315	7,848,306	8,258,342	9,066,812
General administration	8,799,647	9,087,931	9,011,171	8,858,162
Plant maintenance and operations	24,301,069	25,941,490	28,857,105	29,247,716
Security and monitoring services	1,572,071	1,612,527	1,878,685	1,877,415
Data processing services	4,871,099	5,339,397	6,419,037	6,676,762
Community services	580,605	749,806	665,850	538,736
Interest on long-term debt	19,070,669	17,838,806	16,896,313	17,274,819
Bond issuance costs and fees	426,385	606,588	434,471	2,112,334
Facilities acquisition/construction	-	-	-	-
Contracted instructional services between schools	-	-	-	-
Incremental costs related to WADA	-	-	-	-
Payments related to shared services arrangements	-	-	-	-
Juvenile Justice Alternative Education Programs	8,208	4,368	3,000	3,000
Payments to Tax Increment Fund	81,081	142,177	243,193	462,517
Other Intergovernmental Charges-Appraisal Cost	874,517	896,510	929,897	941,106
Total primary government program expenses	<u>365,371,667</u>	<u>374,251,346</u>	<u>414,232,783</u>	<u>429,051,422</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	3,924,237	4,571,769	4,776,811	4,665,297
Food services	4,028,234	3,610,168	3,445,075	3,449,559
Extracurricular activities	583,179	613,482	657,948	534,159
Plant maintenance and operations	1,615,976	1,740,095	1,849,892	1,832,508
Operating grants and contributions	54,440,757	52,565,389	64,547,285	56,517,448
Total primary government program revenues	<u>64,592,383</u>	<u>63,100,903</u>	<u>75,277,011</u>	<u>66,998,971</u>
Net (Expense)/Revenue				
Total primary government expenses	<u><u>\$(300,779,284)</u></u>	<u><u>\$(311,150,443)</u></u>	<u><u>\$(338,955,772)</u></u>	<u><u>\$(362,052,451)</u></u>

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

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 180,013,193	\$ 281,630,450	\$ 310,669,673	\$ 362,147,831	\$ 305,763,202	\$ 334,496,270
4,389,392	7,014,472	9,110,251	8,608,120	8,038,318	8,719,527
6,973,671	13,686,699	17,489,720	16,237,179	16,665,639	15,996,616
4,477,608	7,431,323	8,431,184	8,192,297	7,100,287	7,729,745
17,146,758	28,531,684	31,230,907	28,397,930	24,582,764	27,145,262
12,781,826	22,139,665	23,328,893	23,551,978	20,520,460	21,706,075
1,023,808	1,457,860	1,594,503	1,799,232	1,983,012	2,054,735
3,469,351	5,502,136	5,461,416	6,028,419	5,828,103	6,458,715
7,138,412	12,718,130	12,171,818	9,917,381	12,538,610	12,042,709
12,950,279	15,738,767	17,406,691	13,440,616	15,231,975	17,326,563
7,028,892	9,213,908	8,651,903	10,516,548	9,884,982	11,930,890
7,240,083	11,889,201	11,975,421	17,994,236	13,853,085	13,141,564
24,809,943	34,839,684	49,935,972	48,671,563	62,850,514	83,190,718
1,720,841	3,483,695	3,163,076	3,910,925	3,533,479	5,934,527
4,605,011	6,962,441	7,903,772	7,291,481	15,011,492	11,314,010
409,006	524,015	1,756,205	1,913,510	1,692,979	2,092,009
22,123,052	22,145,742	22,300,611	16,779,679	20,108,058	36,658,788
747,400	849,067	432,962	3,414,037	2,675,270	-
-	-	-	-	-	-
	6,108,235	535,409	1,196,543	2,278,124	4,226,286
-	-	-	-	-	-
404,151	814,853	969,937	1,482,518	995,729	721,488
8,472	3,000	3,000	3,000	3,000	61,482
915,037	1,253,555	1,493,652	1,817,765	1,990,493	2,486,362
1,008,228	1,090,253	1,167,100	1,174,025	1,170,562	1,363,922
<u>321,384,414</u>	<u>495,028,835</u>	<u>547,184,076</u>	<u>594,486,813</u>	<u>554,300,137</u>	<u>626,798,263</u>
4,601,761	4,351,109	3,155,480	1,863,380	3,548,189	3,709,524
3,845,727	3,635,803	2,942,348	1,447,874	1,008,342	3,189,008
588,639	429,794	490,538	364,921	354,419	619,370
1,929,763	2,061,934	1,726,353	1,987,601	2,110,831	2,821,437
(14,590,433)	72,680,554	93,289,029	91,515,992	70,869,624	117,990,566
<u>(3,624,543)</u>	<u>83,159,194</u>	<u>101,603,748</u>	<u>97,179,768</u>	<u>77,891,405</u>	<u>128,329,905</u>
<u><u>\$(325,008,957)</u></u>	<u><u>\$(411,869,641)</u></u>	<u><u>\$(445,580,328)</u></u>	<u><u>\$(497,307,045)</u></u>	<u><u>\$(476,408,732)</u></u>	<u><u>\$(498,468,358)</u></u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense)/Revenue				
Total primary government expenses	\$(300,779,284)	\$(311,150,443)	\$(338,955,772)	\$(362,052,451)
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	168,592,961	175,653,983	183,836,133	200,257,917
Property taxes levied for debt service	48,437,847	50,371,316	52,607,863	66,606,917
State Aid Formula Grants	90,869,939	95,192,699	98,739,192	90,431,101
Unrestricted grants and contributions	2,623,612	2,435,052	2,726,807	3,952,004
Investment earnings	417,692	324,193	767,608	1,439,769
Miscellaneous	733,580	689,742	766,765	1,043,162
Special Items:				
Sale of Land Parcel	-	-	-	2,856,462
Receipt of buses from the Dissolution Committee for the Former Board of Dallas County Schools	-	-	-	-
Total primary government	<u>311,675,631</u>	<u>324,666,985</u>	<u>339,444,368</u>	<u>366,587,332</u>
Change in Net Position¹				
Total primary government	<u>\$ 10,896,347</u>	<u>\$ 13,516,542</u>	<u>\$ 488,596</u>	<u>\$ 4,534,881</u>

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

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$(325,008,957)	\$(411,869,641)	\$(445,580,328)	\$(497,307,045)	\$(476,408,732)	\$(498,468,358)
217,262,735	262,741,966	259,194,611	270,859,001	276,746,490	289,514,267
72,054,208	77,263,875	83,326,337	87,637,002	91,516,148	103,633,606
78,840,004	70,614,229	87,495,161	82,052,490	64,651,647	50,885,279
4,939,120	11,388,496	7,587,849	8,178,422	9,929,245	11,503,040
5,092,451	7,678,002	5,734,398	364,343	993,926	22,529,534
1,244,206	4,509,496	4,180,349	6,601,397	3,195,022	4,920,591
103,876	5,668,561	-	-	5,945,258	-
4,312,300	-	-	-	-	-
<u>383,848,900</u>	<u>439,864,625</u>	<u>447,518,705</u>	<u>455,692,655</u>	<u>452,977,736</u>	<u>482,986,317</u>
<u>\$ 58,839,943</u>	<u>\$ 27,994,984</u>	<u>\$ 1,938,377</u>	<u>\$ (41,614,390)</u>	<u>\$ (23,430,996)</u>	<u>\$ (15,482,041)</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 509,730	\$ 578,764	\$ 665,102	\$ 458,967
Assigned	15,210,775	15,264,492	11,017,389	20,726,587
Unassigned	79,738,094	81,159,486	80,050,869	80,410,277
Total general fund	<u>\$ 95,458,599</u>	<u>\$ 97,002,742</u>	<u>\$ 91,733,360</u>	<u>\$ 101,595,831</u>
All Other Governmental Funds				
Nonspendable	\$ 100,553	\$ 79,161	\$ 75,123	\$ 111,212
Restricted	44,708,929	43,863,761	22,495,496	252,912,454
Committed	20,563,972	20,385,173	20,456,465	20,715,626
Assigned	28,172,096	24,372,005	37,889,064	27,027,382
Total all other governmental funds	<u>\$ 93,545,550</u>	<u>\$ 88,700,100</u>	<u>\$ 80,916,148</u>	<u>\$ 300,766,674</u>
Total General and Other Governmental	<u>\$ 189,004,149</u>	<u>\$ 185,702,842</u>	<u>\$ 172,649,508</u>	<u>\$ 402,362,505</u>

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

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 419,040	\$ 545,481	\$ 785,384	\$ 1,489,670	\$ 1,442,865	\$ 1,382,477
17,325,661	29,880,328	68,404,189	71,652,788	73,597,666	73,664,630
80,476,033	92,299,289	87,543,530	94,350,389	95,655,634	104,138,245
<u>\$ 98,220,734</u>	<u>\$ 122,725,098</u>	<u>\$ 156,733,103</u>	<u>\$ 167,492,847</u>	<u>\$ 170,696,165</u>	<u>\$ 179,185,352</u>
\$ 92,689	\$ 163,555	\$ 317,601	\$ 641,958	\$ 151,495	\$ 101,903
162,202,446	188,102,162	102,950,978	57,788,523	319,084,618	314,085,859
21,877,701	22,668,827	23,287,274	23,385,208	24,157,444	15,788,234
36,272,670	44,435,690	24,061,550	15,911,203	4,915,277	4,423,939
<u>\$ 220,445,506</u>	<u>\$ 255,370,234</u>	<u>\$ 150,617,403</u>	<u>\$ 97,726,892</u>	<u>\$ 348,308,834</u>	<u>\$ 334,399,935</u>
<u>\$ 318,666,240</u>	<u>\$ 378,095,332</u>	<u>\$ 307,350,506</u>	<u>\$ 265,219,739</u>	<u>\$ 519,004,999</u>	<u>\$ 513,585,287</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Federal sources:				
Federal grants	\$ 24,660,719	\$ 25,096,494	\$ 24,943,351	\$ 24,947,046
Child Nutrition	11,076,683	11,372,639	11,299,914	10,959,034
Total federal sources	<u>35,737,402</u>	<u>36,469,133</u>	<u>36,243,265</u>	<u>35,906,080</u>
State sources:				
State education finance program	103,595,497	108,603,422	113,455,584	105,903,799
Child Nutrition	88,332	88,235	88,186	88,436
Debt Service	-	-	904,958	727,476
State grants and other	5,855,871	2,196,880	4,742,459	2,584,019
Total state sources	<u>109,539,700</u>	<u>110,888,537</u>	<u>119,191,187</u>	<u>109,303,730</u>
Local sources:				
Property taxes	216,941,785	226,576,959	236,173,385	266,934,547
Capital Projects fund	32,026	54,927	64,866	506,706
Child Nutrition	4,033,137	3,613,147	3,449,931	3,460,510
Athletic Activities	736,604	678,153	727,173	644,560
Other Local Sources	9,158,336	9,835,582	10,997,260	11,330,720
Total local sources	<u>230,901,888</u>	<u>240,758,768</u>	<u>251,412,615</u>	<u>282,877,043</u>
Total revenues	<u>\$ 376,178,990</u>	<u>\$ 388,116,438</u>	<u>\$ 406,847,067</u>	<u>\$ 428,086,853</u>

Source: Exhibit C-2, Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds for the Richardson Independent School District

Notes:

¹ Includes General, Child Nutrition, Debt Service, Capital Projects, and Special Revenue Funds.

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 26,119,129	\$ 34,044,410	\$ 38,494,780	\$ 37,794,803	\$ 66,283,819	\$ 80,729,083
11,241,489	12,227,191	13,138,277	8,070,722	20,024,497	14,879,403
<u>37,360,618</u>	<u>46,271,601</u>	<u>51,633,057</u>	<u>45,865,525</u>	<u>86,308,316</u>	<u>95,608,486</u>
95,298,957	87,587,472	108,037,735	102,799,909	85,405,726	72,992,345
89,899	84,216	81,673	85,009	226,248	80,101
690,837	607,263	602,897	564,682	472,966	1,214,797
3,113,288	4,178,687	9,068,609	4,264,464	2,370,893	2,178,767
<u>99,192,981</u>	<u>92,457,638</u>	<u>117,790,914</u>	<u>107,714,064</u>	<u>88,475,833</u>	<u>76,466,010</u>
288,680,678	339,494,146	339,494,146	357,770,634	368,437,947	392,144,125
2,401,726	3,106,014	2,553,424	175,976	404,650	12,822,728
3,887,711	3,713,975	3,713,975	1,447,874	1,058,427	3,556,454
616,558	540,848	540,848	474,749	675,649	619,370
13,964,560	18,526,934	18,526,935	10,501,733	11,234,926	23,740,565
<u>309,551,233</u>	<u>365,381,917</u>	<u>364,829,328</u>	<u>370,370,966</u>	<u>381,811,599</u>	<u>432,883,242</u>
<u>\$ 446,104,832</u>	<u>\$ 504,111,156</u>	<u>\$ 534,253,299</u>	<u>\$ 523,950,555</u>	<u>\$ 556,595,748</u>	<u>\$ 604,957,738</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenditures				
Governmental activities				
11 Instruction	\$ 204,344,909	\$ 202,915,330	\$ 210,023,704	\$ 229,145,530
12 Instructional resources and media services	5,265,267	5,401,258	5,469,998	5,537,285
13 Curriculum and staff development services	7,155,031	8,100,811	9,432,867	9,686,007
Total function 10	<u>216,765,207</u>	<u>216,417,399</u>	<u>224,926,569</u>	<u>244,368,822</u>
21 Instructional leadership	5,151,314	5,481,134	5,382,257	6,455,288
23 School leadership	19,724,945	20,461,085	21,485,434	21,915,581
Total function 20	<u>24,876,259</u>	<u>25,942,219</u>	<u>26,867,691</u>	<u>28,370,869</u>
31 Guidance, counseling, and evaluation services	10,920,652	14,108,718	16,432,603	16,793,047
32 Social work services	767,299	873,631	827,455	999,296
33 Health services	3,735,094	3,992,326	4,227,391	4,464,299
34 Student transportation	4,553,984	5,481,163	5,620,957	6,100,452
35 Food Service	14,880,143	15,392,866	14,972,627	13,874,556
36 Extracurricular activities	6,580,027	6,420,371	7,000,970	8,164,535
Total function 30	<u>41,437,199</u>	<u>46,269,075</u>	<u>49,082,003</u>	<u>50,396,185</u>
41 General administration	7,162,163	7,046,572	7,985,913	7,737,408
Total function 40	<u>7,162,163</u>	<u>7,046,572</u>	<u>7,985,913</u>	<u>7,737,408</u>
51 Plant maintenance and operations	23,426,609	25,790,145	25,873,281	25,678,516
52 Security and monitoring services	1,509,005	1,566,824	1,653,961	1,690,862
53 Data processing services	4,454,603	4,976,605	5,643,938	5,893,807
Total function 50	<u>29,390,217</u>	<u>32,333,574</u>	<u>33,171,180</u>	<u>33,263,185</u>
61 Community services	454,514	593,058	594,711	509,555
Total function 60	<u>454,514</u>	<u>593,058</u>	<u>594,711</u>	<u>509,555</u>
71 Debt service				
Principal on long-term debt	28,135,804	29,575,127	33,604,068	43,213,865
Interest on long-term debt	18,975,502	18,805,563	17,052,542	20,522,303
Bond issuance costs and fees	426,385	606,588	434,471	2,112,334
Total function 70	<u>47,537,691</u>	<u>48,987,278</u>	<u>51,091,081</u>	<u>65,848,502</u>
81 Facilities acquisition/construction	48,416,945	29,393,366	25,424,683	81,780,833
Total function 80	<u>48,416,945</u>	<u>29,393,366</u>	<u>25,424,683</u>	<u>81,780,833</u>
91 Contracted instructional services between schools	-	-	-	-
93 Payments related to shared services arrangements	-	-	-	-
95 Juvenile Justice Alternative Education Programs	8,208	4,368	3,000	3,000
97 Payments to Tax Increment Fund	81,081	142,177	243,193	462,517
99 Other Intergovernmental Charges-Appraisal Cost	874,517	896,510	929,897	941,106
Total function 90	<u>963,806</u>	<u>1,043,055</u>	<u>1,176,090</u>	<u>1,406,623</u>
Total expenditures	<u>\$ 417,004,001</u>	<u>\$ 408,025,596</u>	<u>\$ 420,319,921</u>	<u>\$ 513,681,982</u>
Capital Expenditures	53,967,487	31,153,026	18,454,505	82,668,173
Debt service as a percentage of noncapital expenditures	13.0%	12.8%	12.6%	14.8%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Richardson Independent School District

Notes:

¹ Includes General, Child Nutrition, Debt Service, Capital Projects, and Special Revenue Funds.

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 239,692,109	\$ 234,189,361	\$ 256,009,247	\$ 263,744,096	\$ 299,484,721	\$ 305,991,621
5,434,430	6,017,075	8,079,819	8,019,392	8,590,649	9,065,633
10,651,034	11,896,580	14,858,824	15,114,810	19,062,905	16,927,816
<u>255,777,573</u>	<u>252,103,016</u>	<u>278,947,890</u>	<u>286,878,298</u>	<u>327,138,275</u>	<u>331,985,070</u>
6,102,797	6,286,503	6,974,097	7,562,348	7,727,299	7,715,595
<u>22,724,389</u>	<u>23,708,310</u>	<u>25,400,009</u>	<u>26,089,844</u>	<u>26,908,751</u>	<u>27,103,595</u>
<u>28,827,186</u>	<u>29,994,813</u>	<u>32,374,106</u>	<u>33,652,192</u>	<u>34,636,050</u>	<u>34,819,190</u>
17,771,507	18,735,253	19,287,627	21,866,958	22,472,803	22,213,794
1,174,393	1,252,640	1,371,223	1,655,610	2,205,274	2,041,378
4,449,540	4,629,043	4,486,983	5,558,136	6,260,128	6,966,867
7,809,566	11,856,244	11,460,521	11,228,433	13,785,196	12,838,002
14,529,456	14,881,496	16,426,051	12,899,079	16,395,725	17,427,877
7,745,776	7,691,634	7,238,485	8,458,197	11,794,793	15,020,659
<u>53,480,238</u>	<u>59,046,310</u>	<u>60,270,890</u>	<u>61,666,413</u>	<u>72,913,919</u>	<u>76,508,577</u>
8,654,176	10,097,174	9,805,660	11,795,820	12,504,561	11,333,576
<u>8,654,176</u>	<u>10,097,174</u>	<u>9,805,660</u>	<u>11,795,820</u>	<u>12,504,561</u>	<u>11,333,576</u>
27,939,871	29,471,783	43,894,663	41,233,865	65,347,033	85,582,338
1,700,748	3,172,252	2,800,228	3,767,376	4,254,353	6,120,697
5,503,660	6,013,314	6,842,397	6,925,317	16,067,485	16,942,853
<u>35,144,279</u>	<u>38,657,349</u>	<u>53,537,288</u>	<u>51,926,558</u>	<u>85,668,871</u>	<u>108,645,888</u>
485,748	485,544	1,566,036	1,761,197	1,893,115	2,083,088
<u>485,748</u>	<u>485,544</u>	<u>1,566,036</u>	<u>1,761,197</u>	<u>1,893,115</u>	<u>2,083,088</u>
45,454,543	47,948,614	56,773,360	55,105,669	65,448,038	66,379,876
23,992,167	25,536,475	30,016,237	27,808,935	26,761,531	35,000,059
747,400	1,955,651	432,962	3,414,037	2,675,270	1,524,470
<u>70,194,110</u>	<u>75,440,740</u>	<u>87,222,559</u>	<u>86,328,641</u>	<u>94,884,839</u>	<u>102,904,405</u>
71,259,627	104,144,296	74,318,004	26,717,547	78,732,274	144,293,509
<u>71,259,627</u>	<u>104,144,296</u>	<u>74,318,004</u>	<u>26,717,547</u>	<u>78,732,274</u>	<u>144,293,509</u>
-	6,108,235	535,409	1,196,543	2,278,124	4,226,286
404,151	814,853	969,937	1,482,518	995,729	721,488
8,472	3,000	3,000	3,000	3,000	61,482
915,037	1,253,555	1,493,652	1,817,765	1,990,493	2,486,362
1,008,228	1,090,253	1,167,100	1,174,025	1,170,562	1,363,922
<u>2,335,888</u>	<u>9,269,896</u>	<u>4,169,098</u>	<u>5,673,851</u>	<u>6,437,908</u>	<u>8,859,540</u>
<u>\$ 526,158,825</u>	<u>\$ 579,239,138</u>	<u>\$ 602,211,531</u>	<u>\$ 566,400,517</u>	<u>\$ 714,809,812</u>	<u>\$ 821,432,843</u>
74,731,292	99,701,463	66,042,350	33,930,387	96,703,848	179,342,538
15.4%	15.3%	16.2%	15.6%	14.9%	15.8%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Excess of revenues over (under) expenditures	\$ (40,825,011)	\$ (19,909,158)	\$ (13,472,854)	\$ (85,595,129)
Other Financing Sources (Uses)				
General long-term debt issued	17,140,000	16,340,000	-	275,360,000
General long-term debt refunding	19,230,000	43,430,000	38,660,000	11,905,000
Premium or discount on issuance on bonds	4,088,438	5,159,859	7,085,458	36,968,943
Leases (as lessee)	-	30,732	-	1,744,239
Sale of real or personal property	-	15,033,374	-	2,856,462
Transfers in	15,000,000	(14,971,000)	24,059,182	8,905,301
Other resources	-	(48,415,114)	-	-
Transfers out	(15,000,000)	-	(24,059,182)	(9,000,000)
Payments to escrow agents	(22,033,057)	-	(45,325,938)	(13,431,819)
Total other financing sources (uses)	<u>18,425,381</u>	<u>16,607,851</u>	<u>419,520</u>	<u>315,308,126</u>
Net change in fund balances	<u>\$ (22,399,630)</u>	<u>\$ (3,301,307)</u>	<u>\$ (13,053,334)</u>	<u>\$ 229,712,997</u>

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Richardson Independent School District

Exhibit S-7

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (80,053,993)	\$ (75,127,982)	\$ (71,328,396)	\$ (42,449,962)	\$ (157,348,138)	\$ (216,475,105)
-	116,960,000	-	-	368,240,000	193,930,000
85,105,000	-	33,799,970	36,675,000	-	-
10,322,494	11,928,513	3,564,724	2,862,212	34,423,244	7,592,915
-	-	-	-	2,861,752	32,265
103,876	5,668,561	208,269	123,859	5,945,258	163,052
10,000	16,000,582	1,000,000	1,026,947	1,000,000	5,000,000
-	-	-	-	-	9,728,844
(10,500,000)	(16,000,582)	(1,030,972)	(1,267,053)	(1,336,856)	(5,391,683)
(98,673,642)	-	(36,958,421)	(39,135,123)	-	-
<u>(13,632,272)</u>	<u>134,557,074</u>	<u>583,570</u>	<u>285,842</u>	<u>411,133,398</u>	<u>211,055,393</u>
<u>\$ (93,686,265)</u>	<u>\$ 59,429,092</u>	<u>\$ (70,744,826)</u>	<u>\$ (42,164,120)</u>	<u>\$ 253,785,260</u>	<u>\$ (5,419,712)</u>

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

Exhibit S-8

Fiscal Year	APPRAISED VALUE			Total Estimated Taxable Value	Total Direct Rate ¹
	Residential or Real Property	Personal Property	Less: Exemptions		
2014	17,204,882,060	2,660,765,860	3,170,407,577	16,695,240,343	1.34005
2015	18,004,179,260	2,681,291,320	3,258,304,887	17,427,165,693	1.34005
2016	19,301,762,110	2,838,200,940	3,848,077,544	18,291,885,506	1.34005
2017	21,305,843,460	3,062,408,270	4,261,268,544	20,106,983,186	1.34005
2018	23,439,201,230	3,124,807,470	4,667,613,361	21,896,395,339	1.39005
2019	24,667,111,895	3,229,457,420	5,410,794,776	22,485,774,539	1.39005
2020	26,080,999,887	3,386,582,950	5,255,180,102	24,212,402,735	1.52000
2021	29,109,827,229	3,651,479,690	6,996,330,172	25,764,976,747	1.40470
2022	30,084,894,070	3,606,888,550	6,942,809,078	26,748,973,542	1.39090
2023	36,080,922,730	4,024,162,780	8,277,179,272	31,827,906,238	1.31460

Source: Dallas Central Appraisal District.

Notes:

- The District performs its own tax collection activities.
- Property is appraised at full market value. Properties are reappraised at least once every three years.
- Represents total appraised value before exemptions.

¹ Per \$100 of assessed value.

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

Exhibit S-9

Fiscal Year	Richardson Independent School District Direct Rates			Overlapping Rates ¹			
	Maintenance and Operations	Debt Service	Total	County of Dallas ²	City of Richardson	City of Garland	City of Dallas
2014	1.04005	0.30000	1.34005	0.65380	0.63516	0.70460	0.79700
2015	1.04005	0.30000	1.34005	0.66387	0.63516	0.70460	0.79700
2016	1.04005	0.30000	1.34005	0.66275	0.63516	0.70460	0.79700
2017	1.04005	0.35000	1.39005	0.65470	0.62516	0.70460	0.78250
2018	1.04005	0.35000	1.39005	0.65674	0.62516	0.70460	0.78040
2019	1.17000	0.35000	1.52000	0.65650	0.62516	0.70460	0.77670
2020	1.06835	0.35000	1.41835	0.64660	0.62516	0.76960	0.77660
2021	1.05470	0.35000	1.40470	0.63984	0.62516	0.76960	0.77630
2022	1.04090	0.35000	1.39090	0.61646	0.61516	0.75697	0.77330
2023	0.96460	0.35000	1.31460	0.57965	0.56095	0.71669	0.74580

Source: Dallas County Tax Rates (<https://www.dallascounty.org/departments/tax/tax-rates-landing.php>)

Notes:

¹ Includes levies for operating and debt service costs.

² Includes Dallas County, School Equilization, Parkland Hospital and Dallas College.

Tax Rate Limitation (imposed by statute and local referendum):

- Debt Service of Limited Tax Bond: \$0.50 per \$100 assessed valuation of taxable property in the District (Section 20.08, Texas Education Code).
- Debt Service of Unlimited Tax Bond: None (Section 20.04 and 20.08, Texas Education Code).
- Local Maintenance: \$1.50 per \$100 assessed valuation subject to reduction as a debt increases above 7% of taxable assessed valuation (Section 20.04, Texas Education Code).

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Exhibit S-10

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Texas Instruments	\$ 965,053,337	1	3.0%	\$ 621,860,210	1	3.7%
Collins Technology Park Partners	383,627,520	2	1.2%	149,787,250	3	0.9%
Linked-In	327,143,160	3	1.0%			
HCP DR MCD LLC	292,954,110	4	0.9%	184,638,860	2	1.1%
Oncor Electric Delivery Co	133,461,940	5	0.4%			
MCI Worldcom	120,600,970	6	0.4%	117,908,930	4	0.7%
Lakeside Campus Partners	105,000,000	7	0.3%			
7927 Forest Lane Texas Owner	99,250,000	8	0.3%			
La Mirada Property	87,000,000	9	0.3%			
Camden Property Trust	86,000,000	10	0.3%			
Southwestern Bell				114,405,930	5	0.7%
Texas Utilities				88,355,220	6	0.5%
Forest Park Realty Partners				77,628,200	7	0.5%
Medical City				71,316,690	8	0.4%
Parmenter Park Central				65,683,630	9	0.4%
Metro PCS Texas				64,195,280	10	
	<u>\$ 2,600,091,037</u>		<u>8.1%</u>	<u>\$ 1,555,780,200</u>		<u>8.9%</u>

Source: Dallas Central Appraisal District

RICHARDSON INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS ¹
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-11

Fiscal Year	Original Levy	Adjustments	Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2014	216,359,255	(725,572)	215,633,683	213,882,935	99.19%	1,633,887	215,516,822	99.95%
2015	225,938,640	(793,618)	225,145,022	223,718,978	99.37%	1,297,955	225,016,933	99.94%
2016	236,541,304	(849,118)	235,692,186	234,192,943	99.36%	1,357,504	235,550,447	99.94%
2017	267,350,514	(1,155,317)	266,195,197	264,888,931	99.51%	1,140,793	266,029,724	99.94%
2018	289,774,765	(2,227,616)	287,547,149	287,101,654	99.85%	240,135	287,341,789	99.93%
2019	341,783,773	(3,128,790)	338,654,983	338,163,346	99.85%	88,632	338,251,978	99.88%
2020	343,416,614	(3,011,850)	340,404,764	339,930,220	99.86%	(391,476)	339,538,744	99.75%
2021	361,731,974	(3,024,902)	358,707,072	358,119,571	99.84%	(385,109)	357,734,462	99.73%
2022	372,051,473	(2,181,078)	369,870,395	367,840,856	99.45%	583,101	368,423,957	99.61%
2023	396,514,287	-	396,514,287	390,228,848	98.41%	-	390,228,848	98.41%

Source: Dallas Central Appraisal District and District records.

Notes:

¹ The District performs its own tax collection activities.

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

Exhibit S-12

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income²	Total Outstanding Debt Per Capita^{1,2}
	General Obligation Bonds	Contractual Obligations	Capital Financing Agreements			
2014	468,130,468	-	325,993	468,456,461	13.96%	4,601
2015	455,478,313	-	191,598	455,669,911	12.84%	4,449
2016	421,451,668	-	12,530	421,464,198	11.67%	4,041
2017	684,999,949	-	1,402,899	686,402,848	18.45%	6,391
2018	632,277,128	-	1,048,356	633,325,484	16.60%	5,750
2019	706,852,746	-	713,859	707,566,605	17.49%	6,223
2020	640,797,651	-	359,632	641,157,283	13.92%	5,545
2021	572,294,831	-	4,792	572,299,623	12.10%	4,889
2022	901,169,505	-	2,328,506	903,498,011	18.24%	7,371
2023	1,037,828,299	-	4,019,739	1,041,848,038	19.62%	8,497

Source: District records

Notes:

¹ Details of the District's outstanding debt can be found in the notes to the financial statements.

² See Schedule S-16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023 (UNAUDITED)**

Exhibit S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Dallas	\$2,175,175,416	10.06%	\$ 218,822,647
City of Garland	391,320,000	5.33%	20,857,356
City of Richardson	374,490,000	55.46%	207,692,154
Dallas County	236,605,000	8.97%	21,223,469
Dallas County Hospital District	559,905,000	8.97%	50,223,479
Dallas College	375,515,000	8.97%	33,683,696
Subtotal, overlapping bonded debt			552,502,799
Richardson Independent School District direct debt	1,041,849,909	100%	1,041,849,909
Total direct and overlapping debt			\$ 1,594,352,708

Source: Taxable value data used to estimate applicable percentages provided by the Dallas Central Appraisal District. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2023 (UNAUDITED)**

Exhibit S-14

Chapter 45 (School District Funds) Subchapter A (Taxes Bonds and Maintenance Taxes) of the Texas Education Code governs the issuance of bonds by independent school districts in the State of Texas. Key points regarding limitations on the issuance of bonds are:

- Sec. 45.001(b) – The bonds must mature serially or otherwise not more than 40 years from their date.
- Sec. 45.0031(a) – Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general under Subsection (b) or (c) that, with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

The full text of Chapter 45 of the Texas Education Code can be found at www.capitol.state.tx.us.

The District's debt service tax rate for fiscal year 2023 is \$0.35 per \$100 of valuation.

Source: Texas Education Code and District records.

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

Exhibit S-15

Fiscal Year	Population¹	Assessed Value	Total Bonded Debt Outstanding²	Less Debt Service Funds³	Net Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2014	101,820	16,695,240,343	468,130,468	11,691,794	456,438,674	2.73%	4,483
2015	102,430	17,427,165,693	455,478,313	12,983,490	442,494,823	2.54%	4,320
2016	104,300	18,291,885,506	421,451,668	15,720,885	405,730,783	2.22%	3,890
2017	107,400	20,106,983,186	684,999,949	19,490,981	665,508,968	3.31%	6,197
2018	110,140	21,896,395,339	632,277,128	15,337,873	616,939,255	2.82%	5,601
2019	113,710	22,485,774,539	706,852,746	20,114,100	686,738,646	3.05%	6,039
2020	115,630	24,212,402,735	640,797,651	17,525,187	623,272,464	2.57%	5,390
2021	117,050	25,764,976,747	572,294,831	21,330,975	550,963,856	2.14%	4,707
2022	122,570	26,748,973,542	901,169,505	19,964,053	881,205,452	3.29%	7,189
2023	122,615	31,827,906,238	1,037,828,299	9,150,404	1,028,677,895	3.23%	8,389

Source: Dallas Central Appraisal District and the District records.

Notes:

¹ See Schedule S-16 for population data. Only the City of Richardson population is represented.

² Details of the District's outstanding debt can be found in the notes to the financial statements.

³ Amount represents fund balance restricted for the retirement of long-term debt. See Exhibit C-1. This amount differs from government-wide net position restricted for debt service by amounts payable for accrued and accreted interest.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS (UNAUDITED)**

Exhibit S-16

Year	Population ¹	Personal Income (000 dollars)²	Per Capita Personal Income (dollars)²	Unemployment Rate ³
2014	101,820	3,355,784	32,958	4.60%
2015	102,430	3,547,868	34,637	3.70%
2016	104,300	3,612,639	34,637	3.60%
2017	107,400	3,720,014	34,637	3.40%
2018	110,140	3,814,919	34,637	3.20%
2019	113,710	4,046,257	35,584	3.07%
2020	115,630	4,605,427	39,829	6.40%
2021	117,050	4,730,927	40,418	5.47%
2022	122,570	4,952,809	40,408	3.37%
2023	122,615	5,309,843	43,305	3.52%

Sources :

¹ 2020-2023 from NCTCOG Population Estimates.

Prior years from City of Richardson 2019 CAFR, Table 13, 'Demographic and Economic Statistics'.

² 2020-2023 from Census.gov Income & Poverty annual estimates.

Prior years from City of Richardson 2019 CAFR, Table 13, 'Demographic and Economic Statistics'.

³ 2020-2023 from Texas Workforce Commission website average rates.

Prior years from Texas Workforce Commission website annual rates.

Note :

Approximately 35% of RISD is within the boundary of the City of Richardson.

Approximately 60% of RISD is within the boundary of the City of Dallas.

Approximately 5% of RISD is within the boundary of the City of Garland.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Exhibit S-17

<u>Employer</u>	<u>2023</u>			<u>2014³</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of Total City Employment²</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Texas Instruments	9,800	1	12.25%	10,411	1	16.18%
Richardson ISD	5,729	2	7.16%	4,807	2	7.47%
The University of Texas at Dallas	3,455	3	4.32%	3,500	4	5.44%
Infosis	2,600	4	3.25%			
GEICO	2,300	5	2.87%			
RealPage	2,100	6	2.62%			
Fujitsu Network Communications	1,500	7	1.87%			
Qorvo (formerly Tri-qint)	1,300	8	1.62%			
AT&T	1,100	9	1.37%	4,300	3	6.68%
iQor	1,000	10	1.25%			
Blue Cross & Blue Shield				3,100	5	4.82%
Ericsson				2,500	6	3.89%
Verizon Business				2,250	7	3.50%
Cisco Systems				1,700	8	2.64%
United Healthcare				1,700	9	2.64%
Fujitsu Network Communications				1,500	10	2.33%
Total	<u>30,884</u>		<u>38.58%</u>	<u>35,768</u>		<u>55.59%</u>

Sources : ¹ For Texas Instruments, City of Dallas AFR, 2022.
For Richardson ISD, District Records from Fall 2022-2023 PEIMS Submission Data.
Remaining companies, from City of Richardson Economic Development Partnership as of July 2022.
² Total city employment (the denominator), from the Labor Market Information Department, Texas Workforce Commission as of June 2022.
³ Richardson ISD Comprehensive Annual Financial Report, 2014.

Note: Texas Instruments is located in the City of Dallas, adjacent to the southern border of the City of Richardson

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-18

	2014	2015	2016	2017	2018 ¹	2019	2020	2021	2022 ²	2023
Teachers										
047 Substitute Teacher	2.6	1.0	-	-	1.0	0.3	5.4	8.2	27.0	3.0
087 Teacher	2,493.9	2,519.3	2,575.9	2,583.6	2,650.9	2,662.2	2,738.8	2,833.1	2,958.2	2,907.5
Total Professional Support	<u>2,496.5</u>	<u>2,520.3</u>	<u>2,575.9</u>	<u>2,583.6</u>	<u>2,651.9</u>	<u>2,662.5</u>	<u>2,744.2</u>	<u>2,841.3</u>	<u>2,985.2</u>	<u>2,910.5</u>
Professional Support										
056 Athletic Trainer	2.6	2.9	2.5	3.0	3.6	3.7	6.7	5.8	5.3	3.6
109 Athletics - Other than Athletic Director	-	-	-	-	4.0	4.0	0.9	0.4	2.7	0.8
006 Audiologist	1.0	1.0	1.0	1.0	1.0	0.6	1.0	1.0	1.0	1.0
112 Business Services Professional	-	-	-	-	13.0	11.2	12.2	13.0	22.0	21.5
102 Communications Professional	-	-	-	-	6.0	6.0	7.0	9.0	9.0	9.0
008 School Counselor	101.0	102.5	105.0	107.3	109.4	108.4	117.0	120.7	120.5	120.4
110 Custodial Professional	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
011 Educational Diagnostician	17.4	18.0	18.5	19.5	30.2	35.5	39.0	41.5	44.5	44.9
107 Food Services Professional	-	-	-	-	2.0	2.0	2.0	2.0	3.0	4.0
100 Instructional Materials Coordinator	-	-	-	-	26.3	29.0	1.0	1.0	1.0	1.0
104 Internal Auditor	-	-	-	-	1.0	1.0	0.5	0.0	0.0	0.0
106 District/Campus Information Tech Professional	-	-	-	-	34.9	36.5	37.3	33.9	36.8	34.8
101 Legal Services	-	-	-	-	2.5	2.5	2.1	1.0	2.0	2.0
013 Librarian	50.7	52.7	49.4	51.0	49.0	51.5	52.5	49.4	48.8	51.8
111 Maintenance Professional	-	-	-	-	18.0	17.3	13.7	12.9	11.0	13.7
Music Therapist	-	1.0	-	-	-	-	-	-	0.0	0.0
016 Occupational Therapist	4.5	5.0	-	-	-	-	1.0	-	5.4	6.6
017 Orientation and Mobility Specialist	0.0	0.0	-	-	-	-	-	-	0.9	0.8
018 Physical Therapist	3.0	3.0	-	-	-	-	-	-	2.8	2.9
103 Research/Evaluation Professional	-	-	-	-	7.8	8.0	7.0	7.0	6.0	6.0
022 School Nurse	67.3	69.8	71.4	71.7	72.0	67.0	61.0	62.1	60.8	60.7
023 LSSP/Psychologist	18.5	22.5	26.2	23.5	19.5	11.9	15.5	14.8	12.0	13.5
105 Security	-	-	-	-	3.0	4.0	4.0	2.0	2.0	2.0
026 Speech Therapist/Speech-Language Pathologist	63.9	64.8	59.1	62.6	60.4	57.8	65.7	78.2	69.8	68.7
041 Teacher Facilitator	193.9	193.2	208.0	208.5	160.0	96.2	177.7	179.0	93.7	109.8
108 Transportation	-	-	-	-	0.6	2.0	1.0	1.0	3.0	2.0
058 Campus Professional Personnel	49.7	60.5	43.6	37.9	-	-	-	-	0.0	0.0
080 Non-Campus Professional Personnel	125.8	128.3	135.8	140.0	-	-	-	-	0.0	0.0
114 Other Campus Exempt Professional Auxiliary	-	-	-	-	75.9	95.7	25.6	26.8	82.1	82.3
113 Other District Exempt Professional Auxiliary	-	-	-	-	27.0	24.1	39.5	45.9	98.9	107.3
Total Professional Support	<u>699.3</u>	<u>725.2</u>	<u>720.5</u>	<u>726.0</u>	<u>729.1</u>	<u>677.9</u>	<u>692.9</u>	<u>710.4</u>	<u>747.0</u>	<u>773.1</u>
Campus Administration										
020 Principal	54.0	56.0	54.5	54.5	55.0	54.4	53.9	55.5	56.0	56.0
003 Assistant Principal	69.9	73.5	76.2	75.4	85.0	83.0	101.7	101.1	100.3	103.6
012 District Instructional Pgr Director or Exec Director	-	-	-	-	-	-	1.0	-	1.0	2.0
Teacher Supervisor	-	-	-	-	-	-	-	-	-	-
040 Athletic Director	0.8	0.9	2.1	2.8	1.0	1.0	0.0	0.0	0.0	0.0
Total Campus Administration	<u>124.7</u>	<u>130.4</u>	<u>132.8</u>	<u>132.7</u>	<u>141.0</u>	<u>138.4</u>	<u>156.6</u>	<u>156.6</u>	<u>157.3</u>	<u>161.6</u>
Central Administration										
004 Assistant/Assoc/Deputy Superintendent	6.0	7.0	7.0	6.2	7.0	6.0	6.0	6.0	6.0	6.0
012 District Instructional Pgr Director or Exec Director	34.0	46.2	47.5	51.2	51.4	59.0	74.5	73.4	57.2	58.1
027 Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Teacher Supervisor	-	-	-	-	-	-	-	-	-	-
040 Athletic Director	2.0	1.0	1.0	1.0	2.0	2.0	0.6	2.0	2.0	2.0
043 Business Manager	-	-	-	-	-	2.0	1.0	1.0	1.0	1.0
044 Tax Assessor &/or Collector	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
045 Director of Personnel/HR	4.0	5.0	4.8	5.0	4.6	5.0	6.0	6.0	6.0	6.0
Total Central Administration	<u>48.0</u>	<u>61.2</u>	<u>62.3</u>	<u>65.4</u>	<u>67.0</u>	<u>76.0</u>	<u>90.1</u>	<u>90.4</u>	<u>74.2</u>	<u>75.1</u>
Educational Aides										
033 Educational Aides	258.4	292.1	321.7	304.3	341.2	345.8	419.1	462.7	454.5	434.5
Total Educational Aides	<u>258.4</u>	<u>292.1</u>	<u>321.7</u>	<u>304.3</u>	<u>341.2</u>	<u>345.8</u>	<u>419.1</u>	<u>462.7</u>	<u>454.5</u>	<u>434.5</u>
Auxiliary Staff	1,179.6	1,158.8	1,187.0	1,149.0	1,152.0	1,283.7	1,316.0	1,310.8	1,310.5	1,275.5
Total All Full-Time Equivalent Employees	<u>4,806.5</u>	<u>4,888.0</u>	<u>5,000.2</u>	<u>4,961.0</u>	<u>5,082.2</u>	<u>5,184.3</u>	<u>5,418.9</u>	<u>5,572.2</u>	<u>5,728.7</u>	<u>5,630.3</u>

Source: 2022-2023 TSDS PEIMS Staff FTE By Role (PDM1-110-006)

Note: Full-time instructional employees of the District are employed for all 174 scheduled school days. Full-time-equivalent employment is determined based on the hours allocated to work.

¹ Numerous staff classifications were reclassified in 2018.

² Numerous staff classifications were reclassified in 2022.

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

Exhibit S-19

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2014	38,283	266,897,906	6,972	5.52 %	2,496.5	15.3	60.0%
2015	38,618	280,000,829	7,251	4.00 %	2,520.3	15.3	59.0%
2016	38,738	291,967,114	7,537	3.94 %	2,575.9	15.0	57.0%
2017	39,268	301,932,686	7,689	2.02 %	2,583.6	15.2	57.0%
2018	39,314	321,904,129	8,188	6.49 %	2,651.9	14.8	57.0%
2019	39,108	335,376,095	8,576	4.74 %	2,662.5	14.7	56.0%
2020	39,619	350,174,118	8,839	3.07 %	2,744.2	14.4	55.5%
2021	37,787	377,250,637	9,984	12.95 %	2,841.3	13.3	53.0%
2022	37,633	381,822,658	10,146	1.62 %	2,985.2	12.6	55.9%
2023	37,260	385,443,514	10,345	1.96 %	2,910.5	12.8	53.8%

Source: 2022-2023 TSDS PEIMS Disaggregation of PEIMS Student Data (PDM1-120-009)

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-20

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School										
Elementary										
Buildings	41	41	41	41	41	41	41	41	41	42
Square feet	2,915,406	2,915,406	2,964,601	2,958,009	2,958,009	2,991,625	2,991,625	2,991,625	2,991,625	3,041,428
Maximum Capacity	29,524	29,524	30,276	30,840	30,840	30,556	30,556	30,556	30,556	30,936
Enrollment	22,897	23,021	23,059	23,345	23,148	23,050	23,237	21,701	21,509	21,253
Middle										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	1,078,668	1,093,351	1,093,351	1,093,351	1,093,351	1,093,351	1,093,351	1,093,351	1,093,351	1,093,351
Maximum Capacity	8,190	8,190	8,468	8,468	8,468	8,382	8,382	8,382	8,382	8,381
Enrollment ¹	5,564	5,658	5,576	5,486	5,527	5,651	5,909	5,670	5,626	5,489
High										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	1,913,358	1,913,791	1,913,791	1,913,791	1,913,791	1,958,001	1,958,001	2,011,437	2,011,437	2,367,127
Maximum Capacity	13,113	13,113	12,882	12,882	12,882	13,076	13,076	12,996	12,996	13,493
Enrollment ¹	9,813	9,934	10,100	10,425	10,632	10,403	10,467	10,412	10,496	10,503
Other Educational Facilities										
Buildings	3	3	3	4	4	4	8	8	8	8
Square feet	39,668	39,668	39,668	62,668	62,668	62,668	382,668	382,668	386,368	386,368
Administrative/Transportation										
Buildings	7	7	7	8	8	8	8	8	13	13
Square feet	249,207	259,649	259,649	286,454	286,454	286,454	286,454	286,454	436,612	436,612
Athletics										
Football/soccer fields (quantity)	25	25	24	24	24	24	24	24	24	24
Football stadiums (quantity)	6	6	5	4	4	4	4	4	4	4
Running tracks (quantity)	13	13	13	13	13	13	13	13	13	13
Baseball fields (quantity)	4	4	4	4	4	4	4	4	4	4
Softball fields (quantity)	19	19	19	19	19	19	19	19	19	19
Tennis court sites (quantity)	16	16	12	12	12	12	12	12	12	12
Swimming pools (quantity)	2	2	2	2	2	2	2	2	2	2
Playgrounds (quantity)	118	118	109	109	109	109	109	109	109	109

Source: District records

Notes:

¹ 2023 enrollment does not include 15 students that attend the JJAEP, a special program located in non-district facilities.

**FEDERAL AWARDS
SECTION**



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees
Richardson Independent School District
Richardson, Texas

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson Independent School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees
Richardson Independent School District

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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 7, 2023



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Trustees
Richardson Independent School District
Richardson, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Board of Trustees
Richardson Independent School District

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 7, 2023

Richardson Independent School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified that are not considered a material weakness? _____ Yes X None reported
- c. Noncompliance material to financial statements noted. _____ Yes X No

Federal Awards

- d. Internal control over major federal programs:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified that are not considered a material weakness? _____ Yes X None reported
- e. An unmodified opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a). _____ Yes X No

g. Identification of major programs:

Education Stabilization Fund (ESSER):	
COVID-19 CRRSA ESSER II	84.425D
COVID-19 ARP ESSER III	84.425U
COVID-19 TCLAS ESSER III	84.425U
COVID-19 TCLAS High-Quality After-School	84.425U
ARP Homeless I – TEHCY Supplemental	84.425W
ARP Homeless II	84.425W
Title I, Part A:	
Title I, Part A – Improving Basic Programs	84.010A
2021-2023 TTL I, 1003 ESF-Focused Support Grant	84.010A
School Action Fund Continuation	84.010A

- h. The dollar threshold used to distinguish between Type A and Type B programs. \$2,452,090
- i. Auditee qualified as a low-risk auditee. X Yes _____ No

Richardson Independent School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 1.f Above

None

Richardson Independent School District

Summary of Prior Year Audit Findings

Year Ended June 30, 2023

IV. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None

**Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the ended June 30, 2023**

Exhibit K - 1

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Project Number</u>	<u>Special Revenue Fund Expenditures</u>	<u>General Fund Overhead</u>	<u>Total</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
CHILD NUTRITION CLUSTER					
Passed through the Texas Education Agency					
School Breakfast Program	10.553	71402301	\$ 2,145,995	\$ -	\$ 2,145,995
School Breakfast Program (COVID-19)	10.553	71402201	463,052	-	463,052
National School Lunch Program	10.555	71302301	7,311,576	1,487,380	8,798,956
National School Lunch Program (COVID-19)	10.555	71302201	1,956,169	-	1,956,169
Total Passed through the Texas Education Agency			11,876,792	1,487,380	13,364,172
Passed through the Texas Department of Agriculture:					
National School Lunch Program - Noncash Assistance (Commodities)	10.555	00284	1,443,503	-	1,443,503
Supply Chain Grant	10.555	-	1,408,400	-	1,408,400
Total Passed through the Texas Department of Agriculture			2,851,903	-	2,851,903
TOTAL CHILD NUTRITION CLUSTER			14,728,695	1,487,380	16,216,075
Passed through the Texas Department of Agriculture:					
National School Lunch Program (NSLP) Equipment Assistance Grants	10.579	-	72,829	-	72,829
Child and Adult Care Food Program	10.558	806780706	119,157	-	119,157
Commodity Storage Delivery Reimbursement	10.560	-	25,601	-	25,601
P-EBT	10.649	-	5,950	-	5,950
Total Passed through the Texas Department of Agriculture			223,537	-	223,537
TOTAL U.S. DEPARTMENT OF AGRICULTURE			14,952,232	1,487,380	16,439,612
<u>U.S. DEPARTMENT OF DEFENSE</u>					
Direct Program					
JROTC	12.000	TX791840	288,335	-	288,335
TOTAL U.S. DEPARTMENT OF DEFENSE			288,335	-	288,335
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Passed through Texas Education Agency:					
Title I, Part A - Improving Basic Programs	84.010A	23610101057916	8,785,112	299,408	9,084,520
Title I, Part A - Improving Basic Programs	84.010A	22610101057916	1,116,665	-	1,116,665
2021-2023 TTL I, 1003 ESF-Focused Support Grant	84.010A	226101577110045	75,575	1,849	77,424
School Action Fund Continuation	84.010A	226101517110027	395,098	20,743	415,841
Total Title I - Part A (84.010A)			10,372,450	322,000	10,694,450
SPECIAL EDUCATION CLUSTER					
Special Education - Grants to States (IDEA, Part B)	84.027A	236600010579166600	6,524,738	217,807	6,742,545
Special Education - Grants to States (IDEA, Part B)	84.027A	226600010579166600	265,543	-	265,543
IDEA-B Formula - ARP	84.027X	225350020579165350	205,236	5,476	210,712
IDEA-B Formula - ARP	84.027X	225350010579165350	546,473	-	546,473
Special Education - High Cost Fund	84.027A	66002106	70,521	-	70,521
Special Education - Preschool Grants (IDEA Preschool)	84.173A	236610010579166610	89,313	3,127	92,440
Special Education - Preschool Grants (IDEA Preschool)	84.173A	226610010579166610	39,722	-	39,722
IDEA-B Preschool - ARP	84.173X	225360020579165360	29,028	344	29,372
IDEA-B Preschool - ARP	84.173X	225360010579165360	9,323	-	9,323
Total Special Education Cluster			7,779,897	226,754	8,006,651
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048A	23420006057916	438,628	11,882	450,510
2020-2021 CTE Perkins Reserve Grant	84.048A	214200287110013	111,685	-	111,685
Total Career and Technical Education (84.048A)			550,313	11,882	562,195
2022-2023 Texas Education for Homeless Children and Youth	84.196A	234600057110068	82,536	2,186	84,722
2021-2022 Texas Education for Homeless Children and Youth	84.196A	224600057110016	6,389	-	6,389
Total Texas Education for Homeless Children and Youth (84.196A)			88,925	2,186	91,111
Title II, Part A, Supporting Effective Instruction	84.367A	23694501057916	1,478,604	38,987	1,517,591
Title II, Part A, Supporting Effective Instruction	84.367A	22694501057916	106,447	-	106,447
Teacher Leadership, Cycle 2 Continuation Grant	84.367A	226945797110026	3,571	-	3,571
Total Title II - Part A (84.367A)			1,588,622	38,987	1,627,609
Title III, Part A-Language Instruction for Limited English Proficient Students	84.365A	23671001057916	1,205,870	22,426	1,228,296
Title III, Part A-Language Instruction for Limited English Proficient Students	84.365A	22671001057916	56,573	-	56,573
Total Title III Language Instruction for LEP Students and Immigrants (84.365A)			1,262,443	22,426	1,284,869
LEP Summer School	84.369A	S369A190045	16,706	-	16,706

**Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the ended June 30, 2023**

Exhibit K - 1

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Project Number	Special Revenue Fund Expenditures	General Fund Overhead	Total
Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program	84.424A	23680101057916	721,589	19,050	740,639
Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program	84.424A	22680101057916	125,639	-	125,639
Total Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program (84.424A)			847,228	19,050	866,278
Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	84.425D	21521001057916	15,134,222	2,927,010	18,061,232
Total Elementary and Secondary School Emergency Relief Fund (84.425D)			15,134,222	2,927,010	18,061,232
Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III	84.425U	21528042057916	195,622	38,098	233,720
ARP ESSER III	84.425U	21528001057916	17,246,770	3,285,717	20,532,487
TCLAS High-Quality After-School	84.425U	215280587110122	212,947	48,070	261,017
Total American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (84.425U)			17,655,339	3,371,885	21,027,224
ARP Homeless I - TEHCY Supplemental	84.425W	215330017110068	52,782	1,313	54,095
ARP Homeless II	84.425W	21533002057916	132,403	3,735	136,138
Total American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth (84.425W)			185,185	5,048	190,233
Total Passed through Texas Education Agency			55,481,330	6,947,228	62,428,558
Passed through Dallas County Local Workforce Development Board					
Adult Education Literacy (AEL)	84.002	RISD-AEL 2018-1	489,192	17,278	506,470
Total Passed through Dallas County Local Workforce Development Board			489,192	17,278	506,470
TOTAL U.S. DEPARTMENT OF EDUCATION			55,970,522	6,964,506	62,935,028
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Passed through Texas Health and Human Services Commission					
Medicaid Administrative Claiming Program (MAC)	93.778	HHS000537900076	321,728	-	321,728
Child Care and Development Fund (CCDF) - Childcare Group	93.575	529-07-0157-00060	233,141	-	233,141
Total Passed through Texas Health and Human Services Commission			554,869	-	554,869
Passed through Office of Refugee Resettlement's Administration for Children & Families					
Refugee Support Services Program	93.566	2202TXRSSS	235,214	-	235,214
Total Passed through Texas Education Agency					
Passed through Texas Education Agency:					
COVID-19 School Health Support Grant, Cycle 3	93.323	22393503057916	1,236,252	43,664	1,279,916
Total Passed through Texas Education Agency					
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,026,335	43,664	2,069,999
<u>CORPORATION FOR NATIONAL & COMMUNITY SERVICE</u>					
Passed through University of North Texas:					
Americorp (HIPPI)	94.006	18ACHTX0010003	3,374	-	3,374
TOTAL CORP. FOR NATIONAL & COMMUNITY SERVICE			3,374	-	3,374
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 73,240,798	\$ 8,495,550	\$ 81,736,348

See notes to the Schedule of Expenditures of Federal Awards.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. The District utilizes the fund types specified in the Texas Education Agency *Financial Accountability System Resource Guide*.

Special Revenue Funds – are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the 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.
3. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund or Special Revenue Fund, components of the Governmental Funds. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Government 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 fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

4. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance
5. The National School Lunch Program (ALN 10.555) received like kind goods. The monetary value of these goods was \$1,443,503 for the year ended June 30, 2023.
6. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2023, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

7. The following is a reconciliation of total expenditures reported on the Schedule of Expenditures of Federal Award (Exhibit K-1) to Federal Program Revenues reported on Exhibit C-2:

Total Expenditures of Federal Awards (K-1)	\$ 81,736,349
School Health and Related Services (SHARs)	11,503,040
Child Care Relief Fund (CCRF)	1,992,693
Alternative Fuel Credit	18,686
Federal Grant Premiums	<u>357,718</u>
Federal Program Revenues (Exhibit C-2)	<u>\$ 95,608,486</u>

8. The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.