



RICHARDSON INDEPENDENT SCHOOL DISTRICT
Where all students connect, learn, grow and succeed

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Richardson, Texas 75081

Annual Comprehensive Financial Report

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

Fiscal Year Ended June 30, 2022

Prepared by
Financial Services



RICHARDSON INDEPENDENT SCHOOL DISTRICT

Where all students connect, learn, grow and succeed

**Richardson Independent School District
Annual Comprehensive Financial Report
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As of June 30, 2022**

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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) approved disapproved for the year ended June 30, 2022, at a meeting of the board of school trustees of such school district on the 3rd day of November 2022.

Chris Poteet

Signature of Board Secretary

Regina Harris

Signature of Board President



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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	3	2025	Webcast Production Manager Webvent Inc.
Debbie Renteria, Vice President Single-Member District 3	2	2023	Education Consultant
Chris Poteet, Secretary At-Large Place 7	2	2024	Civil Engineer Freese and Nichols
Megan Timme Single-Member District 1	1	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	Sales Representative
Eric Eager At-Large Place 6	2	2023	Co-Founder, CEO of 4impactdata

APPOINTED AND FINANCIAL OFFICIALS

	<u>Position</u>	<u>Length of Service</u>
Tabitha Branum	Superintendent	1 year
David Pate	Assistant Superintendent, Finance and Support Services	6 years
Kimberlyee Chappell	Executive Director, Financial Services	6 years
Dorcas Mejia	Director, Tax Services	1 year

Richardson ISD Organizational Chart 2022-2023

WHERE ALL STUDENTS CONNECT, LEARN, GROW, AND SUCCEED



Tabitha Branum
SUPERINTENDENT

CABINET:



Dr. Kristin Byno
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

TBD
CHIEF OF STAFF

Libby Oliver
BOARD RELATIONS/
ADMINISTRATIVE MANAGER

Emily Doherty
SUPERINTENDENT'S OFFICE/
ADMINISTRATIVE MANAGER

Katherine McKinney
EXECUTIVE ASSISTANT

Lorie Squalls
AREA SUPERINTENDENT
OF BERKNER LC

Peggy Dillon
AREA SUPERINTENDENT
OF PEARCE LC

Jennie Bates
AREA SUPERINTENDENT OF
LAKE HIGHLANDS LC

Mike Evans
AREA SUPERINTENDENT
OF RICHARDSON HIGH LC

RICHARDSON INDEPENDENT SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

INDEPENDENT AUDITORS

Whitley Penn LLP
8343 Douglas Avenue, Suite 400
Dallas, Texas 75225

BOND ATTORNEYS

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1445 Ross Avenue, Suite 3800
Dallas, Texas 75202

FINANCIAL ADVISORS

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

OFFICIAL DEPOSITORY

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Dallas, TX 75201

TAX COLLECTION COUNSEL

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500 East Border St., Ste. 640
Arlington, Texas 76010

OUTSIDE COUNSEL

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

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Fort Worth, Texas 76102

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Irving, Texas 75062

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16475 Dallas Parkway
Addison, Texas 75001

Ramirez & Associates, P.C.
8150 US 75 – Central Expy. 1000
Dallas, Texas 75206

Gray Miller Persh LLP
P. O. Box 716330
Philadelphia, Pennsylvania 19171

Hoffman Kelley Lopez LLP
1721 West Plano Parkway, Ste. 203
Plano, Texas 75075



November 3, 2022

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, 2022, 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 vision statement for RISD is:

RISD – Where all students connect, learn, grow and succeed.

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 37,300 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 37,300 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 56 percent qualifying as economically disadvantaged. In the 2021-2022 school year, the District served an ethnically and culturally diverse enrollment of 37,633 students. The ethnic composition was approximately 37.4 percent Hispanic, 29.8 percent White, 22.4 percent African American, 6.9 percent Asian, and 3.5 percent other ethnicities. The District employed 5,929 total staff for the 2021-2022 school year.

District Programs

The educational philosophy stressed by the District includes a student-centered approach to learning 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.

The Texas accountability system measures student achievement, student progress, closing performance gaps, and postsecondary readiness and allows districts and individual campuses to receive a rating between A - C, or a designation of

“Not Rated: Senate Bill 1365” if the rating would equate to a D or F. The District as a whole received a rating of B for the 2021-2022 school year, and two-thirds of the schools received a rating of A or B.

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 54.1 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 homeowners. This, combined with the mandated \$40,00 homestead exemption, reduces the taxable value of a \$100,000 single-family residence to \$50,000.

The District has seen strong property value growth in recent years. The District's certified net taxable property value grew from \$20.1 billion in 2017 to \$28.5 billion in 2022, 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 2022, the District’s top ten taxpayers comprised only 6.4 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 11.5 percent for the 2022 tax year and are projected to grow between 3.0 percent - 4.0 percent annually through the 2025 tax year. The estimated tax collection rate will remain at 98% through the forecast period. However, because House Bill 3 (HB 3) requires compression of local property tax rates, a Maintenance and Operations (M&O) tax rate of \$0.96460 will be levied for 2022-2023. HB 3 requires automatic M&O tax rate reductions if the District grows by more than 2.5 percent per year.

Student enrollment is a major factor in our long-range financial plan. Over the past 5 years, the District’s enrollment has decreased by 4.28 percent from 39,314 to 37,633 students. The District’s enrollment has not returned to pre-pandemic levels. For fiscal year 2022-2023 peak enrollment decreased by .82% (307 students), from 37,633 to 37,326 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 Whitley Penn, LLP during fiscal year 2018 based on the recommendation of the financial management staff. Whitley Penn, LLP is the fifth 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, 2021. This was the 41st 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 20 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

Kimberlyee Chappell

Kimberlyee Chappell, Executive Director
Financial 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, 2021.

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, 2021

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, 2021.

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, 2021.

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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 management’s discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Richardson Independent School District

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dallas, Texas
November 3, 2022

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
(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, 2022. 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 \$91,736,340 (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 \$70,303,144. The District is required to recognize liabilities associated with its employees' pension and post-employment benefits. As of June 30, 2022, these liabilities totaled \$187.6 million, which contributed to the deficit balance in unrestricted net position.
- The net investment in capital assets portion of net position decreased by \$30,285,500. This decrease is primarily due to the issuance of the \$368.2 million in bonds which increased bonds payable by 59%.
- At the close of the fiscal year, governmental funds reported a combined fund balance of \$519,004,999, an increase of \$253,785,260 in comparison with the prior year. This increase was due to the issuance of the Series 2021 and Series 2022 Unlimited Tax School Building Bonds, totaling \$368.2 million.
- The District ended the year with an unassigned fund balance of \$95,655,634. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$169,253,300, or approximately 44% 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 26-56 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 57-65 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, 2022, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91.7 million.

Table A-2
The District's Net Position

	June 30, 2022	June 30, 2021	Increase/ (Decrease)
Assets			
Current and Other Assets	\$ 621,681,079	\$ 346,737,439	\$ 274,943,640
Capital Assets	751,245,574	704,948,498	46,297,076
Total Assets	1,372,926,653	1,051,685,937	321,240,716
Total Deferred Outflows of Resources	73,099,599	81,396,162	(8,296,563)
Liabilities			
Long-Term Liabilities Outstanding	1,093,520,588	828,058,956	265,461,632
Other Liabilities	101,242,128	77,493,251	23,748,877
Total Liabilities	1,194,762,716	905,552,207	289,210,509
Total Deferred Inflows of Resources	159,527,196	112,362,556	47,164,640
Net Position			
Net Investment in Capital Assets	134,140,203	164,425,703	(30,285,500)
Restricted	27,899,281	23,459,076	4,440,205
Unrestricted	(70,303,144)	(72,717,443)	2,414,299
Total Net Position	\$ 91,736,340	\$ 115,167,336	\$ (23,430,996)

Current and other assets increased in governmental activities by \$274.9 million from the prior year. The district issued \$368.2 million in unlimited tax school building bonds. The unexpended proceeds are held in the District's capital projects investment pool.

Other liabilities increased in by \$23.7 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 \$18.4 million.

Long term liabilities, which consist of bonds, leases, compensated absences and post-employment benefit obligations, increased by \$265.5 million. Outstanding bonds (including unamortized bond premiums) increased by \$328.9 million, due to the issuance of the Series 2021 and Series 2022 Unlimited Tax School Building Bonds, totaling \$368.2 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 \$23,430,996 from the prior year for an ending balance of \$91,736,340. The total cost of governmental activities was \$554,300,137, a decrease of \$40,186,676 from the previous year. Approximately \$77.9 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, 2021 to June 30, 2022. This information is also found on the government-wide *Statement of Activities* (Exhibit B-1).

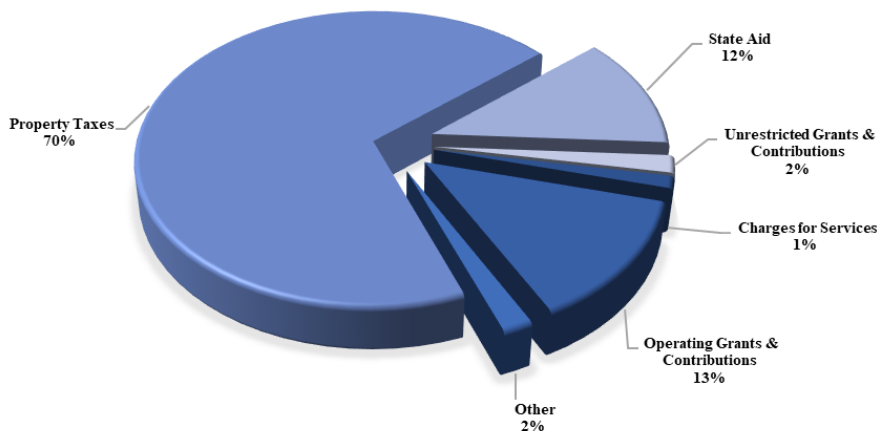
Table A-3
Changes In Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase/ (Decrease)</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 7,021,781	\$ 5,663,776	\$ 1,358,005
Operating Grants and Contributions	70,869,624	91,515,992	(20,646,368)
General Revenues:	368,262,638		
Property Taxes		358,496,003	9,766,635
State Program Revenues	64,651,647	82,052,490	(17,400,843)
Grants and Contributions Not Restricted to Specific Programs	9,929,245	8,178,422	1,750,823
Interest Income	993,926	364,343	629,583
Other	3,195,022	6,601,397	(3,406,375)
Special Items:			
Sales of Real or Personal Property	5,945,258	-	5,945,258
Total Revenue	<u>530,869,141</u>	<u>552,872,423</u>	<u>(22,003,282)</u>
Expenses			
Instruction	305,763,202	362,147,831	(56,384,629)
Instructional Resources and Media Services	8,038,318	8,608,120	(569,802)
Curriculum Development and Instructional Staff Development	16,665,639	16,237,179	428,460
Instructional Leadership	7,100,287	8,192,297	(1,092,010)
School Leadership	24,582,764	28,397,930	(3,815,166)
Guidance, Counseling, and Evaluation Services	20,520,460	23,551,978	(3,031,518)
Social Work Services	1,983,012	1,799,232	183,780
Health Services	5,828,103	6,028,419	(200,316)
Student Transportation	12,538,610	9,917,381	2,621,229
Food Services	15,231,975	13,440,616	1,791,359
Extracurricular Activities	9,884,982	10,516,548	(631,566)
General Administration	13,853,085	17,994,236	(4,141,151)
Facilities Maintenance and Operations	62,850,514	48,671,563	14,178,951
Security and Monitoring Services	3,533,479	3,910,925	(377,446)
Data Processing Services	15,011,492	7,291,481	7,720,011
Community Services	1,692,979	1,913,510	(220,531)
Interest on Long-term Debt	20,108,058	16,779,679	3,328,379
Related Debt Service Costs	2,675,270	3,414,037	(738,767)
Contracted Instructional Services between Public Schools	2,278,124	1,196,543	1,081,581
	995,729	1,482,518	(486,789)
Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements			
Payments to Juvenile Justice Alternative Education Programs	3,000	3,000	-
Payments to Tax Increment Fund	1,990,493	1,817,765	172,728
Other Intergovernmental Charges	1,170,562	1,174,025	(3,463)
Total Expenses	<u>554,300,137</u>	<u>594,486,813</u>	<u>(40,186,676)</u>
Increase (Decrease) in Net Position	<u>(23,430,996)</u>	<u>(41,614,390)</u>	<u>18,183,394</u>
Net Position - Beginning	115,167,336	156,748,373	(41,581,037)
Prior Period Adjustment	-	33,353	(33,353)
Net Position - Ending	<u>\$ 91,736,340</u>	<u>\$ 115,167,336</u>	<u>\$ (23,430,996)</u>

Revenues decreased by \$21.5 million from the prior year due to a \$20.6 million decrease in operating grants and contributions. The decrease resulted from the current year adjustment of a negative \$32.4 million to the District's Pension and OPEB portion, which reduced operating grants and contribution from \$103.3 million to \$70.9 million.

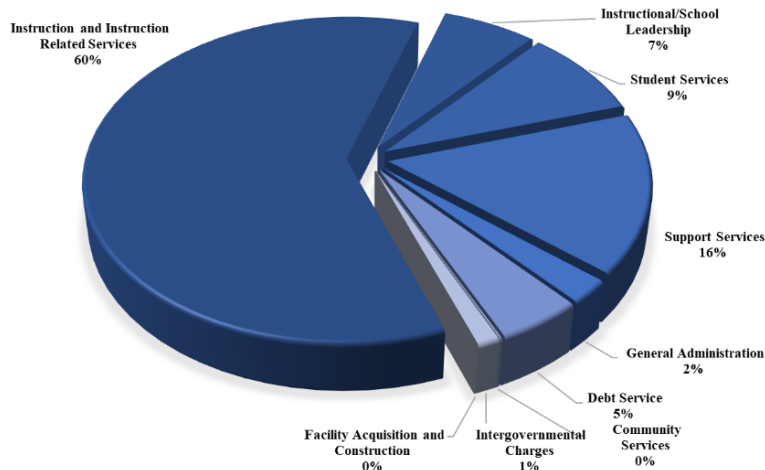
The following Figure A-4 illustrates the District's sources of revenue for the current fiscal year.

FIGURE A-4
SOURCES OF REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 2022



The total cost of all programs and services totaled \$476.4 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 60% 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 16% of net costs.

FIGURE A-5
NET COST FOR THE FISCAL YEAR ENDED JUNE 30, 2022



FUND LEVEL FINANCIAL ANALYSIS

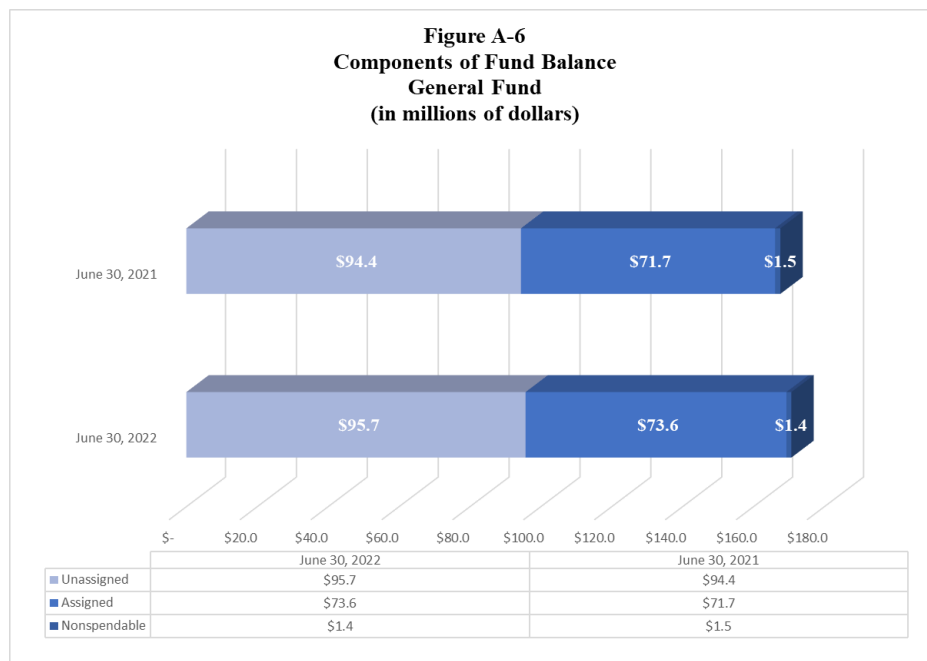
As noted earlier, the District uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide a more detailed account of specific District programs and activities.

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, 2022, the fund balance in the General Fund was \$170,696,165, an increase of \$3,203,318 in comparison to the prior year. Of this amount, \$95,655,634, or 56%, 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 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 \$1.75 million, 21.4% 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 \$3.9 million, 231.8% more than the previous year. A total of \$3.8 million in indirect cost revenue was received for the ESSER II and ESSER III grants. The District expended \$28.6 million on these grants, and were reimbursed at the unrestricted indirect cost rate of 13.816%.

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 25% of total General Fund expenditures.



At June 30, 2022, the District’s governmental funds reported combined fund balances of \$519,004,999, an increase of \$253.8 million. Approximately 18.4% (\$95,655,634) 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 \$1,594,360.
- *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 \$319,084,618.

- *Committed* balances total \$24,157,444 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 \$20,941,453 at June 30, 2022.
- *Assigned* balances are tentatively earmarked by management for a particular program or purpose. Total assigned funds at June 30, 2022 totaled \$78,512,943.

Further information on each type of fund balance can be found within Note 1 on pages 31-33 of this report.

The overall increase in fund balance is mainly attributed issuance of \$368.2 million in unlimited tax school building bonds, which increased the revenue (i.e. other sources) in the Capital Projects Fund by \$241.3 million. The change in fund balance in the Capital Projects Fund resulted in the increase 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 \$5,805,123 due to an increase in the meal reimbursement rate from the Department of Agriculture.
- The Special Revenue Fund increased \$374,520 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 \$597,148. 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:

- Estimated Revenues
 - Current year tax levy increased by \$4.7 million to adjust for changes in the property tax value and maintenance and operations tax rate; and
 - State aid decreased by \$2.4 million to offset the increase in local property taxes.
- Appropriations
 - Instruction increased by \$3.7 million to cover payroll costs;
 - Maintenance and operations increased by \$8.8 million to cover overtime, air purifiers, rising utility costs and the lease of a building from the Network of Community Ministries, Inc.;

- Student transportation increased by \$2.6 million to cover payroll costs; and
- Contracted instructional services between public schools increased by \$1.3 million to cover the cost of attendance credits to offset excess revenue.

Final Budget Compared to Actual Results

As of June 30, 2022, actual revenue exceeded the final estimated revenues by \$7.1 million, and final appropriations exceeded actual expenditures by \$23.4 million. The most significant variances are summarized below:

- Property tax collections exceeded budget by \$2.9 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 \$1.9 million.
- Tuition from the xPlore after school program exceeded budget by \$1.7 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, 2022 totals \$751,245,574 (net of accumulated depreciation/amortization). This investment in capital assets includes land, equipment, buildings, communications systems, and vehicles and represents a 6.5% increase in capital assets for the current fiscal year.

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

	June 30, 2022	June 30, 2021	Increase/ (Decrease)
Land and Improvements	\$ 65,824,988	\$ 64,674,300	1,150,688
Building and Improvements	1,110,626,942	1,099,610,652	11,016,290
Furniture, Equipment and Vehicles	151,115,769	140,608,280	10,507,489
Right-to-Use Leased Assets	5,455,085	1,768,239	3,686,846
Construction in Progress	74,274,370	11,976,925	62,297,445
Total	1,407,297,154	1,318,638,396	88,658,758
Accumulated Depreciation/Amortization	(656,051,580)	(613,689,898)	(42,361,682)
Net Capital Assets	\$ 751,245,574	\$ 704,948,498	\$46,297,076

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

- The purchase of four commercial properties (land and building) located on Sherman Street at a total cost of \$12,006,352;
- The sale of property located on Abrams for \$5,649,972;
- The lease agreement with Canon Copiers to replace all copiers for the District at a total cost of \$2,434,337; and
- On-going renovation projects and turf replacement with a cost expended as of June 30, 2022 of \$60,197,390 and \$1,897,216, respectively.

More detailed information about the District’s capital assets can be found in Note 5 on pages 37-38 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 \$816,810,000, 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

	June 30, 2022	June 30, 2021	Increase/ (Decrease)
Unlimited Tax School Building Bonds	\$ 621,850,448	\$ 290,781,445	331,069,003
Unlimited Tax Refunding Bonds	194,959,552	222,698,555	(27,739,003)
Unamortized Bond Premium	84,359,505	58,814,831	25,544,674
Compensated Absences	1,021,893	1,004,617	17,276
Lease Liability	2,328,506	4,792	2,323,714
Workers' Compensation Claims Payable	1,442,323	1,283,147	159,176
Total Long-Term Debt	\$ 905,962,227	\$ 574,587,387	331,374,840

The District's total outstanding long-term debt increased by 58% during the current fiscal year.

The District issued \$368,240,000 in Unlimited Tax School Building Bonds, with the proceeds being used for capital construction, repairs, safety and security and technology. These sales resulted in \$34,423,244 in unamortized bond premiums. In addition, the District entered into a new lease for copiers for \$2,434,337.

Note 7 on pages 38-40 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 85 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 47% to 60% by June 2024.
- The percent of students who score at the meets level in 3rd grade math will grow from 52% to 65% by June 2024.
- Percent of students completing Algebra I and meeting standard on Algebra I End of Course (EOC) before entering high school will increase from 38% to 50% by June 2024.
- College, Career, Military Readiness (CCMR) indicator score for all students will increase from 65% to 79% by June 2024.
- Graduation rate for all RISD students will increase from 88% to 98% by June 2024.

The 2022-2023 budget, adopted on June 3, 2022, 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 37,984.

The District's property value grew by 11.5%, which resulted in the decrease of the M&O tax rate from \$1.0409 to \$0.997 per hundred dollars of valuation. The General Operating adopted revenue budget decreased by \$9.8 million when compared to the previous year. The decrease is due to the \$15,000 increase in state mandated homestead exemption available to the District's taxpayer.

In addition, the following factors were considered in developing the 2022-2023 budget:

- In order to remain competitive and encourage employee retention, the District increased the starting salary for new teachers, and provided a 4% - 5% raise for returning employees;
- All returning employees received a retention stipend, and new employees received a new hire stipend; and
- Increases in utility, fuel, election and unemployment cost resulted 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 Chief Financial Officer at 400 South Greenville Avenue, Richardson, Texas 75081, or call (469) 593-0331.

Basic Financial Statements



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Government-wide Financial Statements



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Richardson Independent School District
Statement of Net Position
June 30, 2022

Exhibit A - 1

Data Control Codes		1 Governmental Activities
ASSETS		
1110	Cash and investments	\$ 563,859,226
1220	Delinquent property taxes receivables	9,219,326
1230	Allowance for uncollectible taxes	(1,133,034)
1240	Due from other governments	47,018,176
1250	Accrued interest	185
1290	Other receivables (net)	1,122,840
1300	Inventories	1,531,302
1410	Prepaid Items	63,058
	Capital assets:	
1510	Land and improvements, net	57,845,059
1520	Buildings and improvements, net	589,003,649
1530	Furniture and equipment, net	23,843,834
1550	Intangible right to use assets, net	3,143,051
1560	Library books and media, net	10,377
1580	Construction in progress	74,274,370
1590	Communication systems, net	3,125,234
1000	Total assets	1,372,926,653
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred losses on debt refundings	3,507,336
1705	Deferred pension outflows	37,809,590
1710	Deferred OPEB outflows	31,782,673
1700	Total deferred outflows of resources	73,099,599
LIABILITIES		
2110	Accounts payable	27,671,371
2120	Other liabilities	267,649
2140	Interest payable	10,165,387
2150	Payroll deductions & withholdings	2,536,413
2160	Accrued wages payable	42,305,173
2180	Due to other governments	358,513
2200	Accrued expenses	1,116,724
2300	Unearned revenue	14,047,201
2400	Retainage payable	2,773,697
	Noncurrent liabilities:	
2501	Due within one year	59,855,044
2502	Due in more than one year	846,107,183
2540	Net pension liability	63,177,003
2545	Net OPEB liability	124,381,358
2000	Total liabilities	1,194,762,716
DEFERRED INFLOWS OF RESOURCES		
2600	Deferred lease inflows	484,624
2605	Deferred pension inflows	70,978,452
2610	Deferred OPEB inflows	88,064,120
2600	Total deferred inflows of resources	159,527,196
NET POSITION		
3200	Net investment in capital assets	134,140,203
	Restricted for:	
3820	Federal and state grants	743,981
3850	Debt service	19,964,053
3890	Child nutrition	7,191,247
3900	Unrestricted	(70,303,144)
3000	Total net position	\$ 91,736,340

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, 2022

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	\$ 305,763,202	\$ 3,548,189	\$ 30,405,207	\$ (271,809,806)
12	Instructional resources and media services	8,038,318	-	(16,726)	(8,055,044)
13	Curriculum and staff development	16,665,639	-	8,832,494	(7,833,145)
21	Instructional leadership	7,100,287	-	558,493	(6,541,794)
23	School leadership	24,582,764	-	(134,997)	(24,717,761)
31	Guidance, counseling, and evaluation services	20,520,460	-	2,290,801	(18,229,659)
32	Social work services	1,983,012	-	151,619	(1,831,393)
33	Health services	5,828,103	-	(92,955)	(5,921,058)
34	Student transportation	12,538,610	-	314,434	(12,224,176)
35	Food Service	15,231,975	1,008,342	19,595,286	5,371,653
36	Extracurricular activities	9,884,982	354,419	476,095	(9,054,468)
41	General administration	13,853,085	-	2,640,502	(11,212,583)
51	Plant maintenance and operations	62,850,514	2,110,831	2,702,027	(58,037,656)
52	Security and monitoring services	3,533,479	-	478,326	(3,055,153)
53	Data processing services	15,011,492	-	402,876	(14,608,616)
61	Community services	1,692,979	-	1,190,808	(502,171)
72	Interest on long-term debt	20,108,058	-	472,966	(19,635,092)
73	Related debt service costs	2,675,270	-	-	(2,675,270)
81	Facility acquisition & construction	-	-	15,437	15,437
91	Contracted instructional services between schools	2,278,124	-	-	(2,278,124)
93	Payments related to shared services arrangements	995,729	-	586,931	(408,798)
95	Juvenile justice alternative education programs	3,000	-	-	(3,000)
97	Payments to tax increment fund	1,990,493	-	-	(1,990,493)
99	Other intergovernmental charges - appraisal cost	1,170,562	-	-	(1,170,562)
TG	Total governmental activities	\$ 554,300,137	\$ 7,021,781	\$ 70,869,624	(476,408,732)
TP	TP Total primary government	\$ 554,300,137	\$ 7,021,781	\$ 70,869,624	\$ (476,408,732)
General revenues:					
Taxes:					
	Property taxes, levied for general purposes				276,746,490
	Property taxes, levied for debt service				91,516,148
	State aid-formula grants, unrestricted				64,651,647
	Grants and contributions not restricted to specific programs				9,929,245
	Investment earnings				993,926
	Miscellaneous				3,195,022
Special Items:					
	Sale of real or personal property				5,945,258
	Total general revenues				452,977,736
	Change in net position				(23,430,996)
	Net position—beginning				115,167,336
	Net position—ending				\$ 91,736,340

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

Governmental Funds Financial Statements



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Richardson Independent School District
Balance Sheet
Governmental Funds
June 30, 2022

Exhibit C - 1

Data Control Codes	10 General Fund	24 Child Nutrition Fund	50 Debt Service Fund	60 Capital Projects Fund	Special Revenue Fund	98 Total Governmental Funds	
ASSETS							
1110	Cash and investments	\$ 182,860,049	\$ 9,318,345	\$ 28,087,089	\$ 314,358,985	\$ 25,114,876	\$ 559,739,344
1220	Delinquent property taxes receivable	6,994,216	-	2,225,110	-	-	9,219,326
1230	Allowance for uncollectible taxes	(889,208)	-	(243,826)	-	-	(1,133,034)
1240	Receivables from other governments	8,319,590	192,064	-	-	38,506,522	47,018,176
1250	Accrued interest	185	-	-	-	-	185
1260	Due from other funds	34,161,293	-	89,087	-	182,969	34,433,349
1290	Other receivables	508,628	-	-	-	613,407	1,122,035
1300	Inventories	1,379,807	151,495	-	-	-	1,531,302
1410	Prepaid Items	63,058	-	-	-	-	63,058
1000	Total assets	<u>233,397,618</u>	<u>9,661,904</u>	<u>30,157,460</u>	<u>314,358,985</u>	<u>64,417,774</u>	<u>651,993,741</u>
LIABILITIES							
2110	Accounts payable	3,233,888	556,946	206	22,876,226	937,974	27,605,240
2120	Other liabilities	150,293	5,918	-	100,782	10,717	267,710
2150	Payroll deductions and withholdings	2,536,413	-	-	-	-	2,536,413
2160	Accrued wages payable	35,790,255	390,119	-	105	6,113,785	42,294,264
2170	Due to other funds	376,254	1,453,804	-	807,594	31,867,771	34,505,423
2180	Payable to other governments	795	-	-	-	357,718	358,513
2200	Accrued expenditures/expenses	1,116,724	-	-	-	-	1,116,724
2300	Unearned revenue	13,727,133	63,870	27,814	-	228,384	14,047,201
2400	Retainage payable	-	-	-	2,773,697	-	2,773,697
2000	Total liabilities	<u>56,931,755</u>	<u>2,470,657</u>	<u>28,020</u>	<u>26,558,404</u>	<u>39,516,349</u>	<u>125,505,185</u>
DEFERRED INFLOWS OF RESOURCES							
2600	Unavailable revenue	5,285,074	-	1,713,859	-	-	6,998,933
2605	Deferred Lease Inflow	484,624	-	-	-	-	484,624
	Total deferred inflows of resources	<u>5,769,698</u>	<u>-</u>	<u>1,713,859</u>	<u>-</u>	<u>-</u>	<u>7,483,557</u>
FUND BALANCES							
Nonspendable:							
3410	Inventories	1,379,807	151,495	-	-	-	1,531,302
3430	Prepaid Items	63,058	-	-	-	-	63,058
Restricted for:							
3450	Child nutrition program	-	7,039,752	-	-	-	7,039,752
3450	Federal and state grants	-	-	-	-	743,981	743,981
3470	Capital acquisitions and contractual obligations	-	-	-	282,885,304	-	282,885,304
3480	Retirement of long term debt	-	-	28,415,581	-	-	28,415,581
Committed to:							
3545	Local grants, awards and contributions	-	-	-	-	24,157,444	24,157,444
Assigned to:							
3550	Construction	18,000,000	-	-	4,915,277	-	22,915,277
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	1,021,893	-	-	-	-	1,021,893
3590	Equipment acquisition, repair and replacement	15,627,240	-	-	-	-	15,627,240
3590	2022-2023 Budget Deficit	25,948,533	-	-	-	-	25,948,533
3600	Unassigned	95,655,634	-	-	-	-	95,655,634
3000	Total fund balances	<u>170,696,165</u>	<u>7,191,247</u>	<u>28,415,581</u>	<u>287,800,581</u>	<u>24,901,425</u>	<u>519,004,999</u>
4000	Total liabilities, deferred inflows of resources and fund balances	<u>\$ 233,397,618</u>	<u>\$ 9,661,904</u>	<u>\$ 30,157,460</u>	<u>\$ 314,358,985</u>	<u>\$ 64,417,774</u>	<u>\$ 651,993,741</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, 2022

Exhibit C - 1R

Total fund balances - governmental funds (Exhibit C-1)	\$ 519,004,999
<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.	751,245,574
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.	6,998,933
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	(816,810,000)
Accrued interest on the bonds	(10,165,387)
Compensated absences	(1,021,893)
Lease Liability	(2,328,506)
Unamortized bond premium	(84,359,505)
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.	3,507,336
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.	2,673,459
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.	(96,345,865)
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.	(180,662,805)
Total net position - governmental activities (Exhibit A-1)	\$ 91,736,340

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, 2022

Exhibit C - 2

Data Control Codes	10	24	50	60	Special	98	
	General Fund	Child Nutrition Fund	Debt Service Fund	Capital Projects Fund	Revenue Fund	Total Governmental Funds	
REVENUES							
5700	Local and intermediate sources	\$ 284,552,964	\$ 1,058,427	\$ 93,588,818	\$ 404,650	\$ 3,072,666	\$ 382,677,525
5800	State program revenues	85,405,726	226,248	472,966	-	2,370,893	88,475,833
5900	Federal program revenues	15,681,441	20,024,497	-	-	50,602,378	86,308,316
5020	Total revenues	385,640,131	21,309,172	94,061,784	404,650	56,045,937	557,461,674
EXPENDITURES							
0011	Instruction	229,172,867	-	-	30,678,408	39,633,446	299,484,721
0012	Instructional resources and media services	5,575,975	-	-	2,955,134	59,540	8,590,649
0013	Curriculum and staff development	8,767,257	-	-	2,287,757	8,007,891	19,062,905
0021	Instructional leadership	6,739,206	-	-	169,711	818,382	7,727,299
0023	School leadership	26,318,296	-	-	16,135	574,320	26,908,751
0031	Guidance, counseling, and evaluation services	18,793,086	-	-	741,596	2,938,121	22,472,803
0032	Social work services	1,467,247	-	-	415,933	322,094	2,205,274
0033	Health services	6,202,909	-	-	24,831	32,388	6,260,128
0034	Student transportation	11,092,553	-	-	2,692,643	-	13,785,196
0035	Food service	1,073,453	15,307,025	-	15,247	-	16,395,725
0036	Extracurricular activities	6,164,799	-	-	4,873,790	756,204	11,794,793
0041	General administration	10,892,548	-	-	1,125,695	486,318	12,504,561
0051	Plant maintenance and operations	36,783,774	197,024	-	27,935,838	430,397	65,347,033
0052	Security and monitoring services	3,211,239	-	-	562,609	480,505	4,254,353
0053	Data processing services	4,981,530	-	-	10,784,204	301,751	16,067,485
0061	Community services	649,986	-	-	-	1,243,129	1,893,115
Debt service:							
0071	Principal on long-term debt	38,379	-	64,910,000	499,659	-	65,448,038
0072	Interest on long-term debt	-	-	26,761,523	8	-	26,761,531
0073	Bond issuance costs and fees	-	-	22,452	2,652,818	-	2,675,270
Capital outlay:							
0081	Facilities acquisition and construction	37,070	-	-	78,695,204	-	78,732,274
Intergovernmental charges:							
0091	Contracted instructional services between schools	2,278,124	-	-	-	-	2,278,124
0093	Payments related to shared services arrangements	408,798	-	-	-	586,931	995,729
0095	Juvenile justice alternative education programs	3,000	-	-	-	-	3,000
0097	Payments to tax increment fund	-	-	1,990,493	-	-	1,990,493
0099	Other intergovernmental charges - appraisal cost	1,170,562	-	-	-	-	1,170,562
6030	Total expenditures	381,822,658	15,504,049	93,684,468	167,127,220	56,671,417	714,809,812
1100	Excess (deficiency) of revenues over expenditures	3,817,473	5,805,123	377,316	(166,722,570)	(625,480)	(157,348,138)
OTHER FINANCING SOURCES (USES)							
7911	Capital-related debt issued (regular bonds)	-	-	-	368,240,000	-	368,240,000
7912	Sale of real or personal property	295,286	-	-	5,649,972	-	5,945,258
7913	Leases (as lessee)	427,415	-	-	2,434,337	-	2,861,752
7915	Transfers in	-	-	-	-	1,000,000	1,000,000
7916	Premium on issuance of bonds	-	-	-	34,423,244	-	34,423,244
8911	Transfers out	(1,336,856)	-	-	-	-	(1,336,856)
7080	Total other financing sources and (uses)	(614,155)	-	-	410,747,553	1,000,000	411,133,398
1200	Net change in fund balances	3,203,318	5,805,123	377,316	244,024,983	374,520	253,785,260
0100	Fund balances--beginning	167,492,847	1,386,124	28,038,265	43,775,598	24,526,905	265,219,739
3000	Fund balances--ending	\$ 170,696,165	\$ 7,191,247	\$ 28,415,581	\$ 287,800,581	\$ 24,901,425	\$ 519,004,999

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, 2022

Exhibit C - 2R

Net change in fund balances—total governmental funds (Exhibit C-2)	\$	253,785,260
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$93,939,792) exceeded depreciation (\$42,921,650) in the current period.		51,018,142
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.		(4,721,066)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(175,308)
Repayment of long-term debt principal on bond and leases are expenditures in the governmental funds, but these activities reduce long-term liabilities in the statement of net position.		65,448,038
Bond issuances and leases are shown as other resources in the governmental funds but are shown as increases in long-term debt in the statement of net position.		(405,524,996)
Amortization of bond premiums		8,878,570
Change in interest payable		(1,718,389)
Change in compensated absences		(17,276)
Amortization of deferred loss on refunding		(506,708)
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.		(1,340,600)
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.		6,170,347
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.		5,272,990
Change in net position of governmental activities (Exhibit B-1)	\$	(23,430,996)

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

Proprietary Funds Financial Statements



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**Richardson Independent School District
Statement of Fund Net Position
Proprietary Funds
June 30, 2022**

Exhibit D - 1

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Funds (See H-2)</u>
ASSETS		
Current assets:		
1110	Cash and Investments	\$ 4,119,882
1260	Due from other funds	87,545
1290	Receivables, net	805
	Inventories	
	Total current assets	4,208,232
	Total assets	4,208,232
LIABILITIES		
Current liabilities:		
2110	Accounts payable	66,131
2120	Other Liabilities	99
2160	Accrued wages payable	10,909
2170	Due to other funds	15,311
2210	Claims and judgments	712,000
	Total current liabilities	804,450
Noncurrent liabilities:		
2210	Claims and judgments	730,323
	Total noncurrent liabilities	730,323
	Total liabilities	1,534,773
NET POSITION		
3900	Unrestricted	2,673,459
	Total net position	\$ 2,673,459

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



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Richardson Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2022

Exhibit D - 2

<u>Data Control Codes</u>		<u>Governmental Activities Internal Service Funds (See H-3)</u>
	Operating revenues:	
5754	Charges for services	\$ 1,191,521
	Total operating revenues	<u>1,191,521</u>
	Operating expenses:	
6100	Personnel services	714,562
6200	Contractual services	278,259
6300	Supplies	229,382
6429	Insurance claims and expenses	1,647,552
6400	Other operating expenses	9,657
	Total operating expenses	<u>2,879,412</u>
	Operating loss	<u>(1,687,891)</u>
	Nonoperating revenues:	
5742	Interest and investment revenue	10,435
	Total non-operating revenue	<u>10,435</u>
	Loss before transfers	<u>(1,677,456)</u>
	Transfers:	
7915	Transfers in	336,856
	Total transfers	<u>336,856</u>
	Change in net position	(1,340,600)
	Total net position—beginning	<u>4,014,059</u>
3540	Total net position—ending	<u>\$ 2,673,459</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, 2022**

Exhibit D - 3

	Governmental Activities Internal Service Funds (See H-4)
CASH FLOWS FROM OPERATING ACTIVITIES	
Internal activity - receipts from other funds	1,103,976
Payments to suppliers	(2,149,171)
Payments to employees	(713,335)
Internal activity - disbursements to other funds	(85,326)
Claims paid	157,484
Net cash used by operating activities	<u>(1,686,372)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	336,856
Net cash provided by noncapital financing activities	<u>336,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sales/Maturity of Investments	3,022,480
Interest	10,388
Net cash provided by investing activities	<u>3,032,868</u>
Net decrease in cash and investments	1,683,352
Cash - beginning of the year	<u>2,436,530</u>
Cash - end of the year	<u><u>\$ 4,119,882</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,687,891)
Change in assets and liabilities:	
Due from (to) other funds	(172,871)
Accounts payable	15,679
Claims payable	159,176
Payroll deductions and withholdings payable	(465)
Net cash used by operating activities	<u><u>\$ (1,686,372)</u></u>

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

Fiduciary Fund Financial Statements



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**Richardson Independent School District
Statement of Fiduciary Net Position
June 30, 2022**

Exhibit E - 1

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 462,204
Total assets	<u>\$ 462,204</u>
LIABILITIES	
Accounts payable	\$ 37,776
Other Liabilities	160
Total liabilities	<u>\$ 37,936</u>
NET POSITION	
Restricted for student activities	\$ 424,268
Total net position	<u>\$ 424,268</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, 2022**

Exhibit E- 2

	Custodial Funds
Contributions	
Tuition and other fees	\$ 67
Gifts and contributions	58,683
Revenues from student activities	356,138
Revenues from fundraising activities	174,133
Total contributions	589,021
Deductions	
Payroll	105
Contractual services	115,774
Payments for student activities	384,289
Total deductions	500,168
Change in net position	88,853
Total net position—beginning	335,415
Total net position—ending	\$ 424,268

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

Notes to the Financial Statements



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RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

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, 2022

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, 2021, which were not available as of June 30, 2022.

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.

Special Revenue Fund – The Special Revenue Fund is 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 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, 2022

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 an agent 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 agency 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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received 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. The 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 Leased Asset	5 - 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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.

Pensions – The District’s portion of the fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the 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 by TRS 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 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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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:

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

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, 2022, 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, 2022, 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.
 - Equipment acquisition, repair and replacement – assigned to accommodate unforeseeable catastrophic events.
 - 2022-2023 Budget – assigned to offset the deficit budget adopted for the 2022-2023 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

	Nonspendable	Restricted	Committed	Assigned	Unassigned
FY 2022-2023 Budget Deficit	\$ -	\$ -	\$ -	\$ 25,948,533	\$ -
Capital Acquisitions and Construction	-	282,885,304	-	22,915,277	-
Child Nutrition Program	-	7,039,752	-	-	-
Claims and Judgments	-	-	-	2,000,000	-
Inventories	1,531,302	-	-	-	-
Insurance Deductible	-	-	-	8,000,000	-
Instructional Projects	-	-	-	3,000,000	-
Other Purposes:					
Compensated Absences	-	-	-	1,021,893	-
Equipment Acquisition, Repair and Replacement	-	-	-	15,627,240	-
Prepaid Items	63,058	-	-	-	-
Retirement of Long-Term Debt	-	28,415,581	-	-	-
State Grants	-	743,981	-	-	-
Local Grants					
Local Grants and Awards	-	-	3,215,991	-	-
Local Permanent School Fund	-	-	20,941,453	-	-
All Other Purposes	-	-	-	-	95,655,634
Total Fund Balance	\$ 1,594,360	\$ 319,084,618	\$ 24,157,444	\$ 78,512,943	\$ 95,655,634

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

At June 30, 2022, the carrying amount of the District's deposits (cash) and outstanding checks was \$1,122,014, which included \$3,800 in imprest accounts. The combined bank balance was \$3,751,500 at the District's depository bank, which was covered by federal depository insurance or by collateral held by the District's agent in the District's name. During the period, the District's deposits were fully secured with FDIC coverage and pledged collateral.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

Depository information required to be reported to the Texas Education Agency is as follows:

- A. Depository: Frost Bank - Dallas
- B. The date of the highest deposit was January 26, 2022, when combined cash, savings and time deposits amounted to \$24,878,953.
- C. The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was \$34,052,731.
- D. 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.
- *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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

- *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, 2022, 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, 2022, 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 laddered 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, 2022:

CUSIP/Account	Description	Buy Date	Maturity Date	Par Value	Fair Value	Rating	% Portfolio	WAM (in days)
Money Market								
Prosperity Bank	MMDA	-	N/A	21,873,244	21,873,244	A1	3.89%	1
Money Market Total				21,873,244	21,873,244		3.89%	1
State Pool								
Lone Star IP	State Pool	-	N/A	56,562,795	56,562,795	AAAm	10.04%	1
TexPool	State Pool	-	N/A	473,650,671	473,650,671	AAAm	84.10%	21
TexSTAR	State Pool	-	N/A	11,108,901	11,108,901	AAAm	1.97%	1
State Pool Total				541,322,367	541,322,367		96.11%	23
Grand Total				\$ 563,195,611	\$ 563,195,611		100.00%	24

Fair Value Measurements

The District categorizes its fair value measurements with 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 in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

At June 30, 2022, the District had the following recurring fair value measurements:

Investments by Fair Value Level:	Fair Value Measurements Using			
	Balance as of June 30, 2022	Quoted Process in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 21,873,244	\$ 21,873,244	\$ -	\$ -
Total:	\$ 21,873,244	\$ 21,873,244	\$ -	\$ -

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 \$26,748,973,542.

The tax rates levied for the fiscal year ended June 30, 2022, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0409 and \$0.35 per \$100 valuation, respectively, for a total of \$1.3909 per \$100 valuation.

Current year tax collections for the period ended June 30, 2022, were 98.9% 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.

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 2021 were \$1,990,493.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

4. RECEIVABLES

Receivables due from other governments as of June 30, 2022, for the District’s individual major funds and Non-major Governmental Funds are as follows:

	General Fund	Child Nutrition Fund	Special Revenue Funds	Total
Due from the State of Texas	\$ 8,319,590	\$ -	\$ 745,815	\$ 9,065,405
Due from the Federal Government	-	192,064	37,274,782	37,466,846
Due from Other Local Governments	-	-	485,925	485,925
	<u>\$ 8,319,590</u>	<u>\$ 192,064</u>	<u>\$ 38,506,522</u>	<u>\$ 47,018,176</u>

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance Beginning of Year, June 30, 2021	Additions	Deletions	Balance End of Year, June 30, 2022
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 52,077,997	\$ 5,667,333	\$ 4,516,645	\$ 53,228,685
Construction-in-progress	11,976,925	65,827,777	3,530,332	74,274,370
Total capital assets, not being depreciated/amortized	<u>64,054,922</u>	<u>71,495,110</u>	<u>8,046,977</u>	<u>127,503,055</u>
Capital assets, being depreciated				
Land improvements	12,596,303	-	-	12,596,303
Buildings	1,099,610,652	11,016,290	-	1,110,626,942
Furniture, equipment, and vehicles	117,895,403	11,271,878	764,389	128,402,892
Right-to-use leased assets	1,768,239	3,686,846	-	5,455,085
Infrastructure	22,712,877	-	-	22,712,877
Total capital assets, being depreciated/amortized	<u>1,254,583,474</u>	<u>25,975,014</u>	<u>764,389</u>	<u>1,279,794,099</u>
Less accumulated depreciation/amortization for:				
Land improvements	(7,427,940)	(551,989)	-	(7,979,929)
Buildings	(486,500,280)	(35,123,013)	-	(521,623,293)
Furniture, equipment, and vehicles	(100,152,442)	(4,956,207)	(559,968)	(104,548,681)
Right-to-use leased assets	(1,763,439)	(548,595)	-	(2,312,034)
Infrastructure	(17,845,797)	(1,741,846)	-	(19,587,643)
Total accumulated depreciation/amortization	<u>(613,689,898)</u>	<u>(42,921,650)</u>	<u>(559,968)</u>	<u>(656,051,580)</u>
Total capital assets, being depreciated/amortized, net	<u>640,893,576</u>	<u>(16,946,636)</u>	<u>204,421</u>	<u>623,742,519</u>
Total governmental activities capital assets	<u>\$ 704,948,498</u>	<u>\$ 54,548,474</u>	<u>\$ 8,251,398</u>	<u>\$ 751,245,574</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

Depreciation/amortization expense for the year ended June 30, 2022 was charged to the functions of the governmental activities of the primary government as follows:

<u>Function</u>	<u>Expensed</u>
11 Instruction	\$35,931,783
12 Instructional Resources and Media	56,731
13 Curriculum and Staff Development	16,156
21 Instructional Leadership	3,200
23 School Leadership	13,310
32 Social Work Services	7,064
33 Health Services	702
34 Student Transportation	1,302,235
35 Food Services	134,763
36 Extracurricular Activities	1,471,532
41 General Administration	1,489,692
51 Maintenance and Operations	2,355,461
52 Security and Monitoring Services	117,726
53 Data Processing Services	19,957
61 Community Services	1,338
	<u>\$42,921,650</u>

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, 2022 is \$1,021,893. The amount eligible to be taken within the following year is \$295,394. 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 \$176,215,000 (par value) of Unlimited Tax School Building Bonds, Series 2021 with interest rates of 3.0% to 5.0%. Proceeds were delivered on July 19, 2021. In addition, the District issued \$192,025,000 (par value) of Unlimited Tax School Building Bonds, Series 2022 with interest rates of 3.875% to 5.0%. Proceeds were expended on capital construction, infrastructure, repairs, and student and staff technology.

As of June 30, 2022, \$350 million in debt was authorized but not issued.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022

A summary of changes in long-term debt for the fiscal year ended June 30, 2022, is as follows:

Description	Sale Date	Original Issue Amount	Interest Rate(s)	Final Maturity	Balance at June 30, 2021	Issued/Increases	Retired/Refunded	Balance at June 30, 2022	Amounts Due Within One Year
<i>Unlimited Tax School Building Bonds:</i>									
Series 2013	2013	36,080,000	2.00% - 5.00%	2038	\$ 3,111,445	\$ -	\$ 1,475,997	\$ 1,635,448	\$ 1,635,448
Series 2014A	2014	17,140,000	2.00% - 5.00%	2039	715,000	-	665,000	50,000	-
Series 2015	2015	16,340,000	1.00% - 5.00%	2040	7,015,000	-	445,000	6,570,000	155,000
Series 2016	2016	76,625,000	2.00% - 5.00%	2041	46,865,000	-	100,000	46,765,000	100,000
Series 2017	2017	198,735,000	3.00% - 5.00%	2042	158,410,000	-	2,000,000	156,410,000	-
Series 2019	2019	116,960,000	4.00% - 5.00%	2044	74,665,000	-	1,120,000	73,545,000	1,590,000
Series 2021	2021	176,215,000	3.00% - 5.00%	2046	-	176,215,000	31,365,000	144,850,000	17,855,000
Series 2022	2022	192,025,000	3.875% - 5.00%	2047	-	192,025,000	-	192,025,000	19,670,000
Total general obligation bonds					<u>290,781,445</u>	<u>368,240,000</u>	<u>37,170,997</u>	<u>621,850,448</u>	<u>41,005,448</u>
<i>Unlimited Tax Refunding Bond:</i>									
Series 2011 Ref	2011	42,335,000	2.00% - 4.375%	2028	995,000	-	295,000	700,000	350,000
Series 2012 Ref	2012	17,300,000	2.00% - 5.00%	2022	630,000	-	630,000	-	-
Series 2012	2012	41,390,000	2.00% - 5.00%	2037	1,280,000	-	1,280,000	-	-
Series 2013	2013	35,675,000	2.00% - 5.00%	2038	4,108,555	-	1,949,003	2,159,552	2,159,552
Series 2014B Ref	2014	19,230,000	1.00% - 5.00%	2031	14,215,000	-	1,125,000	13,090,000	1,180,000
Series 2015B Ref	2015	25,225,000	2.00% - 5.00%	2032	22,360,000	-	1,535,000	20,825,000	1,605,000
Series 2015C Ref	2015	38,660,000	2.00% - 5.00%	2025	20,930,000	-	6,955,000	13,975,000	8,470,000
Series 2016 Ref	2016	11,905,000	2.00% - 4.00%	2033	8,780,000	-	715,000	8,065,000	260,000
Series 2017 Ref	2017	85,105,000	2.00% - 5.00%	2037	79,990,000	-	2,450,000	77,540,000	2,905,000
Series 2020 Ref	2020	33,799,970	2.47% - 4.00%	2039	33,475,000	-	155,000	33,320,000	165,000
Series 2020A Ref	2020	36,675,000	1.769% - 3.00%	2034	35,935,000	-	10,650,000	25,285,000	210,000
Total unlimited tax refunding bonds					<u>222,698,555</u>	<u>-</u>	<u>27,739,003</u>	<u>194,959,552</u>	<u>17,304,552</u>
Total bonds payable					<u>513,480,000</u>	<u>368,240,000</u>	<u>64,910,000</u>	<u>816,810,000</u>	<u>58,310,000</u>
Unamortized Bond Premium					58,814,831	34,423,244	8,878,570	84,359,505	
Accrued compensated absences					1,004,617	230,220	212,944	1,021,893	295,394
Lease liability					4,792	2,861,752	538,038	2,328,506	516,308
Self-insurance claims payable					1,283,147	1,543,789	1,384,613	1,442,323	712,000
Total					<u>\$ 574,587,387</u>	<u>\$ 407,299,005</u>	<u>\$75,924,165</u>	<u>\$ 905,962,227</u>	<u>\$59,833,702</u>

Changes in debt-related deferred outflows of resources for the fiscal year ended June 30, 2022 were:

	Balance at June 30, 2021	Increases/Decreases	Retired/Refunded	Balance at June 30, 2022
Deferred loss on refundings	\$ 4,014,044	\$ -	\$ 506,708	\$ 3,507,336

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

Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Principal & Interest
2023	\$ 58,310,000	\$ 32,977,197	\$ 91,287,197
2024	37,120,000	32,859,221	69,979,221
2025	30,885,000	31,152,572	62,037,572
2026	30,840,000	29,721,171	60,561,171
2027	30,775,000	28,275,222	59,050,222
2028-2032	169,550,000	117,874,164	287,424,164
2033-2037	183,995,000	79,862,259	263,857,259
2038-2042	181,435,000	40,875,909	222,310,909
2043-2047	93,900,000	10,053,800	103,953,800
Total	<u>\$ 816,810,000</u>	<u>\$ 403,651,515</u>	<u>\$ 1,220,461,515</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

General obligation bonds of the District are reported as long-term liabilities of the governmental activities. At June 30, 2022, \$28,415,581 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, 2022.

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

LESSEE

The District is lessee for non-cancellable leases building space 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 measurement 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

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.

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, prior to June 30, 2022, the District leased to telecommunication companies building space and towers located on four campuses.

The District recognized \$240,260 in lease revenue and \$1,524 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the District's receivable for lease payments was \$487,331. 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, 2022, the balance of the deferred inflow of resources was \$484,624.

LEASE PAYABLE

During fiscal year 2018, the District entered into a 60-month lease for the use of Canon Copiers. An initial lease liability was recorded in the amount of \$24,000. As of 06/30/2022, the value of the lease liability of \$4,800. The annual payments were \$4,800. The lease had an interest rate of 1.73%. The value of the right to use the asset as of 06/30/2022, was \$24,000 with accumulated amortization of \$24,000.

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 06/30/2022, the value of the lease liability is \$1,939,467. 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 06/30/2022, was \$2,434,337 with accumulated amortization of \$446,295.

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 06/30/2022, the value of the lease liability is \$389,039. Richardson Independent School District is required to make annual payments of \$14 per square foot with 2% annual increase. The payment for the year was \$38,379. The lease has an interest rate of

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
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1.3900%. The value of the right to use asset as of 06/30/2022 of \$427,415 with accumulated amortization of \$35,617. The District has one extension option for 60 months.

The future principal and interest lease payments as of June 30, 2022, were as follows:

June 30,	Copiers			Office Space			Total		
	Principal	Interest	Payments	Principal	Interest	Payments	Principal	Interest	Payments
2023	478,932	15,935	494,867	37,376	5,407	42,783	\$ 516,308	\$ 21,342	\$ 537,650
2024	482,867	12,000	494,867	38,751	4,888	43,639	521,618	16,888	538,506
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				46,187	1,993	48,180	46,187	1,993	48,180
2030				47,793	1,351	49,144	47,793	1,351	49,144
2031				49,440	687	50,127	49,440	687	50,127
	<u>\$1,939,467</u>	<u>\$40,001</u>	<u>\$1,979,468</u>	<u>\$389,039</u>	<u>\$28,293</u>	<u>\$417,332</u>	<u>\$2,328,506</u>	<u>\$68,294</u>	<u>\$2,396,800</u>

9. UNEARNED REVENUE

Unearned revenue at June 30, 2022, consisted of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Special Revenue	Total
State aid	\$ 13,727,133	\$ -	\$ 27,814	\$ -	\$ 13,754,947
Food service receipts	-	63,870	-	-	63,870
Federal grants	-	-	-	16,706	16,706
Local grants	-	-	-	206,153	206,153
State grants	-	-	-	5,525	5,525
Total	\$ 13,727,133	\$ 63,870	\$ 27,814	\$ 228,384	\$ 14,047,201

10. INTERFUND BALANCES AND TRANSFERS

Interfund Balances - Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables:

	Receivables	Payables
Major Funds:		
General Fund	\$34,161,293	\$ (376,254)
Child Nutrition Fund	-	(1,453,804)
Debt Service Fund	89,087	-
Capital Projects Fund	-	(807,594)
Special Revenue Funds	182,969	(31,867,771)
Internal Service Funds	87,545	(15,311)
Custodial Funds	-	(160)
Total	\$34,520,894	\$ (34,520,894)

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
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(2) cash is received in the General Fund’s bank account that belongs to another fund as revenue. 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, 2022, were liquidated shortly after year-end.

The following is a summary of the District’s internal transfers for the fiscal year ended June 30, 2022:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,000,000
General Fund	Internal Service Fund	336,856
		<u>\$ 1,336,856</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 \$336,856 transfer from the General Fund to the Internal Service Fund was to fund excess expenses for the Print Shop.

11. 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 \$1,442,323 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 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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Changes in the workers' compensation claims liability in fiscal year 2022 and fiscal year 2021 were:

	<u>Period Liability</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period</u>
2022 Workers' Compensation	\$ 1,283,147	\$ 316,660	\$ 157,484	\$ 1,442,323
2021 Workers' Compensation	\$ 1,598,477	\$ (619,597)	\$ (304,267)	\$ 1,283,147

12. PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS

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 <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by calling (512) 542-6592.

Benefits Provided

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

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

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Contributions

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

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

	Contribution Rates	
	Measurement Year	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing agency	7.75%	7.50%
Employers	7.75%	7.50%

	Fiscal Year 2022
	Contributions
Employer (District)	12,065,099
Employee (Member)	24,952,040
Non-employer Contributing Entity On-behalf Contributions (State)	16,419,796

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.

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NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2022

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member's salary beginning in fiscal year 20210, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

<u>Component</u>	<u>Result</u>
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. These assumptions are further described in the actuarial valuation report dated November 9, 2020.

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

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return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset 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%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources & Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

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

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

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

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 138,051,778	\$ 63,177,003	\$ 2,430,832

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

At June 30, 2022, the District reported a liability of \$63,177,003 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

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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	\$ 63,177,003
State's proportionate share that is associated with the District	86,598,680
Total	<u>\$ 149,775,683</u>

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

At August 31, 2021, the District's proportion of the collective net pension liability was 0.2481% which was an increase of 0.0045% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

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

For the year ended June 30, 2022, the District recognized pension expense of \$5,983,285. The District also recognized on-behalf revenue and expense of \$346,211 for support provided by the State.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 105,725	\$ (4,447,711)
Changes of assumption	22,331,836	(9,734,765)
Net difference between projected and actual earnings on pension plan investments	-	(52,973,097)
Changes in proportion and differences between District contributions and proportionate share of contributions	5,167,061	(3,822,879)
District contributions subsequent to the measurement date	10,204,968	-
Total	<u>\$ 37,809,590</u>	<u>\$ (70,978,452)</u>

The deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$10,204,968 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

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Fiscal Year	Pension Expense	Balance of Deferred Outflows (Inflows)
2023	\$ (7,080,451)	\$ (36,293,379)
2024	(7,387,242)	(28,906,137)
2025	(12,211,445)	(16,694,692)
2026	(16,322,033)	(372,659)
2027	(354,102)	(18,557)
Thereafter	(18,557)	-
	<u>\$ (43,373,830)</u>	

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

13. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

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

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

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care’s fiduciary net position is available in the separately issued 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 <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by calling (512) 542-6592.

Benefits Provided

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

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

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

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TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
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 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .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 of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	Measurement Year	
	<u>2022</u>	<u>2021</u>
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%

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

Actuarial Assumptions

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

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions:

Discount Rate

A single discount rate of 1.95% was used to measure the Total OPEB Liability. There was a decrease of .38% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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Discount Rate Sensitivity Analysis

The following table presents the District’s proportional share of the Net OPEB Liability of the plan using the discount rate of 1.95%, and what the Net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate		
	1% Decrease (0.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District's proportional share of the net OPEB liability	\$ 150,032,578	\$ 124,381,358	\$ 104,193,013

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

At June 30, 2022, the District reported a liability of \$124,381,358 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	\$ 124,381,358
State's proportionate share that is associated with the District	166,643,301
Total	<u>\$ 291,024,659</u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District’s proportion of the Net OPEB Liability was based on the District’s contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the District’s proportion of the collective Net OPEB Liability was 0.3224% which was a decrease of 0.0012% from its proportion measured as of August 31, 2020.

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 100,744,778	\$ 124,381,358	\$ 156,095,777

Changes Since the Prior Actuarial Valuation

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB Liability.

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

For the year ended June 30, 2022, the District recognized negative OPEB expense of \$2,494,389. The District also recognized negative on-behalf OPEB expense and revenue of \$6,150,411 for support provided by the State.

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

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 5,355,206	\$ (60,209,279)
Changes of assumption	13,776,696	(26,304,355)
Net difference between projected and actual earnings on OPEB plan investments	135,038	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,186,380	(1,550,486)
District contributions subsequent to the measurement date	2,329,353	-
Total	\$ 31,782,673	\$ (88,064,120)

The deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$2,329,353 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

The net amounts of the District’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2023	\$ (11,446,407)	\$ (47,164,393)
2024	(11,449,452)	(35,714,941)
2025	(11,448,618)	(24,266,323)
2026	(8,174,568)	(16,091,755)
2027	(3,742,077)	(12,349,678)
Thereafter	(12,349,678)	-
	<u>\$ (58,610,800)</u>	

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

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006,

RICHARDSON INDEPENDENT SCHOOL DISTRICT

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established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on-behalf of the District were \$1,241,330, \$1,336,118 and \$1,382,015, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

14. 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, 2022, 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, 2022, under major contracts, for construction, renovations and repair of various existing facilities. The outstanding construction contracts associated with these projects totaled approximately \$170.5 million as of June 30, 2022.

<u>Projects</u>	<u>Contract Remaining</u>
Building Renovations-BFE	\$ 13,438,760
Building Renovations-FMJH	31,548,457
Building Renovations-LHJH	38,242,462
Building Renovations-MOH	6,527,215
Building Renovations-PHS	59,715,181
Electrical Projects	1,368,353
Fine Arts Auditorium Projects	1,953,410
Flooring Renovations	1,523,711
HVAC Projects	8,844,837
Roofing Projects	6,509,085
Other Miscellaneous Projects	826,764
Total	<u>\$ 170,498,235</u>

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AS OF JUNE 30, 2022

15. 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*.

16. 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 \$408,798 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.

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, 2022 are summarized below:

<u>Member Districts</u>	<u>Reimbursement</u>
Frisco ISD	\$ 131,050
Garland ISD	82,339
Plano ISD	69,100
Richardson ISD	260,967
Wylie ISD	43,475
	<u>\$ 586,931</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

17. SUBSEQUENT EVENTS

On October 13, 2022, the Board of Trustees approved a parameter order authorizing the District to issue up to \$200,000,000 of authorized but unissued unlimited tax school building bonds approved by the voters in May 2021. Bonds were priced on October 26, 2022 and will settle on November 30, 2022. All parameters were met. The maximum True Interest Cost (TIC) in the parameter order was 5.50%. The actual TIC was 4.5612%. The District maintained its 'Aaa' (Moody's) and 'AA+' (S&P) ratings. Both rating agencies gave the District a stable outlook. The underwriting syndicate was able to secure priority orders in excess of \$500 million; 2.6X oversubscribed. Oversubscription allowed for yields to be reduced 3 to 5 basis points in all maturities. The issue was structured with a traditional 10-year call. Wells Fargo was the senior manager and underwrote \$3,375 million in unsold bonds.

18. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

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



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Required Supplementary Information



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Richardson Independent School District
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2022

Exhibit G - 1

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
5700	\$ 273,323,525	\$ 278,091,638	\$ 284,552,964	\$ 6,461,326
5800	94,845,767	92,457,324	85,405,726	(7,051,598)
5900	7,975,218	7,975,218	15,681,441	7,706,223
5020	<u>376,144,510</u>	<u>378,524,180</u>	<u>385,640,131</u>	<u>7,115,951</u>
EXPENDITURES				
Current:				
0011	234,487,229	238,221,951	229,172,867	9,049,084
0012	6,264,140	6,415,417	5,575,975	839,442
0013	8,424,563	9,177,125	8,767,257	409,868
0021	6,487,288	7,281,664	6,739,206	542,458
0023	26,602,595	26,739,749	26,318,296	421,453
0031	19,715,211	20,513,246	18,793,086	1,720,160
0032	1,343,710	1,565,495	1,467,247	98,248
0033	5,819,946	6,325,998	6,202,909	123,089
0034	10,233,463	12,818,447	11,092,553	1,725,894
0035	549,072	1,429,067	1,073,453	355,614
0036	6,455,942	6,737,154	6,164,799	572,355
0041	11,506,258	12,224,011	10,892,548	1,331,463
0051	32,246,685	41,081,062	36,783,774	4,297,288
0052	2,593,396	3,397,631	3,211,239	186,392
0053	5,686,419	5,754,097	4,981,530	772,567
0061	1,058,155	1,099,652	649,986	449,666
Debt service:				
0071	1,395	303,824	38,379	265,445
Capital Outlay:				
0081	8,927	65,548	37,070	28,478
Intergovernmental charges:				
0091	1,199,930	2,497,827	2,278,124	219,703
0093	255,704	409,728	408,798	930
0095	50,000	25,000	3,000	22,000
0099	1,170,562	1,170,562	1,170,562	-
6030	<u>382,160,590</u>	<u>405,254,255</u>	<u>381,822,658</u>	<u>23,431,597</u>
Excess of revenues over expenditures				
1100	<u>(6,016,080)</u>	<u>(26,730,075)</u>	<u>3,817,473</u>	<u>30,547,548</u>
OTHER FINANCING SOURCES (USES)				
7912	100,000	100,000	295,286	195,286
7913	-	-	427,415	427,415
8911	<u>(1,000,000)</u>	<u>(1,700,000)</u>	<u>(1,336,856)</u>	<u>363,144</u>
7080	<u>(900,000)</u>	<u>(1,600,000)</u>	<u>(614,155)</u>	<u>985,845</u>
1200	<u>(6,916,080)</u>	<u>(28,330,075)</u>	<u>3,203,318</u>	<u>31,533,393</u>
0100	<u>167,492,847</u>	<u>167,492,847</u>	<u>167,492,847</u>	<u>-</u>
3000	<u>\$ 160,576,767</u>	<u>\$ 139,162,772</u>	<u>\$ 170,696,165</u>	<u>\$ 31,533,393</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, 2022**

Exhibit G - 2

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)	
	Original	Final			
	REVENUES				
5700	Local and intermediate sources	\$ 5,518,237	\$ 5,518,237	\$ 1,058,427	\$ (4,459,810)
5800	State program revenues	88,883	88,883	226,248	137,365
5900	Federal program revenues	13,000,673	13,781,909	20,024,497	6,242,588
5020	Total revenues	<u>18,607,793</u>	<u>19,389,029</u>	<u>21,309,172</u>	<u>1,920,143</u>
	EXPENDITURES				
	Current:				
0035	Food service	18,336,096	19,117,332	15,307,025	3,810,307
0051	Plant maintenance and operations	269,197	269,197	197,024	72,173
0061	Community services	2,500	2,500	-	2,500
6030	Total expenditures	<u>18,607,793</u>	<u>19,389,029</u>	<u>15,504,049</u>	<u>\$ 3,884,980</u>
	Excess (deficiency) of revenues over				
1100	expenditures	<u>-</u>	<u>-</u>	<u>5,805,123</u>	<u>5,805,123</u>
1200	Net change in fund balances	-	-	5,805,123	5,805,123
0100	Fund balances--beginning	<u>1,386,124</u>	<u>1,386,124</u>	<u>1,386,124</u>	<u>-</u>
3000	Fund balances--ending	<u>\$ 1,386,124</u>	<u>\$ 1,386,124</u>	<u>\$ 7,191,247</u>	<u>\$ 5,805,123</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, 2022

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 EIGHT MEASUREMENT YEARS⁽¹⁾**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability ⁽²⁾	0.24810%	0.24360%	0.25638%	0.24998%	0.23729%	0.23325%	0.24403%	0.16510%
District's proportionate share of the net pension liability	\$ 63,177,003	\$ 130,453,450	\$ 133,275,141	\$ 137,594,491	\$ 75,873,354	\$ 88,142,186	\$ 86,261,251	\$ 44,101,616
State's proportionate share of the net pension liability associated with the District	86,598,680	198,665,078	186,147,028	196,078,414	117,388,473	141,697,938	135,250,133	116,529,937
Total	\$ 149,775,683	\$ 329,118,528	\$ 319,422,169	\$ 333,672,905	\$ 193,261,827	\$ 229,840,124	\$ 221,511,384	\$ 160,631,553
District's covered payroll ⁽³⁾	\$ 302,223,898	\$ 293,210,674	\$ 275,303,043	\$ 259,708,146	\$ 248,739,714	\$ 240,629,776	\$ 231,869,363	\$ 222,188,769
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	20.90%	44.49%	48.41%	52.98%	30.50%	36.63%	37.20%	19.85%
Plan fiduciary net position as a percentage of the total pension liability *	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	51.08%	110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.89%

* 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).

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 12,065,099	\$ 10,193,095	\$ 9,952,433	\$ 8,867,892	\$ 8,317,201	\$ 7,711,085	\$ 7,392,322	\$ 6,705,335	\$ 4,072,931	\$ 3,413,055
Contributions in relation to the contractually required contribution	12,065,099	10,193,095	9,952,433	8,867,892	8,317,201	7,711,085	7,392,322	6,705,335	4,072,931	3,413,055
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll ⁽¹⁾	\$ 315,569,467	\$ 298,431,012	\$ 291,835,068	\$ 272,585,171	\$ 257,387,641	\$ 247,788,010	\$ 239,347,653	\$ 230,174,332	\$ 220,136,132	\$ 206,597,424
Contributions as a percentage of covered payroll	3.82%	3.42%	3.41%	3.25%	3.23%	3.11%	3.09%	2.91%	1.85%	1.65%

⁽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

There were no changes to the actuarial assumptions or other inputs that affected the total pension liability since the prior measurement period.

Changes of Benefit Terms

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS PLANS
JUNE 30, 2022

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.

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

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.32240%	0.32360%	0.32547%	0.31499%	0.29800%
District's proportionate share of the net OPEB liability	\$ 124,381,358	\$ 123,018,119	\$ 153,917,279	\$ 157,277,551	\$ 129,595,350
State's proportionate share of the net OPEB liability associated with the District	166,643,301	165,306,864	204,521,636	219,114,033	191,886,599
Total	\$ 291,024,659	\$ 288,324,983	\$ 358,438,915	\$ 376,391,584	\$ 321,481,949
District's covered payroll (for Measurement Year)	\$ 302,223,898	\$ 293,210,647	\$ 275,303,043	\$ 259,708,146	\$ 248,739,714
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	41.16%	41.96%	55.90%	60.56%	52.10%
Plan's fiduciary net position as a percentage of the total OPEB liability *	6.18%	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	100.13%	101.46%	135.21%	146.64%	132.55%

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

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 2,757,352	\$ 2,466,588	\$ 2,443,715	\$ 2,291,140	\$ 2,067,244	\$ 1,362,833	\$ 1,508,595	\$ 1,461,176	\$ 1,245,976	\$ 1,092,047
Contributions in relation to the contractual required contributions	2,757,352	2,466,588	2,443,715	2,291,140	2,067,244	1,362,833	1,508,595	1,461,176	1,245,976	1,092,047
Contribution Deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 315,569,467	\$ 298,431,012	\$ 291,835,068	\$ 272,585,171	\$ 257,387,641	\$ 247,788,010	\$ 239,347,653	\$ 230,174,332	\$ 202,678,708	\$ 188,119,626
Contributions as a percentage of covered payroll	0.87%	0.83%	0.84%	0.84%	0.80%	0.55%	0.63%	0.63%	0.61%	0.58%

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:

There was a significant plan change adopted in fiscal year ending August 31, 2017:

- Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan made changes to several of the assumptions, including participation rates, retirement rates, and spousal changes triggered participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
JUNE 30, 2022

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.



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Other Supplementary Information:

Debt Service Fund



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**Richardson Independent School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the year ended June 30, 2022**

Exhibit H - 1

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 90,071,859	\$ 92,748,690	\$ 93,588,818	\$ 840,128
5800	State program revenues	486,506	438,867	472,966	34,099
5020	Total revenues	<u>90,558,365</u>	<u>93,187,557</u>	<u>94,061,784</u>	<u>874,227</u>
EXPENDITURES					
Debt Service:					
0071	Principal on long-term debt	66,485,000	66,485,000	64,910,000	1,575,000
0072	Interest on long-term debt	27,897,471	27,880,431	26,761,523	1,118,908
0073	Bond issuance costs and fees	7,500	24,540	22,452	2,088
0097	Payments to tax increment fund	1,900,000	2,000,000	1,990,493	9,507
6030	Total expenditures	<u>96,289,971</u>	<u>96,389,971</u>	<u>93,684,468</u>	<u>2,705,503</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(5,731,606)</u>	<u>(3,202,414)</u>	<u>377,316</u>	<u>3,579,730</u>
1200	Net change in fund balances	(5,731,606)	(3,202,414)	377,316	3,579,730
0100	Fund balances--beginning	28,038,265	28,038,265	28,038,265	-
3000	Fund balances--ending	<u>\$ 22,306,659</u>	<u>\$ 24,835,851</u>	<u>\$ 28,415,581</u>	<u>\$ 3,579,730</u>



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Other Supplementary Information:

Internal Service Funds



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Richardson Independent School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2022

Exhibit H - 2

Data Control Codes	Workers' Compensation	Print Shop	Discretionary Renovations	Total (See D-1)
ASSETS				
Current assets:				
1110	\$ 4,073,809	\$ 46,073	\$ -	\$ 4,119,882
1260	87,545	-	-	87,545
1290	805	-	-	805
	<u>4,162,159</u>	<u>46,073</u>	<u>-</u>	<u>4,208,232</u>
	<u>4,162,159</u>	<u>46,073</u>	<u>-</u>	<u>4,208,232</u>
LIABILITIES				
Current liabilities:				
2110	30,418	35,065	648	66,131
2120	-	99	-	99
2160	-	10,909	-	10,909
2170	-	-	15,311	15,311
2210	712,000	-	-	712,000
	<u>742,418</u>	<u>46,073</u>	<u>15,959</u>	<u>804,450</u>
Noncurrent liabilities:				
2210	730,323	-	-	730,323
	<u>730,323</u>	<u>-</u>	<u>-</u>	<u>730,323</u>
	<u>1,472,741</u>	<u>46,073</u>	<u>15,959</u>	<u>1,534,773</u>
NET POSITION				
3900	2,689,418	-	(15,959)	2,673,459
	<u>\$ 2,689,418</u>	<u>\$ -</u>	<u>\$ (15,959)</u>	<u>\$ 2,673,459</u>

Richardson Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
June 30, 2022

Exhibit H - 3

Data Control Codes	Workers' Compensation	Print Shop	Discretionary Renovations	Total (See D-2)
Operating revenues :				
5754	\$ 818,288	\$ 302,542	\$ 70,691	\$ 1,191,521
	818,288	302,542	70,691	1,191,521
Operating expenses :				
6100	313,206	401,356	-	714,562
6200	161,390	12,837	104,032	278,259
6300	2,922	220,516	5,944	229,382
6429	1,647,552	-	-	1,647,552
6400	4,968	4,689	-	9,657
	2,130,038	639,398	109,976	2,879,412
	(1,311,750)	(336,856)	(39,285)	(1,687,891)
Non-operating revenues :				
5742	10,435	-	-	10,435
	10,435	-	-	10,435
	(1,301,315)	(336,856)	(39,285)	(1,677,456)
7915	-	336,856	-	336,856
	(1,301,315)	-	(39,285)	(1,340,600)
	3,990,733	-	23,326	4,014,059
3900	\$ 2,689,418	\$ -	\$ (15,959)	\$ 2,673,459

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

Exhibit H - 4

	<u>Workers'</u> <u>Compensation</u>	<u>Print Shop</u>	<u>Discretionary</u> <u>Renovations</u>	<u>Total</u> <u>(See D-3)</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Internal activity - receipts from other funds	\$ 730,743	\$ 302,542	\$ 70,691	1,103,976
Payments to suppliers	(1,816,690)	(220,857)	(111,624)	(2,149,171)
Payments to employees	(313,696)	(398,319)	(1,320)	(713,335)
Internal activity - disbursements to other funds	(100,637)	-	15,311	(85,326)
Claims paid	159,476	(1,992)	-	157,484
Net cash provided (used) by operating activities	<u>(1,340,804)</u>	<u>(318,626)</u>	<u>(26,942)</u>	<u>(1,686,372)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	336,856	-	336,856
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>336,856</u>	<u>-</u>	<u>336,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales/Maturity of investments	3,022,480	-	-	3,022,480
Interest	10,388	-	-	10,388
Net cash provided (used) by investing activities	<u>3,032,868</u>	<u>-</u>	<u>-</u>	<u>3,032,868</u>
Net increase (decrease) in cash and investments	1,692,064	18,230	(26,942)	1,683,352
Cash - beginning of the year	<u>2,381,745</u>	<u>27,843</u>	<u>26,942</u>	<u>2,436,530</u>
Cash - end of the year	<u>\$ 4,073,809</u>	<u>\$ 46,073</u>	<u>\$ -</u>	<u>\$ 4,119,882</u>
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	\$ (1,311,750)	\$ (336,856)	\$ (39,285)	(1,687,891)
Due from (to) other funds	(188,182)	-	15,311	(172,871)
Accounts payable	142	17,185	(1,648)	15,679
Claims payable	159,176	-	-	159,176
Payroll deductions and withholdings payable	(190)	1,045	(1,320)	(465)
Net cash provided (used) by operating activities	<u>\$ (1,340,804)</u>	<u>\$ (318,626)</u>	<u>\$ (26,942)</u>	<u>\$ (1,686,372)</u>



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Other Supplementary Information:

Required TEA Schedule

RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
AS OF JUNE 30, 2022

Last Ten Fiscal Years	1		2	3	10
	Tax Rates			Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance
	<u>Maintenance</u>	<u>Debt Service</u>			
Prior to 2014	various	various		various	\$ 1,281,258
2014	1.04005	0.30000		16,695,240,343	143,281
2015	1.04005	0.30000		17,427,165,693	162,013
2016	1.04005	0.30000		18,291,885,506	175,961
2017	1.04005	0.35000		20,106,983,186	258,118
2018	1.04005	0.35000		21,896,395,339	911,027
2019	1.17000	0.35000		22,485,774,539	1,034,292
2020	1.06835	0.35000		24,212,402,735	1,452,305
2021	1.05470	0.35000		25,764,976,747	3,801,062
2022	1.04090	0.35000		26,748,973,542	
TOTALS					<u>\$ 9,219,317</u>

Exhibit J - 1

20	31	32	40	50
<u>Current</u>	<u>Maintenance</u>	<u>Debt Service</u>	<u>Entire</u>	<u>Ending</u>
<u>Year's</u>	<u>Total</u>	<u>Total</u>	<u>Year's</u>	<u>Balance</u>
<u>Total Levy</u>	<u>Collections</u>	<u>Collections</u>	<u>Adjustments</u>	
\$ -	\$ 108,681	\$ 26,462	\$ (165,842)	980,273
-	11,552	3,332	-	128,397
-	13,825	3,988	-	144,200
-	14,389	4,151	(90)	157,331
-	23,403	7,876	(38,468)	188,371
-	54,604	18,377	(608,442)	229,604
-	60,966	18,241	(118,058)	837,027
-	75,882	24,864	(328,064)	1,023,495
-	(295,988)	(98,242)	(2,843,274)	1,352,018
<u>372,051,473</u>	<u>275,292,096</u>	<u>92,548,760</u>	<u>(32,007)</u>	<u>4,178,610</u>
<u>\$ 372,051,473</u>	<u>\$ 275,359,410</u>	<u>\$ 92,557,809</u>	<u>\$ (4,134,245)</u>	<u>\$ 9,219,326</u>

RICHARDSON INDEPENDENT SCHOOL DISTRICT

Exhibit J-4

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM RESPONSES
AS OF JUNE 30, 2022

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.	\$32,978,570
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)	\$28,194,117
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.	\$6,319,272
AP8	List the actual direct program expenditures for bilingual education programs during the LEA’s fiscal year. (PICs 25, 35)	\$3,584,460

**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.	74
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	81
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.	85
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.	89
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.	91

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT¹
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2013	2014 ²	2015	2016	2017 ³	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$152,363,889	\$163,101,801	\$177,605,048	\$172,227,554	\$190,394,746	\$202,000,786	\$192,081,509	\$205,627,885	\$164,425,703	\$134,140,203
Restricted:										
Federal and State Grants	-	-	851,828	473,667	475,891	757,960	662,718	646,023	741,977	743,981
Debt Service	10,608,062	11,691,794	12,983,490	15,720,885	19,490,981	15,337,873	20,114,100	17,525,187	21,330,975	19,964,053
Child Nutrition	5,374,335	4,886,480	2,858,227	1,796,015	2,295,187	2,896,792	4,090,723	4,044,586	1,386,124	7,191,247
Unrestricted	148,305,625	97,256,452	96,154,476	100,723,544	(144,681,736)	(94,178,399)	(62,139,054)	(71,095,308)	(72,717,443)	(70,303,144)
Total primary government net position ^{1,2}	\$316,651,911	\$276,936,527	\$290,453,069	\$290,941,665	\$67,975,069	\$126,815,012	\$154,809,996	\$156,748,373	\$115,167,336	\$91,736,340

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

Notes:

¹ Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

² 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.

³ 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*.

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction	\$ 204,951,618	\$ 220,026,784	\$ 220,493,602	\$ 245,539,001	\$ 256,304,723	\$ 180,013,193	\$ 281,630,450	\$ 310,669,673	\$ 362,147,831	\$ 305,763,202
Instructional resources and media services	6,406,865	6,565,294	6,715,716	6,292,360	6,337,012	4,389,392	7,014,472	9,110,251	8,608,120	8,038,318
Curriculum and staff development services	5,796,715	7,568,777	8,430,597	10,672,947	10,375,582	6,973,671	13,686,699	17,489,720	16,237,179	16,665,639
Instructional leadership	5,032,847	5,276,009	5,491,080	6,193,286	7,279,650	4,477,608	7,431,323	8,431,184	8,192,297	7,100,287
School leadership	20,134,782	21,200,174	21,531,159	24,983,019	25,370,027	17,146,758	28,531,684	31,230,907	28,397,930	24,582,764
Guidance, counseling, and evaluation services	11,641,124	11,647,885	14,647,332	18,973,508	18,985,753	12,781,826	22,139,665	23,328,893	23,551,978	20,520,460
Social work services	751,759	781,282	867,179	963,892	1,157,341	1,023,808	1,457,860	1,594,503	1,799,232	1,983,012
Health services	3,951,563	4,144,725	4,340,075	4,939,651	5,157,922	3,469,351	5,502,136	5,461,416	6,028,419	5,828,103
Student transportation	4,534,368	4,768,989	5,664,330	6,265,317	6,896,867	7,138,412	12,718,130	12,171,818	9,917,381	12,538,610
Food Service	14,834,176	14,985,082	16,002,370	15,812,738	14,127,166	12,950,279	15,738,767	17,406,691	13,440,616	15,231,975
Extracurricular activities	7,498,820	7,821,315	7,848,306	8,258,342	9,066,812	7,028,892	9,213,908	8,651,903	10,516,548	9,884,982
General administration	8,844,811	8,799,647	9,087,931	9,011,171	8,858,162	7,240,083	11,889,201	11,975,421	17,994,236	13,853,085
Plant maintenance and operations	23,015,958	24,301,069	25,941,490	28,857,105	29,247,716	24,809,943	34,839,684	49,935,972	48,671,563	62,850,514
Security and monitoring services	1,509,473	1,572,071	1,612,527	1,878,685	1,877,415	1,720,841	3,483,695	3,163,076	3,910,925	3,533,479
Data processing services	4,396,574	4,871,099	5,339,397	6,419,037	6,676,762	4,605,011	6,962,441	7,903,772	7,291,481	15,011,492
Community services	399,173	580,605	749,806	665,850	538,736	409,006	524,015	1,756,205	1,913,510	1,692,979
Interest on long-term debt	18,232,828	19,070,669	17,838,806	16,896,313	17,274,819	22,123,052	22,145,742	22,300,611	16,779,679	20,108,058
Bond issuance costs and fees	324,002	426,385	606,588	434,471	2,112,334	747,400	849,067	432,962	3,414,037	2,675,270
Contracted instructional services between schools	-	-	-	-	-	747,400	6,108,235	535,409	1,196,543	2,278,124
Payments related to shared services arrangements	-	-	-	-	-	404,151	814,853	969,937	1,482,518	995,729
Juvenile Justice Alternative Education Programs	342	8,208	4,368	3,000	3,000	8,472	3,000	3,000	3,000	3,000
Payments to Tax Increment Fund	15,854	81,081	142,177	243,193	462,517	915,037	1,253,555	1,493,652	1,817,765	1,990,493
Other Intergovernmental Charges-Appraisal Cost	857,298	874,517	896,510	929,897	941,106	1,008,228	1,090,253	1,167,100	1,174,025	1,170,562
Total primary government program expenses	343,130,950	365,371,667	374,251,346	414,232,783	429,051,422	321,384,414	495,028,835	547,184,076	594,486,813	554,300,137
Program Revenues										
Governmental activities										
Changes for services										
Instruction	3,528,820	3,924,237	4,571,769	4,776,811	4,665,297	4,601,761	4,351,109	3,155,480	1,863,380	3,548,189
Food services	3,905,861	4,028,234	3,610,168	3,445,075	3,449,559	3,845,727	3,635,803	2,942,348	1,447,874	1,008,342
Extracurricular activities	574,036	583,179	613,482	657,948	534,159	588,639	429,794	490,538	364,921	354,419
Plant maintenance and operations	1,797,925	1,615,976	1,740,095	1,849,892	1,832,508	1,929,763	2,061,934	1,726,353	1,987,601	2,110,831
Operating grants and contributions	48,347,067	54,440,757	52,565,389	64,547,285	56,517,448	(14,590,433)	72,680,554	93,289,029	91,515,992	70,869,024
Total primary government program revenues	58,153,709	64,592,383	63,100,903	75,277,011	66,998,971	(3,624,543)	83,159,194	101,603,748	97,179,768	77,891,405
Net (Expense)/Revenue										
Total primary government expenses	\$ (284,977,241)	\$ (300,779,284)	\$ (311,150,443)	\$ (338,955,772)	\$ (362,052,451)	\$ (325,008,957)	\$ (411,869,641)	\$ (445,580,328)	\$ (497,307,045)	\$ (476,408,732)

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

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION¹
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Total primary government expenses	\$ (284,977,241)	\$ (300,779,284)	\$ (311,150,443)	\$ (338,955,772)	\$ (362,052,451)	\$ (325,008,957)	\$ (411,869,641)	\$ (445,580,328)	\$ (497,307,045)	\$ (476,408,732)
General Revenues										
Governmental activities										
Taxes										
Property taxes levied for general purposes	162,977,692	168,592,961	175,653,983	183,836,133	200,257,917	217,262,735	262,741,966	259,194,611	270,859,001	276,746,490
Property taxes levied for debt service	46,918,235	48,437,847	50,371,316	52,607,863	66,606,917	72,054,208	77,263,875	83,326,337	87,637,002	91,516,148
Slate Aid Formula Grants	79,939,184	90,869,939	95,192,699	98,739,192	90,431,101	78,840,004	70,614,229	87,495,161	82,052,490	64,651,647
Unrestricted grants and contributions	5,272,471	2,623,612	2,435,052	2,726,807	3,952,004	4,939,120	11,388,496	7,587,849	8,178,422	9,929,245
Investment earnings	544,137	417,692	324,193	767,608	1,439,769	5,092,451	7,678,002	5,734,398	364,343	993,926
Miscellaneous	1,745,682	733,580	689,742	766,765	1,043,162	1,244,206	4,509,496	4,180,349	6,601,397	3,195,022
Special Items:										
Sale of Land Parcel	-	-	-	-	2,856,462	103,876	5,668,561	-	-	5,945,258
Disposition of Capital Assets	(1,589,092)	-	-	-	-	-	-	-	-	-
Receipt of buses from the Dissolution Committee for the Former Board of Dallas County Schools	-	-	-	-	-	4,312,300	-	-	-	-
Total primary government	295,808,309	311,675,631	324,666,985	339,444,368	366,587,332	383,848,900	439,864,625	447,518,705	455,692,655	452,977,736
Change in Net Position¹	\$ 10,831,068	\$ 10,896,347	\$ 13,516,542	\$ 488,596	\$ 4,534,881	\$ 58,839,943	\$ 27,994,984	\$ 1,938,377	\$ (41,614,390)	\$ (23,430,996)
Total primary government										

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

Notes:

¹ Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 619,677	\$ 509,730	\$ 578,764	\$ 665,102	\$ 458,967	\$ 419,040	\$ 545,481	\$ 785,384	\$ 1,489,670	\$ 1,442,865
Assigned	14,801,736	15,210,775	15,264,492	11,017,389	20,726,587	17,325,661	29,880,328	68,404,189	71,652,788	73,597,666
Unassigned	78,152,263	79,738,094	81,159,486	80,050,869	80,410,277	80,476,033	92,299,289	87,543,530	94,350,389	95,655,634
Total general fund	\$ 93,573,676	\$ 95,458,599	\$ 97,002,742	\$ 91,733,360	\$ 101,595,831	\$ 98,220,734	\$ 122,725,098	\$ 156,733,103	\$ 167,492,847	\$ 170,696,165
All Other Governmental Funds										
Nonspendable	\$ 74,760	\$ 100,553	\$ 79,161	\$ 75,123	\$ 111,212	\$ 92,689	\$ 163,555	\$ 317,601	\$ 641,958	\$ 151,495
Restricted	59,593,560	44,708,929	43,863,761	22,495,496	252,912,454	162,202,446	188,102,162	102,950,978	57,788,523	319,084,618
Committed	20,962,247	20,563,972	20,385,173	20,456,465	20,715,626	21,877,701	22,668,827	23,287,274	23,385,208	24,157,444
Assigned	37,199,536	28,172,096	24,372,005	37,889,064	27,027,382	36,272,670	44,435,690	24,061,550	15,911,203	4,915,277
Total all other governmental funds	\$ 117,830,103	\$ 93,545,550	\$ 88,700,100	\$ 80,916,148	\$ 300,766,674	\$ 220,445,506	\$ 255,370,234	\$ 150,617,403	\$ 97,726,892	\$ 348,308,834
Total General and Other Governmental	\$ 211,403,779	\$ 189,004,149	\$ 185,702,842	\$ 172,649,508	\$ 402,362,505	\$ 318,666,240	\$ 378,095,332	\$ 307,350,506	\$ 265,219,739	\$ 519,004,999

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

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES¹
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2013</u>	<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>
Federal sources:										
Federal grants	\$ 25,856,419	\$ 24,660,719	\$ 25,096,494	\$ 24,943,351	\$ 24,947,046	\$ 26,119,129	\$ 34,044,410	\$ 38,494,780	\$ 37,794,803	\$ 66,283,819
Child Nutrition	12,174,048	11,076,683	11,372,639	11,299,914	10,959,034	11,241,489	12,227,191	13,138,277	8,070,722	20,024,497
Total federal sources	<u>38,030,467</u>	<u>35,737,402</u>	<u>36,469,133</u>	<u>36,243,265</u>	<u>35,906,080</u>	<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>
State sources:										
State education finance program	90,728,839	103,595,497	108,603,422	113,455,584	105,903,799	95,298,957	87,587,472	108,037,735	102,799,909	85,405,726
Child Nutrition	82,887	88,332	88,235	88,186	88,436	89,899	84,216	81,673	85,009	226,248
Debt Service	-	-	-	904,958	727,476	690,837	607,263	602,897	564,682	472,966
State grants and other	2,191,606	5,855,871	2,196,880	4,742,459	2,584,019	3,113,288	4,178,687	9,068,609	4,264,464	2,370,893
Total state sources	<u>93,003,332</u>	<u>109,539,700</u>	<u>110,888,537</u>	<u>119,191,187</u>	<u>109,303,730</u>	<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>
Local sources:										
Property taxes	210,011,110	216,941,785	226,576,959	236,173,385	266,934,547	288,680,678	339,494,146	339,494,146	357,770,634	368,437,947
Capital Projects fund	1,406,720	32,026	54,927	64,866	506,706	2,401,726	3,106,014	2,553,424	175,976	404,650
Child Nutrition	3,920,350	4,033,137	3,613,147	3,449,931	3,460,510	3,887,711	3,713,975	3,713,975	1,447,874	1,058,427
Athletic Activities	619,168	736,604	678,153	727,173	644,560	616,558	540,848	540,848	474,749	675,649
Other Local Sources	8,675,146	9,158,336	9,835,582	10,997,260	11,330,720	13,964,560	18,526,934	18,526,935	10,501,733	12,100,852
Total local sources	<u>224,632,494</u>	<u>230,901,888</u>	<u>240,758,768</u>	<u>251,412,615</u>	<u>282,877,043</u>	<u>309,551,233</u>	<u>365,381,917</u>	<u>364,829,328</u>	<u>370,370,966</u>	<u>382,677,525</u>
Total revenues	<u>\$ 355,666,293</u>	<u>\$ 376,178,990</u>	<u>\$ 388,116,438</u>	<u>\$ 406,847,067</u>	<u>\$ 428,086,853</u>	<u>\$ 446,104,832</u>	<u>\$ 504,111,156</u>	<u>\$ 534,253,299</u>	<u>\$ 523,950,555</u>	<u>\$ 557,461,674</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.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenditures										
Governmental activities										
11 Instruction	\$ 190,497,989	\$ 204,344,909	\$ 202,915,330	\$ 210,023,704	\$ 229,145,530	\$ 239,692,109	\$ 234,189,361	\$ 256,009,247	\$ 263,744,096	\$ 299,484,721
12 Instructional resources and media services	5,122,495	5,265,267	5,401,258	5,469,998	5,537,285	5,434,430	6,017,075	8,079,819	8,019,392	8,590,649
13 Curricular and staff development services	5,387,093	7,155,031	8,100,811	9,432,867	9,686,007	10,651,034	11,896,580	14,838,824	15,114,810	19,062,905
Total function 10	201,007,577	216,765,207	216,417,399	224,926,569	244,368,822	255,777,573	252,103,016	278,947,890	286,878,298	327,138,275
21 Instructional leadership	4,935,922	5,151,314	5,481,134	5,382,257	6,455,288	6,102,797	6,286,503	6,974,097	7,562,348	7,727,299
23 School leadership	18,774,530	19,724,945	20,461,085	21,485,434	21,915,581	22,724,389	23,708,310	25,400,009	26,089,844	26,908,751
Total function 20	23,710,452	24,876,259	25,942,219	26,867,691	28,370,869	28,827,186	29,994,813	32,374,106	33,652,192	34,636,050
31 Guidance, counseling, and evaluation services	10,957,342	10,920,652	14,108,718	16,432,603	16,793,047	17,771,507	18,735,253	19,287,627	21,866,958	22,472,803
32 Social work services	741,248	767,299	873,631	827,455	999,296	1,174,393	1,252,640	1,371,223	1,655,610	2,205,274
33 Health services	3,560,355	3,735,094	3,992,326	4,227,391	4,464,299	4,449,540	4,629,043	4,486,983	5,558,136	6,260,128
34 Student transportation	4,334,876	4,553,984	5,481,163	5,620,957	6,100,452	7,809,566	11,856,244	11,460,521	11,228,433	13,785,196
35 Food Service	14,245,755	14,880,143	15,392,866	14,972,627	13,874,556	14,529,456	14,881,496	16,426,051	12,899,079	16,395,725
36 Extracurricular activities	6,389,212	6,580,027	6,420,371	7,000,970	8,164,535	7,745,776	7,691,634	7,238,485	8,458,197	11,794,793
Total function 30	40,228,788	41,437,199	46,269,075	49,082,003	50,396,185	53,480,238	59,046,310	60,270,890	61,666,413	72,913,919
41 General administration	7,193,389	7,162,163	7,046,572	7,985,913	7,737,408	8,654,176	10,097,174	9,805,660	11,795,820	12,504,561
Total function 40	7,193,389	7,162,163	7,046,572	7,985,913	7,737,408	8,654,176	10,097,174	9,805,660	11,795,820	12,504,561
51 Plant maintenance and operations	22,916,748	23,426,609	25,790,145	25,873,281	25,678,516	27,939,871	29,471,783	43,894,663	41,233,865	65,347,033
52 Security and monitoring services	1,449,801	1,509,005	1,566,824	1,653,961	1,690,862	1,700,748	3,172,252	2,800,228	3,767,376	4,254,353
53 Data processing services	4,009,554	4,554,603	4,976,605	5,643,938	5,893,807	5,503,660	6,013,314	6,842,397	6,925,317	16,067,485
Total function 50	28,376,103	29,990,217	32,333,574	33,171,180	33,263,185	35,144,279	38,657,349	53,537,288	51,926,558	85,668,871
61 Community services	268,938	454,514	593,058	594,711	509,555	485,748	485,544	1,566,036	1,761,197	1,893,115
Total function 60	268,938	454,514	593,058	594,711	509,555	485,748	485,544	1,566,036	1,761,197	1,893,115
71 Debt service										
Principal on long-term debt	29,915,811	28,135,804	29,575,127	33,604,068	43,213,865	45,454,543	47,948,614	56,773,360	55,105,669	65,448,038
Interest on long-term debt	18,743,816	18,975,502	18,805,563	17,082,542	20,522,303	23,992,167	25,536,475	30,016,237	27,808,935	26,761,531
Bond issuance costs and fees	324,002	426,585	606,588	434,471	2,112,334	747,400	1,955,651	432,962	3,414,037	2,675,270
Total function 70	48,983,629	47,537,691	48,987,278	51,091,081	65,848,502	70,194,110	75,440,740	87,222,559	86,328,641	94,884,839
81 Facilities acquisition/construction	46,425,512	48,416,945	29,393,366	25,424,683	81,780,833	71,259,627	104,144,296	74,318,004	26,717,547	78,732,274
Total function 80	46,425,512	48,416,945	29,393,366	25,424,683	81,780,833	71,259,627	104,144,296	74,318,004	26,717,547	78,732,274
91 Contracted instructional services between schools	-	-	-	-	-	-	6,108,235	535,409	1,196,543	2,278,124
92 Incremental costs related to WADA	-	-	-	-	-	-	-	-	-	-
93 Payments related to shared services arrangements	-	-	-	-	-	404,151	814,853	969,937	1,482,518	995,729
95 Juvenile Justice Alternative Education Programs	342	8,208	4,368	3,000	3,000	8,472	3,000	3,000	3,000	3,000
97 Payments to Tax Increment Fund	15,854	81,081	142,177	243,193	462,517	915,037	1,253,555	1,493,652	1,817,765	1,990,493
99 Other Intergovernmental Charges-Appraisal Cost	857,298	874,517	896,510	929,897	941,106	1,008,228	1,090,253	1,167,100	1,174,025	1,170,562
Total function 90	873,494	963,806	1,043,055	1,176,090	1,406,623	2,335,888	9,269,896	4,169,098	5,673,851	6,437,908
Total expenditures	\$ 397,067,902	\$ 417,004,001	\$ 408,025,596	\$ 420,319,921	\$ 513,681,982	\$ 526,158,825	\$ 579,239,138	\$ 602,211,531	\$ 566,400,517	\$ 714,809,812
Capital Expenditures	50,396,332	53,967,487	31,153,026	18,454,505	82,668,173	74,731,292	99,701,463	66,042,350	33,930,387	96,703,848
Debt service as a percentage of noncapital expenditures	14.0%	13.0%	12.8%	12.6%	14.8%	15.4%	15.3%	16.2%	15.6%	14.9%

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.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess of revenues over (under) expenditures	\$ (41,401,609)	\$ (40,825,011)	\$ (19,909,158)	\$ (13,472,854)	\$ (85,595,129)	\$ (80,053,993)	\$ (75,127,982)	\$ (71,328,396)	\$ (42,449,962)	\$ (157,348,138)
Other Financing Sources (Uses)										
General long-term debt issued	36,080,000	17,140,000	16,340,000	-	275,360,000	-	116,960,000	-	-	368,240,000
General long-term debt refunding	35,675,000	19,230,000	43,430,000	38,660,000	11,905,000	85,105,000	-	33,799,970	36,675,000	-
Premium or discount on issuance on bonds	8,625,324	4,088,438	5,159,859	7,085,458	36,968,943	10,322,494	11,928,513	3,564,724	2,862,212	34,423,244
Leases (as lessee)	-	-	30,732	-	1,744,239	-	-	-	-	2,861,752
Sale of real or personal property	-	-	15,033,374	-	2,856,462	103,876	5,668,561	208,269	123,859	5,945,258
Transfers in	16,000,000	15,000,000	(14,971,000)	24,059,182	8,905,301	10,000	16,000,582	1,000,000	1,026,947	1,000,000
Other resources	-	-	(48,415,114)	-	-	-	-	-	-	-
Transfers out	(16,205,709)	(15,000,000)	-	(24,059,182)	(9,000,000)	(10,500,000)	(16,000,582)	(1,030,972)	(1,267,053)	(1,336,856)
Payments to escrow agents	(39,737,845)	(22,033,057)	-	(45,325,938)	(13,431,819)	(98,673,642)	-	(36,958,421)	(39,135,123)	-
Other uses	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	40,436,770	18,425,381	16,607,851	419,520	315,308,126	(13,632,272)	134,557,074	583,570	285,842	411,133,398
Net change in fund balances	\$ (964,839)	\$ (22,399,630)	\$ (3,301,307)	\$ (13,053,334)	\$ 229,712,997	\$ (93,686,265)	\$ 59,429,092	\$ (70,744,826)	\$ (42,164,120)	\$ 253,785,260

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

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

Fiscal Year	APPRAISED VALUE			Less: Exemptions	Total Estimated Taxable Value	Total Direct Rate ¹
	Residential or Real Property	Personal Property				
2013	16,749,906,760	2,607,463,930		3,123,548,118	16,233,822,572	1.34005
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

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)**

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
2013	1.04005	0.30000	1.34005	0.64341	0.63516	0.70460	0.79700
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	0.76960	0.77630

Source: Appropriate government entities' tax departments.

Notes:

¹ Includes levies for operating and debt service costs.

² Includes Dallas County, School Equalization, 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)**

	2022			2013		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Rank</u>
Texas Instruments	\$ 617,865,803	2.3%	1	\$ 678,673,487	4.2%	1
Collins Technology Park Partners	242,269,860	0.9%	2	68,521,530	0.4%	9
HCP DR MCD LLC	210,000,000	0.8%	3	184,638,860	1.1%	2
Linked-In	188,513,560	0.7%	4			
Oncor Electric Delivery Co	122,110,400	0.5%	5			
MCI Worldcom	103,290,620	0.4%	6	110,193,670	0.7%	4
Lakeside Campus Partners	96,470,000	0.4%	7			
CH Realty VII HC	80,111,000	0.3%	8			
Medical City	71,364,060	0.3%	9	71,345,420	0.4%	7
7929 Churchill Way TX LP	67,000,000	0.3%	10			
Southwestern Bell				135,842,010	0.8%	3
Texas Utilities				86,944,330	0.5%	5
Forest Park Realty Partners				72,224,520	0.4%	6
Parmer Park Central				69,173,630	0.4%	8
YPI Park Central Properties				67,829,800	0.4%	10
	<u>\$ 1,798,995,303</u>	<u>6.9%</u>		<u>\$ 1,545,387,257</u>	<u>9.3%</u>	

Source: Dallas Central Appraisal District

RICHARDSON INDEPENDENT SCHOOL DISTRICT

Exhibit S-11

**PROPERTY TAX LEVIES AND COLLECTIONS ¹
LAST TEN FISCAL YEARS (UNAUDITED)**

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
2013	209,805,584	(1,016,954)	208,788,630	207,192,618	99.24%	1,341,133	208,533,751	99.88%
2014	216,359,255	(725,572)	215,633,683	213,882,935	99.19%	1,470,421	215,353,356	99.87%
2015	225,938,640	(793,539)	225,145,101	223,718,978	99.37%	1,046,854	224,765,832	99.83%
2016	236,541,304	(849,039)	235,692,265	234,192,943	99.36%	1,067,389	235,260,332	99.82%
2017	267,350,514	(1,155,235)	266,195,279	264,888,931	99.51%	884,234	265,773,165	99.84%
2018	289,774,765	(2,229,380)	287,545,385	287,101,654	99.85%	305,752	287,407,406	99.95%
2019	341,783,773	(2,772,004)	339,011,769	338,163,346	99.75%	4,298	338,167,644	99.75%
2020	343,416,614	(3,006,265)	340,410,349	339,930,220	99.86%	(12,538)	339,917,682	99.86%
2021	361,731,974	(2,690,790)	359,041,184	358,119,571	99.74%	(394,167)	357,725,404	99.63%
2022	372,051,473	-	372,051,473	367,840,856	98.87%	-	367,840,856	98.87%

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 Outstanding Debt Per Capita ^{1,2}
	General Obligation Bonds	Contractual Obligations	Capital Financing Agreements	Total Primary Government	Percentage of Personal Income ²		
2013	477,382,227	-	466,797	477,849,024	14.38%	4,738	
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	

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, 2022 (UNAUDITED)**

Exhibit S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Dallas	\$1,943,620,416	9.86%	\$ 191,640,973
City of Garland	270,035,000	5.27%	14,230,845
City of Richardson	308,360,000	55.33%	170,615,588
Dallas County	130,445,000	9.11%	11,883,540
Dallas County Hospital District	622,000	9.11%	56,664
Dallas County Schools	27,204,352	9.11%	2,478,316
Dallas County Community College District	135,375,000	9.11%	12,332,663
Subtotal, overlapping bonded debt			403,238,588
Richardson Independent School District direct debt	903,498,011	100%	<u>903,498,011</u>
Total direct and overlapping debt			\$ 1,306,736,599

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, 2022 (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 2022 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)**

Fiscal Year	Population ¹	Assessed Value	Total Bonded Debt Outstanding ²	Less		Net Bonded Debt Outstanding	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
				Debt Service Funds ³	Debt			
2013	100,850	16,233,822,572	477,382,227	10,608,062	466,774,165	2.88%	4,628	
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	

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
2012	100,450	3,310,631	32,958	6.10%
2013	100,850	3,323,814	32,958	5.80%
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%

Sources :

¹ 2020-2022 from NCTCOG Population Estimates.

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

² 2020-2022 from Census.gov Income & Poverty annual estimates.

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

³ 2020-2022 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>	2022			2013 ³		
	<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	12.64%	8,400	1	13.94%
Richardson ISD	5,572	2	7.19%	4,695	2	6.06%
The University of Texas at Dallas	2,674	3	3.45%	2,830	6	3.65%
GEICO	2,400	4	3.10%			
RealPage	2,100	5	2.71%			
Fujitsu Network Communications	1,500	6	1.93%	1,500	9	1.93%
AT&T	1,100	7	1.42%	4,300	3	5.55%
Qorvo (formerly Tri-quent)	1,000	8	1.29%			
iQor	1,000	9	1.29%			
City of Richardson	950	10	1.23%			
Bank of America				3,300	4	4.26%
Blue Cross & Blue Shield				3,100	5	4.00%
Ericsson				2,500	7	3.22%
Verizon Business				2,250	8	2.90%
Fossil				1,400	10	1.81%
Total	28,096		36.25%	34,275		47.32%

Sources : ¹ For Texas Instruments, City of Dallas AFR, 2021.

² For Richardson ISD, District Records from Fall 2020-2021 PEIMS Submission Data.

³ Remaining companies, from City of Richardson Economic Development Partnership as of July 2021.

² Total city employment (the denominator), from the Labor Market Information Department, Texas Workforce Commission as of June 2022.

³ Richardson ISD CAFR, 2013.

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

Exhibit S-18

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> ¹	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u> ²
Teachers										
047 Substitute Teacher	1.0	2.6	1.0	-	-	1.0	0.3	5.4	8.2	27.0
087 Teacher	2,403.7	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
Total Professional Support	<u>2,404.7</u>	<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>
Professional Support										
056 Athletic Trainer	2.5	2.6	2.9	2.5	3.0	3.6	3.7	6.7	5.8	5.3
109 Athletics - Other than Athletic Director	-	-	-	-	-	4.0	4.0	0.9	0.4	2.7
006 Audiologist	1.0	1.0	1.0	1.0	1.0	1.0	0.6	1.0	1.0	1.0
112 Business Services Professional	-	-	-	-	-	13.0	11.2	12.2	13.0	22.0
102 Communications Professional	-	-	-	-	-	6.0	6.0	7.0	9.0	9.0
008 School Counselor	101.9	101.0	102.5	105.0	107.3	109.4	108.4	117.0	120.7	120.5
110 Custodial Professional	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0
011 Educational Diagnostician	16.3	17.4	18.0	18.5	19.5	30.2	35.5	39.0	41.5	44.5
107 Food Services Professional	-	-	-	-	-	2.0	2.0	2.0	2.0	3.0
100 Instructional Materials Coordinator	-	-	-	-	-	26.3	29.0	1.0	1.0	1.0
104 Internal Auditor	-	-	-	-	-	1.0	1.0	0.5	0.0	0.0
106 District/Campus Information Tech Professional	-	-	-	-	-	34.9	36.5	37.3	33.9	36.8
101 Legal Services	-	-	-	-	-	2.5	2.5	2.1	1.0	2.0
013 Librarian	51.5	50.7	52.7	49.4	51.0	49.0	51.5	52.5	49.4	48.8
111 Maintenance Professional	-	-	-	-	-	18.0	17.3	13.7	12.9	11.0
Music Therapist	-	-	1.0	-	-	-	-	-	-	0.0
016 Occupational Therapist	5.9	4.5	5.0	-	-	-	-	1.0	-	5.4
017 Orientation and Mobility Specialist	0.0	0.0	0.0	-	-	-	-	-	-	0.9
018 Physical Therapist	3.0	3.0	3.0	-	-	-	-	-	-	2.8
103 Research/Evaluation Professional	-	-	-	-	-	7.8	8.0	7.0	7.0	6.0
022 School Nurse	66.0	67.3	69.8	71.4	71.7	72.0	67.0	61.0	62.1	60.8
023 LSP/Psychologist	13.0	18.5	22.5	26.2	23.5	19.5	11.9	15.5	14.8	12.0
105 Security	-	-	-	-	-	3.0	4.0	4.0	2.0	2.0
026 Speech Therapist/Speech-Language Pathologist	58.1	63.9	64.8	59.1	62.6	60.4	57.8	65.7	78.2	69.8
041 Teacher Facilitator	188.7	193.9	193.2	208.0	208.5	160.0	96.2	177.7	179.0	93.7
108 Transportation	-	-	-	-	-	0.6	2.0	1.0	1.0	3.0
058 Campus Professional Personnel	50.9	49.7	60.5	43.6	37.9	-	-	-	-	0.0
080 Non-Campus Professional Personnel	123.1	125.8	128.3	135.8	140.0	-	-	-	-	0.0
114 Other Campus Exempt Professional Auxiliary	-	-	-	-	-	75.9	95.7	25.6	26.8	82.1
113 Other District Exempt Professional Auxiliary	-	-	-	-	-	27.0	24.1	39.5	45.9	98.9
Total Professional Support	<u>681.9</u>	<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>
Campus Administration										
020 Principal	54.1	54.0	56.0	54.5	54.5	55.0	54.4	53.9	55.5	56.0
003 Assistant Principal	67.0	69.9	73.5	76.2	75.4	85.0	83.0	101.7	101.1	100.3
012 District Instructional Pgr Director or Exec Director	-	-	-	-	-	-	-	1.0	-	1.0
040 Athletic Director	1.0	0.8	0.9	2.1	2.8	1.0	1.0	0.0	0.0	0.0
Total Campus Administration	<u>122.1</u>	<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>
Central Administration										
004 Assistant/Assoc/Deputy Superintendent	5.0	6.0	7.0	7.0	6.2	7.0	6.0	6.0	6.0	6.0
012 District Instructional Pgr Director or Exec Director	30.0	34.0	46.2	47.5	51.2	51.4	59.0	74.5	73.4	57.2
027 Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
040 Athletic Director	2.0	2.0	1.0	1.0	1.0	2.0	2.0	0.6	2.0	2.0
043 Business Manager	-	-	-	-	-	-	2.0	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	4.0	5.0	4.8	5.0	4.6	5.0	6.0	6.0	6.0
Total Central Administration	<u>43.0</u>	<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>
Educational Aides										
033 Educational Aides	284.6	258.4	292.1	321.7	304.3	341.2	345.8	419.1	462.7	454.5
Total Educational Aides	<u>284.6</u>	<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>
Auxiliary Staff	1,158.4	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
Total All Full-Time Equivalent Employees	<u>4,694.7</u>	<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>

Source: District records from the Fall PEIMS submission data (Oct 2021)

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)**

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2013	38,043	251,352,274	6,607	(0.75)%	2,404.7	15.8	60.0%
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%

Source : District records

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

<u>School</u>	<u>2013</u>	<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>
Elementary										
Buildings	41	41	41	41	41	41	41	41	41	41
Square feet	2,858,395	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
Maximum Capacity	29,296	29,524	29,524	30,276	30,840	30,840	30,556	30,556	30,556	30,556
Enrollment	22,876	22,897	23,021	23,059	23,345	23,148	23,050	23,237	21,701	21,509
Middle										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	1,078,668	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
Maximum Capacity	8,190	8,190	8,190	8,468	8,468	8,468	8,382	8,382	8,382	8,382
Enrollment ¹	5,352	5,564	5,658	5,576	5,486	5,527	5,651	5,909	5,670	5,626
High										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	1,913,358	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
Maximum Capacity	13,113	13,113	13,113	12,882	12,882	12,882	13,076	13,076	12,996	12,996
Enrollment ¹	9,813	9,813	9,934	10,100	10,425	10,632	10,403	10,467	10,412	10,496
Other Educational Facilities										
Buildings	3	3	3	3	4	4	4	4	8	8
Square feet	39,668	39,668	39,668	39,668	62,668	62,668	62,668	382,668	382,668	386,368
Administrative/Transportation										
Buildings	7	7	7	7	8	8	8	8	8	14
Square feet	248,757	249,207	259,649	259,649	286,454	286,454	286,454	286,454	286,454	436,612
Athletics										
Football/soccer fields (quantity)	25	25	25	24	24	24	24	24	24	24
Football stadiums (quantity)	6	6	6	5	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	16	12	12	12	12	12	12	12
Swimming pools (quantity)	2	2	2	2	2	2	2	2	2	2
Playgrounds (quantity)	120	118	118	109	109	109	109	109	109	109

Source: District records

Notes:

¹ 2022 enrollment does not include two students that attend the JJAEP, a special program located in non-district facilities.



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**FEDERAL AWARDS
SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Richardson Independent School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2022.

Internal Control over Financial Reporting

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

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

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

To the Board of Trustees
Richardson Independent School District

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*.

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 District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dallas, Texas
November 3, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion On Each Major Program

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

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

Basis for Opinion On Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Richardson Independent School District

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.

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

Dallas, Texas
November 3, 2022

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

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Title II, Part A, Supporting Effective Instruction	84.367A
(COVID-19) ESSER I (CARES Act)	84.425D
(COVID-19) ESSER II (CRSSA Act)	84.425D
(COVID-19) ESSER III (ARP Act)	84.425U
(COVID-19) ESSER III TCLAS (ARP Act)	84.425U
(COVID-19) ARP Homeless I - TEHCY Supplemental	84.425W
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
National School Lunch Program – Noncash Assistance (Commodities)	10.555
Supply Chain Assistance Grant	10.555
(COVID-19)Emergency Operational Costs Reimbursement Program for NSLP	10.555
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,246,115
Auditee qualified as low-risk auditee	Yes

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

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported

RICHARDSON INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

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

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

I. Prior Audit Findings

There was no prior year finding.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2022

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

I. Corrective Action Plan

Not applicable

**Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the ended June 30, 2022**

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.S. DEPARTMENT OF AGRICULTURE					
CHILD NUTRITION CLUSTER					
Passed through the Texas Education Agency					
School Breakfast Program	10.553	71402201	\$ 2,828,725	\$ -	\$ 2,828,725
School Breakfast Program	10.553	71402101	563,248	-	563,248
National School Lunch Program	10.555	71302201	11,141,732	1,045,191	12,186,923
National School Lunch Program	10.555	71302101	2,448,031	-	2,448,031
Total Passed through the Texas Education Agency			16,981,736	1,045,191	18,026,927
Passed through the Texas Department of Agriculture:					
National School Lunch Program - Noncash Assistance (Commodities)	10.555	00284	1,639,402	-	1,639,402
Supply Chain Grant	10.555		781,236	-	781,236
EOC Reimbursement for NSLP (COVID-19)	10.555		496,339	-	496,339
Total Passed through the Texas Department of Agriculture			2,916,977	-	2,916,977
TOTAL CHILD NUTRITION CLUSTER			19,898,713	1,045,191	20,943,904
Passed through the Texas Department of Agriculture:					
Child and Adult Care Food Program	10.558	806780706	94,217	-	94,217
EOC Reimbursement for CACFP (COVID-19)	10.558		16,661	-	16,661
Commodity Storage Delivery Reimbursement (COVID-19)	10.560		9,092	-	9,092
P-EBT (COVID-19)	10.649		5,814	-	5,814
Total Passed through the Texas Department of Agriculture			125,784	-	125,784
TOTAL U.S. DEPARTMENT OF AGRICULTURE			20,024,497	1,045,191	21,069,688
U.S. DEPARTMENT OF DEFENSE					
Direct Program					
JROTC	12.000	TX791840	186,399	-	186,399
TOTAL U.S. DEPARTMENT OF DEFENSE			186,399	-	186,399
U.S. DEPARTMENT OF EDUCATION					
Passed through Texas Education Agency:					
Title I, Part A - Improving Basic Programs	84.010A	22610101057916	7,560,955	267,168	7,828,123
Title I, Part A - Improving Basic Programs	84.010A	21610101057916	653,694	121,977	775,671
TTL I 1003 School Improvement Grant	84.010A	22610141057916	8,536	-	8,536
2021-2023 TTL I, 1003 ESF-Focused Support Grant	84.010A	226101577110045	79,969	1,970	81,939
School Action Fund Continuation	84.010A	226101517110027	221,645	5,960	227,605
Total Title I - Part A (84.010A)			8,524,799	397,075	8,921,874
SPECIAL EDUCATION CLUSTER					
Special Education - Grants to States (IDEA, Part B)	84.027A	226600010579166600	5,816,674	207,339	6,024,013
Special Education - Grants to States (IDEA, Part B)	84.027A	216600010579166600	539,331	69,312	608,643
IDEA-B Formula - ARP (COVID-19)	84.027X	225350010579165350	773,912	-	773,912
Special Education - High Cost Fund	84.027A	66002206	96,875	-	96,875
Special Education - Preschool Grants (IDEA Preschool)	84.173A	226610010579166610	92,421	1,419	93,840
Special Education - Preschool Grants (IDEA Preschool)	84.173A	216610010579166000	6,453	1,094	7,547
IDEA-B Preschool - ARP (COVID-19)	84.173X	225360010579165360	37,090	-	37,090
Total Special Education Cluster			7,362,756	279,164	7,641,920
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048A	22420006057916	462,715	-	462,715
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048A	21420006057916	38,432	3,604	42,036
2020-2021 CTE Perkins Reserve Grant	84.048A	214200287110013	35,268	-	35,268
Total Career and Technical Education (84.048A)			536,415	3,604	540,019
2021-2022 Texas Education for Homeless Children and Youth	84.196A	224600057110016	71,931	2,512	74,443
2020-2021 Texas Education for Homeless Children and Youth	84.196A	214600057110060	5,996	563	6,559
Total Texas Education for Homeless Children and Youth (84.196A)			77,927	3,075	81,002
Title II, Part A, Supporting Effective Instruction	84.367A	22694501057916	880,770	11,716	892,486
Title II, Part A, Supporting Effective Instruction	84.367A	21694501057916	-	10,538	10,538
Educator Assessments	84.367A	69452171	250	-	250
2021-2022 Teacher Leadership Cycle 2	84.367A	2169457971100227	20,000	-	20,000
Teacher Leadership, Cycle 2 Continuation Grant	84.367A	226945797110026	4,500	-	4,500
Total Title II - Part A (84.367A)			905,520	22,254	927,774
Title III, Part A-Language Instruction for Limited English Proficient Students	84.365A	22671001057916	1,043,281	19,300	1,062,581
Title III, Part A-Language Instruction for Limited English Proficient Students	84.365A	21671001057916	164,776	7,632	172,408
Title III, Language Instruction for Immigrant Students	84.365A	21671003057916	86,301	4,887	91,188
Total Title III Language Instruction for LEP Students and Immigrants (84.365A)			1,294,358	31,819	1,326,177
LEP Summer School	84.369A	69552002	101,260	-	101,260

**Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the ended June 30, 2022**

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>
Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program	84.424A	22680101057916	702,776	12,216	714,992
Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program	84.424A	21680101057916	35,920	5,181	41,101
Total Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program (84.424A)			738,696	17,397	756,093
Elementary and Secondary School Emergency Relief (ESSER) Funds – (Coronavirus Aid, Relief, and Economic Security Act (CARES Act)) (COVID-19)	84.425D	20521001057916	20,403	-	20,403
Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (COVID-19)	84.425D	21521001057916	9,781,961	1,287,936	11,069,897
Total Elementary and Secondary School Emergency Relief Fund (84.425D)			9,802,364	1,287,936	11,090,300
Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III (COVID-19)	84.425U	21528042057916	19,192	-	19,192
ARP ESSER III (COVID-19)	84.425U	21528001057916	18,800,270	2,535,150	21,335,420
TCLAS High-Quality After-School (COVID-19)	84.425U	215280587110122	67,533	-	67,533
Total American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (84.425U)			18,886,995	2,535,150	21,422,145
ARP Homeless I - TEHCY Supplemental (COVID-19)	84.425W	215330017110068	4,286	-	4,286
ARP Homeless II (COVID-19)	84.425W	21533002057916	319	12	331
Total American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth (84.425W)			4,605	12	4,617
Total Passed through Texas Education Agency			48,235,695	4,577,486	52,813,181
Passed through Dallas County Local Workforce Development Board					
Adult Education Literacy (AEL)	84.002	-	404,754	14,571	419,325
Total Passed through Dallas County Local Workforce Development Board			404,754	14,571	419,325
TOTAL U.S. DEPARTMENT OF EDUCATION			48,640,449	4,592,057	53,232,506
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
MEDICAID CLUSTER					
Direct Program					
Medicaid Administrative Claiming Program (MAC)	93.778	-	265,259	-	265,259
TOTAL MEDICAID CLUSTER			265,259	-	265,259
CHILD CARE AND DEVELOPMENT (CCDF) CLUSTER					
Passed through Texas Health and Human Services Commission					
Child Care and Development Fund (CCDF) - Childcare Group	93.575	529-07-0157-00060	114,947	-	114,947
TOTAL CCDF CLUSTER			114,947	-	114,947
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			380,206	-	380,206
CORPORATION FOR NATIONAL & COMMUNITY SERVICE					
Passed through University of North Texas:					
Americorp (HIPPY)	94.006	18ACHTX0010003	1,687	-	1,687
TOTAL CORP. FOR NATIONAL & COMMUNITY SERVICE			1,687	-	1,687
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 69,233,238	\$ 5,637,248	\$ 74,870,486

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, 2022

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, 2022. 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 \$1,639,402 for the year ended June 30, 2022.
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, 2022, 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, 2022

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)	\$ 74,870,486
School Health and Related Services (SHARs)	9,929,245
Child Care Relief Fund (CCRF)	<u>1,505,203</u>
Federal Program Revenues (Exhibit C-2)	<u>\$ 86,304,934</u>

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