



Annual Financial Report
For The Fiscal Year Ended
June 30, 2022

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

WICHITA FALLS, TEXAS

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Annual Financial Report

Wichita Falls Independent School District

Wichita Falls, Texas

For the Fiscal Year Ended June 30, 2022

**Prepared by
Wichita Falls ISD Finance Department**

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Wichita Falls Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2022
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Certificate of Board

Wichita Falls Independent School District
Name of School District

Wichita
County

243-905
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the fiscal year ended June 30, 2022 at a meeting of the Board of Trustees of such school district on the 8th day of November, 2022.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Wichita Falls Independent School District
Wichita Falls, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Falls 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 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.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Required Supplementary Information

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

The Board of Trustees
Wichita Falls 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 Statements and Schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements and Schedules, and Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements and Schedules, and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 27, 2022

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Management's Discussion and Analysis

Our discussion and analysis of Wichita Falls Independent School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the District at the close of the most recent fiscal year by \$15.7 million (net position).
- During the year, the District expensed \$169.9 million, which was \$24.0 million less than the District's revenue of \$193.9 million. Of this, \$56.6 million was program revenue and \$137.3 million was general revenue.
- The fund balance of the General Fund was \$25.8 million, which was a decrease of \$526 thousand. Unassigned fund balance of the general fund was \$23.5 million or 19 percent of the year's total general fund expenditures.
- The fund balance of the Child Nutrition Fund was \$5.0 million, which was an increase of \$3.1 million. The fund balance of the Capital Projects Fund was \$242.7 million, which was a decrease of \$25.4 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are composed of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

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

The first are government-wide financial statements, which provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.

The governmental fund financial statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund financial statements offer short-term and long-term financial information about the activities the District operates like businesses, such as self-insurance. The District has internal service funds reflected in the proprietary fund financial statements.

Fiduciary fund financial statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements. The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base.

Most of the District's basic services are included in the governmental activities, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the reconciliations that explain the relationship (or differences) between them.

Proprietary Funds. Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The District's proprietary funds are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions.

Fiduciary Funds. The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budgetary comparison of the general fund and child nutrition fund and the TRS pension and OPEB schedules.

Financial Analysis of the District as a Whole

Net position. The District's overall net position increased between fiscal year 2021 and the fiscal year ended June 30, 2022 – a net position of \$15,710,521. (See Table A-1).

Table A-1
Wichita Falls Independent School District's Net Position

	Governmental Activities			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 318,461,219	\$ 326,920,413	\$ (8,459,194)	-3%
Capital assets, net	178,030,484	136,670,428	41,360,056	30%
Total assets	496,491,703	463,590,841	32,900,862	28%
Total deferred outflows of resources	20,376,885	23,445,916	(3,069,031)	-13%
Liabilities				
Long-term debt	398,432,538	419,164,382	(20,731,844)	-5%
Other liabilities	50,254,630	36,063,493	14,191,137	39%
Total liabilities	448,687,168	455,227,875	(6,540,707)	34%
Total deferred inflows of resources	52,470,899	40,090,730	12,380,169	31%
Net position				
Net investment in capital assets	66,756,012	53,063,947	13,692,065	26%
Restricted	5,979,744	2,116,788	3,862,956	182%
Unrestricted	(57,025,235)	(63,462,583)	6,437,348	-10%
Total net position	\$ 15,710,521	\$ (8,281,848)	\$ 23,992,369	198%

Changes in net position. The District's total revenues were \$193.9 million, an increase of \$24.1 million. (See Table A-2.) General revenues increased due to tax collections from continued rising property values as well as a tax rate increase. Operating grants and contributions increased \$11.5 million due to ESSER funding received, which also included reimbursement for pre-award costs. Expenses decreased \$2.4 million in part to decreased pension expense compared to fiscal year 2021, as well as increased interest expense related to construction bonds.

Governmental Activities. Table A-2 compares the District's operating and general revenues and functional expenses for both the prior year and the fiscal year ended June 30, 2022. Following the table, we provide explanations for the significant fluctuations between the two periods.

Table A-2
Changes in the Wichita Falls Independent School District's Net Position

	Governmental Activities			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Program revenues:				
Charges for services	\$ 1,705,656	\$ 1,341,604	\$ 364,052	27%
Operating grants and contributions	54,933,208	43,465,846	11,467,362	26%
General revenues:				
Property taxes	67,632,739	54,969,893	12,662,846	23%
Unrestricted operating grants (mostly state aid)	68,278,762	69,552,116	(1,273,354)	-2%
Investment earnings	1,115,737	97,922	1,017,815	1039%
Miscellaneous	284,776	448,994	(164,218)	-37%
Total revenues	193,950,878	169,876,375	24,074,503	14%
Expenses:				
Instruction	95,054,151	103,836,970	(8,782,819)	-8%
Instructional resources and media services	1,697,792	1,693,780	4,012	0%
Curriculum and staff development	2,266,997	2,066,032	200,965	10%
Instructional leadership	3,551,939	3,776,044	(224,105)	-6%
School leadership	8,470,731	8,842,886	(372,155)	-4%
Guidance, counseling and evaluation services	9,165,398	8,295,390	870,008	10%
Social work services	590,836	639,464	(48,628)	-8%
Health services	1,990,705	2,050,093	(59,388)	-3%
Student transportation	2,945,214	2,230,387	714,827	32%
Food services	8,514,220	7,428,904	1,085,316	15%
Extracurricular activities	4,017,734	3,944,725	73,009	2%
General administration	3,736,121	4,294,298	(558,177)	-13%
Facilities maintenance and operations	12,192,895	12,291,681	(98,786)	-1%
Security and monitoring services	965,851	903,009	62,842	7%
Data processing services	4,241,035	3,574,518	666,517	19%
Community services	554,061	503,356	50,705	10%
Debt service	8,876,197	3,178,894	5,697,303	179%
Bond issuance costs and fees	199,031	2,028,381	(1,829,350)	-90%
Payments for shared service arrangements	232,271	203,485	28,786	14%
Payments related to juvenile justice programs	49,364	10,449	38,915	372%
Other intergovernmental charges	645,966	530,794	115,172	22%
Total expenses	169,958,509	172,323,540	(2,365,031)	-1%
Change in net position	\$ 23,992,369	\$ (2,447,165)	\$ 26,439,534	-1080%

Sources of Revenues for Fiscal Year 2022

Graph A-1

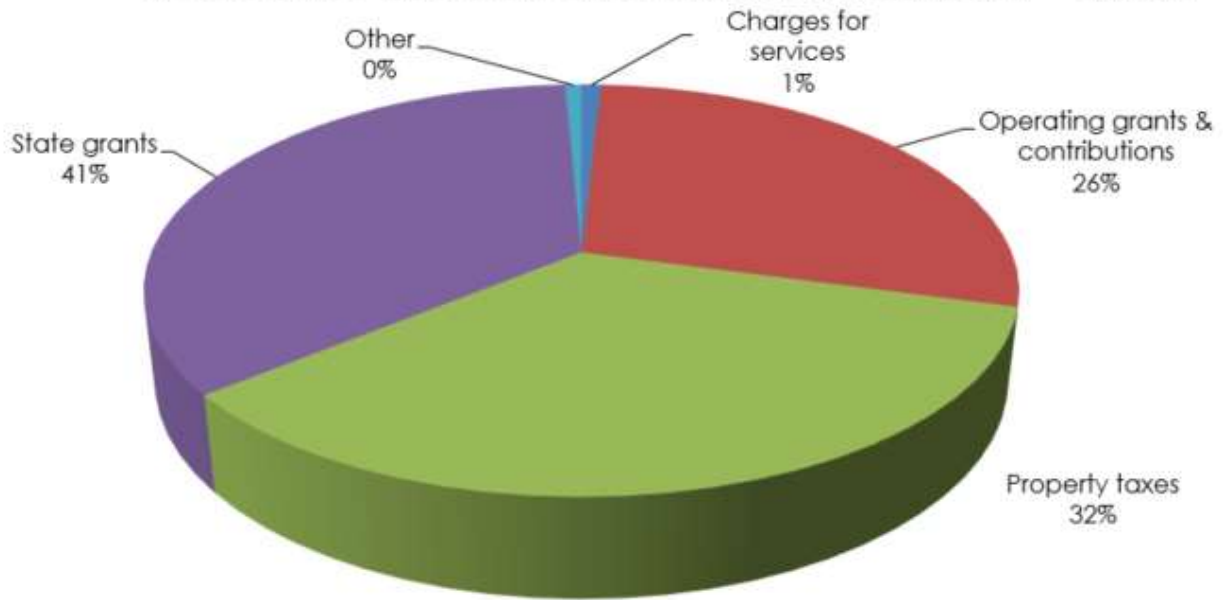


Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3
Wichita Falls Independent School District
Net Cost of Selected District Functions

	Total Cost of Services			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
Instruction	\$ 95,054,151	\$ 103,836,970	\$ (8,782,819)	-8.5%
School leadership	8,470,731	8,842,886	(372,155)	-4.2%
Guidance, counseling and evaluation services	9,165,398	8,295,390	870,008	10.5%
Food services	8,514,220	7,428,904	1,085,316	14.6%
Facilities maintenance and operations	12,192,895	12,291,681	(98,786)	-0.8%
	Net Cost of Services			
	2022	2021	Increase (Decrease)	Percentage Change
Instruction	\$ 66,564,445	\$ 76,565,462	\$ (10,001,017)	-13.1%
School leadership	6,085,372	7,459,540	(1,374,168)	-18.4%
Guidance, counseling and evaluation services	6,584,420	6,997,692	(413,272)	-5.9%
Food services	(2,426,880)	(420,327)	(2,006,553)	477.4%
Facilities maintenance and operations	8,650,175	10,236,924	(1,586,749)	-15.5%

The cost of all governmental activities this year was \$169.9 million; however, the amount our taxpayers paid for these activities through property taxes was \$67.6 million. Some of the cost was paid by those who directly benefited from the programs, through charges for services - \$1.7 million, or by operating grants and contributions - \$54.9 million. The amount funded by the state was \$69.3 million in formula grants and state aid.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$278.8 million. Approximately \$23.6 million constitutes the unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been: 1) restricted for retirement of long-term debt or capital projects and 2) restricted, committed or assigned for other purposes, or nonspendable.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$23.6 million, while the total fund balance of all governmental funds was \$278.8 million.

The general fund reported an ending fund balance of \$25,777,240. The net change in fund balance resulted in a decrease in the general fund balance from the prior year in the amount of \$526,060. The decrease in fund balance is a reflection of board approved expenditures related to land purchases (Wichita Falls Memorial High School), board approved General Fund commitment for athletic fields at the two new high schools (Legacy High School and Memorial High School), and HVAC repairs to facilities.

The child nutrition fund reported an ending fund balance of \$5,039,836, which represents an increase of \$3,055,624. This increase is due to the continuation of USDA issuing nation-wide waivers addressing child nutrition operations.

The debt service fund reported an ending fund balance of \$4,840,519, all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$1,903,468. The increase is due to increased property tax collections from rising property values and an increase in the I&S tax rate. The revenue increase was offset by increased debt payments.

The capital projects fund reported an ending fund balance of \$242,731,015, which represents a decrease of \$25,428,917. This decrease is the direct result of the continued construction of two new high schools, as well as a land purchase. In addition, the District issued Series 2021A School Building Bonds that had proceeds of \$12,685,000 and a premium on issuance of \$1,095,000. These funds are being used for the construction of recreational facilities.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenues and appropriations. The amendments fall into the following categories:

- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations.
- Amendments throughout the year for unexpected occurrences.
- Amendments throughout the year for resignations and employment of new personnel.

After appropriations were amended as described above, actual revenues for the general fund were increased by \$1,998,635. TEA calculated the district's state funding based on Hold Harmless 2019-2020 average daily attendance percentages.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$178.0 million (net of accumulated depreciation). This amount represents a net increase (including additions and deletions) of \$41.4 million or 30%. The investment in capital assets includes land, buildings and improvements, vehicles, equipment, and construction in progress.

Table A-4
Wichita Falls Independent School District's Capital Assets

	Governmental Activities			
	June 30, 2022	June 30, 2021	Increases (Decreases)	Percentage Change
Land	\$ 19,273,163	\$ 16,729,689	\$ 2,543,474	15%
Bldgs and improvements	206,467,637	206,267,030	200,607	0%
Equipment	17,878,885	17,455,226	423,659	2%
Property under financed purchase	4,239,102	4,239,102	-	0%
Construction in progress	52,582,188	8,011,933	44,570,255	556%
Totals at historical cost	300,440,975	252,702,980	47,737,995	19%
Less accumulated depreciation	122,410,491	116,032,552	6,377,939	5%
Net capital assets	\$ 178,030,484	\$ 136,670,428	\$ 41,360,056	30%

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Debt. At June 30, 2022 the District had \$354.1 million in long term debt – an increase of 0.1% over last year – as shown in Table A-5. This increase was due to the issuance of the Series 2021A Building Bonds.

**Table A-5
Wichita Falls Independent School District's Long-term Debt**

	Governmental Activities			
	June 30, 2022	June 30, 2021	Increase (Decrease)	Percentage Change
General obligation bonds	\$ 323,670,000	\$ 322,035,000	\$ 1,635,000	0.5%
Premium on bonds	23,666,840	24,495,879	(829,039)	-3.4%
Total bonds payable	347,336,840	346,530,879	805,961	0.2%
Note payable	5,200,000	5,200,000	-	0.0%
Financed purchase	468,675	1,075,728	(607,053)	-56.4%
Compensated absences	1,134,804	1,081,112	53,692	5.0%
Total long-term obligations	\$ 354,140,319	\$ 353,887,719	\$ 252,600	0.1%

Economic Factors and Next Year's Budgets and Tax Rates

The District's certified property values for 2022 reflect a 7.12% increase in property values, from the prior year. House Bill (HB) 3 provided for additional state aid to the basic allotment and a compression to the maintenance and operations tax rate to provide additional state funding while providing tax relief.

The maintenance and operating tax rate of \$0.9215 is now compressed down to \$0.8715 allowing for \$0.04 additional pennies based off the 2021-22 Maintenance and Operations adopted rate as well as an extra \$0.01 for a unanimous approval of the board of trustees in adoption of the tax rate. The 2021-22 tax rate was set at \$0.8785. A total decrease of \$0.007, under provisions of HB 3.

The District's 2022-23 refined average daily attendance was budgeted at 11,774.

The Administration is carefully monitoring future and outstanding debt, as well as fund balance, to maintain a tax rate not to exceed \$0.50 for debt service payments. The debt service tax rate was approved at \$0.4250 for the 2022 year.

The Board of Trustees adopted a 2022-2023 general fund budget reflecting revenues and transfers in of \$115,031,818 and expenditures and transfers out of \$119,384,894 resulting in a budgeted decrease of \$4,353,076. The district adjusted the Teacher Pay Scale back to the 2021-22 scale and did not give a step increase.

The District will continue to review its priorities to maintain the level of service to its children and taxpayers for future budget years.

Requests for Information

This financial report is designed to provide 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 District's Chief Financial Officer or Director of Finance.

Basic Financial Statements

Wichita Falls Independent School District
Statement of Net Position
June 30, 2022

Exhibit A-1

1

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 142,647,710
1120	Current investments	149,719,033
1220	Property taxes receivables (net)	1,459,886
1240	Due from other governments	22,008,761
1290	Other receivables	1,557,476
1300	Inventories	1,047,040
1410	Prepaid items	21,313
	Capital assets:	
1510	Land	19,273,163
1520	Buildings and improvements, net	102,313,023
1530	Furniture and equipment, net	1,043,779
1550	Financed purchases, net	2,818,331
1580	Construction in progress	52,582,188
1000	Total assets	496,491,703
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred charges from refunding bonds	866,829
1705	Deferred outflows of resources - pensions	9,976,785
1706	Deferred outflows of resources - OPEB	9,533,271
1700	Total deferred outflows of resources	20,376,885
LIABILITIES		
2110	Accounts payable	12,060,842
2150	Payroll deductions and withholdings	2,529,204
2165	Accrued liabilities	12,041,255
2140	Interest payable	4,419,519
2180	Due to other governments	5,255,318
2300	Unearned revenue	662,343
	Noncurrent liabilities:	
2501	Due within one year	13,286,149
2502	Due in more than one year	340,854,170
2590	Claims and judgments	247,000
2540	Net pension liability (District's share)	16,789,883
2545	Net OPEB liability (District's share)	40,541,485
2000	Total liabilities	448,687,168
DEFERRED INFLOWS OF RESOURCES		
2602	Deferred inflows of resources - leases	225,000
2605	Deferred inflows of resources - pensions	21,028,150
2606	Deferred inflows of resources - OPEB	31,217,749
2600	Total deferred inflows of resources	52,470,899
NET POSITION		
3200	Net investment in capital assets	66,756,012
	Restricted for:	
3820	Retirement of long-term debt	884,493
3850	Grants	5,095,251
3900	Unrestricted	(57,025,235)
3000	TOTAL NET POSITION	\$ 15,710,521

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District
Statement of Activities
For the Fiscal Year ended June 30, 2022

Exhibit B-1

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (expense) Revenue and Changes in Net Position 6
			3 Charges for Services	4 Operating Grants and Contributions	
					Governmental Activities
PRIMARY GOVERNMENT					
	Governmental activities:				
11	Instruction	\$ 95,054,151	\$ 101,038	\$ 28,388,668	\$ (66,564,445)
12	Instructional resources and media services	1,697,792	-	478,099	(1,219,693)
13	Curriculum and staff development	2,266,997	-	638,387	(1,628,610)
21	Instructional leadership	3,551,939	-	1,000,227	(2,551,712)
23	School leadership	8,470,731	-	2,385,359	(6,085,372)
31	Guidance, counseling, and evaluation services	9,165,398	-	2,580,978	(6,584,420)
32	Social work services	590,836	-	166,380	(424,456)
33	Health services	1,990,705	-	560,583	(1,430,122)
34	Student transportation	2,945,214	-	829,373	(2,115,841)
35	Food services	8,514,220	598,894	10,342,206	2,426,880
36	Cocurricular/extracurricular activities	4,017,734	889,008	1,131,395	(1,997,331)
41	General administration	3,736,121	-	1,052,092	(2,684,029)
51	Facilities maintenance and operations	12,192,895	116,716	3,426,004	(8,650,175)
52	Security and monitoring services	965,851	-	271,984	(693,867)
53	Data processing services	4,241,035	-	1,194,276	(3,046,759)
61	Community services	554,061	-	156,024	(398,037)
72	Interest on long-term debt	8,876,197	-	331,173	(8,545,024)
73	Bond issuance costs and fees	199,031	-	-	(199,031)
81	Facilities acquisition and construction	-	-	-	-
93	Payments related to shared services arrangements	232,271	-	-	(232,271)
95	Payments related to juvenile justice programs	49,364	-	-	(49,364)
99	Other intergovernmental charges	645,966	-	-	(645,966)
TG	Total governmental activities	<u>169,958,509</u>	<u>1,705,656</u>	<u>54,933,208</u>	<u>(113,319,645)</u>
	TOTAL PRIMARY GOVERNMENT	<u>\$ 169,958,509</u>	<u>\$ 1,705,656</u>	<u>\$ 54,933,208</u>	(113,319,645)
	General revenues:				
MT	Property taxes, levied for general purposes				46,595,830
DT	Property taxes, levied for debt service				21,036,909
GC	Grants and contributions not restricted to specific programs				68,278,762
IE	Investment earnings				1,115,737
MI	Miscellaneous				<u>284,776</u>
TR	Total general revenues				<u>137,312,014</u>
CN	Change in net position				23,992,369
NB	Net position - beginning				<u>(8,281,848)</u>
NE	NET POSITION (DEFICIT), ending				<u>\$ 15,710,521</u>

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District

Balance Sheet – Governmental Funds

June 30, 2022

Data Control Codes		10 General Fund	24 Child Nutrition Fund
ASSETS			
1110	Cash and cash equivalents	\$ 4,271,161	\$ 75,097
1120	Current investments	23,988,243	4,696,381
1220	Taxes receivable	1,741,221	-
1230	Allowance for uncollectible taxes (credit)	(760,473)	-
1240	Due from other governments	17,323,927	290,345
1260	Due from other funds	3,201,542	-
1290	Other receivables	-	3,691
1300	Inventories	473,292	564,875
1410	Prepays	8,552	-
1000	TOTAL ASSETS	\$ 50,247,465	\$ 5,630,389
LIABILITIES			
Current liabilities:			
2110	Accounts payable	\$ 690,543	\$ 249,973
2150	Payroll deductions and withholdings	2,294,880	23,318
2160	Accrued wages payable	10,225,018	73,262
2170	Due to other funds	4,934,392	9,029
2180	Due to other governments	5,229,099	-
2300	Unearned revenue	24,146	234,971
2000	Total liabilities	23,398,078	590,553
DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue - property taxes	847,147	-
2602	Deferred inflow - leases	225,000	-
2600	Total deferred inflows of resources	1,072,147	-
FUND BALANCES			
Nonspendable fund balances:			
3410	Inventories	473,292	-
3430	Prepaid items	8,552	-
Restricted fund balances:			
3450	Federal/state funds grant restrictions	-	5,039,836
3470	Capital projects	-	-
3480	Retirement of long-term debt	468,676	-
Committed fund balance:			
3540	Self-insurance	100,000	-
3545	Other committed fund balance	1,134,803	-
3600	Unassigned	23,591,917	-
3000	Total fund balances	25,777,240	5,039,836
4000	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 50,247,465	\$ 5,630,389

The Notes to the Financial Statements are an integral part of this statement.

Exhibit C-1

50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 619	\$ 136,699,030	\$ 1,574,201	\$ 142,620,108
4,836,242	115,635,685	-	149,156,551
544,871	-	-	2,286,092
(65,733)	-	-	(826,206)
13,148	-	4,381,341	22,008,761
-	-	150	3,201,692
-	1,502,395	51,390	1,557,476
-	-	8,873	1,047,040
-	-	-	8,552
<u>\$ 5,329,147</u>	<u>\$ 253,837,110</u>	<u>\$ 6,015,955</u>	<u>\$ 321,060,066</u>
\$ -	11,106,095	\$ 14,231	\$ 12,060,842
-	-	211,006	2,529,204
-	-	1,742,975	12,041,255
-	-	3,192,513	8,135,934
25,135	-	1,084	5,255,318
-	-	403,226	662,343
25,135	11,106,095	5,565,035	40,684,896
463,493	-	-	1,310,640
-	-	-	225,000
463,493	-	-	1,535,640
-	-	-	473,292
-	-	-	8,552
-	-	55,415	5,095,251
-	242,731,015	-	242,731,015
4,840,519	-	-	5,309,195
-	-	-	100,000
-	-	886,642	2,021,445
-	-	(491,137)	23,100,780
<u>4,840,519</u>	<u>242,731,015</u>	<u>450,920</u>	<u>278,839,530</u>
<u>\$ 5,329,147</u>	<u>\$ 253,837,110</u>	<u>\$ 6,015,955</u>	<u>\$ 321,060,066</u>

Wichita Falls Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position
 June 30, 2022

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS, balance sheet	\$ 278,839,530
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources; therefore are not reported in the governmental fund financial statements.	300,440,975
Accumulated depreciation has not been included in the governmental fund financial statements.	(122,410,491)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:	
Bonds and notes payable	\$ (328,870,000)
Compensated absences	(1,134,804)
Capital lease	<u>(468,675)</u>
	(330,473,479)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are reported when due.	(4,419,519)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.	(23,666,840)
In the governmental fund financial statements, refunding losses are expensed when incurred, whereas in the government-wide financial statements they are capitalized, net of amortization.	866,829
Revenue reported as a deferred inflow of resources in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.	1,310,640
Internal service funds are used by management to charge the costs of various services to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	5,290,087
The District's net pension liability and related deferred outflows and inflows related to its proportionate share of the state Teacher Retirement System (TRS) pension are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:	
Net pension liability	\$ (16,789,883)
Deferred outflows - pension related items	9,976,785
Deferred inflows - pension related items	<u>(21,028,150)</u>
	(27,841,248)
The District's net OPEB liability and related deferred outflows and inflows related to its proportionate share of TRS-Care are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:	
Net OPEB liability	\$ (40,541,485)
Deferred outflows - OPEB related items	9,533,271
Deferred inflows - OPEB related items	<u>(31,217,749)</u>
	(62,225,963)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES, statement of net position	<u>\$ 15,710,521</u>

The Notes to the Financial Statements are an integral part of this statement.

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Wichita Falls Independent School District
Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2022

<u>Data Control Codes</u>		<u>10 General Fund</u>	<u>24 Child Nutrition Fund</u>
REVENUES			
5700	Local and intermediate sources	\$ 47,476,387	\$ 606,839
5800	State program revenues	75,060,333	21,690
5900	Federal program revenues	7,231,973	10,870,347
5020	Total revenues	129,768,693	11,498,876
EXPENDITURES			
Current:			
0011	Instruction	73,317,999	-
0012	Instructional resources and media services	1,583,058	-
0013	Curriculum and staff development	1,319,195	-
0021	Instructional leadership	2,716,533	-
0023	School leadership	8,070,532	-
0031	Guidance, counseling, and evaluation services	5,801,183	-
0032	Social work services	497,269	-
0033	Health services	1,934,561	-
0034	Student transportation	3,034,288	-
0035	Food services	-	8,163,263
0036	Cocurricular/extracurricular activities	3,670,521	-
0041	General administration	4,333,812	-
0051	Facilities maintenance and operations	11,886,265	-
0052	Security and monitoring services	775,108	-
0053	Data processing services	3,779,038	-
0061	Community services	10,392	-
Debt service:			
0071	Principal on long-term debt	1,217,956	-
0072	Interest on long-term debt	107,304	-
0073	Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities maintenance and operations	1,277,474	-
Intergovernmental charges:			
0093	Payments to shared service arrangements	112,272	-
0095	Payments related to juvenile justice alternative education program	49,364	-
0099	Other intergovernmental charges	645,966	-
6030	Total expenditures	126,140,090	8,163,263
1100	Excess (deficiency) of revenues over (under) expenditures	3,628,603	3,335,613
OTHER FINANCING SOURCES (USES)			
7911	Issuance of bonds	-	-
7912	Sale of real or personal property	32,322	214
7915	Transfers in	280,203	-
7916	Premium or discount on issuance of bonds	-	-
8911	Transfers out	(4,467,188)	(280,203)
7080	Total other financing sources and (uses)	(4,154,663)	(279,989)
1200	Net change in fund balances	(526,060)	3,055,624
0100	Fund balances, beginning, July 1	26,303,300	1,984,212
3000	FUND BALANCES, ending, June 30	\$ 25,777,240	\$ 5,039,836

The Notes to the Financial Statements are an integral part of this statement.

50	60	98	
Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 20,794,171	\$ 2,503,479	\$ 1,242,813	\$ 72,623,689
331,173	-	1,174,403	76,587,599
-	-	24,911,793	43,014,113
<u>21,125,344</u>	<u>2,503,479</u>	<u>27,329,009</u>	<u>192,225,401</u>
-	-	20,487,653	93,805,652
-	-	91,916	1,674,974
-	-	884,040	2,203,235
-	-	756,448	3,472,981
-	-	258,422	8,328,954
-	-	3,143,554	8,944,737
-	-	80,902	578,171
-	-	28,700	1,963,261
-	-	86,435	3,120,723
-	-	17,483	8,180,746
-	-	284,229	3,954,750
-	-	99,710	4,433,522
-	-	129,267	12,015,532
-	-	166,116	941,224
-	-	407,793	4,186,831
-	-	523,830	534,222
10,050,000	-	-	11,267,956
9,166,876	-	-	9,274,180
5,000	194,031	-	199,031
-	45,845,255	-	47,122,729
-	-	119,999	232,271
-	-	-	49,364
-	-	-	645,966
<u>19,221,876</u>	<u>46,039,286</u>	<u>27,566,497</u>	<u>227,131,012</u>
1,903,468	(43,535,807)	(237,488)	(34,905,611)
-	12,685,000	-	12,685,000
-	-	-	32,536
-	4,325,967	141,221	4,747,391
-	1,095,923	-	1,095,923
-	-	-	(4,747,391)
-	<u>18,106,890</u>	<u>141,221</u>	<u>13,813,459</u>
1,903,468	(25,428,917)	(96,267)	(21,092,152)
<u>2,937,051</u>	<u>268,159,932</u>	<u>547,187</u>	<u>299,931,682</u>
<u>\$ 4,840,519</u>	<u>\$ 242,731,015</u>	<u>\$ 450,920</u>	<u>\$ 278,839,530</u>

Wichita Falls Independent School District
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund
 Balances to the Government-Wide Statement of Activities
 For the Fiscal Year Ended June 30, 2022

Exhibit C-2R

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (21,092,152)
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	47,737,995
Depreciation is not recognized as an expenditure in the governmental fund financial statements since it does not use current financial resources. Current year depreciation is:	(6,377,939)
Issuances of long-term debt are other financing sources in the governmental financial statements, but are reported as increases in long-term liabilities in the government-wide financial statements. The District issued the following long-term debt in the current year:	
Series 2021A School Building Bonds	\$ (12,685,000)
Premium on issuance	<u>(1,095,924)</u>
	(13,780,924)
Long-term debt principal payments are expenditures in the governmental fund financial statements, but are reported as reductions of long-term debt in the government-wide financial statements. Current year long-term debt principal payments are:	11,050,000
Financed Purchase payments are expenditures in the governmental fund financial statements, but are reported as reductions of long-term debt in the government-wide financial statements.	607,053
Interest is accrued on long-term debt in the government-wide financial statements, whereas interest is reported when due in the governmental fund financial statements. Accrued interest decreased by:	(1,353,615)
Changes in liabilities for compensated absences are not reflected in the governmental fund financial statements, but are reported as increases and decreases in long-term liabilities of the government-wide financial statements. The liability for compensated absences increased by:	(53,692)
Bond premiums are expensed when incurred in the governmental fund financial statements, but capitalized and amortized over the maturity of the debt for government-wide financial statements. Current year bond premium amortization is:	1,924,963
Amortization of deferred losses on refundings is only reported in the government-wide financial statements. Current year amortization is:	(173,365)
Revenue from property taxes is deferred in the governmental fund financial statements until it is considered available to finance current year expenditures, but is recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide financial statements.	292,056
Internal service funds are used by management to charge the costs of various services to the individual funds. The change in net position of the internal service funds is reported in the governmental activities.	863,507
The net change in the net pension liability, deferred outflows and deferred inflows is reported in the statement of activities but does not provide or require the use of current financial resources and is not reported as revenues or expenditures in the governmental funds. The net change consists of:	
Deferred outflows decrease	\$ (4,224,696)
Deferred inflows increase	(12,920,479)
Net pension liability decrease	<u>19,139,222</u>
	1,994,047
The net change in the net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not provide or require the use of current financial resources and is not reported as revenues or expenditures in the governmental funds. The net change consists of:	
Deferred outflows increase	\$ 1,329,030
Deferred inflows increase	765,310
Net OPEB liability decrease	<u>260,095</u>
	2,354,435
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 23,992,369

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District
Statement of Net Position – Proprietary Funds
June 30, 2022

Exhibit D-1

<u>Data Control Codes</u>		<u>Internal Service</u>
		<u>Insurance Fund</u>
	ASSETS	
	Current assets:	
1110	Cash and cash equivalents	\$ 27,602
1120	Investments	562,482
	Receivables:	
1260	Due from other funds	4,934,242
1410	Prepays	<u>12,761</u>
	Total current assets	<u>5,537,087</u>
1000	Total assets	5,537,087
	LIABILITIES	
	Noncurrent liabilities:	
2590	Claims and judgments	<u>247,000</u>
	Total noncurrent liabilities	<u>247,000</u>
2000	Total liabilities	247,000
	NET POSITION	
3900	Unrestricted	<u>5,290,087</u>
3000	TOTAL NET POSITION	<u><u>\$ 5,290,087</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District
Statement of Revenues, Expenses, and Changes
in Fund Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit D-2

<u>Data Control Codes</u>		<u>Internal Service Insurance Fund</u>
OPERATING REVENUES		
5700	Total local and intermediate sources	\$ 1,083,147
5020	Total operating revenues	1,083,147
OPERATING EXPENSES		
6100	Payroll costs	74,687
6200	Professional and contracted services	1,203
6300	Supplies and materials	867
6400	Other operating costs	143,986
6030	Total operating expenses	220,743
	Operating income	862,404
NONOPERATING REVENUES		
7955	Earnings from temporary deposits and investments	1,103
8030	Total non-operating revenues	1,103
1300	Change in net position	863,507
0100	Net position, beginning, September 1	4,426,580
3300	TOTAL NET POSITION, ending, June 30	\$ 5,290,087

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit D-3

	<u>Internal Service</u>
	<u>Insurance</u>
	<u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts for quasi-external operating transactions with others	\$ 368,289
Cash payments to employees for services	(74,687)
Cash payments to other suppliers for goods and services	(292,413)
	<hr/>
Net cash provided by operating activities	1,189
Cash Flows from Investing Activities:	
Purchase of investments	(1,103)
Interest and dividends on investments	1,103
	<hr/>
Net cash provided by investing activities	-
	<hr/>
Net increase in cash and cash equivalents	1,189
	<hr/>
CASH AND CASH EQUIVALENTS, beginning of year	26,413
	<hr/>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 27,602</u>
	<hr/>
RECONCILIATION OF OPERATING INCOME TO NET CASH	
CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 862,404
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(714,858)
Increase in prepaids	(357)
Increase in claims liability	(146,000)
	<hr/>
NET CASHED PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,189</u>

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School District
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2022

Exhibit E-1

<u>Data Control Codes</u>		<u>Custodial Funds</u>
	ASSETS	
1110	Cash and cash equivalents	\$ 860,065
1290	Other receivables	<u>25,898</u>
1000	TOTAL ASSETS	885,963
	LIABILITIES	
2110	Accounts payable	<u>19</u>
2000	TOTAL LIABILITIES	19
	NET POSITION	
3000	Restricted for other purposes	<u>885,944</u>
	TOTAL NET POSITION	<u><u>\$ 885,944</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Wichita Falls Independent School DistrictStatement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2022**Exhibit E-2**

	<u>Custodial Funds</u>
ADDITIONS	
Gifts and bequests	\$ 214,500
Miscellaneous revenue from student groups	<u>381,775</u>
Total additions	596,275
DEDUCTIONS	
Scholarship awards	290,000
Dues and fees	<u>348,007</u>
Total deductions	638,007
Change in net position	(41,732)
NET POSITION:	
Restricted for students and other organizations	
Net position, beginning	<u>927,676</u>
NET POSITION, ending	<u><u>\$ 885,944</u></u>

The Notes to the Financial Statements are an integral part of this statement.

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Wichita Falls Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Wichita Falls Independent School District (the District) prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of School Trustees (the Board), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity".

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units of the District that are required to be presented in the financial statements.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

B. Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed except for interfund services provided and used which are not eliminated. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identified with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including taxes, are reported as *general revenues*.

The fund financial statements provide information on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Wichita Falls Independent School District

Notes to the Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. 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 revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

Wichita Falls Independent School District

Notes to the Financial Statements

Fund Accounting

The District reports the following major governmental funds:

The General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Child Nutrition Fund

This fund accounts for the child nutrition program's transactions. The child nutrition fund is considered a special revenue fund because it meets the following criteria: 1) user fees are charged to supplement the national school lunch program (NSLP), 2) the general fund subsidizes the child nutrition program for all expenditures in excess of NSLP, and 3) the District does not consider the child nutrition program completely self-supporting. Child nutrition fund balances are used exclusively for child nutrition program purposes.

Debt Service Fund

The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Capital Projects Funds

The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in the capital projects funds.

Additionally, the District reports the following fund types:

Governmental Funds

Special Revenue Funds

The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Fund

Internal Service Funds

This fund is used to account for revenues and expenses related to services provided to parties inside the District. This fund facilitates the distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "governmental activities" column of the government-wide financial statements.

Fiduciary Funds

Custodial Funds

The District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial funds include the student activity fund, as well as the Ryan Scholarship Fund and Renton Aviation Fund. The funds are used to account for assets held by the District as an agent for student and other organizations.

Wichita Falls Independent School District

Notes to the Financial Statements

Financial Statement Amounts

Cash and Cash Equivalents

For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-bearing investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by an impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term nonparticipating means that the investment value does not vary with the market interest rate changes.

Inventory and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which they were imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the general and debt service funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

The tax rates assessed for the year ended June 30, 2022 to finance general fund operations and the payment of principal and interest on general obligation debt were \$0.9401 and \$0.4250 per \$100 valuation, respectively, for a total of \$1.3651 per \$100 valuation.

Capital Assets

Capital assets, which include land, construction in progress, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Wichita Falls Independent School District

Notes to the Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	40
Building Improvements	20-40
Vehicles	5-10
Other Equipment	5-7
Financed Purchase Assets	7-10

Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains or losses on refunding are deferred and amortized over the lesser of the remaining life of the old debt or the life of the new debt using the straight line method and are presented as deferred inflows/outflows in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount.

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

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. School Board Policy contains a provision to compensate all employees in the District for accrued leave days upon retirement. This policy allows any employee who retires from the District through the Teacher Retirement System of Texas (TRS) to receive, following termination of employment, a lump sum payment for accrued leave days.

School Board Policy also contains a provision to compensate all twelve month employees for accrued local and state leave days upon a resignation from the District up to a maximum of 90 days.

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 -- the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for debt service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the bond covenants.

Wichita Falls Independent School District

Notes to the Financial Statements

Restricted for federal and state grants -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture or other federal and state agencies.

Unrestricted -- the difference between the assets and liabilities that is not reported in net position invested in capital assets, net of related debt, restricted for federal and state grants, net position restricted for food service or net position restricted for debt service.

Governmental Fund Financial Statements

The District classifies governmental fund balances as follows:

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories and prepaid items.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. At June 30, 2022, the Board has committed fund balances as follows:

	General Fund	Other Governmental Funds	Totals
Self-insurance	\$ 100,000	\$ -	\$ 100,000
Accumulated sick leave benefits obligations	1,134,803	-	1,134,803
Campus Activity Funds	-	886,642	886,642
Totals	\$ 1,234,803	\$ 886,642	\$ 2,121,445

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Fund balance can be assigned by the District's Board, the Superintendent, or the Assistant Superintendent of Finance and Human Resources. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The order of spending is to first use committed fund balance, then assigned fund balance, and last of all, unassigned fund balance. Restricted fund balance will be used before the unrestricted portion.

Wichita Falls Independent School District

Notes to the Financial Statements

Interfund Activities

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

Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the Resource Guide. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

Account Code Reporting

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the state auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Resource Guide*. Mandatory codes are utilized in the form provided in that section.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of June 30, 2022 will change.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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 Pension Plan fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment 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.

Wichita Falls Independent School District

Notes to the Financial Statements

GASB Pronouncements implemented by the District

GASB Statement No. 87, *Leases*. This Statement was issued in June 2017 and provides guidance to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Upon implementation of this standard, the District recognized its previous capital leases as financed purchases.

Note 2. Cash, Cash Equivalents and Investments

Cash Deposits

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

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. For the fiscal year ended June 30, 2022, the District invested in TexPool and TexasTERM, Certificates of Deposit, and through Hilltop Securities.

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

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

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

The District's investments are in investment pools and are not subject to fair value measurements and are not required to be reported by levels.

Wichita Falls Independent School District

Notes to the Financial Statements

TexasTERM Local Government Investment Pool (TexasTERM) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (PFIA). TexasTERM offers a series of professionally managed portfolios that are available to municipalities, counties, school districts, special districts and other governmental entities in the State of Texas. An Advisory Board is responsible for the overall management of TexasTERM. With respect to TexasTERM, the Advisory Board's responsibilities include the formulation and implementation of its investment and operating policies. TexasTERM complies with statutory investment restrictions for Texas local governments as provided in the PFIA. The Investment Advisor and Administrator for TexasTERM is PFM Asset Management LLC. Weighted average maturity for TexasTERM is 26 days.

The District is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. Weighted average maturity for TexPool is 25 days.

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 142,647,710
Investments	149,719,033
Fiduciary funds:	
Cash and cash equivalents	<u>860,065</u>
Total cash and investments	<u>\$ 293,226,808</u>
Cash on hand	\$ 4,309
Deposits with financial institutions	143,503,466
Investments	<u>149,719,033</u>
Total cash and investments	<u>\$ 293,226,808</u>

Credit Risk

For the fiscal year ended June 30, 2022, the District invested in TexasTERM and Texpool Investment Pool. The TexasTERM portfolio is a fixed rate, fixed term portfolio option rated AAAM by Standard & Poor's rating agency. TexPool is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the investments. The District monitors interest rate risk and at year end, was not exposed to interest rate risk.

Wichita Falls Independent School District

Notes to the Financial Statements

Concentration of Credit Risk

The District's investment policy dictates that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2022, the District's bank balance of \$7,919,631, including fiduciary activity, was not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent and in the District's name. The District's cash deposits as of and during the year ended June 30, 2022 were covered by the FDIC and pledged securities.

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: American National Bank.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$17,097,297.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$14,790,494 and occurred on June 23, 2022.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the investments are insured or registered, or securities held by the District or its agent in the District's name.

Note 3. Interfund Receivables, Payables, and Transfers

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

Payable Fund	Receivable Fund	Amount	Primary Purpose
General Fund	Internal Service Funds	\$ 4,934,242	Short-term borrowing
Nonmajor Governmental Funds	General Fund	3,192,513	Short-term borrowing
Child Nutrition Fund	General Fund	9,029	Short-term borrowing
General Fund	Nonmajor governmental funds	150	Short-term borrowing
		\$ 8,135,934	

All amounts due are scheduled to be repaid within one year.

Wichita Falls Independent School District

Notes to the Financial Statements

The detail transfer schedule for the year ended June 30, 2022 includes the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Nonmajor governmental funds	\$ 141,221	Supplement other funds
Child Nutrition Fund	General Fund	280,203	Supplement other funds
General Fund	Capital projects fund	4,325,967	Supplement other funds
		<u>\$ 4,747,391</u>	

Note 4. Capital Asset Activity

Capital asset activity for the District for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 16,729,689	\$ 2,543,474	\$ -	\$ -	\$ 19,273,163
Construction in progress	8,011,933	44,570,255	-	-	52,582,188
Total capital assets not being depreciated	24,741,622	47,113,729	-	-	71,855,351
Capital assets being depreciated:					
Buildings and improvements	206,267,030	200,607	-	-	206,467,637
Furniture and equipment	17,455,226	423,659	-	-	17,878,885
Financed purchases	4,239,102	-	-	-	4,239,102
Total capital assets being depreciated	227,961,358	624,266	-	-	228,585,624
Less accumulated depreciation for:					
Buildings and improvements	98,690,197	5,464,417	-	-	104,154,614
Furniture and equipment	16,106,034	729,072	-	-	16,835,106
Financed purchases	1,236,321	184,450	-	-	1,420,771
Total accumulated depreciation	116,032,552	6,377,939	-	-	122,410,491
Total capital assets being depreciated, net	111,928,806	(5,753,673)	-	-	106,175,133
Governmental activities capital assets, net	<u>\$ 136,670,428</u>	<u>\$ 41,360,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,030,484</u>

Wichita Falls Independent School District

Notes to the Financial Statements

Depreciation expense was charged to governmental functions as follows:

Governmental Function	Depreciation
Instruction	\$ 3,677,281
Instructional resources and media services	65,475
Curriculum and staff development	89,802
Instructional leadership	141,556
School leadership	338,777
Guidance, counseling and evaluation services	364,579
Social work services	23,566
Health services	80,021
Student transportation	127,198
Food services	333,441
Co-curricular/ Extracurricular activities	151,494
General administration	264,233
Plant maintenance and operations	489,728
Security and monitoring services	38,363
Data processing services	170,651
Community services	21,774
Total depreciation expense	\$ 6,377,939

Note 5. Long-term Debt

Long-term obligation activity

Long-term obligation activities during the fiscal year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 322,035,000	\$ 12,685,000	\$ (10,050,000)	\$ 324,670,000	\$ 11,465,000
Bond premium (discount)	24,495,879	1,095,924	(1,924,963)	23,666,840	-
Total bonds payable	346,530,879	13,780,924	(11,974,963)	348,336,840	11,465,000
Note payable	5,200,000	-	(1,000,000)	4,200,000	1,020,000
Financed purchases	1,075,728	-	(607,053)	468,675	468,675
Compensated absences	1,081,112	2,110,152	(2,056,460)	1,134,804	332,474
Net pension liability	35,929,105	-	(19,139,222)	16,789,883	-
Net OPEB liability	40,801,580	5,032,890	(5,292,985)	40,541,485	-
Total long-term liabilities	\$ 430,618,404	\$ 20,923,966	\$ (40,070,683)	\$ 411,471,687	\$ 13,286,149

The District issues unlimited tax bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. Unlimited tax bonds are direct obligations and pledge the full faith and credit of the District. Bonded indebtedness of the District is reflected in the statement of net position. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

Wichita Falls Independent School District

Notes to the Financial Statements

On July 20, 2021, the District issued "Wichita Falls Independent School District Unlimited Tax School Building Bonds, Series 2021A," totaling \$12,685,000. These bonds incur an average cost over the life of the bonds at a rate of 2.125% - 5.00% and mature annually with semi-annual interest payments. The proceeds will be used for the construction, acquisition and equipment of recreational facilities in the District. The bonds will fully mature in 2051.

Unlimited tax bonds and the maintenance tax note outstanding as of June 30, 2022 are as follows:

Purpose and Lawful Authority	Interest Rate	Amount	Amounts Outstanding 7/1/2021	Issued	Retired	Amounts Outstanding 6/30/2022
Unlimited Tax Refunding Bonds, Series 2015	2.125% to 5.00%	\$ 35,350,000	\$ 22,895,000	\$ -	\$ 3,430,000	\$ 19,465,000
Unlimited Tax School Building Bonds, Series 2015A	1.00% to 5.00%	53,645,000	41,895,000	-	2,225,000	39,670,000
Unlimited Tax School Building Bonds, Series 2021	1.625% to 4.00%	257,245,000	257,245,000	-	4,290,000	252,955,000
Unlimited Tax School Building Bonds, Series 2021A	2.125% to 5.00%	12,685,000	-	12,685,000	105,000	12,580,000
Maintenance Tax Notes, Series 2016	2.00%	9,000,000	5,200,000	-	1,000,000	4,200,000
			<u>\$ 327,235,000</u>	<u>\$ 12,685,000</u>	<u>\$ 11,050,000</u>	<u>\$ 328,870,000</u>

Debt service requirements are as follows:

Years Ending June 30,	Principal Requirements	Interest Requirements	Total Requirements
2023	\$ 12,485,000	\$ 10,606,838	\$ 23,091,838
2024	12,955,000	10,160,083	23,115,083
2025	13,525,000	9,598,983	23,123,983
2026	14,095,000	9,012,183	23,107,183
2027	13,510,000	8,452,933	21,962,933
2028 - 2032	52,420,000	35,657,715	88,077,715
2033 - 2037	53,725,000	26,099,445	79,824,445
2038 - 2042	48,845,000	18,452,226	67,297,226
2043 - 2047	56,515,000	10,776,970	67,291,970
2048 - 2051	50,795,000	3,043,832	53,838,832
	<u>\$ 328,870,000</u>	<u>\$ 141,861,208</u>	<u>\$ 470,731,208</u>

There are a number of limitations and restrictions contained in the unlimited tax school building and refunding bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2022.

Wichita Falls Independent School District

Notes to the Financial Statements

Note 6. Financed Purchases

The District is obligated under certain leases that meet the criteria to be accounted for as Financed Purchases. The leased assets have a stated cost of \$4,239,102 and the interest rates range from 1.49% to 1.91%. Future minimum lease payments are as follows:

Years Ending June 30,	Total Requirements
2023	\$ 469,157
Total payments	469,157
Less: Interest	(3,786)
Total	\$ 465,371

Note 7. Revenue from Local and Intermediate Sources

During the fiscal year ended June 30, 2022, the District received revenues from local and intermediate sources consisting of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Property taxes-current	\$ 45,448,697	\$ -	\$ 20,546,432	\$ -	\$ -	\$ 65,995,129
Property taxes-delinquent	604,952	-	112,111	-	-	717,063
Penalties, interest, and other	502,134	-	126,357	-	-	628,491
Investment earnings	97,437	7,945	9,271	1,001,084	-	1,115,737
Rent	116,716	-	-	-	-	116,716
Food service income	-	598,894	-	-	-	598,894
Gifts and bequest	-	-	-	1,502,395	182,351	1,684,746
Campus activity	-	-	-	-	544,362	544,362
Cocurricular/extracurricular activities	325,595	-	-	-	-	325,595
Other	380,856	-	-	-	516,100	896,956
Total local revenue	\$ 47,476,387	\$ 606,839	\$ 20,794,171	\$ 2,503,479	\$ 1,242,813	\$ 72,623,689

Note 8. Employees' Retirement Plan

A. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension plan 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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Wichita Falls Independent School District

Notes to the Financial Statements

B. Pension Plan Fiduciary Net Position

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

C. 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% (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 where 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 cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

D. Contributions

Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing entity (state)	7.75%	7.50%
Employers	7.75%	6.80%

The contribution amounts for the District's fiscal year 2022 are as follows:

2022 District contributions	\$	3,268,521
2022 Member contributions		7,683,776
2022 NECE on-behalf contributions (State)		4,735,276

Wichita Falls Independent School District

Notes to the Financial Statements

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

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

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

Wichita Falls Independent School District

Notes to the Financial Statements

E. Actuarial Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2021	1.95%. 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
Ad hoc post-employment benefit changes	None
Active mortality rates	Based on 90 percent of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Wichita Falls Independent School District

Notes to the Financial Statements

F. 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 the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2021 are summarized below:

Asset Class*	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	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	-	1.10%	-
Stable value hedge funds	5.00%	2.20%	0.12%
Real return:			
Real estate	15.00%	4.50%	1.00%
Energy, natural resources and infrastructure	6.00%	4.70%	0.35%
Commodities	-	1.70%	-
Risk parity:			
Risk parity	8.00%	2.80%	0.28%
Asset allocation leverage:			
Cash	2.00%	-0.70%	-0.01%
Asset allocation leverage	-6.00%	-0.50%	0.03%
Inflation expectation			2.20%
Volatility drag****			-0.95%
Totals	100.00%		6.90%

*Absolute return includes credit sensitive investments.

**Target allocations are based on the FY 2021 policy model.

***Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

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

Wichita Falls Independent School District

Notes to the Financial Statements

G. Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate.

1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 36,688,560	\$ 16,789,883	\$ 646,017

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

At June 30, 2022, the District reported a liability of \$16,789,883 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the collective net pension liability	\$ 16,789,883
State's proportionate share that is associated with District	<u>34,282,912</u>
Total	<u><u>\$ 51,072,795</u></u>

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

At August 31, 2021 the District's proportion of the collective net pension liability was 0.0659294% which was a decrease of 0.00116% from its proportion measured as of August 31, 2020.

I. Changes Since the Prior Actuarial Valuation.

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

Wichita Falls Independent School District

Notes to the Financial Statements

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

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$1,411,533 and revenue of \$3,405,580 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 28,097	\$ 1,182,021
Changes in actuarial assumptions	5,934,896	2,587,106
Difference between projected and actual investment earnings	-	14,078,099
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,222,066	3,180,924
Contributions paid to TRS subsequent to the measurement date	<u>2,791,726</u>	<u>-</u>
Total	<u><u>\$ 9,976,785</u></u>	<u><u>\$ 21,028,150</u></u>

\$2,791,726 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense (Income)
<u> </u>	<u> </u>
2023	\$ (2,516,265)
2024	(2,682,194)
2025	(4,028,721)
2026	(4,409,515)
2027	(147,763)
Thereafter	<u>(58,633)</u>
Total	<u><u>\$ (13,843,091)</u></u>

Wichita Falls Independent School District

Notes to the Financial Statements

Note 9. Defined Other Postemployment Benefit Plan

A. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Postemployment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible 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. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

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

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-medicare</u>
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Wichita Falls Independent School District

Notes to the Financial Statements

D. Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2022 are as follows:

2022 District contributions	\$	889,948
2022 Member contributions		624,307
2022 NECE on-behalf contributions (state)		1,041,696

In addition, the State of Texas contributed \$305,482, \$462,504 and \$400,607, in 2021, 2020, and 2019, respectively, for on-behalf payments for Medicare Part D.

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 a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5.5 million in fiscal year 2021 for consumer protections against medical health care billing by certain out-of-network providers.

Wichita Falls Independent School District

Notes to the Financial Statements

E. Actuarial Assumptions

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

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

See Note 8 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The initial medical trend rates were 8.50% for Medicare retirees and 7.10% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 12 years.

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

Actuarial cost method	Individual entry age normal
Single discount rate	1.95%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc post-employment benefit changes	None

F. Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability at August 31, 2021. This was a decrease of 0.38% in the discount rate since the August 31, 2020 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2021.

Wichita Falls Independent School District

Notes to the Financial Statements

G. Sensitivity of the Net OPEB Liability

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the net OPEB liability.

Sensitivity of the Net OPEB Liability
to the Single Discount Rate Assumptions

1% Decrease (0.95%)	Current Discount Rate (1.95%)	1% Increase (2.95%)
\$ 48,902,373	\$ 40,541,485	\$ 33,961,195

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate.

Sensitivity of the Net OPEB Liability to
the Healthcare Cost Trend Rate Assumption

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 32,837,260	\$ 40,541,485	\$ 50,878,642

H. 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 \$40,541,485 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 net OPEB liability	\$ 40,541,485
State's proportionate share of the net OPEB liability associated with the District	<u>54,316,555</u>
	<u>\$ 94,858,040</u>

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

At August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.105099%, which was a decrease of 0.0022323% from its proportion measured as of August 31, 2020.

Wichita Falls Independent School District

Notes to the Financial Statements

Change of Assumptions Since the Prior Measurement Date

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

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

Change of Benefit Terms Since the Prior Measurement Date

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

For the fiscal year ended June 30, 2021, the District recognized negative total OPEB expense of \$3,469,183 and revenue of \$2,004,696 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,745,503	\$ 19,624,915
Changes of assumptions	4,490,446	8,573,774
Net difference between projected and actual earnings on investments	44,015	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	2,501,556	3,019,060
District contributions after measurement date	751,751	-
	<u>\$ 9,533,271</u>	<u>\$ 31,217,749</u>

\$751,751 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2023	\$ (4,383,961)
2024	(4,384,954)
2025	(4,384,682)
2026	(3,317,529)
2027	(1,872,776)
Thereafter	<u>(4,092,327)</u>
	<u>\$ (22,436,229)</u>

Wichita Falls Independent School District

Notes to the Financial Statements

Note 10. Facilities Use Agreement

During fiscal year 2022, the District entered into a 10-year agreement with another entity for the use of one of the District's stadiums for the total amount of \$250,000. This agreement fell under GASB Statement No. 87, Leases. The District received the payment of \$250,000 at the start of the agreement in July 2021 and recorded a deferred inflow of resources for leases. This deferred inflow of resources will be amortized and recognized over the 10-year period. As of June 30, 2022, the remaining deferred inflow of resources for leases is \$225,000.

Note 11. Risk Management

Self-insured Worker's Compensation Plan

The District maintains a self-insured worker's compensation plan. The District has third party insurance coverage for any losses in excess of \$350,000 per claim and a maximum of \$1,000,000 per claim. The District is responsible for claims up to \$350,000 per claim.

As of June 30, 2022, the worker's compensation benefit obligation consisted of \$247,000 in reported claims and estimated incurred but not reported claims. These amounts represent estimated ultimate costs to settle claims. A summary of the changes in the benefit obligation is as follows:

	2022	2021
Claims payable, beginning of year	\$ 393,000	\$ 382,000
Claims incurred	71,000	121,000
Claim payments	(223,000)	(120,000)
Excess coverage	6,000	10,000
Claims payable, end of year	\$ 247,000	\$ 393,000

Other Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2022, the District purchased commercial insurance to cover these 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.

Note 12. Commitments and Contingencies

The District is a party to various legal actions, none of which are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, 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 financial statements for such contingencies.

Wichita Falls Independent School District

Notes to the Financial Statements

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments that exceed bond issue stated interest rates. There is a complicated formula based on a five year history, therefore the exact amount of liability, if any, is not known until five years from the bond issuance date. There was no rebate liability as of June 30, 2022.

The District is in the construction phase of the two new high schools, with remaining construction commitments of approximately \$113,896,962 million (East site) and \$112,651,836 million (West site) at June 30, 2022.

Note 13. Shared Service Arrangement

The District is the fiscal agent for a Shared Service Arrangement which provides a regional day school for the deaf to member districts. All services are provided by the District as a fiscal agent. The member districts provide funds to the fiscal agent for operations. According to TEA guidance, the District has accounted for the fiscal agent activities of the SSA in special revenue funds 315, 316, 317, and 435 and such activities have been accounted for using Module 3 in the SSA section of TEA's Resource Guide. These expenditures of the SSA are summarized as follows:

Member Districts	#315	#435	Totals
Big Four Special Education Coop	\$ 2,951	\$ 48,354	\$ 51,305
Burkburnett ISD	4,215	80,217	84,432
Clay-Jack Coop	5,480	96,412	101,892
Graham ISD	422	24,324	24,746
Greenbelt Coop	843	16,588	17,431
Montague County Coop	3,794	74,473	78,267
Vernon ISD	1,686	72,902	74,588
West Wichita County Coop	1,686	62,978	64,664
Wichita Falls ISD	14,330	377,692	392,022
Totals	\$ 35,407	\$ 853,940	\$ 889,347

Note 14. Nonmonetary Transactions

During the fiscal year ended June 30, 2022, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$825,661. The district receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$825,661 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

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Required Supplementary Information

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Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund
 For the Fiscal Year Ended June 30, 2022

Exhibit G-1
 Page 1 of 2

Data Control Codes		1		2	3	Variance With
		Budgeted Amounts		Final	Actual	Final Budget Positive (Negative)
		Original				
REVENUES						
5700	Local and intermediate sources	\$ 48,246,906	\$ 48,720,536	\$ 47,476,387	\$ (1,244,149)	
5800	State program revenues	75,570,036	75,570,036	75,060,333	(509,703)	
5900	Federal program revenues	3,479,486	3,479,486	7,231,973	3,752,487	
5020	Total revenues	127,296,428	127,770,058	129,768,693	1,998,635	
EXPENDITURES						
Current:						
Instruction & instructional related services:						
0011	Instruction	76,370,704	75,698,422	73,317,999	2,380,423	
0012	Instructional resources and media services	1,584,490	1,570,604	1,583,058	(12,454)	
0013	Curriculum and staff development	1,455,556	1,451,524	1,319,195	132,329	
	Total instruction & inst. related services	79,410,750	78,720,550	76,220,252	2,500,298	
Instructional and school leadership:						
0021	Instructional leadership	2,841,268	2,797,513	2,716,533	80,980	
0023	School leadership	7,713,041	7,930,728	8,070,532	(139,804)	
	Total instructional & school leadership	10,554,309	10,728,241	10,787,065	(58,824)	
Support services - student (pupil) :						
0031	Guidance, counseling, and evaluation services	5,625,400	5,634,901	5,801,183	(166,282)	
0032	Social work services	520,169	520,169	497,269	22,900	
0033	Health services	1,897,686	1,969,041	1,934,561	34,480	
0034	Student transportation	2,621,500	3,150,231	3,034,288	115,943	
0036	Cocurricular/extracurricular activities	3,903,860	3,894,101	3,670,521	223,580	
	Total support services - student (pupil)	14,568,615	15,168,443	14,937,822	230,621	
Administration support services:						
0041	General administration	4,713,062	4,594,356	4,333,812	260,544	
	Total administrative support service	4,713,062	4,594,356	4,333,812	260,544	
Support services:						
0051	Facilities maintenance and operations	11,952,803	12,294,419	11,886,265	408,154	
0052	Security and monitoring services	976,351	974,506	775,108	199,398	
0053	Data processing services	3,137,930	3,705,700	3,779,038	(73,338)	
	Total support services - nonstudent based	16,067,084	16,974,625	16,440,411	534,214	
Ancillary services:						
0061	Community services	13,500	13,000	10,392	2,608	
	Total ancillary services	13,500	13,000	10,392	2,608	
Debt service:						
0071	Principal on long-term debt	1,217,957	1,217,957	1,217,956	1	
0072	Interest on long-term debt	107,305	107,305	107,304	1	
	Total debt services	1,325,262	1,325,262	1,325,260	2	
Capital outlay:						
0081	Capital outlay	-	5,711,057	1,277,474	4,433,583	
	Total capital outlay	-	5,711,057	1,277,474	4,433,583	
Intergovernmental charges:						
0093	Payments to fiscal agent/member dist. - SSA	100,000	113,068	112,272	796	
0095	Payments related to juvenile justice alternative education program	20,000	20,000	49,364	(29,364)	
0099	Other intergovernmental charges	679,090	679,090	645,966	33,124	
	Total intergovernmental charges	799,090	812,158	807,602	4,556	
6030	Total expenditures	127,451,672	134,047,692	126,140,090	7,907,602	

Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund – Continued
 For the Fiscal Year Ended June 30, 2022

Exhibit G-1
 Page 2 of 2

Data Control Codes		1		2	3	Variance With Final Budget Positive (Negative)
		Budgeted Amounts		Final	Actual	
		Original				
1100	Excess (deficiency) of revenues over (under) expenditures	(155,244)	(6,277,634)		3,628,603	9,906,237
	OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	50,000	50,000		32,322	(17,678)
7915	Transfers in	280,202	280,202		280,203	1
8911	Transfers out	(175,000)	(175,000)		(4,467,188)	(4,292,188)
7080	Total other financing sources (uses)	155,202	155,202		(4,154,663)	(4,309,865)
1200	Net change in fund balance	(42)	(6,122,432)		(526,060)	5,596,372
0100	Fund balances, beginning	26,303,300	26,303,300		26,303,300	-
3000	FUND BALANCES, ending	\$ 26,303,258	\$ 20,180,868		\$ 25,777,240	\$ 5,596,372

The Notes to the Required Supplementary Information are an integral part of this statement.

Wichita Falls Independent School District
 Budgetary Comparison Schedule – Child Nutrition Fund
 For the Fiscal Year Ended June 30, 2022

Exhibit G-2

Data Control Codes		1 Budgeted Amounts		3	Variance With Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Total local and intermediate sources	\$ 1,327,273	\$ 1,327,273	\$ 606,839	\$ (720,434)
5800	State program revenues	36,000	36,000	21,690	(14,310)
5900	Federal program revenues	6,684,434	6,684,434	10,870,347	4,185,913
5020	Total revenues	8,047,707	8,047,707	11,498,876	3,451,169
EXPENDITURES					
0035	Food service	7,562,797	7,562,797	8,163,263	(600,466)
6030	Total expenditures	7,562,797	7,562,797	8,163,263	(600,466)
1100	Excess of revenues over expenditures	484,910	484,910	3,335,613	2,850,703
OTHER FINANCING SOURCES (USES)					
7912	Sale of property	-	-	214	214
8911	Transfers out	(280,203)	(280,203)	(280,203)	-
6030	Total other financing sources (uses)	(280,203)	(280,203)	(279,989)	214
1200	Net change in fund balances	204,707	204,707	3,055,624	2,850,917
0100	Fund balance, beginning	1,984,212	1,984,212	1,984,212	-
3000	FUND BALANCE, ending	\$ 2,188,919	\$ 2,188,919	\$ 5,039,836	\$ 2,850,917

The Notes to the Required Supplementary Information are an integral part of this statement.

Wichita Falls Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability - TRS For the Last Eight Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0659294%	0.0670845%	0.0646314%
District's proportionate share of net pension liability	\$ 16,789,883	\$ 35,929,105	\$ 33,597,439
State's proportionate share of the net pension liability associated with the District	<u>34,282,912</u>	<u>71,626,487</u>	<u>64,367,245</u>
TOTAL	<u>\$ 51,072,795</u>	<u>\$ 107,555,592</u>	<u>\$ 97,964,684</u>
District's covered payroll	\$ 95,606,273	\$ 93,632,822	\$ 81,962,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	17.56%	38.37%	40.99%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%

Note: GASB 68,81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2021 - the period from September 1, 2020 - August 31, 2021.

* Ten years of data is not available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0769752%	0.0787869%	0.0736353%	0.0768421%	0.0469081%
\$ 42,369,006	\$ 25,191,798	\$ 27,825,674	\$ 27,162,660	\$ 12,529,802
<u>64,754,864</u>	<u>39,446,573</u>	<u>48,749,401</u>	<u>46,921,674</u>	<u>41,778,062</u>
<u>\$ 107,123,870</u>	<u>\$ 64,638,371</u>	<u>\$ 76,575,075</u>	<u>\$ 74,084,334</u>	<u>\$ 54,307,864</u>
\$ 82,044,781	\$ 81,886,153	\$ 78,562,967	\$ 77,683,359	\$ 74,925,429
51.64%	30.76%	35.42%	34.97%	16.72%
73.74%	82.17%	78.00%	78.43%	83.25%

Wichita Falls Independent School District
 Schedule of the District's Contributions - TRS
 For the Last Eight Fiscal Years***

	<u>2022 *</u>	<u>2021 *</u>	<u>2020 *</u>
Contractually required contribution	\$ 3,268,521	\$ 2,763,780	\$ 2,706,170
Contribution in relation to the contractually required contribution	<u>(3,268,521)</u>	<u>(2,763,780)</u>	<u>(2,706,170)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 96,047,196	\$ 95,308,623	\$ 91,626,695
Contributions as a percentage of covered payroll	3.40%	2.90%	2.95%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2020 - August 31, 2021.

* The amounts presented for the period was determined as of the District's fiscal period ended June 30.

** The amounts presented for the fiscal years was determined as of the District's fiscal year ended August 31.

*** Ten years of data is not available.

Exhibit G-4

<u>2019 *</u>	<u>2018 **</u>	<u>2017 **</u>	<u>2016 **</u>	<u>2015 **</u>
\$ 1,897,605	\$ 2,559,998	\$ 2,687,750	\$ 2,445,845	\$ 2,258,375
<u>(1,897,605)</u>	<u>(2,559,998)</u>	<u>(2,687,750)</u>	<u>(2,445,845)</u>	<u>(2,258,375)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 68,352,841	\$ 82,044,781	\$ 81,886,153	\$ 78,562,967	\$ 77,683,359
2.78%	3.12%	3.28%	3.11%	2.91%

Wichita Falls Independent School District

Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.1050993%	0.1073316%	0.1022262%
District's proportionate share of net OPEB liability	\$ 40,541,485	\$ 40,801,580	\$ 48,344,019
State's proportionate share of the net OPEB liability associated with the District	<u>54,316,555</u>	<u>54,827,544</u>	<u>64,238,388</u>
TOTAL	<u>\$ 94,858,040</u>	<u>\$ 95,629,124</u>	<u>\$ 112,582,407</u>
District's covered payroll	\$ 95,606,273	\$ 93,632,822	\$ 81,962,063
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.40%	43.58%	58.98%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31, of the prior year.

* Ten years of data is not available.

<u>2019</u>	<u>2018</u>
0.1056270%	0.1067345%
\$ 52,740,505	\$ 46,414,842
<u>66,948,830</u>	<u>60,491,454</u>
<u>\$ 119,689,335</u>	<u>\$ 106,906,296</u>
\$ 82,044,781	\$ 81,886,153
64.28%	56.68%
1.57%	0.91%

Wichita Falls Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 Last Five Fiscal Years***

	<u>2022 *</u>	<u>2021 *</u>	<u>2020 *</u>
Contractually required contribution	\$ 889,948	\$ 817,581	\$ 799,787
Contribution in relation to the contractually required contribution	<u>(889,948)</u>	<u>(817,581)</u>	<u>(799,787)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 96,047,196	\$ 95,308,623	\$ 91,626,695
Contributions as a percentage of covered payroll	0.93%	0.86%	0.87%

* The amounts presented for the fiscal period was determined as of the District's fiscal period ended June 30.

** The amounts presented for the fiscal year were determined as of the District's fiscal year ended August 31.

*** Ten years of data is not available.

<u>2019 *</u>	<u>2018 **</u>
\$ 607,232	\$ 729,149
<u>(607,232)</u>	<u>(729,149)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 68,352,841	\$ 82,044,781
0.89%	0.89%

Wichita Falls Independent School District
 Notes to the Required Supplementary Information

Note 1. Budgetary Data

A. Budgetary Information

The official budget was prepared for adoption for the general, child nutrition, and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1.
2. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
3. Prior to July 1, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the functional level by personnel responsible for the organizational financial reporting.

B. Variances with Budget

Negative budget variances were noted in the following functions. These functions' expenditures exceeded appropriations. In Instructional Resources and Media Services, School Leadership, Guidance, Counseling and Evaluation Services, and Data Processing Services, these functions exceeded appropriation due to payroll costs. These payroll changes were not taken to the board of trustees as budget revisions. In Payments related to juvenile justice alternative education program, this function exceeded appropriation due to higher costs than budgeted.

Function	Final Budget	Actual Expenditures	Variance
Instructional resources and media services	\$ 1,570,604	\$ 1,583,058	\$ (12,454)
School leadership	7,930,728	8,070,532	(139,804)
Guidance, counseling, and evaluation services	5,634,901	5,801,183	(166,282)
Data processing services	3,705,700	3,779,038	(73,338)
Payments related to juvenile justice alternative education program	20,000	49,364	(29,364)

Combining Statements and Schedules

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

		205	206	211
Data Control Codes		Head Start	ESEA Title X Part C Homeless	ESEA Title I Improving Basic Programs
ASSETS				
1110	Cash and cash equivalents	\$ 144,457	\$ 3,845	\$ 3,233
1120	Current investments	-	-	-
1240	Due from other governments	745,505	2,783	645,645
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000	TOTAL ASSETS	889,962	6,628	648,878
LIABILITIES				
Current liabilities;				
2110	Accounts payable	995	-	8,285
2150	Payroll deductions & withholdings	33,425	221	26,128
2160	Accrued wages payable	246,935	1,890	241,806
2170	Due to other funds	608,607	4,517	372,113
2180	Due to other governments	-	-	546
2300	Unearned revenues	-	-	-
2000	Total liabilities	889,962	6,628	648,878
FUND BALANCES				
Nonspendable:				
3410	Inventory	-	-	-
Restricted:				
3450	Federal/state funds grant restrictions	-	-	-
Committed:				
3545	Other committed fund balance	-	-	-
Assigned				
3550	Reserve for capital projects transfer in	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 889,962	\$ 6,628	\$ 648,878

213	215	224	225	226	244	255
ESEA Title I Part B - Even St. Family Literacy	ESEA Title I Part A Capital Expenses	IDEA-B Formula	IDEA-B Preschool Grant	IDEA-B High Cost	Career and Tech Basic Grant	ESEA Title II Training & Recruiting
\$ -	\$ 4,705	\$ 74,408	\$ -	\$ -	\$ 458	\$ -
-	-	-	-	-	-	-
14,373	13,941	498,911	25,301	1,723	14,140	33,808
-	-	-	-	-	-	-
2,600	-	-	-	-	-	-
-	-	-	-	-	-	-
16,973	18,646	573,319	25,301	1,723	14,598	33,808
-	-	-	-	-	371	2,250
-	1,468	23,374	2,010	-	-	1,563
-	7,309	207,058	16,521	-	-	7,164
16,973	9,869	342,887	6,770	1,723	13,807	22,831
-	-	-	-	-	420	-
-	-	-	-	-	-	-
16,973	18,646	573,319	25,301	1,723	14,598	33,808
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Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 June 30, 2022

		263	265	266
Data Control Codes		Title III Part A Language	Title IV, Part B - 21st Century	ESSER I
ASSETS				
1110	Cash and cash equivalents	\$ 341	\$ -	\$ -
1120	Current investments	-	-	-
1240	Due from other governments	201	-	29,034
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000 Total assets		542	-	29,034
LIABILITIES				
Current liabilities				
2110	Accounts payable	-	-	-
2150	Payroll deductions & withholdings	-	-	2,427
2160	Accrued wages payable	-	-	8,976
2170	Due to other funds	424	-	17,631
2180	Due to other governments	118	-	-
2300	Unearned revenues	-	-	-
2000 Total liabilities		542	-	29,034
FUND BALANCES				
Nonspendable:				
3410	Inventory	-	-	-
Restricted:				
3450	Federal/state funds grant restrictions	-	-	-
Committed:				
3545	Other committed fund balance	-	-	-
Assigned				
3550	Reserve for capital projects transfer in	-	-	-
3600	Unassigned	-	-	-
3000 Total fund balances		-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 542	\$ -	\$ 29,034

272 276 277 279 281 282 284

MAC Program	Instructional Continuity	Coronavirus Relief Fund	ESSER III - TCLAS	ESSER II	ESSER III	IDEA - Part B, Formula - ARP
\$ 126,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	6,079	75,377	1,658,094	6,115
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
126,422	-	-	6,079	75,377	1,658,094	6,115
170	-	-	512	-	-	-
-	-	-	23	9,009	92,356	-
-	-	-	214	25,250	849,310	-
-	-	-	5,330	41,118	716,428	6,115
-	-	-	-	-	-	-
126,252	-	-	-	-	-	-
126,422	-	-	6,079	75,377	1,658,094	6,115
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 126,422	\$ -	\$ -	\$ 6,079	\$ 75,377	\$ 1,658,094	\$ 6,115

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 June 30, 2022

	287/291	288	289
Data Control Codes	Department of Defense Grant	HIPPY Grant	Summer School
ASSETS			
1110	\$ 5,355	\$ 685	\$ 1,619
1120	-	-	-
1240	59,104	95,380	179,799
1260	-	-	-
1290	-	-	-
1300	-	-	-
1000	TOTAL ASSETS	96,065	181,418
LIABILITIES			
Current liabilities			
2110	-	828	730
2150	1,068	3,292	495
2160	8,334	25,200	2,777
2170	49,913	66,745	177,416
2180	-	-	-
2300	5,144	-	-
2000	Total liabilities	96,065	181,418
FUND BALANCES			
Nonspendable:			
3410	-	-	-
Restricted:			
3450	-	-	-
Committed:			
3545	-	-	-
Assigned			
3550	-	-	-
3600	-	-	-
3000	Total fund balances	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 96,065	\$ 181,418

315	316	397	410	415	427	429
IDEA-B Discretionary	IDEA-B Deaf	Advanced Placement Incentives	State Textbook Fund	Kindergarten and Pre-K Grant	HOPES Grant	State Funded Special Revenue Fund
\$ 268	\$ 190	\$ 813	\$ 57,843	\$ -	\$ 39,967	\$ 7,879
-	-	-	-	-	-	-
6,110	-	-	-	50	7,398	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,378	190	813	57,843	50	47,365	7,879
78	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,300	-	-	-	2,653	25,378	-
-	-	-	-	-	-	-
-	-	-	25,418	-	-	19,649
6,378	-	-	25,418	2,653	25,378	19,649
-	-	-	-	-	-	-
-	190	813	32,425	-	21,987	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(2,603)	-	(11,770)
-	190	813	32,425	(2,603)	21,987	(11,770)
\$ 6,378	\$ 190	\$ 813	\$ 57,843	\$ 50	\$ 47,365	\$ 7,879

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 June 30, 2022

Data Control Codes	435	461	480
	Regional Day School for the Deaf	Campus Activity Funds	No Kid Hungry Grant
ASSETS			
1110	\$ -	\$ 887,265	\$ 11,136
1120	-	-	-
1240	262,470	-	-
1260	-	150	-
1290	48,790	-	-
1300	-	-	-
1000	TOTAL ASSETS	887,415	11,136
LIABILITIES			
Current liabilities			
2110	-	-	-
2150	14,147	-	-
2160	94,231	-	-
2170	676,192	773	-
2180	-	-	-
2300	-	-	11,136
2000	Total liabilities	773	11,136
FUND BALANCES			
Nonspendable:			
3410	-	-	-
Restricted:			
3450	-	-	-
Committed:			
3545	-	886,642	-
Assigned			
3550	-	-	-
3600	(473,310)	-	-
3000	Total fund balances	886,642	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 887,415	\$ 11,136
	\$ 311,260	\$ 887,415	\$ 11,136

481	489	499	
Educate Texas Grant	West Foundation	Local Special Revenue	Total Nonmajor Governmental Funds
\$ -	\$ 173,311	\$ 30,001	\$ 1,574,201
-	-	-	-
-	-	-	4,381,341
-	-	-	150
-	-	-	51,390
-	8,873	-	8,873
-	182,184	30,001	6,015,955
-	12	-	14,231
-	-	-	211,006
-	-	-	1,742,975
-	-	-	3,192,513
-	-	-	1,084
-	185,626	30,001	403,226
-	185,638	30,001	5,565,035
-	-	-	-
-	-	-	55,415
-	-	-	886,642
-	-	-	-
-	(3,454)	-	(491,137)
-	(3,454)	-	450,920
<u>\$ -</u>	<u>\$ 182,184</u>	<u>\$ 30,001</u>	<u>\$ 6,015,955</u>

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds
 For the Fiscal Year Ended June 30, 2022

		205	206	211
<u>Data Control Codes</u>		<u>Head Start</u>	<u>ESEA Title X Part C Homeless</u>	<u>ESEA Title I Improving Basic Programs</u>
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,157,011	26,869	3,942,791
5020	Total revenues	2,157,011	26,869	3,942,791
EXPENDITURES				
Current:				
0011	Instruction	1,960,465	12,201	3,101,605
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	25,741	-	299,093
0021	Instructional leadership	6,020	-	352,803
0023	School leadership	127,856	-	24,211
0031	Guidance, counseling, and evaluation services	735	-	3,236
0032	Social work services	18,583	14,668	43,308
0033	Health services	3,856	-	8,194
0034	Student transportation	50,000	-	36,435
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	500	-	25,151
0051	Facilities maintenance and operations	104,388	-	-
0052	Security and monitoring services	-	-	6,644
0053	Data processing services	-	-	-
0061	Community services	88	-	42,111
Capital outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to member districts of SSA	-	-	-
6030	Total expenditures	2,298,232	26,869	3,942,791
1100	Excess (deficiency) of revenues over (under) expenditures	(141,221)	-	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	141,221	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	141,221	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	FUND BALANCES, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

213	215	224	225	226	244	255
ESEA Title I Part B - Even St. Family Literacy	ESEA Title I Part A Capital Expenses	IDEA-B Formula	IDEA-B Preschool Grant	IDEA-B High Cost	Career and Tech Basic Grant	ESEA Title II Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
39,108	66,450	3,108,868	127,994	-	199,256	462,822
39,108	66,450	3,108,868	127,994	-	199,256	462,822
37,670	63,985	299,700	110,696	-	33,875	244,004
-	-	-	-	-	-	-
-	-	-	926	-	7,953	130,474
1,438	-	-	-	-	157,428	80,948
-	-	-	-	-	-	-
-	-	2,689,169	16,372	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,465	-	-	-	-	7,396
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	119,999	-	-	-	-
39,108	66,450	3,108,868	127,994	-	199,256	462,822
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds – Continued
 For the Fiscal Year Ended June 30, 2022

		263	265	266
Data Control Codes		Title III Part A Language	Title IV, Part B - 21st Century	ESSER I
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	81,903	-	220,517
5020	Total revenues	81,903	-	220,517
EXPENDITURES				
Current:				
0011	Instruction	74,841	-	210,227
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	4,597	-	10,290
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	2,465	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Capital outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to member districts of SSA	-	-	-
6030	Total expenditures	81,903	-	220,517
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	FUND BALANCES, ending	\$ -	\$ -	\$ -

272	276	277	279	281	282	284
MAC Program	Instructional Continuity	Coronavirus Relief Fund	ESSER III - TCLAS	ESSER II	ESSER III	IDEA - Part B, Formula - ARP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
132,837	4,327	-	21,721	1,657,981	8,171,851	91,407
132,837	4,327	-	21,721	1,657,981	8,171,851	91,407
109,489	202	-	3,000	1,313,515	7,400,398	21,795
-	-	-	-	-	21,416	-
9,715	4,125	-	512	-	203,202	-
6,326	-	-	18,209	-	62,074	-
-	-	-	-	-	57,707	-
5,308	-	-	-	-	215,624	69,612
-	-	-	-	-	4,343	-
-	-	-	-	204	16,446	-
-	-	-	-	-	-	-
-	-	-	-	-	16,553	-
-	-	-	-	-	17,208	-
1,999	-	-	-	13,220	44,050	-
-	-	-	-	-	24,329	-
-	-	-	-	-	9,705	-
-	-	-	-	331,042	76,751	-
-	-	-	-	-	2,045	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
132,837	4,327	-	21,721	1,657,981	8,171,851	91,407
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds – Continued
 For the Fiscal Year Ended June 30, 2022

		287/291	288	289
Data Control Codes		Department of Defense Grant	HIPPY Grant	Summer School
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	251,836	399,320	3,711,517
5020	Total revenues	251,836	399,320	3,711,517
EXPENDITURES				
Current:				
0011	Instruction	176,803	-	3,350,033
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	3,831	-	138,335
0021	Instructional leadership	71,202	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	70,918
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	2,464
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	149,767
0053	Data processing services	-	-	-
0061	Community services	-	399,320	-
Capital outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to member districts of SSA	-	-	-
6030	Total expenditures	251,836	399,320	3,711,517
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	FUND BALANCES, ending	\$ -	\$ -	\$ -

315	316	397	410	415	427	429
IDEA-B Discretionary	IDEA-B Deaf	Advanced Placement Incentives	State Textbook Fund	Kindergarten and Pre-K Grant	HOPES Grant	State Funded Special Revenue Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	813	825,661	-	84,923	73,280
35,407	-	-	-	-	-	-
35,407	-	813	825,661	-	84,923	73,280
31,783	-	-	825,661	-	-	741
-	-	-	-	-	-	-
2,873	-	-	-	-	-	-
-	-	-	-	-	-	-
751	-	-	-	-	-	-
-	-	-	-	-	-	72,580
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	80,266	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35,407	-	-	825,661	-	80,266	73,321
-	-	813	-	-	4,657	(41)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	813	-	-	4,657	(41)
-	190	-	32,425	(2,603)	17,330	(11,729)
\$ -	\$ 190	\$ 813	\$ 32,425	\$ (2,603)	\$ 21,987	\$ (11,770)

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds – Continued
 For the Fiscal Year Ended June 30, 2022

		435	461	480
Data Control Codes		Regional Day School for the Deaf	Campus Activity Funds	No Kid Hungry Grant
REVENUES				
5700	Local and intermediate sources	\$ 516,100	\$ 544,362	\$ 930
5800	State program revenues	189,726	-	-
5900	Federal program revenues	-	-	-
5020	Total revenues	705,826	544,362	930
EXPENDITURES				
Current:				
0011	Instruction	853,940	162,472	-
0012	Instructional resources and media services	-	69,753	-
0013	Curriculum and staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	47,897	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food services	-	-	930
0036	Cocurricular/extracurricular activities	-	217,274	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	550	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Capital outlay:				
0081	Facilities Acquisition and Construction	-	-	-
Intergovernmental:				
0093	Payments to member districts of SSA	-	-	-
6030	Total expenditures	853,940	497,946	930
1100	Excess (deficiency) of revenues over (under) expenditures	(148,114)	46,416	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total other financing sources (uses)	-	-	-
1200	Net change in fund balances	(148,114)	46,416	-
0100	Fund balances, beginning	(325,196)	840,226	-
3000	FUND BALANCES, ending	\$ (473,310)	\$ 886,642	\$ -

481	489	499	
Educate Texas Grant	West Foundation	Local Special Revenue	Total Nonmajor Governmental Funds
\$ -	\$ 181,421	\$ -	\$ 1,242,813
-	-	-	1,174,403
-	-	-	24,911,793
-	181,421	-	27,329,009
-	88,552	-	20,487,653
-	747	-	91,916
-	42,373	-	884,040
-	-	-	756,448
-	-	-	258,422
-	-	-	3,143,554
-	-	-	80,902
-	-	-	28,700
-	-	-	86,435
-	-	-	17,483
-	49,747	-	284,229
-	-	-	99,710
-	-	-	129,267
-	-	-	166,116
-	-	-	407,793
-	-	-	523,830
-	-	-	-
-	-	-	119,999
-	181,419	-	27,566,497
-	2	-	(237,488)
-	-	-	141,221
-	-	-	-
-	-	-	141,221
-	2	-	(96,267)
-	(3,456)	-	547,187
\$ -	\$ (3,454)	\$ -	\$ 450,920

Wichita Falls Independent School District
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

Exhibit H-3

<u>Data Control Codes</u>		<u>828 Ryan Scholarship Fund</u>	<u>829 Renton Aviation Fund</u>	<u>865 Student Activity Fund</u>	<u>Total Custodial Funds</u>
	ASSETS				
1110	Cash and cash equivalents	\$ 583,566	\$ 3,000	\$ 273,499	\$ 860,065
1290	Other receivables	-	-	25,898	25,898
1000	TOTAL ASSETS	<u>\$ 583,566</u>	<u>\$ 3,000</u>	<u>\$ 299,397</u>	<u>\$ 885,963</u>
	LIABILITIES:				
2190	Accounts payable	\$ -	\$ -	\$ 19	\$ 19
2000	Total liabilities	-	-	19	19
	NET POSITION				
3800	Restricted for other purposes	583,566	3,000	299,378	885,944
3000	TOTAL NET POSITION	<u>\$ 583,566</u>	<u>\$ 3,000</u>	<u>\$ 299,378</u>	<u>\$ 885,944</u>

Wichita Falls Independent School District**Exhibit H-4**

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Fiscal Year Ended June 30, 2022

	828 Ryan Scholarship Fund	829 Renton Aviation Fund	865 Student Activity Fund	Total Custodial Funds
ADDITIONS				
Gifts and bequests	\$ 214,500	\$ -	\$ -	\$ 214,500
Miscellaneous revenue from student groups	-	-	381,775	381,775
Total additions	214,500	-	381,775	596,275
DEDUCTIONS				
Scholarship awards	290,000	-	-	290,000
Dues and fees	-	-	348,007	348,007
Total deductions	290,000	-	348,007	638,007
Changes in net position	(75,500)	-	33,768	(41,732)
NET POSITION:				
Net position, beginning	659,066	3,000	265,610	927,676
NET POSITION, end of year	\$ 583,566	\$ 3,000	\$ 299,378	\$ 885,944

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Required TEA Schedules

Wichita Falls Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended June 30, 2022

Last Ten Years Ended June 30,	1		2		3
	Tax Rates				Net Assessed/Appraised Value For School Tax Purposes
	Maintenance		Debt Service		
2012 and prior years	\$	Various	\$	Various	Various
2014		1.04		0.165	4,035,873,693
2015		1.04		0.095	4,123,975,683
2016		1.04		0.190	4,257,991,182
2017		1.04		0.190	4,335,535,584
2018		1.04		0.190	4,429,361,935
2019		1.04		0.180	4,556,179,129
2020		0.9700		0.180	4,766,677,223
2021		0.9664		0.180	4,952,215,675
2022		0.9401		0.425	5,285,038,473
1000 TOTALS					

Exhibit J-1

10	20	31	32	40	50
Beginning	Current	Maintenance	Debt Service	Entire	Ending
Balance	Year's	Collections	Collections	Year's	Balance
7/1/2021	Total Levy			Adjustments	6/30/2022
\$ 365,982	\$ -	\$ 15,609	\$ 2,476	\$ (28,046)	\$ 319,851
81,394	-	5,652	897	(2,271)	72,574
100,702	-	(19,113)	(1,746)	(29,166)	92,395
141,893	-	(32,181)	(5,879)	(50,228)	129,725
237,339	-	(9,631)	(1,759)	(34,642)	214,087
237,989	-	(4,479)	(818)	(35,500)	207,786
167,332	-	41,784	7,232	(29,668)	88,648
(343,228)	-	82,844	15,373	(24,986)	(466,431)
1,004,632	-	472,541	88,015	(122,028)	322,048
-	67,794,737	45,448,701	20,546,429	(494,198)	1,305,409
<u>\$ 1,994,035</u>	<u>\$ 67,794,737</u>	<u>\$ 46,001,727</u>	<u>\$ 20,650,220</u>	<u>\$ (850,733)</u>	<u>\$ 2,286,092</u>

Wichita Falls Independent School District
 Budgetary Comparison Schedule – Debt Service Fund
 For the Fiscal Year Ended June 30, 2022

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance
		Original	Final		Final Budget Positive or (Negative)
REVENUES					
5700	Local and intermediate sources	\$ 21,169,093	\$ 21,169,093	\$ 20,794,171	\$ (374,922)
5800	State program revenues	18,088	18,088	331,173	313,085
5020	Total revenues	21,187,181	21,187,181	21,125,344	(61,837)
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	10,085,000	10,085,000	10,050,000	35,000
0072	Interest on long-term debt	9,266,366	9,266,366	9,166,876	99,490
0073	Bond issuance costs and fees	6,000	6,000	5,000	1,000
	Total debt service	19,357,366	19,357,366	19,221,876	135,490
6030	Total expenditures	19,357,366	19,357,366	19,221,876	135,490
	Net change in fund balance	1,829,815	1,829,815	1,903,468	(197,327)
0100	Fund balances, beginning	26,303,300	1,984,212	2,937,051	(952,839)
3000	FUND BALANCES, ending	<u>\$ 28,133,115</u>	<u>\$ 3,814,027</u>	<u>\$ 4,840,519</u>	<u>\$ (1,150,166)</u>

<u>Data Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
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.	\$ 13,653,563
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)	\$ 13,185,342
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 772,377
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 582,011

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Overall Compliance and Internal Controls Section

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

To the Board of Trustees
Wichita Falls Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Falls 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 October 27, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The Board of Trustees
Wichita Falls Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 27, 2022



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

To the Board of Trustees
Wichita Falls Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wichita Falls Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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 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.

Weaver and Tidwell, L.L.P.
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CPAs AND ADVISORS | WEAVER.COM

The Board of Trustees
Wichita Falls Independent School District

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

The Board of Trustees
Wichita Falls Independent School District

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 27, 2022

Wichita Falls Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2022

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered a material weakness? _____ Yes X None reported

Noncompliance material to financial statements noted _____ Yes X No

Major Programs

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered a material weakness? _____ Yes X None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that were required to be reported in accordance with section 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

- 84.027A, 84.073A – Special Education Cluster
- 84.425D – COVID-19 ESSER State Fiscal Stabilization & COVID-19 CRRSA ESSER II
- 84.425U – COVID-19 ARP ESSER II & COVID-19 TCLAS ESSER III
- 32.009 – Emergency Connectivity Fund Program

The dollar threshold used to distinguish between Type A and Type B programs: \$1,201,866

Auditee qualified as a low-risk auditee? X Yes _____ No

Wichita Falls Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2022

Section 2. Findings Relating To the Financial Statements

None

Section 3. Findings and Questioned Costs

None

Section 4. Prior Year Findings and Questioned Costs

None

Wichita Falls Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Region IX Education Service Center:			
Head Start	93.600	06CH7009/20	\$ 393,776
Head Start	93.600	06CH7009/21	1,625,904
COVID-19 Head Start	93.600	06CH7009/COVID	137,331
Total Passed Through Region IX Education Service Center			2,157,011
Passed Through North Texas Area United Way:			
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001	432,725
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00005	132,837
Total U.S. Department of Health and Human Services			2,722,573
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Impact Aid - P.L.	84.041	N/A	149,272
Passed Through Region 10:			
Texas McKinney-Vento Program 2	84.196A	14-007	28,133
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101243905	203,021
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101243905	496,222
ESEA Title I Part A - Improving Basic Programs	84.010A	22610101243905	3,429,393
ESEA Title I - School Improvement Program	84.010A	21610112243905	3,507
ESEA Title I - School Improvement Program	84.010A	22610141243905	35,601
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	20610103243905	2,492
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	21610103243905	19,151
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	22610103243905	47,853
Total Assistance Listing # 84.048A			4,237,240
Special Education Cluster:			
IDEA-B Formula	84.027A	216600012439056600	411,589
IDEA-B Formula	84.027A	226600012439056600	2,697,279
IDEA-B Formula - ARP	84.027A	225350012439055350	91,407
SSA IDEA-B Discretionary Deaf	84.027A	206600112439056673	725
SSA IDEA-B Discretionary Deaf	84.027A	216600112439056673	3,734
SSA IDEA-B Discretionary Deaf	84.027A	226600112439056673	30,948
IDEA-B Preschool	84.173A	216610012439056610	27,981
IDEA-B Preschool	84.173A	226610012439056610	100,013
Total Special Education Cluster			3,363,676
Vocational Education - Basic Grant			
Vocational Education - Basic Grant	84.048A	21420006243905	20,186
	84.048A	22420006243905	189,395
Total Assistance Listing # 84.048A			209,581
ESEA Title III-LEP			
ESEA Title III-LEP	84.365A	21671001243905	7,529
	84.365A	22671001243905	78,233
Total Assistance Listing # 84.365A			85,762
ESEA Title II, Part A - Teacher & Principal Training & Recruiting			
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	20694501243905	191,053
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	21694501243905	36,824
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	22694501243905	256,716
Total Assistance Listing # 84.367A			484,593
ESEA Title IV Part A - Subpart 1			
ESEA Title IV Part A - Subpart 1	84.424A	20610103243905	70,499
ESEA Title IV Part A - Subpart 1	84.424A	21680101243905	33,626
ESEA Title IV Part A - Subpart 1	84.424A	22680101243905	211,501
Total Assistance Listing # 84.424A			315,626
Instructional Continuity			
	84.377A	N/A	4,327
COVID-19 ESSER State Fiscal Stabilization			
COVID-19 ARP ESSER III	84.425D	20521001243905	220,517
COVID-19 CRRSA ESSER II	84.425U	21528001243905	9,815,061
COVID-19 CRRSA ESSER II	84.425D	21521001243905	3,707,690
COVID-19 TCLAS ESSER III	84.425U	21528042243905	21,721
Total Assistance Listing # 84.425D/U			13,764,989
Total Passed Through State Department of Education			22,465,794
Total U.S. Department of Education			22,643,199

Wichita Falls Independent School District
Schedule of Expenditures of Federal Awards – Continued
For the Fiscal Year Ended June 30, 2022

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture:			
Food Distribution - SBP - Noncash assistance	10.553	806780706	191,883
Food Distribution - NSLP - Noncash assistance	10.555	806780706	553,445
Supply Chain Assistance (SCA)	10.555	N/A	<u>284,493</u>
Total Passed Through State Department of Agriculture			1,029,821
Passed Through State Department of Education:			
School Breakfast Program	10.553	7140901	2,441,866
National School Lunch Program	10.555	7130901	<u>7,043,052</u>
Total Passed Through State Department of Education			9,484,918
Passed Through State Department of Human Services:			
Summer Feeding Program	10.559	TX-2431005SU	<u>106,146</u>
Total Passed Through State Department of Human Services			<u>106,146</u>
Total Child Nutrition Cluster			10,620,885
Passed Through State Department of Agriculture:			
Child and Adult Care Food Program	10.558	01138	243,648
Pandemic Electronic Benefit Transfer (P-EBT)	10.542	N/A	<u>5,814</u>
Total Passed Through State Department of Agriculture			<u>249,462</u>
Total U.S. Department of Agriculture			10,870,347
U. S. DEPARTMENT OF JUSTICE			
Direct programs:			
COPS Office School Violence Prevention Program	16.710	2020SVWX0027	<u>149,767</u>
Total U.S. Department of Justice			149,767
U.S. DEPARTMENT OF DEFENSE			
Direct programs:			
ROTC (Instructional Reimbursement)	12.000	243-905	164,483
Military-Connected Academic and Support Programs	12.556	HE12541510030	95,320
Military-Connected Academic and Support Programs	12.556	HE12541710010	<u>156,516</u>
Total U.S. Department of Defense			416,319
FEDERAL COMMUNICATIONS COMMISSION			
Direct programs:			
Emergency Connectivity Fund Program - noncash assistance	32.009	ECF2190009145	<u>3,260,000</u>
Total Federal Communications Commission			<u>3,260,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 40,062,205</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Wichita Falls Independent School District

Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Basis of Presentation

The modified accrual basis of accounting is used for the governmental funds. Accordingly, the schedule of expenditures of federal awards was prepared under this basis of accounting, which requires that revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for 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 to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The following table reconciles total expenditures per the schedule of expenditures of federal awards (Exhibit K-1) to the federal program revenues per Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$	40,062,205
E-Rate program		28,623
SHARS revenue		<u>2,923,285</u>
Total federal program revenues per Exhibit C-2	\$	<u><u>43,014,113</u></u>

Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate.

Pre-Award Costs

The Schedule of Expenditures of Federal Awards (SEFA) includes \$3,692,919 of pre-award costs that were expended in a prior fiscal year, but were awarded for federal reimbursement under ESSER II – CRRSA (\$2,049,709) and ARP ESSER III (\$1,643,210) in fiscal year 2022. These expenditures are reflected in the SEFA in fiscal year 2022, the year they were deemed federal expenditures.

Wichita Falls Independent School District
 Schedule of Required Responses to Selected
 School FIRST Indicators (Unaudited)
 For the Fiscal Year Ended June 30, 2022

L-1

<u>Data Control Codes</u>		<u>Response</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end:	\$ -