



Annual Financial Report  
For The Fiscal Year Ended  
June 30, 2021

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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, 2021**

**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, 2021  
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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, 2021 at a meeting of the Board of Trustees of such school district on the 9<sup>th</sup> day of November, 2021.

  
\_\_\_\_\_  
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 Financial Statements

We have audited the accompanying 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 fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 / Dallas, Texas 75201  
Main: 972.490.1970

The Board of Trustees  
Wichita Falls Independent School District

***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Beginning net position in the custodial fiduciary fund has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

***Other Matters***

*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, 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information and Schedule of Required Responses to Selected School FIRST Indicators are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The Schedule of Required Responses to Selected School FIRST Indicators have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The Board of Trustees  
Wichita Falls Independent School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
November 8, 2021

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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, 2021. 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 a deficit of \$8.3 million (net position).
- During the year, the District expensed \$172.3 million, which was \$2.5 million more than the District's revenue of \$169.8 million. Of this, \$44.8 million was program revenue and \$125.1 million was general revenue.
- The fund balance of the General Fund was \$26.3 million, which was a decrease of \$5.3 million. Unassigned fund balance of the general fund was \$23.5 million or 17 percent of the year's total general fund expenditures.
- The fund balance of the Child Nutrition Fund was \$1.9 million, which was an increase of \$930 thousand.

### 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 decreased between fiscal year 2020 and the fiscal year ended June 30, 2021 – a deficit of \$8,281,848. (See Table A-1).

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

	Governmental Activities			
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
<b>Assets</b>				
Current and other assets	\$ 326,920,413	\$ 64,538,440	\$ 262,381,973	407%
Capital assets, net	136,670,428	130,522,835	6,147,593	5%
<b>Total assets</b>	<b>463,590,841</b>	<b>195,061,275</b>	<b>268,529,566</b>	<b>411%</b>
Total deferred outflows of resources	23,445,916	23,501,384	(55,468)	0%
<b>Liabilities</b>				
Long-term debt	419,164,382	159,460,376	259,704,006	163%
Other liabilities	36,063,493	31,739,986	4,323,507	14%
<b>Total liabilities</b>	<b>455,227,875</b>	<b>191,200,362</b>	<b>264,027,513</b>	<b>176%</b>
Total deferred inflows of resources	40,090,730	33,196,980	6,893,750	21%
<b>Net position</b>				
Net investment in capital assets	53,063,947	48,614,986	4,448,961	9%
Restricted	2,116,788	2,534,196	(417,408)	-16%
Unrestricted	(63,462,583)	(56,983,865)	(6,478,718)	11%
<b>Total net position</b>	<b>\$ (8,281,848)</b>	<b>\$ (5,834,683)</b>	<b>\$ (2,447,165)</b>	<b>4%</b>

**Changes in net position.** The District's total revenues were \$169.8 million, a decrease of \$1.3 million. (See Table A-2.) General revenues increased due to tax collections from continued rising property values. Operating grants and contributions decreased \$2.6 million due to CARES act funding received in the prior year through the ESSER grant. Expenses decreased \$1.4 million in part mostly which was due to increase of \$2 million of bond issuance costs, combined with other cost savings.

**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, 2021. 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, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Program revenues:				
Charges for services	\$ 1,341,604	\$ 2,185,284	\$ (843,680)	-39%
Operating grants and contributions	43,465,846	46,059,464	(2,593,618)	-6%
General revenues:				
Property taxes	54,969,893	52,658,768	2,311,125	4%
Unrestricted operating grants (mostly state aid)	69,552,116	69,408,590	143,526	0%
Investment earnings	97,922	611,552	(513,630)	-84%
Miscellaneous	448,994	198,681	250,313	126%
<b>Total revenues</b>	<b>169,876,375</b>	<b>171,122,339</b>	<b>(1,245,964)</b>	<b>-1%</b>
Expenses:				
Instruction	103,836,970	103,402,028	434,942	0%
Instructional resources and media services	1,693,780	1,946,384	(252,604)	-13%
Curriculum and staff development	2,066,032	2,479,783	(413,751)	-17%
Instructional leadership	3,776,044	4,043,303	(267,259)	-7%
School leadership	8,842,886	9,387,623	(544,737)	-6%
Guidance, counseling and evaluation services	8,295,390	7,938,747	356,643	4%
Social work services	639,464	674,971	(35,507)	-5%
Health services	2,050,093	2,101,246	(51,153)	-2%
Student transportation	2,230,387	2,706,241	(475,854)	-18%
Food services	7,428,904	8,161,293	(732,389)	-9%
Extracurricular activities	3,944,725	4,320,617	(375,892)	-9%
General administration	4,294,298	5,116,867	(822,569)	-16%
Facilities maintenance and operations	12,291,681	12,245,914	45,767	0%
Security and monitoring services	903,009	697,648	205,361	29%
Data processing services	3,574,518	4,570,362	(995,844)	-22%
Community services	503,356	501,743	1,613	0%
Debt service	3,178,894	2,658,766	520,128	20%
Bond issuance costs and fees	2,028,381	7,500	2,020,881	26945%
Payments for shared service arrangements	203,485	188,993	14,492	8%
Payments related to juvenile justice programs	10,449	20,124	(9,675)	-48%
Other intergovernmental charges	530,794	565,438	(34,644)	-6%
<b>Total expenses</b>	<b>172,323,540</b>	<b>173,735,591</b>	<b>(1,412,051)</b>	<b>-1%</b>
<b>Change in net position</b>	<b>\$ (2,447,165)</b>	<b>\$ (2,613,252)</b>	<b>\$ 166,087</b>	<b>-6%</b>

# Sources of Revenues for Fiscal Year 2021

Graph A-1

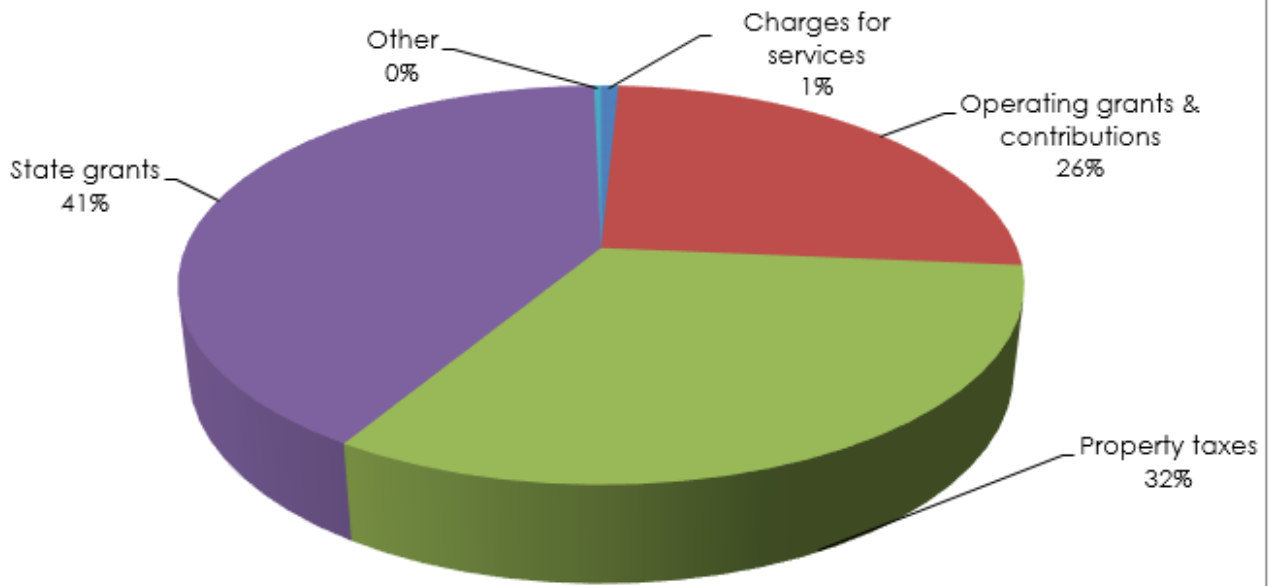


Table A-3 presents the cost of each of the District’s largest functions as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

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

	Total Cost of Services			
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
Instruction	\$ 103,836,970	\$ 103,402,028	\$ 434,942	0.4%
School leadership	8,842,886	9,387,623	(544,737)	-5.8%
Guidance, counseling and evaluation services	8,295,390	7,938,747	356,643	4.5%
Food services	7,428,904	8,161,293	(732,389)	-9.0%
Facilities maintenance and operations	12,291,681	12,245,914	45,767	0.4%
	Net Cost of Services			
	2021	2020	Increase (Decrease)	Percentage Change
Instruction	\$ 76,565,462	\$ 72,520,638	\$ 4,044,824	5.6%
School leadership	7,459,540	7,930,092	(470,552)	-5.9%
Guidance, counseling and evaluation services	6,997,692	6,706,170	291,522	4.3%
Food services	(420,327)	1,282,350	(1,702,677)	-132.8%
Facilities maintenance and operations	10,236,924	10,195,441	41,483	0.4%

The cost of all governmental activities this year was \$172.3 million; however, the amount our taxpayers paid for these activities through property taxes was \$54.9 million. Some of the cost was paid by those who directly benefited from the programs, through charges for services - \$1.3 million, or by operating grants and contributions - \$43.4 million. The amount funded by the state was \$69.5 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 \$299.9 million. Approximately \$23.2 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 \$23.5 million, while the total fund balance of all governmental funds was \$299.9 million.

The general fund reported an ending fund balance of \$26,303,300. The net change in fund balance resulted in a decrease in the general fund balance from the prior year in the amount of \$5,308,675. The decrease in fund balance is made up of board approved expenditures related to land purchases (Wichita Falls Legacy High School), unbudgeted expenditures related to COVID, and unanticipated maintenance repairs to facilities.

The child nutrition fund reported an ending fund balance of \$1,984,212, which represents an increase of \$930,055. This increase is due to USDA issuing nation-wide waivers addressing child nutrition operations.

The debt service fund reported an ending fund balance of \$2,937,051, 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 \$403,743. The increase is due to increased property tax collections from rising property values. The revenue increase was offset by increased debt payments.

The capital projects fund reported an ending fund balance of \$268,159,932, which represents an increase of \$267,871,014. This increase is the direct result of the issuance of the Series 2021 School Building Bonds that had proceeds of \$257,245,000 and a premium on issuance of \$21,193,132. These funds are being used for the construction of two new high schools, including land purchases.

## 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 to revise estimates for local and state revenue based on the latest information on student attendance and tax collections.
- 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 decreased by \$2,049,709. TEA reduced the district's state funding by the difference in Wichita Falls Independent School District's cost for TEA's hold harmless ADA for 2020-2021.

## Capital Assets and Debt Administration

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$136.7 million (net of accumulated depreciation). This amount represents a net increase (including additions and deletions) of \$6.1 million or 5%. 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, 2021	June 30, 2020	Increases (Decreases)	Percentage Change
Land	\$ 16,729,689	\$ 12,015,106	\$ 4,714,583	39%
Bldgs and improvements	206,267,030	206,097,691	169,339	0%
Equipment	17,455,226	18,271,170	(815,944)	-4%
Property under cap lease	4,239,102	4,239,102	-	0%
Construction in progress	8,011,933	177,500	7,834,433	4414%
Totals at historical cost	252,702,980	240,800,569	11,902,411	5%
Less accumulated depreciation	116,032,552	110,277,734	5,754,818	5%
<b>Net capital assets</b>	<b>\$ 136,670,428</b>	<b>\$ 130,522,835</b>	<b>\$ 6,147,593</b>	<b>5%</b>

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

**Long-term Debt.** At June 30, 2021 the District had \$353.9 million in long term debt – an increase of 319.1% over last year – as shown in Table A-5. This increase was due to the issuance of the Series 2021 Building Bonds.

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

	Governmental Activities			
	June 30, 2021	June 30, 2020	Increase (Decrease)	Percentage Change
General obligation bonds	\$ 322,035,000	\$ 70,255,000	\$ 251,780,000	358.4%
Premium on bonds	24,495,879	5,237,481	19,258,398	367.7%
<b>Total bonds payable</b>	<b>346,530,879</b>	<b>75,492,481</b>	<b>271,038,398</b>	<b>359.0%</b>
Note payable	5,200,000	6,180,000	(980,000)	100.0%
Capital leases payable	1,075,728	1,737,845	(662,117)	-38.1%
Compensated absences	1,081,112	1,031,847	49,265	4.8%
<b>Total long-term obligations</b>	<b>\$ 353,887,719</b>	<b>\$ 84,442,173</b>	<b>\$ 269,445,546</b>	<b>319.1%</b>

**Economic Factors and Next Year’s Budgets and Tax Rates**

The District's certified property values for 2021 reflect a 5.54% 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 \$0.9285 is now compressed down to \$0.8785 allowing for \$0.04 additional pennies based off the 2019-20 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 tax rate was set at \$0.9285. A total decrease of \$0.0379, under provisions of HB 3.

The District's 2021-22 refined average daily attendance was budgeted at 12,886.

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 changed to \$0.4250 for the 2021 year.

The Board of Trustees adopted a 2021-2022 general fund budget reflecting revenues and transfers in of \$156,861,518 and expenditures and transfers out of \$154,826,995 resulting in a budgeted increase of \$2,034,523. The district adjusted the Teacher Pay Scale back to the 2019-2020 scale and gave a step increase. All other employees received a 1% general pay 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, 2021

Exhibit A-1

1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
<b>ASSETS</b>		
1110	Cash and cash equivalents	\$ 34,628,858
1120	Current investments	268,366,567
1220	Property taxes receivables (net)	1,167,829
1240	Due from other governments	21,704,933
1290	Other receivables	30,055
1300	Inventories	994,001
1410	Prepaid items	28,170
	Capital assets:	
1510	Land	16,729,689
1520	Buildings and improvements, net	107,576,833
1530	Furniture and equipment, net	1,349,192
1550	Capital lease assets, net	3,002,781
1580	Construction in progress	8,011,933
1000	Total assets	463,590,841
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1701	Deferred charges from refunding bonds	1,040,194
1705	Deferred outflows of resources - pensions	14,201,481
1706	Deferred outflows of resources - OPEB	8,204,241
1700	Total deferred outflows of resources	23,445,916
<b>LIABILITIES</b>		
2110	Accounts payable	951,134
2150	Payroll deductions and withholdings	1,331,034
2165	Accrued liabilities	11,687,318
2140	Interest payable	3,065,904
2180	Due to other governments	6,582,129
2300	Unearned revenue	598,952
	Noncurrent liabilities:	
2501	Due within one year	11,847,022
2502	Due in more than one year	342,040,697
2590	Claims and judgments	393,000
2540	Net pension liability (District's share)	35,929,105
2545	Net OPEB liability (District's share)	40,801,580
2000	Total liabilities	455,227,875
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Deferred inflows of resources - pensions	8,107,671
2606	Deferred inflows of resources - OPEB	31,983,059
2600	Total deferred inflows of resources	40,090,730
<b>NET POSITION</b>		
3200	Net investment in capital assets	53,063,947
	Restricted for:	
3820	Retirement of long-term debt	82,631
3850	Grants	2,034,157
3900	Unrestricted	(63,462,583)
3000	<b>TOTAL NET POSITION</b>	<b>\$ (8,281,848)</b>

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, 2021

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
<b>PRIMARY GOVERNMENT</b>					
	Governmental activities:				
11	Instruction	\$ 103,836,970	\$ 21,672	\$ 27,249,836	\$ (76,565,462)
12	Instructional resources and media services	1,693,780	-	264,968	(1,428,812)
13	Curriculum and staff development	2,066,032	-	323,202	(1,742,830)
21	Instructional leadership	3,776,044	-	590,709	(3,185,335)
23	School leadership	8,842,886	-	1,383,346	(7,459,540)
31	Guidance, counseling, and evaluation services	8,295,390	-	1,297,698	(6,997,692)
32	Social work services	639,464	-	100,035	(539,429)
33	Health services	2,050,093	-	320,708	(1,729,385)
34	Student transportation	2,230,387	-	348,913	(1,881,474)
35	Food services	7,428,904	557,962	7,291,269	420,327
36	Cocurricular/extracurricular activities	3,944,725	628,551	617,097	(2,699,077)
41	General administration	4,294,298	-	671,783	(3,622,515)
51	Facilities maintenance and operations	12,291,681	133,419	1,921,338	(10,236,924)
52	Security and monitoring services	903,009	-	141,263	(761,746)
53	Data processing services	3,574,518	-	559,183	(3,015,335)
61	Community services	503,356	-	78,743	(424,613)
72	Interest on long-term debt	3,178,894	-	305,755	(2,873,139)
73	Bond issuance costs and fees	2,028,381	-	-	(2,028,381)
93	Payments related to shared services arrangements	203,485	-	-	(203,485)
95	Payments related to juvenile justice programs	10,449	-	-	(10,449)
99	Other intergovernmental charges	530,794	-	-	(530,794)
TG	Total governmental activities	172,323,540	1,341,604	43,465,846	(127,516,090)
	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 172,323,540</b>	<b>\$ 1,341,604</b>	<b>\$ 43,465,846</b>	<b>(127,516,090)</b>
	General revenues:				
MT	Property taxes, levied for general purposes				46,356,843
DT	Property taxes, levied for debt service				8,613,050
GC	Grants and contributions not restricted to specific programs				69,552,116
IE	Investment earnings				97,922
MI	Miscellaneous				448,994
TR	Total general revenues				125,068,925
CN	Change in net position				(2,447,165)
NB	Net position - beginning				(5,834,683)
NE	<b>NET POSITION (DEFICIT), ending</b>				<b>\$ (8,281,848)</b>

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

# Wichita Falls Independent School District

## Balance Sheet – Governmental Funds

June 30, 2021

Data Control Codes		10 General Fund	24 Child Nutrition Fund
<b>ASSETS</b>			
1110	Cash and cash equivalents	\$ 2,769,839	\$ 285,744
1120	Current investments	25,067,447	1,067,833
1220	Taxes receivable	1,701,174	-
1230	Allowance for uncollectible taxes (credit)	(760,473)	-
1240	Due from other governments	18,565,636	728,641
1260	Due from other funds	2,050,612	1,161
1290	Other receivables	-	3,656
1300	Inventories	523,825	461,303
1410	Prepays	15,766	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 49,933,826</b>	<b>\$ 2,548,338</b>
<b>LIABILITIES</b>			
Current liabilities:			
2110	Accounts payable	\$ 77,282	\$ 334,068
2150	Payroll deductions and withholdings	1,222,176	24,115
2160	Accrued wages payable	10,896,397	93,703
2170	Due to other funds	4,220,848	-
2180	Due to other governments	6,382,577	-
2300	Unearned revenue	24,146	112,240
2000	Total liabilities	22,823,426	564,126
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	Unavailable revenue	807,100	-
	Total deferred inflows of resources	807,100	-
<b>FUND BALANCES</b>			
Nonspendable fund balances:			
3410	Inventories	523,825	-
3430	Prepaid items	15,766	-
Restricted fund balances:			
3450	Federal/state funds grant restrictions	-	1,984,212
3470	Capital projects	-	-
3480	Retirement of long-term debt	1,075,729	-
Committed fund balance:			
3540	Self-insurance	100,000	-
3545	Other committed fund balance	1,081,112	-
3600	Unassigned	23,506,868	-
3000	Total fund balances	26,303,300	1,984,212
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 49,933,826</b>	<b>\$ 2,548,338</b>

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

50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 3,370	\$ 30,096,941	\$ 1,446,551	\$ 34,602,445
3,109,407	238,560,501	-	267,805,188
292,861	-	-	1,994,035
(65,733)	-	-	(826,206)
7,775	-	2,402,881	21,704,933
-	-	303	2,052,076
-	-	26,399	30,055
-	-	8,873	994,001
-	-	-	15,766
<u>\$ 3,347,680</u>	<u>\$ 268,657,442</u>	<u>\$ 3,885,007</u>	<u>\$ 328,372,293</u>
\$ -	497,510	\$ 42,274	\$ 951,134
-	-	84,743	1,331,034
-	-	697,218	11,687,318
14	-	2,050,598	6,271,460
199,131	-	421	6,582,129
-	-	462,566	598,952
199,145	497,510	3,337,820	27,422,027
211,484	-	-	1,018,584
211,484	-	-	1,018,584
-	-	-	523,825
-	-	-	15,766
-	-	49,945	2,034,157
-	268,159,932	-	268,159,932
2,937,051	-	-	4,012,780
-	-	-	100,000
-	-	840,226	1,921,338
-	-	(342,984)	23,163,884
2,937,051	268,159,932	547,187	299,931,682
<u>\$ 3,347,680</u>	<u>\$ 268,657,442</u>	<u>\$ 3,885,007</u>	<u>\$ 328,372,293</u>

**Wichita Falls Independent School District**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Government-Wide Statement of Net Position  
 June 30, 2021

**Exhibit C-1R**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS, balance sheet</b>		\$ 299,931,682
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.		252,702,980
Accumulated depreciation has not been included in the governmental fund financial statements.		(116,032,552)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:		
Bonds and notes payable	\$ (327,235,000)	
Compensated absences	(1,081,112)	
Capital lease	<u>(1,075,728)</u>	(329,391,840)
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.		(3,065,904)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.		(24,495,879)
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.		1,040,194
Revenue reported as a deferred inflow of resources in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.		1,018,584
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.		4,426,580
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	\$ (35,929,105)	
Deferred outflows - pension related items	14,201,481	
Deferred inflows - pension related items	<u>(8,107,671)</u>	(29,835,295)
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	\$ (40,801,580)	
Deferred outflows - OPEB related items	8,204,241	
Deferred inflows - OPEB related items	<u>(31,983,059)</u>	(64,580,398)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES, statement of net position</b>		<u>\$ (8,281,848)</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, 2021

<u>Data Control Codes</u>		<u>10 General Fund</u>	<u>24 Child Nutrition Fund</u>
<b>REVENUES</b>			
5700	Local and intermediate sources	\$ 47,414,402	\$ 593,979
5800	State program revenues	76,423,724	117,679
5900	Federal program revenues	4,014,250	7,516,099
5020	Total revenues	<u>127,852,376</u>	<u>8,227,757</u>
<b>EXPENDITURES</b>			
Current:			
0011	Instruction	81,698,029	-
0012	Instructional resources and media services	1,401,023	-
0013	Curriculum and staff development	1,302,408	-
0021	Instructional leadership	2,712,209	-
0023	School leadership	7,347,715	-
0031	Guidance, counseling, and evaluation services	4,941,522	-
0032	Social work services	465,658	-
0033	Health services	1,774,746	-
0034	Student transportation	2,076,742	-
0035	Food services	-	7,017,613
0036	Cocurricular/extracurricular activities	3,352,245	-
0041	General administration	4,226,834	-
0051	Facilities maintenance and operations	12,142,944	-
0052	Security and monitoring services	775,467	-
0053	Data processing services	3,166,740	-
0061	Community services	7,049	-
Debt service:			
0071	Principal on long-term debt	1,253,021	-
0072	Interest on long-term debt	131,847	-
0073	Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities maintenance and operations	3,468,983	-
Intergovernmental charges:			
0093	Payments to shared service arrangements	103,227	-
0095	Payments related to juvenile justice alternative education program	10,449	-
0099	Other intergovernmental charges	530,794	-
6030	Total expenditures	<u>132,889,652</u>	<u>7,017,613</u>
1100	Excess (deficiency) of revenues over (under) expenditures	(5,037,276)	1,210,144
<b>OTHER FINANCING SOURCES (USES)</b>			
7911	Issuance of bonds	-	-
7912	Sale of real or personal property	58,243	114
7915	Transfers in	280,203	-
7916	Premium or discount on issuance of bonds	-	-
8911	Transfers out	(609,845)	(280,203)
7080	Total other financing sources and (uses)	<u>(271,399)</u>	<u>(280,089)</u>
1200	Net change in fund balances	(5,308,675)	930,055
0100	Fund balances, beginning, July 1	31,611,975	1,054,157
3000	<b>FUND BALANCES, ending, June 30</b>	<u><u>\$ 26,303,300</u></u>	<u><u>\$ 1,984,212</u></u>

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

50	60	Other	98
Debt Service	Capital	Governmental	Total
Fund	Projects	Funds	Governmental
	Fund		Funds
\$ 8,644,438	\$ 21,002	\$ 1,109,718	\$ 57,783,539
305,755	-	2,176,288	79,023,446
-	-	10,755,166	22,285,515
<u>8,950,193</u>	<u>21,002</u>	<u>14,041,172</u>	<u>159,092,500</u>
-	-	8,978,288	90,676,317
-	-	48,298	1,449,321
-	-	567,868	1,870,276
-	-	647,509	3,359,718
-	-	341,975	7,689,690
-	-	2,419,812	7,361,334
-	-	90,343	556,001
-	-	5,164	1,779,910
-	-	57,802	2,134,544
-	-	82,760	7,100,373
-	-	154,310	3,506,555
-	-	47,208	4,274,042
-	-	106,519	12,249,463
-	-	16,682	792,149
-	-	-	3,166,740
-	-	474,677	481,726
5,465,000	-	-	6,718,021
3,075,450	-	-	3,207,297
6,000	2,022,381	-	2,028,381
-	9,090,033	-	12,559,016
-	-	100,258	203,485
-	-	-	10,449
-	-	-	530,794
<u>8,546,450</u>	<u>11,112,414</u>	<u>14,139,473</u>	<u>173,705,602</u>
403,743	(11,091,412)	(98,301)	(14,613,102)
-	257,245,000	-	257,245,000
-	-	-	58,357
-	524,294	85,551	890,048
-	21,193,132	-	21,193,132
-	-	-	(890,048)
<u>-</u>	<u>278,962,426</u>	<u>85,551</u>	<u>278,496,489</u>
403,743	267,871,014	(12,750)	263,883,387
2,533,308	288,918	559,937	36,048,295
<u>\$ 2,937,051</u>	<u>\$ 268,159,932</u>	<u>\$ 547,187</u>	<u>\$ 299,931,682</u>

# Wichita Falls Independent School District

Exhibit C-2R

## 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, 2021

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 263,883,387</b>
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.	13,476,434
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	(605,093)
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:	(6,723,748)
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 2021 School Building Bonds	\$ (257,245,000)
Premium on issuance	(21,193,132)
	(278,438,132)
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:	6,445,000
Capital lease payments are expenditures in the governmental fund financial statements, but are reported as reductions of long-term debt in the government-wide financial statements.	662,117
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:	(1,732,966)
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 decreased by:	(49,265)
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:	1,934,734
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.	(214,278)
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.	653,090
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	\$ (2,342,511)
Deferred inflows increase	1,759,032
Net pension liability decrease	(2,331,666)
	(2,915,145)
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	2,460,408
Deferred inflows increase	(8,652,782)
Net OPEB liability decrease	7,542,439
	1,350,065
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (2,447,165)</b>

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



Wichita Falls Independent School District  
Statement of Net Position – Proprietary Funds  
June 30, 2021

Exhibit D-1

<u>Data Control Codes</u>		<u>Internal Service</u>
		<u>Insurance Fund</u>
	<b>ASSETS</b>	
	Current assets:	
1110	Cash and cash equivalents	\$ 26,414
1120	Investments	561,378
	Receivables:	
1260	Due from other funds	4,219,384
1410	Prepays	12,404
	Total current assets	<u>4,819,580</u>
1000	Total assets	4,819,580
	<b>LIABILITIES</b>	
	Noncurrent liabilities:	
2590	Claims and judgments	<u>393,000</u>
	Total noncurrent liabilities	<u>393,000</u>
2000	Total liabilities	393,000
	<b>NET POSITION</b>	
3900	Unrestricted	<u>4,426,580</u>
3000	<b>TOTAL NET POSITION</b>	<u><u>\$ 4,426,580</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, 2021

**Exhibit D-2**

<u>Data Control Codes</u>		<u>Internal Service  Insurance Fund</u>
<b>OPERATING REVENUES</b>		
5700	Total local and intermediate sources	\$ 1,079,029
5020	Total operating revenues	1,079,029
<b>OPERATING EXPENSES</b>		
6100	Payroll costs	195,325
6200	Professional and contracted services	8
6300	Supplies and materials	827
6400	Other operating costs	230,275
6030	Total operating expenses	426,435
	Operating income	652,594
<b>NONOPERATING REVENUES</b>		
7955	Earnings from temporary deposits and investments	496
8030	Total non-operating revenues	496
7915	Transfers in	-
1300	Change in net position	653,090
0100	Net position, beginning, September 1	3,773,490
3300	<b>TOTAL NET POSITION, ending, June 30</b>	<b>\$ 4,426,580</b>

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, 2021

**Exhibit D-3**

	<u>Internal Service</u>
	<u>Insurance Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts for quasi-external operating transactions with others	\$ 420,584
Cash payments to employees for services	(195,325)
Cash payments to other suppliers for goods and services	(221,575)
	<u>3,684</u>
<b>Cash Flows from Investing Activities:</b>	
Purchase of investments	(496)
Interest and dividends on investments	496
	<u>-</u>
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	3,684
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>22,730</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 26,414</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH</b>	
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 652,594
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(658,445)
Increase in prepaids	(1,465)
Increase in claims liability	11,000
	<u>11,000</u>
<b>NET CASHED PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 3,684</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, 2021

**Exhibit E-1**

<u>Data Control Codes</u>		<u>Custodial Funds</u>
	<b>ASSETS</b>	
1110	Cash and cash equivalents	\$ 914,082
1290	Other receivables	13,594
		<hr/>
1000	<b>TOTAL ASSETS</b>	927,676
	<b>NET POSITION</b>	
3000	Restricted for other purposes	927,676
		<hr/>
	<b>TOTAL NET POSITION</b>	<u>\$ 927,676</u>

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

**Wichita Falls Independent School District****Exhibit E-2**Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Gifts and bequests	\$ 216,000
Miscellaneous revenue from student groups	<u>259,489</u>
Total additions	475,489
<b>DEDUCTIONS</b>	
Scholarship awards	(237,480)
Dues and fees	<u>(238,539)</u>
Total deductions	(476,019)
Change in net position	(530)
<b>NET POSITION:</b>	
Restricted for students and other organizations	
Net position, beginning	683,546
Cumulative effect of implementation of GASB 84	<u>244,660</u>
Net position, beginning, restated	928,206
<b>NET POSITION, ending</b>	<u>\$ 927,676</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. These funds were previously reported in an agency fund and private purpose trust fund, respectively. This change resulted in reporting more detail of additions and deductions from custodial funds than was reported for agency funds.

## 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, 2021 to finance general fund operations and the payment of principal and interest on general obligation debt were \$0.9664 and \$0.18 per \$100 valuation, respectively, for a total of \$1.1464 per \$100 valuation.

# Wichita Falls Independent School District

## Notes to the Financial Statements

### 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.

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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Building Improvements	20-40
Vehicles	5-10
Other Equipment	5-7
Capital Lease 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.

# Wichita Falls Independent School District

## Notes to the Financial Statements

### 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.

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, 2021, 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	1,081,112	-	1,081,112
Campus Activity Funds	-	840,226	840,226
<b>Totals</b>	<b>\$ 1,181,112</b>	<b>\$ 840,226</b>	<b>\$ 2,021,338</b>

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.

## Wichita Falls Independent School District

### Notes to the Financial Statements

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.

#### 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, 2021 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.

# Wichita Falls Independent School District

## Notes to the Financial Statements

### 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.

### **GASB Pronouncements implemented by the District**

GASB Statement No. 84, *Fiduciary Activities*. This Statement was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The fiduciary activities beginning balance was adjusted by \$244,660.

### **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, 2021, 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.

## Wichita Falls Independent School District

### Notes to the Financial Statements

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.

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 57 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 33 days.

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 34,628,858
Investments	268,366,567
Fiduciary funds:	
Cash and cash equivalents	<u>914,082</u>
<b>Total cash and investments</b>	<b><u>\$ 303,909,507</u></b>
Cash on hand	\$ 4,663
Deposits with financial institutions	35,538,277
Investments	<u>268,366,567</u>
<b>Total cash and investments</b>	<b><u>\$ 303,909,507</u></b>

#### Credit Risk

For the fiscal year ended June 30, 2021, 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, 2021, the District's bank balance of \$6,682,078, 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, 2021 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 \$16,662,237.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$14,119,146 and occurred on January 28, 2021.
- 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, 2021 consisted of the following individual fund receivables and payables:

Payable Fund	Receivable Fund	Amount	Primary Purpose
General Fund	Internal Service Funds	\$ 4,219,384	Short-term borrowing
Nonmajor Governmental Funds	General Fund	2,050,598	Short-term borrowing
General Fund	Child Nutrition Fund	1,161	Short-term borrowing
Debt Service Fund	General Fund	14	Short-term borrowing
General Fund	Nonmajor governmental funds	303	Short-term borrowing
		<u>\$ 6,271,460</u>	

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, 2021 includes the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Nonmajor governmental funds	\$ 85,551	Supplement other funds
Child Nutrition Fund	General Fund	280,203	Supplement other funds
General Fund	Capital projects fund	524,294	Supplement other funds
		<u>\$ 890,048</u>	

### Note 4. Capital Asset Activity

Capital asset activity for the District for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 12,015,106	\$ 4,714,583	\$ -	\$ -	\$ 16,729,689
Construction in progress	177,500	7,834,433	-	-	8,011,933
Total capital assets not being depreciated	12,192,606	12,549,016	-	-	24,741,622
Capital assets being depreciated:					
Buildings and improvements	206,097,691	657,302	(487,963)	-	206,267,030
Furniture and equipment	18,271,170	260,371	(1,076,315)	-	17,455,226
Property under capital lease	4,239,102	-	-	-	4,239,102
Total capital assets being depreciated	228,607,963	917,673	(1,564,278)	-	227,961,358
Less accumulated depreciation for:					
Buildings and improvements	93,185,013	5,550,505	(45,321)	-	98,690,197
Furniture and equipment	16,070,143	959,500	(923,609)	-	16,106,034
Property under capital lease	1,022,578	213,743	-	-	1,236,321
Total accumulated depreciation	110,277,734	6,723,748	(968,930)	-	116,032,552
Total capital assets being depreciated, net	118,330,229	(5,806,075)	(595,348)	-	111,928,806
<b>Governmental activities capital assets, net</b>	<u>\$ 130,522,835</u>	<u>\$ 6,742,941</u>	<u>\$ (595,348)</u>	<u>\$ -</u>	<u>\$ 136,670,428</u>

## Wichita Falls Independent School District

### Notes to the Financial Statements

Depreciation expense was charged to governmental functions as follows:

Governmental Function	Depreciation
Instruction	\$ 4,043,696
Instructional resources and media services	62,987
Curriculum and staff development	83,977
Instructional leadership	150,854
School leadership	344,543
Guidance, counseling and evaluation services	330,530
Social work services	24,965
Health services	79,919
Student transportation	95,843
Food services	319,592
Co-curricular/ Extracurricular activities	149,326
General administration	288,118
Plant maintenance and operations	547,504
Security and monitoring services	38,075
Data processing services	142,189
Community services	21,630
<b>Total depreciation expense</b>	<b>\$ 6,723,748</b>

## Note 5. Long-term Debt

### Long-term obligation activity

Long-term obligation activities during the fiscal year ended June 30, 2021, were as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 70,255,000	\$ 257,245,000	\$ (5,465,000)	\$ 322,035,000	\$ 9,945,000
Bond premium (discount)	5,237,481	21,193,132	(1,934,734)	24,495,879	-
Total bonds payable	75,492,481	278,438,132	(7,399,734)	346,530,879	9,945,000
Note payable	6,180,000	-	(980,000)	5,200,000	1,000,000
Capital leases payable	1,737,845	-	(662,117)	1,075,728	607,052
Compensated absences	1,031,847	780,902	(731,637)	1,081,112	294,970
Net pension liability	33,597,439	5,245,839	(2,914,173)	35,929,105	-
Net OPEB liability	48,344,019	4,713,401	(12,255,840)	40,801,580	-
<b>Total long-term liabilities</b>	<b>\$ 166,383,631</b>	<b>\$ 289,178,274</b>	<b>\$ (24,943,501)</b>	<b>\$ 430,618,404</b>	<b>\$ 11,847,022</b>

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 March 9, 2021, the District issued "Wichita Falls Independent School District Unlimited Tax School Building Bonds, Series 2021," totaling \$257,245,000. These bonds incur an average cost over the life of the bonds at a rate of 1.625% - 4.00% and mature annually with semi-annual interest payments. The proceeds were used for the construction, acquisition and equipment of school buildings in the District. The bonds will fully mature in 2051.

Unlimited tax bonds and the maintenance tax note outstanding as of June 30, 2021 are as follows:

Purpose and Lawful Authority	Interest Rate	Amount	Amounts Outstanding 7/1/2020	Issued	Retired	Amounts Outstanding 6/30/2021
Unlimited Tax Refunding Bonds, Series 2015	2.125% to 5.00%	\$ 35,350,000	\$ 26,210,000	\$ -	\$ 3,315,000	\$ 22,895,000
Unlimited Tax School Building Bonds, Series 2015	1.00% to 5.00%	53,645,000	44,045,000	-	2,150,000	41,895,000
Unlimited Tax School Building Bonds, Series 2021	1.625% to 4.00%	257,245,000	-	257,245,000	-	257,245,000
Maintenance Tax Notes, Series 2016	2.00%	9,000,000	6,180,000	-	980,000	5,200,000
			<u>\$ 76,435,000</u>	<u>\$ 257,245,000</u>	<u>\$ 6,445,000</u>	<u>\$ 327,235,000</u>

Debt service requirements are as follows:

Years Ending June 30,	Principal Requirements	Interest Requirements	Total Requirements
2022	\$ 10,945,000	\$ 9,089,491	\$ 20,034,491
2023	12,250,000	10,211,489	22,461,489
2024	12,705,000	9,776,476	22,481,476
2025	13,265,000	9,227,876	22,492,876
2026	13,820,000	8,654,076	22,474,076
2027 - 2031	52,955,000	36,297,030	89,252,030
2032 - 2036	54,195,000	26,645,772	80,840,772
2037 - 2041	45,055,000	19,072,745	64,127,745
2042 - 2046	52,240,000	11,895,995	64,135,995
2047 - 2051	59,805,000	4,327,961	64,132,961
	<u>\$ 327,235,000</u>	<u>\$ 145,198,911</u>	<u>\$ 472,433,911</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, 2021.

# Wichita Falls Independent School District

## Notes to the Financial Statements

### Note 6. Capital Leases

The District is obligated under certain leases that meet the criteria to be accounted for as capital leases. 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
2022	\$ 610,356
2023	469,158
2024	-
Total payments	1,079,514
Less: Interest	\$ (3,786)
Total	<u>\$ 1,075,728</u>

### Note 7. Revenue from Local and Intermediate Sources

During the fiscal year ended June 30, 2021, 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	\$ 45,116,806	\$ -	\$ 8,403,378	\$ -	\$ -	\$ 53,520,184
Property taxes-delinquent	887,444	-	159,252	-	-	1,046,696
Penalties, interest, and other	537,438	-	79,853	-	-	617,291
Investment earnings	74,706	259	1,955	21,002	21,002	118,924
Rent	133,419	-	-	-	-	133,419
Food service income	-	593,720	-	-	-	593,720
Gifts and bequest	-	-	-	-	251,266	251,266
Campus activity	-	-	-	-	398,447	398,447
Cocurricular/extracurricular activities	219,712	-	-	-	-	219,712
Other	444,877	-	-	-	460,005	904,882
<b>Total local revenue</b>	<u>\$ 47,414,402</u>	<u>\$ 593,979</u>	<u>\$ 8,644,438</u>	<u>\$ 21,002</u>	<u>\$ 1,130,720</u>	<u>\$ 57,804,541</u>

### 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](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 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes; including automatic cost of living adjustments. Ad hoc postemployment benefit changes, including ad hoc cost of living adjustments can be granted by the Texas Legislature as noted in the Plan description above.

### D. Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. 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.

	Contribution Rates	
	2021	2020
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	7.5%
Employers (District)	7.5%	7.5%

The contribution amounts for the District's fiscal year 2021 are as follows:

2021 District contributions	\$	2,763,780
2021 Member contributions		7,338,764
2021 NECE on-behalf contributions (State)		5,095,225

## 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, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020 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 2020	2.33%. 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)	2119
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, 2018 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, 2020 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%	3.90%	0.99%
Non-U.S. developed	13.00%	5.10%	0.92%
Emerging markets	9.00%	5.60%	0.83%
Private equity	14.00%	6.70%	1.41%
Stable value:			
Government bonds	16.00%	-0.70%	-0.05%
Absolute return	-	1.80%	-
Stable value hedge funds	5.00%	1.90%	0.11%
Real return:			
Real estate	15.00%	4.60%	1.02%
Energy, natural resources and infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk parity:			
Risk parity	8.00%	3.00%	0.30%
Asset allocation leverage:			
Cash	2.00%	-1.50%	-0.03%
Asset allocation leverage	-6.00%	-1.30%	0.08%
Inflation expectation			2.00%
Volatility drag***			-0.67%
<b>Totals</b>	100.00%		7.33%

\*Target allocations are based on the FY 2020 policy model.

\*\*Capital market assumptions come from Aon Hewitt (as of 8/31/2020).

\*\*\*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%)
\$ 55,402,037	\$ 35,929,105	\$ 20,107,775

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

At June 30, 2021, the District reported a liability of \$35,929,105 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	\$ 35,929,105
State's proportionate share that is associated with District	<u>71,626,487</u>
<b>Total</b>	<u><u>\$ 107,555,592</u></u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. 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, 2019 through August 31, 2020.

At August 31, 2020 the District's proportion of the collective net pension liability was 0.0670845% which was an increase of 0.24531% from its proportion measured as of August 31, 2019.

### 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, 2021, the District recognized pension expense of \$14,294,001 and revenue of \$8,615,076 for support provided by the state.

At June 30, 2021, 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
Differences between expected and actual economic experience	\$ 65,604	\$ 1,002,686
Changes in actuarial assumptions	8,336,831	3,544,762
Difference between projected and actual investment earnings	727,354	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,738,290	3,560,223
Contributions paid to TRS subsequent to the measurement date	2,333,402	-
<b>Total</b>	<b>\$ 14,201,481</b>	<b>\$ 8,107,671</b>

\$2,333,402 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, 2022. 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)
2022	\$ 1,406,176
2023	1,486,175
2024	1,318,980
2025	(48,239)
2026	(445,030)
Thereafter	42,346
<b>Total</b>	<b>\$ 3,760,408</b>

## 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.

# Wichita Falls Independent School District

## Notes to the Financial Statements

### 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](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

### 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.

# Wichita Falls Independent School District

## Notes to the Financial Statements

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	
	2021	2020
Active employee	0.65%	0.65%
Non-employer contributing 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 2021 are as follows:

2021 District contributions	\$	817,581
2021 Member contributions		619,506
2021 NECE on-behalf contributions (state)		1,099,292

In addition, the State of Texas contributed \$462,504 and \$400,607, in 2021 and 2020, respectively, for onbehalf 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 \$2.2 million in fiscal year 2020.

### E. Actuarial Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

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, 2020 TRS annual pension actuarial valuation:

Demographic Assumptions	Economic Assumptions
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.

# Wichita Falls Independent School District

## Notes to the Financial Statements

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

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

Actuarial cost method	Individual entry age normal
Single discount rate	2.33%
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 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 0.3% in the discount rate since the August 31, 2019 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".

# 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 (2.63%) in measuring the net OPEB liability.

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

1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
\$ 48,961,803	\$ 40,801,580	\$ 34,356,176

#### 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
\$ 33,329,664	\$ 40,801,580	\$ 50,753,117

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

At June 30, 2021, the District reported a liability of \$40,801,580 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	\$ 40,801,580
State's proportionate share of the net OPEB liability associated with the District	54,827,544
	<u>\$ 95,629,124</u>

The net OPEB liability was measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. 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, 2019 through August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.107332%, which was an increase of 0.0051053% from its proportion measured as of August 31, 2019.

## 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 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

#### Change of Benefit Terms Since the Prior Measurement Date

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

For the fiscal year ended June 30, 2021, the District recognized total OPEB expense of \$913,186 and revenue of \$380,702 for support provided by the State.

At June 30, 2021, 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	\$ 2,136,355	\$ 18,672,890
Changes of assumptions	2,516,609	11,204,325
Net difference between projected and actual earnings on investments	13,259	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	2,853,542	2,105,844
District contributions after measurement date	684,476	-
	<u>\$ 8,204,241</u>	<u>\$ 31,983,059</u>

\$684,476 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,	
2022	\$ (4,159,591)
2023	(4,161,363)
2024	(4,162,377)
2025	(4,162,100)
2026	(3,072,279)
Thereafter	(4,745,584)
	<u>\$ (24,463,294)</u>

## Wichita Falls Independent School District

### Notes to the Financial Statements

#### Note 10. 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, 2021, the worker's compensation benefit obligation consisted of \$393,000 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:

	2021	2020
Claims payable, beginning of year	\$ 382,000	\$ 378,000
Claims incurred	121,000	277,000
Claim payments	(120,000)	(276,000)
Excess coverage	10,000	3,000
<b>Claims payable, end of year</b>	<b>\$ 393,000</b>	<b>\$ 382,000</b>

##### 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, 2021, 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 11. 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, 2021 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.

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, 2021.

The District is in the architecture phase of the new high schools, with remaining construction commitments of \$4.0 million (East site) and \$3.3 million (West site) at June 30, 2021.



## Wichita Falls Independent School District

### Notes to the Financial Statements

#### Note 12. 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	\$ 4,041	\$ 42,261	\$ 46,302
Burkburnett ISD	7,679	70,109	77,788
Clay-Jack Coop	10,508	84,263	94,771
Graham ISD	808	21,259	22,067
Greenbelt Coop	1,617	14,498	16,115
Montague County Coop	8,891	65,089	73,980
Vernon ISD	4,041	63,716	67,757
West Wichita County Coop	4,041	55,042	59,083
Wichita Falls ISD	27,483	330,100	357,583
<b>Totals</b>	<b>\$ 69,109</b>	<b>\$ 746,337</b>	<b>\$ 815,446</b>

#### Note 13. Nonmonetary Transactions

During the fiscal year ended June 30, 2021, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$1,652,321. The district receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$1,652,321 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

#### Note 14. Subsequent Event

On July 20, 2021, the District issued "Wichita Falls Independent School District Unlimited School Building Bonds, Series 2021A," in the aggregated principal amount of \$12,685,000. Proceeds of this issuance were used for the construction, acquisition and equipment of recreational facilities in the District consisting of tennis courts, football, baseball and softball fields, outdoor track and field facilities, and athletic training and practice facilities at the two new high schools approved at the November 3, 2020 bond election.

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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, 2021

**Exhibit G-1**  
 Page 1 of 2

Data Control Codes	1		2	3	Variance With Final Budget Positive (Negative)
	Budgeted Amounts				
	Original	Final	Actual		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 47,585,779	\$ 47,585,779	\$ 47,414,402	\$ (171,377)
5800	State program revenues	78,958,613	78,958,613	76,423,724	(2,534,889)
5900	Federal program revenues	2,539,002	2,539,002	4,014,250	1,475,248
5020	Total revenues	129,083,394	129,083,394	127,852,376	(1,231,018)
<b>EXPENDITURES</b>					
Current:					
Instruction & instructional related services:					
0011	Instruction	80,820,303	84,035,723	81,698,029	2,337,694
0012	Instructional resources and media services	1,562,098	1,558,563	1,401,023	157,540
0013	Curriculum and staff development	1,640,942	1,619,545	1,302,408	317,137
	Total instruction & inst. related services	84,023,343	87,213,831	84,401,460	2,812,371
Instructional and school leadership:					
0021	Instructional leadership	2,744,125	2,819,474	2,712,209	107,265
0023	School leadership	7,584,917	7,713,105	7,347,715	365,390
	Total instructional & school leadership	10,329,042	10,532,579	10,059,924	472,655
Support services - student (pupil) :					
0031	Guidance, counseling, and evaluation services	5,194,594	5,283,531	4,941,522	342,009
0032	Social work services	325,089	334,797	465,658	(130,861)
0033	Health services	1,791,491	1,885,140	1,774,746	110,394
0034	Student transportation	2,609,500	2,622,500	2,076,742	545,758
0035	Food services	-	35,252	-	35,252
0036	Cocurricular/extracurricular activities	3,835,042	3,867,906	3,352,245	515,661
	Total support services - student (pupil)	13,755,716	14,029,126	12,610,913	1,418,213
Administration support services:					
0041	General administration	4,499,705	4,291,309	4,226,834	64,475
	Total administrative support service	4,499,705	4,291,309	4,226,834	64,475
Support services:					
0051	Facilities maintenance and operations	12,101,597	12,741,252	12,142,944	598,308
0052	Security and monitoring services	967,668	1,031,193	775,467	255,726
0053	Data processing services	2,995,848	3,322,164	3,166,740	155,424
	Total support services - nonstudent based	16,065,113	17,094,609	16,085,151	1,009,458
Ancillary services:					
0061	Community services	9,700	14,435	7,049	7,386
	Total ancillary services	9,700	14,435	7,049	7,386
Debt service:					
0071	Principal on long-term debt	1,253,023	1,253,023	1,253,021	2
0072	Interest on long-term debt	131,847	131,847	131,847	-
	Total debt services	1,384,870	1,384,870	1,384,868	2
Capital outlay:					
0081	Capital outlay	-	7,813,607	3,468,983	4,344,624
	Total capital outlay	-	7,813,607	3,468,983	4,344,624
Intergovernmental charges:					
0093	Payments to fiscal agent/member dist. - SSA	100,000	100,000	103,227	(3,227)
0095	Payments related to juvenile justice alternative education program	25,000	25,000	10,449	14,551
0099	Other intergovernmental charges	585,000	585,000	530,794	54,206
	Total intergovernmental charges	710,000	710,000	644,470	65,530
6030	Total expenditures	130,777,489	143,084,366	132,889,652	10,194,714

**Wichita Falls Independent School District**  
 Budgetary Comparison Schedule – General Fund – Continued  
 For the Fiscal Year Ended June 30, 2021

**Exhibit G-1**  
 Page 2 of 2

Data Control Codes		1 Budgeted Amounts		3	Variance With Final Budget Positive (Negative)
		Original	Final	Actual	
1100	Excess (deficiency) of revenues over (under) expenditures	(1,694,095)	(14,000,972)	(5,037,276)	8,963,696
	<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Sale of real or personal property	50,000	50,000	58,243	8,243
7915	Transfers in	280,202	280,202	280,203	1
8911	Transfers out	(175,000)	(175,000)	(609,845)	(434,845)
7080	Total other financing sources (uses)	155,202	155,202	(271,399)	(426,601)
1200	Net change in fund balance	(1,538,893)	(13,845,770)	(5,308,675)	8,537,095
0100	Fund balances, beginning	31,611,975	31,611,975	31,611,975	-
3000	<b>FUND BALANCES, ending</b>	<b>\$ 30,073,082</b>	<b>\$ 17,766,205</b>	<b>\$ 26,303,300</b>	<b>\$ 8,537,095</b>

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, 2021

**Exhibit G-2**

Data Control Codes		1		2	3	Variance With Final Budget Positive (Negative)
		Budgeted Amounts				
		Original	Final	Actual		
<b>REVENUES</b>						
5700	Total local and intermediate sources	\$ 1,515,154	\$ 1,515,154	\$ 593,979	\$ (921,175)	
5800	State program revenues	152,247	152,247	117,679	(34,568)	
5900	Federal program revenues	6,770,007	6,770,007	7,516,099	746,092	
5020	Total revenues	8,437,408	8,437,408	8,227,757	(209,651)	
<b>EXPENDITURES</b>						
0035	Food service	7,992,916	7,992,916	7,017,613	975,303	
6030	Total expenditures	7,992,916	7,992,916	7,017,613	975,303	
1100	Excess of revenues over expenditures	444,492	444,492	1,210,144	765,652	
<b>OTHER FINANCING SOURCES (USES)</b>						
7912	Sale of property	-	-	114	114	
8911	Transfers out	(280,203)	(280,203)	(280,203)	-	
6030	Total other financing sources (uses)	(280,203)	(280,203)	(280,089)	114	
1200	Net change in fund balances	164,289	164,289	930,055	765,766	
0100	Fund balance, beginning	1,054,157	1,054,157	1,054,157	-	
3000	<b>FUND BALANCE, ending</b>	<b>\$ 1,218,446</b>	<b>\$ 1,218,446</b>	<b>\$ 1,984,212</b>	<b>\$ 765,766</b>	

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 Seven Fiscal Years\*

	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.0670845%	0.0646314%
District's proportionate share of net pension liability	\$ 35,929,105	\$ 33,597,439
State's proportionate share of the net pension liability associated with the District	<u>71,626,487</u>	<u>64,367,245</u>
<b>TOTAL</b>	<u>\$ 107,555,592</u>	<u>\$ 97,964,684</u>
District's covered payroll	\$ 93,632,822	\$ 81,962,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	38.37%	40.99%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020 - the period from September 1, 2019 - August 31, 2020.

\* 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 Seven Fiscal Years\*\*\*

	<u>2021 *</u>	<u>2020 *</u>
Contractually required contribution	\$ 2,763,780	\$ 2,706,170
Contribution in relation to the contractually required contribution	<u>(2,763,780)</u>	<u>(2,706,170)</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 95,308,623	\$ 91,626,695
Contributions as a percentage of covered payroll	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, 2019 - August 31, 2020.

\* 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.

<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

Exhibit G-5

### 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 Four Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1073316%	0.1022262%	0.1056270%	0.1067345%
District's proportionate share of net OPEB liability	\$ 40,801,580	\$ 48,344,019	\$ 52,740,505	\$ 46,414,842
State's proportionate share of the net OPEB liability associated with the District	<u>54,827,544</u>	<u>64,238,388</u>	<u>66,948,830</u>	<u>60,491,454</u>
<b>TOTAL</b>	<u>\$ 95,629,124</u>	<u>\$ 112,582,407</u>	<u>\$ 119,689,335</u>	<u>\$ 106,906,296</u>
District's covered payroll	\$ 93,632,822	\$ 81,962,063	\$ 82,044,781	\$ 81,886,153
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	43.58%	58.98%	64.28%	56.68%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

**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.

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

**Exhibit G-6**

	<u>2021 *</u>	<u>2020 *</u>	<u>2019 *</u>	<u>2018 **</u>
Contractually required contribution	\$ 817,581	\$ 799,787	\$ 607,232	\$ 729,149
Contribution in relation to the contractually required contribution	<u>(817,581)</u>	<u>(799,787)</u>	<u>(607,232)</u>	<u>(729,149)</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 95,308,623	\$ 91,626,695	\$ 68,352,841	\$ 82,044,781
Contributions as a percentage of covered payroll	0.86%	0.87%	0.89%	0.89%

\* 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.

**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 Social Work Services, this function exceeded appropriation due to payroll costs. These payroll changes were not taken to the board of trustees as budget revisions. In Payments to fiscal agent/member districts – SSA, this function exceeded appropriation due to higher costs than budgeted.

Function	Final Budget	Actual Expenditures	Variance
Social work services	334,797	465,658	(130,861)
Payments to fiscal agent/member dist. - SSA	100,000	103,227	(3,227)

# Combining Statements and Schedules

**Wichita Falls Independent School District**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2021

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	213 ESEA Title I Part B - Even St. Family Literacy	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 3,239	\$ 3,846	\$ 4,823	\$ 182
1240	Due from other governments	744,777	3,176	686,325	38,399
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	2,600
1300	Inventories	-	-	-	-
1000	<b>TOTAL ASSETS</b>	<b>748,016</b>	<b>7,022</b>	<b>691,148</b>	<b>41,181</b>
<b>LIABILITIES</b>					
Current liabilities:					
2110	Accounts payable	200	-	26,385	-
2150	Payroll deductions & withholdings	35,311	209	24,978	-
2160	Accrued wages payable	257,536	1,872	246,753	-
2170	Due to other funds	454,969	4,941	393,032	41,181
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	748,016	7,022	691,148	41,181
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal/state funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed fund balance	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 748,016</b>	<b>\$ 7,022</b>	<b>\$ 691,148</b>	<b>\$ 41,181</b>



215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B High Cost	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 Title III Part A Language
\$ 1,894	\$ 94,465	\$ -	\$ -	\$ 459	\$ -	\$ -
17,532	286,729	14,807	1,722	18,954	46,877	5,738
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,426	381,194	14,807	1,722	19,413	46,877	5,738
-	-	-	-	1,335	-	-
1,399	2,742	360	-	-	1,476	-
8,158	33,812	11,078	-	-	7,053	-
9,869	344,640	3,369	1,722	17,657	38,348	5,738
-	-	-	-	421	-	-
-	-	-	-	-	-	-
19,426	381,194	14,807	1,722	19,413	46,877	5,738
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 19,426	\$ 381,194	\$ 14,807	\$ 1,722	\$ 19,413	\$ 46,877	\$ 5,738

**Wichita Falls Independent School District**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds – Continued  
 June 30, 2021

Data Control Codes		266	272	276	287/291
		ESSER	MAC Program	Instructional Continuity	Department of Defense Grant
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ -	\$ 112,414	\$ -	\$ -
1240	Due from other governments	-	-	25,944	68,765
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	-	112,414	25,944	68,765
<b>LIABILITIES</b>					
Current liabilities					
2110	Accounts payable	-	71	2,887	-
2150	Payroll deductions & withholdings	-	-	-	1,048
2160	Accrued wages payable	-	-	-	9,722
2170	Due to other funds	-	-	23,057	57,995
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	112,343	-	-
2000	Total liabilities	-	112,414	25,944	68,765
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal/state funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed fund balance	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 112,414</u>	<u>\$ 25,944</u>	<u>\$ 68,765</u>

288	289	315	316	410	415
HIPPY Grant	Summer School	IDEA-B Discretionary	IDEA-B Deaf	State Textbook Fund	Kindergarten and Pre-K Grant
\$ 559	\$ 1,746	\$ 268	\$ 190	\$ 71,593	\$ -
96,936	33,383	25,464	-	-	50
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,495	35,129	25,732	190	71,593	50
402	10,488	494	-	-	-
2,072	480	-	-	-	-
17,364	2,316	-	-	-	-
77,657	21,845	25,238	-	-	2,653
-	-	-	-	-	-
-	-	-	-	39,168	-
97,495	35,129	25,732	-	39,168	2,653
-	-	-	190	32,425	-
-	-	-	-	-	-
-	-	-	-	-	(2,603)
-	-	-	190	32,425	(2,603)
\$ 97,495	\$ 35,129	\$ 25,732	\$ 190	\$ 71,593	\$ 50

**Wichita Falls Independent School District**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds – Continued  
 June 30, 2021

Data Control Codes	427 HOPEs Grant	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	
<b>ASSETS</b>					
1110	Cash and cash equivalents	\$ 22,717	\$ 80,470	\$ -	\$ 841,330
1240	Due from other governments	24,701	30	262,572	-
1260	Due from other funds	-	-	-	150
1290	Other receivables	-	-	23,799	-
1300	Inventories	-	-	-	-
1000	<b>TOTAL ASSETS</b>	<b>47,418</b>	<b>80,500</b>	<b>286,371</b>	<b>841,480</b>
<b>LIABILITIES</b>					
Current liabilities					
2110	Accounts payable	-	-	-	-
2150	Payroll deductions & withholdings	513	-	14,155	-
2160	Accrued wages payable	4,197	-	97,357	-
2170	Due to other funds	25,378	-	500,055	1,254
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	92,229	-	-
2000	Total liabilities	30,088	92,229	611,567	1,254
<b>FUND BALANCES</b>					
Restricted:					
3450	Federal/state funds grant restrictions	17,330	-	-	-
Committed:					
3545	Other committed fund balance	-	-	-	840,226
3600	Unassigned	-	(11,729)	(325,196)	-
3000	Total fund balances	17,330	(11,729)	(325,196)	840,226
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 47,418</b>	<b>\$ 80,500</b>	<b>\$ 286,371</b>	<b>\$ 841,480</b>

480 No Kid Hungry Grant	481 Educate Texas Grant	489 West Foundation	Total Nonmajor Governmental Funds
\$ 3,913	\$ -	\$ 202,443	\$ 1,446,551
-	-	-	2,402,881
153	-	-	303
-	-	-	26,399
-	-	8,873	8,873
4,066	-	211,316	3,885,007
-	-	12	42,274
-	-	-	84,743
-	-	-	697,218
-	-	-	2,050,598
-	-	-	421
4,066	-	214,760	462,566
4,066	-	214,772	3,337,820
-	-	-	49,945
-	-	-	840,226
-	-	(3,456)	(342,984)
-	-	(3,456)	547,187
<u>\$ 4,066</u>	<u>\$ -</u>	<u>\$ 211,316</u>	<u>\$ 3,885,007</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, 2021

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	213 ESEA Title I Part B - Even St. Family Literacy
<b>REVENUES</b>				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	2,565,545	26,112	3,657,345	139,377
5020	2,565,545	26,112	3,657,345	139,377
<b>EXPENDITURES</b>				
Current:				
0011	2,226,346	10,932	2,850,351	131,851
0012	-	-	-	-
0013	8,891	-	302,698	3,950
0021	12,765	-	366,440	1,076
0023	298,882	-	757	-
0031	1,093	-	-	-
0032	32,762	15,002	42,579	-
0033	4,472	-	580	-
0034	45,000	-	10,302	2,500
0035	-	-	-	-
0036	-	-	-	-
0041	2,300	178	25,045	-
0051	18,585	-	-	-
0052	-	-	-	-
0061	-	-	58,593	-
Intergovernmental:				
0093	-	-	-	-
6030	2,651,096	26,112	3,657,345	139,377
1100	(85,551)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
7915	85,551	-	-	-
7080	85,551	-	-	-
1200	-	-	-	-
0100	-	-	-	-
3000	\$ -	\$ -	\$ -	\$ -

215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B High Cost	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 Title III Part A Language
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
74,717	2,437,284	70,684	-	185,741	390,486	93,814
74,717	2,437,284	70,684	-	185,741	390,486	93,814
72,263	152,580	70,684	-	30,247	224,181	65,841
-	-	-	-	-	-	4,874
-	-	-	-	2,251	114,984	15,090
-	472	-	-	153,243	43,958	125
-	1,122	-	-	-	-	-
-	2,182,852	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,454	-	-	-	-	7,363	2,454
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,430
-	100,258	-	-	-	-	-
74,717	2,437,284	70,684	-	185,741	390,486	93,814
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# 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, 2021

Data Control Codes		266	272	276	287/291
		ESSER	MAC Program	Instructional Continuity	Department of Defense Grant
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	7,835	257,728	54,978	186,500
5020	Total revenues	7,835	257,728	54,978	186,500
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	7,835	172,604	35,419	120,209
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	12,212	19,559	5,799
0021	Instructional leadership	-	12,301	-	57,129
0023	School leadership	-	-	-	750
0031	Guidance, counseling, and evaluation services	-	57,864	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	333
0041	General administration	-	2,567	-	2,280
0051	Facilities maintenance and operations	-	180	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
Intergovernmental:					
0093	Payments to member districts of SSA	-	-	-	-
6030	Total expenditures	7,835	257,728	54,978	186,500
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balances, beginning	-	-	-	-
3000	<b>FUND BALANCES, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



288	289	315	316	410	415
HIPPY Grant	Summer School	IDEA-B Discretionary	IDEA-B Deaf	State Textbook Fund	Kindergarten and Pre-K Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,652,808	-
298,492	239,419	69,109	-	-	-
<u>298,492</u>	<u>239,419</u>	<u>69,109</u>	<u>-</u>	<u>1,652,808</u>	<u>-</u>
298,492	239,419	69,109	-	1,652,808	-
-	79,986	67,992	-	1,652,808	-
-	113	-	-	-	-
-	62,069	785	-	-	-
-	-	-	-	-	-
-	226	-	-	-	-
-	77,546	332	-	-	-
-	-	-	-	-	-
-	112	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,567	-	-	-	-
-	118	-	-	-	-
-	16,682	-	-	-	-
298,492	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
298,492	239,419	69,109	-	1,652,808	-
<u>298,492</u>	<u>239,419</u>	<u>69,109</u>	<u>-</u>	<u>1,652,808</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	190	32,425	(2,603)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190</u>	<u>\$ 32,425</u>	<u>\$ (2,603)</u>

# 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, 2021

Data Control Codes	427 HOPEs Grant	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ -	\$ -	\$ 460,069	\$ 398,383
5800	State program revenues	123,355	201,347	198,778	-
5900	Federal program revenues	-	-	-	-
5020	Total revenues	123,355	201,347	658,847	398,383
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	-	13,984	746,337	130,708
0012	Instructional resources and media services	-	-	-	43,311
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	40,238
0031	Guidance, counseling, and evaluation services	-	99,966	-	159
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	120,182
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	87,415	-	221
0052	Security and monitoring services	-	-	-	-
0061	Community services	112,162	-	-	-
Intergovernmental:					
0093	Payments to member districts of SSA	-	-	-	-
6030	Total expenditures	112,162	201,365	746,337	334,819
1100	Excess (deficiency) of revenues over (under) expenditures	11,193	(18)	(87,490)	63,564
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	11,193	(18)	(87,490)	63,564
0100	Fund balances, beginning	6,137	(11,711)	(237,706)	776,662
3000	<b>FUND BALANCES, ending</b>	<b>\$ 17,330</b>	<b>\$ (11,729)</b>	<b>\$ (325,196)</b>	<b>\$ 840,226</b>

480 No Kid Hungry Grant	481 Educate Texas Grant	489 West Foundation	Total Nonmajor Governmental Funds
\$ 82,760	\$ 27,888	\$ 140,618	\$ 1,109,718
-	-	-	2,176,288
-	-	-	10,755,166
82,760	27,888	140,618	14,041,172
-	27,888	87,242	8,978,288
-	-	-	48,298
-	-	19,580	567,868
-	-	-	647,509
-	-	-	341,975
-	-	-	2,419,812
-	-	-	90,343
-	-	-	5,164
-	-	-	57,802
82,760	-	-	82,760
-	-	33,795	154,310
-	-	-	47,208
-	-	-	106,519
-	-	-	16,682
-	-	-	474,677
-	-	-	100,258
82,760	27,888	140,617	14,139,473
-	-	1	(98,301)
-	-	-	85,551
-	-	-	85,551
-	-	1	(12,750)
-	-	(3,457)	559,937
\$ -	\$ -	\$ (3,456)	\$ 547,187

**Wichita Falls Independent School District**  
 Combining Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2021

**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>
	<b>ASSETS</b>				
1110	Cash and cash equivalents	\$ 659,066	\$ 3,000	\$ 252,016	\$ 914,082
1290	Other receivables	-	-	13,594	13,594
1000	<b>TOTAL ASSETS</b>	<u>\$ 659,066</u>	<u>\$ 3,000</u>	<u>\$ 265,610</u>	<u>\$ 927,676</u>
	<b>NET POSITION</b>				
3800	Restricted for other purposes	<u>659,066</u>	<u>3,000</u>	<u>265,610</u>	<u>927,676</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 659,066</u>	<u>\$ 3,000</u>	<u>\$ 265,610</u>	<u>\$ 927,676</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, 2021

	<u>828 Ryan Scholarship Fund</u>	<u>829 Renton Aviation Fund</u>	<u>865 Student Activity Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>				
Gifts and bequests	\$ 216,000	\$ -	\$ -	\$ 216,000
Miscellaneous revenue from student groups	-	-	259,489	259,489
Total additions	216,000	-	259,489	475,489
<b>DEDUCTIONS</b>				
Scholarship awards	(237,480)	-	-	(237,480)
Dues and fees	-	-	(238,539)	(238,539)
Total deductions	(237,480)	-	(238,539)	(476,019)
Changes in net position	(21,480)	-	20,950	(530)
<b>NET POSITION:</b>				
Net position, beginning	680,546	3,000	-	683,546
Cumulative effect of implementation of GASB 84	-	-	244,660	244,660
Net position, beginning, restated	680,546	3,000	244,660	928,206
<b>NET POSITION, end of year</b>	<u>\$ 659,066</u>	<u>\$ 3,000</u>	<u>\$ 265,610</u>	<u>\$ 927,676</u>

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## **T.E.A. Required Schedules**

# Wichita Falls Independent School District

## Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended June 30, 2021

Last Ten Years Ended June 30,	Tax Rates		3 Net Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2012 and prior years	\$ Various	\$ Various	Various
2013	1.04	0.170	3,944,910,744
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
<b>1000 TOTALS</b>			



Exhibit J-1

10 Beginning Balance 7/1/2020	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2021
\$ 364,422	\$ -	\$ 18,239	\$ 2,894	\$ (38,784)	\$ 304,505
68,362	-	4,036	660	(2,189)	61,477
90,777	-	6,202	984	(2,197)	81,394
111,982	-	8,057	736	(2,487)	100,702
156,784	-	9,889	1,807	(3,195)	141,893
264,428	-	20,089	3,670	(3,330)	237,339
295,951	-	46,683	8,529	(2,750)	237,989
288,528	-	85,226	14,751	(21,219)	167,332
567,080	-	686,747	127,438	(96,123)	(343,228)
-	54,824,239	45,116,805	8,403,378	(299,424)	1,004,632
<u>\$ 2,208,314</u>	<u>\$ 54,824,239</u>	<u>\$ 46,001,973</u>	<u>\$ 8,564,847</u>	<u>\$ (471,698)</u>	<u>\$ 1,994,035</u>

**Wichita Falls Independent School District**  
 Budgetary Comparison Schedule – Debt Service Fund  
 For the Fiscal Year Ended June 30, 2021

**Exhibit J-2**

Data Control Codes		Budgeted Amounts		Actual	Variance Final Budget Positive or (Negative)
		Original	Final		
<b>REVENUES</b>					
5700	Local and intermediate sources	\$ 8,271,850	\$ 8,271,850	\$ 8,644,438	\$ 372,588
5800	State program revenues	276,600	276,600	305,755	29,155
5020	Total revenues	8,548,450	8,548,450	8,950,193	401,743
<b>EXPENDITURES</b>					
Debt service:					
0071	Principal on long-term debt	5,465,000	5,465,000	5,465,000	-
0072	Interest on long-term debt	3,075,450	3,075,450	3,075,450	-
0073	Bond issuance costs and fees	8,000	8,000	6,000	2,000
	Total debt service	8,548,450	8,548,450	8,546,450	2,000
6030	Total expenditures	8,548,450	8,548,450	8,546,450	2,000
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	403,743	399,743
0100	Fund balances, beginning	2,533,308	2,533,308	2,533,308	-
3000	<b>FUND BALANCES, ending</b>	<b>\$ 2,533,308</b>	<b>\$ 2,533,308</b>	<b>\$ 2,937,051</b>	<b>\$ 399,743</b>

## **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 fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2021.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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  
November 8, 2021



**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**

We have audited Wichita Falls Independent School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

The Board of Trustees  
Wichita Falls Independent School District

### **Report on Internal Control over Compliance**

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

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

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
November 8, 2021



# Wichita Falls Independent School District

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

## 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:

93.600 – Head Start  
10.553, 10.555, 10.559 – Child Nutrition Cluster

The dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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, 2021

**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, 2021**

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Region IX Education Service Center:			
Head Start	93.600	06CH7009/20	\$ 393,153
Head Start	93.600	06CH7009/21	1,845,189
COVID-19 Head Start	93.600	06CH7009/COVID	<u>327,203</u>
Total Passed Through Region IX Education Service Center			2,565,545
Passed Through North Texas Area United Way:			
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001	328,610
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00005	<u>257,728</u>
Total U.S. Department of Health and Human Services			3,151,883
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs:			
Impact Aid - P.L.	84.041	N/A	171,055
Passed Through Region 10:			
Texas McKinney-Vento Program 2	84.196A	14-007	27,326
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101243905	735,814
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101243905	3,092,143
ESEA Title I - School Improvement Program	84.010A	20610112243905000	12,084
ESEA Title I - School Improvement Program	84.010A	21610112243905000	127,293
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	20610103243905	9,458
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	21610103243905	<u>68,730</u>
Total Assistance Listing 84.010A			4,045,522
Special Education Cluster:			
IDEA-B Formula	84.027A	206600012439056600	75,526
IDEA-B Formula	84.027A	216600012439056600	2,361,758
SSA IDEA-B Discretionary Deaf	84.027A	206600112439056673	35,752
SSA IDEA-B Discretionary Deaf	84.027A	216600112439056673	33,357
IDEA-B Preschool	84.173A	206610012439056610	57,411
IDEA-B Preschool	84.173A	216610012439056610	<u>13,273</u>
Total Special Education Cluster			2,577,077
Vocational Education - Basic Grant	84.048A	20420006243905	24,947
Vocational Education - Basic Grant	84.048A	21420006243905	169,446
ESEA Title III-LEP	84.365A	20671001243905	23,754
ESEA Title III-LEP	84.365A	21671001243905	74,421
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	20694501243905	138,281
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	21694501243905	270,338
ESEA Title IV Part A - Subpart 1	84.424A	20610103243905	97,854
ESEA Title IV Part A - Subpart 1	84.424A	21680101243905	151,897
Instructional Continuity	84.377A	N/A	54,978
COVID-19 ESSER State Fiscal Stabilization	84.425D	20521001243905	7,835
COVID-19 Prior Purchase Reimbursement Program	84.425D	N/A	<u>16,161</u>
Total Passed Through State Department of Education			<u>7,652,511</u>
Total U.S. Department of Education			<u>7,850,892</u>

**Wichita Falls Independent School District**  
 Schedule of Expenditures of Federal Awards – Continued  
 For the Fiscal Year Ended June 30, 2021

**Exhibit K-1**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture:			
Food Distribution - SBP - Noncash assistance	10.553	806780706	430,517
Food Distribution - NSLP - Noncash assistance	10.555	806780706	550,420
Total Passed Through State Department of Agriculture			980,937
Passed Through State Department of Education:			
School Breakfast Program	10.553	7140901	201,478
COVID-19 School Breakfast Program	10.553	7140901	1,611,824
National School Lunch Program	10.555	7130901	463,953
COVID-19 National School Lunch Program	10.555	7130901	3,711,621
Total Passed Through State Department of Education			5,988,876
Passed Through State Department of Human Services:			
Summer Feeding Program	10.559	TX-2431005SU	321,456
Total Passed Through State Department of Human Services			321,456
Total Child Nutrition Cluster			7,291,269
Passed Through State Department of Agriculture:			
Child and Adult Care Food Program	10.558	01138	7,937
COVID-19 Child and Adult Care Food Program	10.558	01138	216,893
Total Passed Through State Department of Agriculture			224,830
Total U.S. Department of Agriculture			7,516,099
<b>U. S. DEPARTMENT OF TREASURY</b>			
Passed Through Texas Department of Emergency Management:			
COVID-19 Coronavirus Relief Fund	21.019	2020CF21019	455,045
Total U.S. Department of Treasury			455,045
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Direct programs:			
ROTC (Instructional Reimbursement)	12.000	243-905	192,725
Military-Connected Academic and Support Programs	12.556	HE12541510030	104,135
Military-Connected Academic and Support Programs	12.556	HE12541710010	82,365
Total U.S. Department of Defense			379,225
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 19,353,144</b>

## Wichita Falls Independent School District

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

### 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	\$	19,353,144
SHARS revenue		<u>2,932,371</u>
<b>Total federal program revenues per Exhibit C-2</b>	<b>\$</b>	<b><u>22,285,515</u></b>

### Indirect Cost Rate

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

## Wichita Falls Independent School District

### Schedule of Required Responses to Selected

### School FIRST Indicators (Unaudited)

For the Fiscal Year Ended June 30, 2021

<b>Data Control Codes</b>		<b>Response</b>
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:	\$ -