



Annual Financial Report
For The Fiscal Year Ended
June 30, 2020

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, 2020

**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, 2020
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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, 2020 at a meeting of the Board of Trustees of such school district on the 10th day of November, 2020.



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, 2020, 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, 2020, 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

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 5, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 5, 2020

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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, 2020. 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 \$5.8 million (net position).
- During the year, the District expensed \$173.7 million, which was \$2.7 million more than the District's revenue of \$171.1 million. Of this, \$48.2 million was program revenue and \$122.9 million was general revenue.
- The fund balance of the General Fund was \$31.6 million, which was an increase of \$1.4 million. Unassigned fund balance of the general fund was \$27.5 million or 22 percent of the year's total general fund expenditures.
- The fund balance of the Child Nutrition Fund was \$1.1 million, which was a decrease of \$283 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 2019 (ten months ended) and the fiscal year ended June 30, 2020 – a deficit of \$5,807,517. (See Table A-1).

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

	Governmental Activities			Percentage Change
	June 30, 2020	June 30, 2019	Increase (Decrease)	
Assets				
Current and other assets	\$ 64,538,440	\$ 55,449,795	\$ 9,088,645	16%
Capital assets, net	130,522,835	136,906,493	(6,383,658)	-5%
Total assets	195,061,275	192,356,288	2,704,987	12%
Total deferred outflows of resources	23,501,384	27,875,624	(4,374,240)	-16%
Liabilities				
Long-term debt	159,460,376	179,438,709	(19,978,333)	-11%
Other liabilities	31,739,986	23,855,844	7,884,142	33%
Total liabilities	191,200,362	203,294,553	(12,094,191)	22%
Total deferred inflows of resources	33,196,980	20,158,790	13,038,190	65%
Net position				
Net investment in capital assets	48,614,986	49,063,415	(448,429)	-1%
Restricted	2,534,196	2,571,485	(37,289)	-1%
Unrestricted	(56,983,865)	(54,856,331)	(2,127,534)	4%
Total net position	\$ (5,834,683)	\$ (3,221,431)	\$ (2,613,252)	2%

Changes in net position. The District's total revenues were \$171.1 million, an increase of \$22.8 million. (See Table A-2.) General revenues increased due to the implementation of HB 3, which allowed for increased Foundation School Program state funding. Operating grants and contributions increased \$8.6 million partly due to CARES act funding through the ESSER grant. Expenses increased \$33.5 million in part mostly due to a full 12 months of operations in fiscal year 2020 compared to just 10 months in fiscal year 2019 (due to the change in year end to June 30).

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, 2020. 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			
	Twelve Months Ended June 30, 2020	Ten Months Ended June 30, 2019	Increase (Decrease)	Percentage Change
Program revenues:				
Charges for services	\$ 2,185,284	\$ 2,631,933	\$ (446,649)	-17%
Operating grants and contributions	46,059,464	37,472,590	8,586,874	23%
General revenues:				
Property taxes	52,658,768	53,881,605	(1,222,837)	-2%
Unrestricted operating grants (mostly state aid)	69,408,590	53,508,235	15,900,355	30%
Investment earnings	611,552	760,539	(148,987)	-20%
Miscellaneous	198,681	111,390	87,291	78%
Total revenues	171,122,339	148,366,292	22,756,047	15%
Expenses:				
Instruction	103,402,028	82,456,571	20,945,457	25%
Instructional resources and media services	1,946,384	1,604,723	341,661	21%
Curriculum and staff development	2,479,783	1,845,595	634,188	34%
Instructional leadership	4,043,303	3,417,782	625,521	18%
School leadership	9,387,623	7,431,175	1,956,448	26%
Guidance, counseling and evaluation services	7,938,747	6,037,052	1,901,695	32%
Social work services	674,971	534,867	140,104	26%
Health services	2,101,246	1,665,218	436,028	26%
Student transportation	2,706,241	2,673,090	33,151	1%
Food services	8,161,293	7,500,608	660,685	9%
Extracurricular activities	4,320,617	3,893,822	426,795	11%
General administration	5,116,867	3,901,803	1,215,064	31%
Facilities maintenance and operations	12,245,914	10,309,622	1,936,292	19%
Security and monitoring services	697,648	727,313	(29,665)	-4%
Data processing services	4,570,362	2,854,342	1,716,020	60%
Community services	501,743	434,579	67,164	15%
Debt service	2,658,766	2,224,002	434,764	20%
Bond issuance costs and fees	7,500	2,250	5,250	233%
Payments for shared service arrangements	188,993	179,590	9,403	5%
Payments related to juvenile justice programs	20,124	11,896	8,228	69%
Other intergovernmental charges	565,438	547,232	18,206	3%
Total expenses	173,735,591	140,253,132	33,482,459	24%
Change in net position	\$ (2,613,252)	\$ 8,113,160	\$ (10,726,412)	-132%

Sources of Revenues for Fiscal Year 2020

Graph A-1

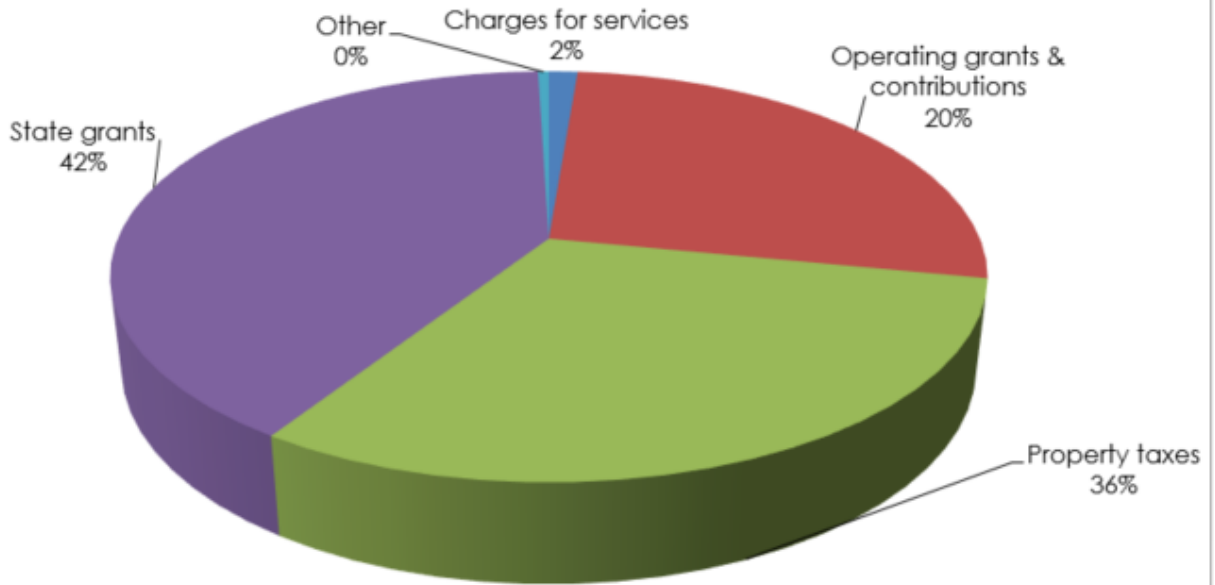


Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

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

	Total Cost of Services			
	Twelve Months Ended June 30, 2020	Ten Months Ended June 30, 2019	Increase (Decrease)	Percentage Change
Instruction	\$ 103,402,028	\$ 82,456,571	\$ 20,945,457	25.4%
School leadership	9,387,623	7,431,175	1,956,448	26.3%
Guidance, counseling and evaluation services	7,938,747	6,037,052	1,901,695	31.5%
Food services	8,161,293	7,500,608	660,685	8.8%
Facilities maintenance and operations	12,245,914	10,309,622	1,936,292	18.8%
	Net Cost of Services			
	Twelve Months Ended 2020	Ten Months Ended 2019	Increase (Decrease)	Percentage Change
Instruction	\$ 72,520,638	\$ 59,146,809	\$ 13,373,829	22.6%
School leadership	7,930,092	6,130,650	1,799,442	29.4%
Guidance, counseling and evaluation services	6,706,170	4,978,902	1,727,268	34.7%
Food services	1,282,350	404,159	878,191	217.3%
Facilities maintenance and operations	10,195,441	8,353,952	1,841,489	22.0%

The cost of all governmental activities this year was \$173.7 million; however, the amount our taxpayers paid for these activities through property taxes was \$52.7 million. Some of the cost was paid by those who directly benefited from the programs, through charges for services - \$2.2 million, or by operating grants and contributions - \$46.1 million. The amount funded by the state was \$69.4 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 \$36.0 million. Approximately \$27.3 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 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 \$27.6 million, while the total fund balance of all governmental funds was \$36.0 million.

The general fund reported an ending fund balance of \$31,611,975. The net change in fund balance resulted in an increase in the general fund balance from the prior year in the amount of \$1,365,325. The increase in fund balance was the result of increased state revenues due to HB 3 and changes in the state funding allotment, as well as decreases in SHARS and E-Rate. This was also combined with increases in expenditures from a full 12 months of operations compared to fiscal year 2019 which included only 10 months of operations due to the year end change to June 30. There were also additional transfers of funds related to the closure of the Print Shop fund, an internal service fund.

The child nutrition fund reported an ending fund balance of \$1,054,157, which represents a decrease of \$283,243. This decrease is due to decreases in food service activity as a result of the district closure in March due to Covid-19. Staff salaries continued to be paid as a result of Board Action but a la carte food sales ceased.

The debt service fund reported an ending fund balance of \$2,533,308, 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 \$196,865. The increase is due to increased property tax collections from rising property values. The revenue increase was offset by increased debt payments, of which interest expense increased \$1.5 million. This was due to FY 2019's ten month period which did not include the 8/15 interest payments as they occurred after year end.

See more discussion of the ESSER fund below.

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 the 2020-2021 Elementary and Secondary School Emergency Relief (ESSER) Grant by \$3,118,649 less the Private Non-Profit portion required where \$7,000 went to Wichita Christian towards paying for an aide and \$126,620 went to supplies for Wichita Christian, Christ Academy, and Notre Dame. This left \$2,985,029 to pay for salaries for existing staff from March 13, 2020 to June 30, 2020. General education secondary teachers were reclassified from fund 199 to fund 266 which not only decreased revenue but also decreased expenses. Due to the timing of the award of the ESSER grant a budget revision was not taken to the board of trustees to reduce the budgeted amount during the fiscal year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$130.5 million (net of accumulated depreciation). This amount represents a net decrease (including additions and deletions) of \$6.4 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			Percentage Change
	June 30, 2020	June 30, 2019	Increases (Decreases)	
Land	\$ 12,015,106	\$ 12,015,106	\$ -	0%
Bldgs and improvements	206,097,691	204,297,544	1,800,147	1%
Equipment	18,271,170	17,663,293	607,877	3%
Property under cap lease	4,239,102	2,682,717	1,556,385	58%
Construction in progress	177,500	985,728	(808,228)	-82%
Totals at historical cost	240,800,569	237,644,388	3,156,181	1%
Less accumulated depreciation	110,277,734	100,737,895	9,539,839	9%
Net capital assets	\$ 130,522,835	\$ 136,906,493	\$ (6,383,658)	-5%

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

Long-term Debt. At June 30, 2020 the District had \$84.4 million in long term debt – a decrease of 6.8% over last year – as shown in Table A-5.

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

	Governmental Activities			Percentage Change
	June 30, 2020	June 30, 2019	Increase (Decrease)	
General obligation bonds	\$ 70,255,000	\$ 75,470,000	\$ (5,215,000)	-6.9%
Premium on bonds	5,237,481	6,109,229	(871,748)	-14.3%
Total bonds payable	75,492,481	81,579,229	(6,086,748)	-7.5%
Note payable	6,180,000	7,140,000	(960,000)	100.0%
Capital leases payable	1,737,845	838,538	899,307	107.2%
Compensated absences	1,031,847	1,047,437	(15,590)	-1.5%
Total long-term obligations	\$ 84,442,173	\$ 90,605,204	\$ (6,163,031)	-6.8%

Economic Factors and Next Year's Budgets and Tax Rates

The District's certified property values for 2020 reflect a 2.88% 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 \$0.97 is now compressed down to \$0.9164 allowing for \$0.04 additional pennies based off the 2018-19 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 \$0.9664. a total decrease of \$0.0036, under provisions of HB 3.

The District's 2020-21 refined average daily attendance was budgeted at 12,924.

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 continued at \$0.18 for the 2020 year.

The Board of Trustees adopted a 2020-2021 general fund budget reflecting revenues and transfers in of \$146,399,454 and expenditures and transfers out of \$147,774,057 resulting in a deficit budgeted amount of \$1,374,603. The district did not give any pay increases or pay-scale step increase to Teachers, Librarians or Nurses.

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, 2020

Exhibit A-1

1

Data Control Codes		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 5,907,951
1120	Current investments	29,580,998
1220	Property taxes receivables (net)	1,382,108
1240	Due from other governments	26,008,471
1290	Other receivables	6,291
1300	Inventories	996,714
1410	Prepaid items	655,907
	Capital assets:	
1510	Land	12,015,106
1520	Buildings and improvements, net	112,912,678
1530	Furniture and equipment, net	2,201,027
1550	Capital lease assets, net	3,216,524
1580	Construction in progress	177,500
1000	Total assets	195,061,275
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred charges from refunding bonds	1,213,559
1705	Deferred outflows of resources - pensions	16,543,992
1706	Deferred outflows of resources - OPEB	5,743,833
1700	Total deferred outflows of resources	23,501,384
LIABILITIES		
2110	Accounts payable	1,423,921
2150	Payroll deductions and withholdings	1,368,753
2165	Accrued liabilities	12,286,783
2140	Interest payable	1,332,938
2180	Due to other governments	6,719,558
2300	Unearned revenue	1,302,778
	Noncurrent liabilities:	
2501	Due within one year	7,305,255
2502	Due in more than one year	77,136,918
2590	Claims and judgments	382,000
2540	Net pension liability (District's share)	33,597,439
2545	Net OPEB liability (District's share)	48,344,019
2000	Total liabilities	191,200,362
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflows of resources - pensions	9,866,703
2606	Deferred inflows of resources - OPEB	23,330,277
2600	Total deferred inflows of resources	33,196,980
NET POSITION		
3200	Net investment in capital assets	48,614,986
	Restricted for:	
3820	Retirement of long-term debt	1,441,287
3850	Grants	1,092,909
3900	Unrestricted	(56,983,865)
3000	TOTAL NET POSITION	\$ (5,834,683)

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, 2020

Exhibit B-1

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		6 Net (expense) Revenue and Changes in Net Position
			3 Charges for Services	4 Operating Grants and Contributions	
					Governmental Activities
PRIMARY GOVERNMENT					
	Governmental activities:				
11	Instruction	\$ 103,402,028	\$ 37,822	\$ 30,843,568	\$ (72,520,638)
12	Instructional resources and media services	1,946,384	-	302,197	(1,644,187)
13	Curriculum and staff development	2,479,783	-	385,013	(2,094,770)
21	Instructional leadership	4,043,303	-	627,767	(3,415,536)
23	School leadership	9,387,623	-	1,457,531	(7,930,092)
31	Guidance, counseling, and evaluation services	7,938,747	-	1,232,577	(6,706,170)
32	Social work services	674,971	-	104,797	(570,174)
33	Health services	2,101,246	-	326,241	(1,775,005)
34	Student transportation	2,706,241	-	420,173	(2,286,068)
35	Food services	8,161,293	1,173,717	5,705,226	(1,282,350)
36	Cocurricular/extracurricular activities	4,320,617	824,584	670,823	(2,825,210)
41	General administration	5,116,867	-	794,449	(4,322,418)
51	Facilities maintenance and operations	12,245,914	149,161	1,901,312	(10,195,441)
52	Security and monitoring services	697,648	-	108,317	(589,331)
53	Data processing services	4,570,362	-	709,599	(3,860,763)
61	Community services	501,743	-	77,901	(423,842)
72	Interest on long-term debt	2,658,766	-	391,973	(2,266,793)
73	Bond issuance costs and fees	7,500	-	-	(7,500)
93	Payments related to shared services arrangements	188,993	-	-	(188,993)
95	Payments related to juvenile justice programs	20,124	-	-	(20,124)
99	Other intergovernmental charges	565,438	-	-	(565,438)
TG	Total governmental activities	173,735,591	2,185,284	46,059,464	(125,490,843)
	TOTAL PRIMARY GOVERNMENT	\$ 173,735,591	\$ 2,185,284	\$ 46,059,464	(125,490,843)
	General revenues:				
MT	Property taxes, levied for general purposes				44,412,816
DT	Property taxes, levied for debt service				8,245,952
GC	Grants and contributions not restricted to specific programs				69,408,590
IE	Investment earnings				611,552
MI	Miscellaneous				198,681
TR	Total general revenues				122,877,591
CN	Change in net position				(2,613,252)
NB	Net position - beginning				(3,221,431)
NE	NET POSITION (DEFICIT), ending				\$ (5,834,683)

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

Wichita Falls Independent School District

Balance Sheet – Governmental Funds

June 30, 2020

Data Control Codes		10 General Fund	24 Child Nutrition Fund
ASSETS			
1110	Cash and cash equivalents	\$ 2,781,549	\$ 415,916
1120	Current investments	26,044,537	254,356
1220	Taxes receivable	1,886,019	-
1230	Allowance for uncollectible taxes (credit)	(760,473)	-
1240	Due from other governments	20,574,832	366,544
1260	Due from other funds	4,673,193	16,718
1290	Other receivables	-	3,691
1300	Inventories	395,551	592,290
1410	Prepays	644,968	-
1000	TOTAL ASSETS	\$ 56,240,176	\$ 1,649,515
LIABILITIES			
Current liabilities:			
2110	Accounts payable	\$ 1,109,776	\$ 305,069
2150	Payroll deductions and withholdings	1,222,668	27,362
2160	Accrued wages payable	11,209,907	107,984
2170	Due to other funds	3,577,657	-
2180	Due to other governments	6,492,102	-
2300	Unearned revenue	24,146	154,943
2000	Total liabilities	23,636,256	595,358
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue	991,945	-
	Total deferred inflows of resources	991,945	-
FUND BALANCES			
Nonspendable fund balances:			
3410	Inventories	395,551	-
3430	Prepaid items	644,968	-
Restricted fund balances:			
3450	Federal/state funds grant restrictions	-	1,054,157
3480	Retirement of long-term debt	1,737,845	-
Committed fund balance:			
3540	Self-insurance	100,000	-
3545	Other committed fund balance	1,031,847	-
Assigned:			
3550	Capital projects	-	-
3570	Vehicle purchases	161,397	-
3600	Unassigned	27,540,367	-
3000	Total fund balances	31,611,975	1,054,157
4000	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 56,240,176	\$ 1,649,515

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

Exhibit C-1

50 Debt Service Fund	ESSER School Emergency Relief Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 8,618	\$ -	\$ 2,679,138	\$ 5,885,221
2,721,148	-	75	29,020,116
322,295	-	-	2,208,314
(65,733)	-	-	(826,206)
15,353	2,985,029	2,066,713	26,008,471
-	-	-	4,689,911
-	-	2,600	6,291
-	-	8,873	996,714
-	-	-	644,968
<u>\$ 3,001,681</u>	<u>\$ 2,985,029</u>	<u>\$ 4,757,399</u>	<u>\$ 68,633,800</u>
\$ -	-	\$ 9,076	\$ 1,423,921
-	-	118,723	1,368,753
-	-	968,892	12,286,783
-	2,985,029	1,688,164	8,250,850
227,456	-	-	6,719,558
-	-	1,123,689	1,302,778
<u>227,456</u>	<u>2,985,029</u>	<u>3,908,544</u>	<u>31,352,643</u>
<u>240,917</u>	<u>-</u>	<u>-</u>	<u>1,232,862</u>
240,917	-	-	1,232,862
-	-	-	395,551
-	-	-	644,968
-	-	38,752	1,092,909
2,533,308	-	-	4,271,153
-	-	-	100,000
-	-	776,662	1,808,509
-	-	288,918	288,918
-	-	-	161,397
-	-	(255,477)	27,284,890
<u>2,533,308</u>	<u>-</u>	<u>848,855</u>	<u>36,048,295</u>
<u>\$ 3,001,681</u>	<u>\$ 2,985,029</u>	<u>\$ 4,757,399</u>	<u>\$ 68,633,800</u>

Wichita Falls Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position
 June 30, 2020

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS, balance sheet		\$ 36,048,295
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.		240,800,569
Accumulated depreciation has not been included in the governmental fund financial statements.		(110,277,734)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:		
Bonds and notes payable	\$ (76,435,000)	
Compensated absences	(1,031,847)	
Capital lease	(1,737,845)	(79,204,692)
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.		(1,332,938)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.		(5,237,481)
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.		1,213,559
Revenue reported as a deferred inflow of resources in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.		1,232,862
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.		3,773,490
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	\$ (33,597,439)	
Deferred outflows - pension related items	16,543,992	
Deferred inflows - pension related items	(9,866,703)	(26,920,150)
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	\$ (48,344,019)	
Deferred outflows - OPEB related items	5,743,833	
Deferred inflows - OPEB related items	(23,330,277)	(65,930,463)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES, statement of net position		\$ (5,834,683)

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, 2020

<u>Data Control Codes</u>		<u>10 General Fund</u>	<u>24 Child Nutrition Fund</u>
REVENUES			
5700	Local and intermediate sources	\$ 46,143,956	\$ 1,183,678
5800	State program revenues	76,213,426	34,019
5900	Federal program revenues	4,081,190	6,376,210
5020	Total revenues	<u>126,438,572</u>	<u>7,593,907</u>
EXPENDITURES			
Current:			
0011	Instruction	76,078,784	-
0012	Instructional resources and media services	1,549,805	-
0013	Curriculum and staff development	1,252,197	-
0021	Instructional leadership	2,680,683	-
0023	School leadership	7,559,906	-
0031	Guidance, counseling, and evaluation services	4,645,045	-
0032	Social work services	371,241	-
0033	Health services	1,738,862	-
0034	Student transportation	2,847,277	-
0035	Food services	-	7,684,309
0036	Cocurricular/extracurricular activities	3,519,822	-
0041	General administration	4,624,358	-
0051	Facilities maintenance and operations	11,098,621	-
0052	Security and monitoring services	628,949	-
0053	Data processing services	3,927,520	-
0061	Community services	3,506	-
Debt service:			
0071	Principal on long-term debt	1,227,982	-
0072	Interest on long-term debt	156,086	-
0073	Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities maintenance and operations	965,380	-
Intergovernmental charges:			
0093	Payments to shared service arrangements	83,993	-
0095	Payments related to juvenile justice alternative education program	20,124	-
0099	Other intergovernmental charges	565,438	-
6030	Total expenditures	<u>125,545,579</u>	<u>7,684,309</u>
1100	Excess (deficiency) of revenues over (under) expenditures	892,993	(90,402)
OTHER FINANCING SOURCES (USES)			
7913	Proceeds from capital lease	1,167,289	-
7912	Sale of real or personal property	12,254	159
7915	Transfers in	409,844	-
8911	Transfers out	(1,117,055)	(193,000)
7080	Total other financing sources and (uses)	<u>472,332</u>	<u>(192,841)</u>
1200	Net change in fund balances	1,365,325	(283,243)
0100	Fund balances, beginning, July 1	<u>30,246,650</u>	<u>1,337,400</u>
3000	FUND BALANCES, ending, June 30	<u><u>\$ 31,611,975</u></u>	<u><u>\$ 1,054,157</u></u>

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

50			98
Debt Service Fund	ESSER School Emergency Relief Fund	Other Governmental Funds	Total Governmental Funds
\$ 8,331,892	\$ -	\$ 1,156,676	\$ 56,816,202
391,973	-	1,692,002	78,331,420
-	2,985,029	11,245,907	24,688,336
<u>8,723,865</u>	<u>2,985,029</u>	<u>14,094,585</u>	<u>159,835,958</u>
-	2,985,029	8,857,475	87,921,288
-	-	70,421	1,620,226
-	-	982,156	2,234,353
-	-	785,498	3,466,181
-	-	345,492	7,905,398
-	-	2,267,823	6,912,868
-	-	216,739	587,980
-	-	2,062	1,740,924
-	-	60,732	2,908,009
-	-	2,673	7,686,982
-	-	181,676	3,701,498
-	-	32,566	4,656,924
-	-	9,776	11,108,397
-	-	-	628,949
-	-	140,637	4,068,157
-	-	465,182	468,688
5,215,000	-	-	6,442,982
3,304,500	-	-	3,460,586
7,500	-	-	7,500
-	-	-	965,380
-	-	105,000	188,993
-	-	-	20,124
-	-	-	565,438
<u>8,527,000</u>	<u>2,985,029</u>	<u>14,525,908</u>	<u>159,267,825</u>
196,865	-	(431,323)	568,133
-	-	-	1,167,289
-	-	-	12,413
-	-	580,159	990,003
-	-	(216,844)	(1,526,899)
<u>-</u>	<u>-</u>	<u>363,315</u>	<u>642,806</u>
196,865	-	(68,008)	1,210,939
<u>2,336,443</u>	<u>-</u>	<u>916,863</u>	<u>34,837,356</u>
<u>\$ 2,533,308</u>	<u>\$ -</u>	<u>\$ 848,855</u>	<u>\$ 36,048,295</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, 2020

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,210,939
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.	3,266,090
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:	(9,649,748)
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:	6,175,000
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.	657,078
Capital lease additions are reported as other financing sources on the governmental fund financial statements, but as increases of long-term debt in the government-wide financial statements.	(1,556,385)
Transfer to Governmental Activities due to the closure of the Print Shop internal service fund. This is the net amount of transfers and capital leases transferred over to the governmental activities.	81,746
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:	103,437
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:	15,590
Bond premiums are expended 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:	871,748
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.	(530,279)
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.	985,909
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	\$ (5,649,231)
Deferred inflows increase	(6,994,922)
Net pension liability decrease	<u>8,771,567</u> (3,872,586)
The net change in the net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not provide or require the use of current financial resources and is not reported as revenues or expenditures in the governmental funds. The net change consists of:	
Deferred outflows increase	1,448,356
Deferred inflows increase	(6,043,268)
Net OPEB liability decrease	<u>4,396,486</u> (198,426)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,613,252)</u>

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, 2020

Exhibit D-1

<u>Data Control Codes</u>		<u>Internal Service Funds</u>
	ASSETS	
	Current assets:	
1110	Cash and cash equivalents	\$ 22,730
1120	Investments	560,882
	Receivables:	
1260	Due from other funds	3,560,939
1410	Prepays	10,939
	Total current assets	<u>4,155,490</u>
1000	Total assets	4,155,490
	LIABILITIES	
	Noncurrent liabilities:	
2590	Claims and judgments	<u>382,000</u>
	Total noncurrent liabilities	<u>382,000</u>
2000	Total liabilities	382,000
	NET POSITION	
3900	Unrestricted	<u>3,773,490</u>
3000	TOTAL NET POSITION	<u><u>\$ 3,773,490</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, 2020

Exhibit D-2

<u>Data Control Codes</u>		<u>Internal Service Funds</u>
OPERATING REVENUES		
5700	Total local and intermediate sources	<u>\$ 1,043,660</u>
5020	Total operating revenues	1,043,660
OPERATING EXPENSES		
6100	Payroll costs	91,481
6200	Professional and contracted services	192
6300	Supplies and materials	1,905
6400	Other operating costs	<u>427,269</u>
6030	Total operating expenses	<u>520,847</u>
	Operating income	522,813
NONOPERATING REVENUES		
7955	Earnings from temporary deposits and investments	<u>7,946</u>
8030	Total non-operating revenues	7,946
7915	Transfers in	<u>455,150</u>
1300	Change in net position	<u>985,909</u>
0100	Net position, beginning, September 1	<u>2,787,581</u>
3300	TOTAL NET POSITION, ending, June 30	<u><u>\$ 3,773,490</u></u>

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, 2020

Exhibit D-3

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash payments for quasi-external operating transactions with others	\$ (99,701)
Cash payments to employees for services	(91,481)
Cash payments to other suppliers for goods and services	(425,189)
	<hr/>
Net cash used in operating activities	(616,371)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	536,896
	<hr/>
Net cash provided by noncapital financing activities	536,896
	<hr/>
Net decrease in cash and cash equivalents	(79,475)
CASH AND CASH EQUIVALENTS, beginning of year	102,205
	<hr/>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 22,730</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH	
CASH USED IN OPERATING ACTIVITIES	
Operating income	\$ 522,813
Adjustments to reconcile operating income to net cash used in operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(590,545)
Decrease in prepaids	177
Decrease in due to other funds	(552,816)
Increase in claims liability	4,000
	<hr/>
NET CASHED USED IN OPERATING ACTIVITIES	<u>\$ (616,371)</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, 2020

Exhibit E-1

Data Control Codes		Private-Purpose Trust Funds	Agency Fund
	ASSETS		
1110	Cash and cash equivalents	\$ 683,546	\$ 225,968
1290	Other receivables	-	18,692
1000	TOTAL ASSETS	<u>683,546</u>	<u>\$ 244,660</u>
	LIABILITIES		
2190	Due to student groups	-	244,660
2000	TOTAL LIABILITIES	-	<u>\$ 244,660</u>
	NET POSITION		
3000	Held in trust	<u>683,546</u>	
	TOTAL NET POSITION	<u>\$ 683,546</u>	

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

Wichita Falls Independent School District

Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

Exhibit E-2

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Gifts and bequests	\$ 215,162
DEDUCTIONS	
Scholarship awards	<u>(245,000)</u>
Change in net position	(29,838)
Net position, beginning	<u>713,384</u>
NET POSITION, ending	<u><u>\$ 683,546</u></u>

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

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Wichita Falls Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

Wichita Falls Independent School District

Notes to the Financial Statements

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

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements. Agency funds also use the accrual basis of accounting, however, they have no measurement focus.

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.

ESSER Schools Emergency Relief Fund

This fund accounts for the District's receipt of the Elementary and Secondary School Emergency Relief (ESSER) grant. This grant was allocated to districts that received Title I, Part A funding in school year 2019-2020.

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

Private Purpose Trust Funds

The District accounts for donations for which the donor stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's private purpose trust funds include the Ryan Scholarship Fund and Renton Aviation Fund.

Wichita Falls Independent School District

Notes to the Financial Statements

Agency Funds

The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency fund is the student activity fund. Agency funds typically involve only the receipt, temporary investment, and remittance of resources to individuals, private organizations, or governments.

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, 2020 to finance general fund operations and the payment of principal and interest on general obligation debt were \$1.17 and \$0.18 per \$100 valuation, respectively, for a total of \$1.35 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, 2020, 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	1,031,847	-	1,031,847
Campus Activity Funds	-	776,662	776,662
Totals	\$ 1,131,847	\$ 776,662	\$ 1,908,509

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, 2020 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.

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, 2020, the District invested in TexPool and TexasTERM.

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

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

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

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

Wichita Falls Independent School District

Notes to the Financial Statements

TexasTERM Local Government Investment Pool (TexasTERM) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (PFIA). TexasTERM offers a series of professionally managed portfolios that are available to municipalities, counties, school districts, special districts and other governmental entities in the State of Texas. An Advisory Board is responsible for the overall management of TexasTERM. With respect to TexasTERM, the Advisory Board's responsibilities include the formulation and implementation of its investment and operating policies. TexasTERM complies with statutory investment restrictions for Texas local governments as provided in the PFIA. The Investment Advisor and Administrator for TexasTERM is PFM Asset Management LLC. Weighted average maturity for TexasTERM is 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, 2020 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 5,907,951
Investments	29,580,998
Fiduciary funds:	
Cash and cash equivalents	<u>909,514</u>
Total cash and investments	\$ 36,398,463
Cash on hand	\$ 4,183
Deposits with financial institutions	6,813,282
Investments	<u>29,580,998</u>
Total cash and investments	\$ 36,398,463

Credit Risk

For the fiscal year ended June 30, 2020, 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, 2020, the District's bank balance of \$7,208,849, 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. With the exception of the date of highest balance, November 22, 2019, the District's cash deposits for the fiscal year ended June 30, 2020 were covered by the FDIC and pledged securities.

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

- a. Depository: American National Bank.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$17,590,109.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$19,322,504 and occurred on November 22, 2019.
- 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, 2020 consisted of the following individual fund receivables and payables:

Payable Fund	Receivable Fund	Amount	Primary Purpose
General Fund	Internal Service Funds	\$ 3,560,939	Short-term borrowing
Nonmajor Governmental Funds	General Fund	1,688,164	Short-term borrowing
General Fund	Child Nutrition Fund	16,718	Short-term borrowing
ESSER School Emergency Relief Fund	General Fund	2,985,029	Short-term borrowing
		\$ 8,250,850	

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, 2020 includes the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Nonmajor governmental funds	\$ 175,000	Supplement other funds
Child Nutrition Fund	General Fund	193,000	Supplement other funds
Nonmajor governmental funds	General Fund	216,844	Supplement other funds
General Fund	Nonmajor governmental funds	405,159	Supplement other funds
General Fund	Internal Service Fund	536,896	
			Transfer of capital assets and capital leases
Internal Service Fund	*	81,746	
		\$ 1,608,645	

* Transfers out of the Internal Service Fund include a \$81,746 transfer of capital assets and capital lease liabilities to the Governmental Activities.

Note 4. Capital Asset Activity

Capital asset activity for the District for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 12,015,106	\$ -	\$ -	\$ -	\$ 12,015,106
Construction in progress	985,728	615,595	-	(1,423,823)	177,500
Total capital assets not being depreciated	13,000,834	615,595	-	(1,423,823)	12,192,606
Capital assets being depreciated:					
Buildings and improvements	204,297,544	384,444	(8,120)	1,423,823	206,097,691
Furniture and equipment	17,663,293	709,666	(101,789)	-	18,271,170
Property under capital lease	2,682,717	1,556,385	-	-	4,239,102
Total capital assets being depreciated	224,643,554	2,650,495	(109,909)	1,423,823	228,607,963
Less accumulated depreciation for:					
Buildings and improvements	85,059,359	8,133,774	(8,120)	-	93,185,013
Furniture and equipment	14,891,269	1,280,663	(101,789)	-	16,070,143
Property under capital lease	787,267	235,311	-	-	1,022,578
Total accumulated depreciation	100,737,895	9,649,748	(109,909)	-	110,277,734
Total capital assets being depreciated, net	123,905,659	(6,999,253)	-	1,423,823	118,330,229
Governmental activities capital assets, net	\$ 136,906,493	\$ (6,383,658)	\$ -	\$ -	\$ 130,522,835

Wichita Falls Independent School District

Notes to the Financial Statements

Depreciation expense was charged to governmental functions as follows:

Governmental Function	Depreciation
Instruction	\$ 5,492,435
Instructional resources and media services	100,982
Curriculum and staff development	133,988
Instructional leadership	237,390
School leadership	503,800
Guidance, counseling and evaluation services	420,523
Social work services	37,452
Health services	110,714
Student transportation	233,082
Food services	509,899
Co-curricular/ Extracurricular activities	255,001
General administration	467,584
Plant maintenance and operations	762,852
Security and monitoring services	54,087
Data processing services	296,904
Community services	33,055
Total depreciation expense	\$ 9,649,748

Note 5. Long-term Debt

Long-term obligation activity

Long-term obligation activities during the fiscal year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 75,470,000	\$ -	\$ (5,215,000)	\$ 70,255,000	\$ 5,465,000
Bond premium (discount)	6,109,229	-	(871,748)	5,237,481	-
Total bonds payable	81,579,229	-	(6,086,748)	75,492,481	5,465,000
Note payable	7,140,000	-	(960,000)	6,180,000	980,000
Capital leases payable	838,538	1,556,385	(657,078)	1,737,845	662,117
Compensated absences	1,047,437	690,887	(706,477)	1,031,847	198,138
Net pension liability	42,369,006	3,796,835	(12,568,402)	33,597,439	-
Net OPEB liability	52,740,505	5,025,914	(9,422,400)	48,344,019	-
Total long-term liabilities	\$ 185,714,715	\$ 11,070,021	\$ (30,401,105)	\$ 166,383,631	\$ 7,305,255

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

Unlimited tax bonds and the maintenance tax note outstanding as of June 30, 2020 are as follows:

Purpose and Lawful Authority	Interest Rate	Amount	Amounts Outstanding 7/1/2019	Issued	Retired	Amounts Outstanding 6/30/2020
Unlimited Tax Refunding Bonds, Series 2015	2.125% to 5.00%	\$ 35,350,000	\$ 29,380,000	\$ -	\$ 3,170,000	\$ 26,210,000
Unlimited Tax School Building Bonds, Series 2015	1.00% to 5.00%	53,645,000	46,090,000	-	2,045,000	44,045,000
Maintenance Tax Notes, Series 2016	2.00%	9,000,000	7,140,000	-	960,000	6,180,000
			<u>\$ 82,610,000</u>	<u>\$ -</u>	<u>\$ 6,175,000</u>	<u>\$ 76,435,000</u>

Debt service requirements are as follows:

Years Ending June 30,	Principal Requirements	Interest Requirements	Total Requirements
2021	\$ 6,445,000	\$ 3,199,050	\$ 9,644,050
2022	6,655,000	2,906,200	9,561,200
2023	6,865,000	2,768,813	9,633,813
2024	7,160,000	2,495,350	9,655,350
2025	7,500,000	2,168,550	9,668,550
2026 - 2030	23,735,000	6,877,825	30,612,825
2031 - 2035	18,075,000	2,794,425	20,869,425
	<u>\$ 76,435,000</u>	<u>\$ 23,210,213</u>	<u>\$ 99,645,213</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, 2020.

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
2021	\$ 670,364
2022	610,356
2023	469,158
2024	-
Total payments	1,749,878
Less: Interest	<u>\$ (12,033)</u>
Total	<u>\$ 1,737,845</u>

Wichita Falls Independent School District

Notes to the Financial Statements

Note 7. Revenue from Local and Intermediate Sources

During the fiscal year ended June 30, 2020, the District received revenues from local and intermediate sources consisting of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Property taxes-current	\$ 43,610,417	\$ -	\$ 8,092,269	\$ -	\$ 51,702,686
Property taxes-delinquent	795,223	-	137,702	-	932,925
Penalties, interest, and other	480,328	-	73,108	-	553,436
Investment earnings	570,097	9,646	28,813	2,996	611,552
Rent	149,161	-	-	-	149,161
Food service income	-	1,174,032	-	-	1,174,032
Gifts and bequest	32,681	-	-	211,919	244,600
Campus activity	-	-	-	517,332	517,332
Cocurricular/extracurricular activities	293,122	-	-	-	293,122
Other	212,927	-	-	424,429	637,356
Total local revenue	\$ 46,143,956	\$ 1,183,678	\$ 8,331,892	\$ 1,156,676	\$ 56,816,202

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.

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_cafir.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.

Wichita Falls Independent School District

Notes to the Financial Statements

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

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

	Contribution Rates	
	2020	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	6.8%
Employers (District)	7.5%	6.8%
Employers (District - Non-OASDI)*	1.5%	1.5%

*SB12 requires an increase in employer contributions by public school districts, charter schools and regional education service centers. Prior to SB12, only those employers not participating in social security were required to pay a 1.5% contributions (Non-OASDI surcharge). Beginning September 1, 2019 all employers are required to pay the Public Education Employer contribution irrespective of participation in social security.

The contribution amounts for the District's fiscal year 2020 are as follows:

2020 District contributions	\$	2,706,170
2020 Member contributions		7,055,256
2020 NECE on-behalf contributions (State)		4,781,107

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).

Wichita Falls Independent School District

Notes to the Financial Statements

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

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

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

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

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, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019 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 2019	2.63%. 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)	2116
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 arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Arithmetic Real Rate of Return
Global equity:		
U.S.	18.00%	5.70%
Non-U.S. developed	13.00%	6.90%
Emerging markets	9.00%	8.95%
Directional hedge funds	4.00%	3.53%
Private equity	13.00%	10.18%
Stable value:		
U.S. treasuries	11.00%	1.11%
Stable value hedge funds	4.00%	3.09%
Real return:		
Global inflation linked bonds	3.00%	0.70%
Real estate	14.00%	5.21%
Energy, natural resources and infrastructure	5.00%	7.48%
Risk parity:		
Risk parity	5.00%	3.70%
Asset allocation leverage cash	1.00%	-0.30%
Totals	<u>100.00%</u>	

*FY 2019 target allocation based on the strategic asset allocation dated 10/1/2018

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%)
\$ 51,644,144	\$ 33,597,439	\$ 18,976,124

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

At June 30, 2020, the District reported a liability of \$33,597,439 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	\$ 33,597,439
State's proportionate share that is associated with District	<u>64,367,245</u>
Total	<u><u>\$ 97,964,684</u></u>

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

At August 31, 2019 the District's proportion of the collective net pension liability was 0.0646314% which was a decrease of 0.0123437% from its proportion measured as of August 31, 2018.

I. Changes Since the Prior Actuarial Valuation.

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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, 2020, the District recognized pension expense of \$13,983,773 and revenue of \$10,111,187 for support provided by the state.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 141,139	\$ 1,166,556
Changes in actuarial assumptions	10,423,575	4,307,515
Difference between projected and actual investment earnings	337,357	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,296,739	4,392,632
Contributions paid to TRS subsequent to the measurement date	2,345,182	-
Total	\$ 16,543,992	\$ 9,866,703

\$2,345,182 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, 2021. 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)
2021	\$ 1,629,388
2022	1,203,747
2023	1,242,294
2024	1,077,787
2025	(245,488)
Thereafter	(575,621)
Total	\$ 4,332,107

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

TRS-Care Plan Premium Rates
Effective January 1, 2019 - December 31, 2019

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

*or surviving spouse

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. The following table shows contributions to the TRS-Care plan by type of contributor.

	2020	2019
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2020 are as follows:

2020 District contributions	\$ 799,787
2020 Member contributions	595,574
2020 NECE on-behalf contributions (state)	1,037,563

In addition, the State of Texas contributed \$400,607 and \$317,669, in 2020 and 2019, 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 \$73.6 million in fiscal year 2019.

E. Actuarial Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019.

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, 2019 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.

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50 % over a period of 13 years.

Wichita Falls Independent School District

Notes to the Financial Statements

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

Actuarial cost method	Individual entry age normal
Single discount rate	2.63%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 50% 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

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

F. Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability at August 31, 2019. This was a decrease of 1.06% in the discount rate since the August 31, 2018 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.

1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
\$ 58,366,743	\$ 48,344,019	\$ 40,503,233

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.

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 39,437,355	\$ 48,344,019	\$ 60,274,589

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

At June 30, 2020, the District reported a liability of \$48,344,019 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	\$ 48,344,019
State's proportionate share of the net OPEB liability associated with the District	64,238,388
	<u>\$ 112,582,407</u>

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2018 rolled forward to August 31, 2019. 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, 2018 through August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.102226%, which was a decrease of 0.0034008% from its proportion measured as of August 31, 2018.

Wichita Falls Independent School District

Notes to the Financial Statements

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

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

For the fiscal year ended June 30, 2020, the District recognized total OPEB expense of \$2,691,273 and revenue of \$1,693,060 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,371,685	\$ 7,910,986
Changes of assumptions	2,685,133	13,003,355
Net difference between projected and actual earnings on investments	5,216	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	154	2,415,936
District contributions after measurement date	681,645	-
	<u>\$ 5,743,833</u>	<u>\$ 23,330,277</u>

\$681,645 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, 2021. 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,	
2021	\$ (2,977,487)
2022	(2,977,487)
2023	(2,979,175)
2024	(2,980,141)
2025	(2,979,877)
Thereafter	(3,373,922)
	<u>\$ (18,268,089)</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, 2020, the worker's compensation benefit obligation consisted of \$382,000 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:

	2020	2019
Claims payable, beginning of year	\$ 378,000	\$ 432,000
Claims incurred	197,000	331,000
Claim payments	(14,000)	(206,000)
Excess coverage	(179,000)	(179,000)
Claims payable, end of year	\$ 382,000	\$ 378,000

Other Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2020, 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, 2020 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, 2020.

The District completed the deck coating and repairs to the stadium by June 30, 2020. There are no remaining construction commitments outstanding.

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	\$ 1,647	\$ 52,849	\$ 54,496
Burkburnett ISD	1,647	76,828	78,475
Clay-Jack Coop	3,953	94,528	98,481
Graham ISD	329	13,293	13,622
Greenbelt Coop	659	12,886	13,545
Haskell/Knox Coop	-	-	-
Montague County Coop	3,624	83,681	87,305
Vernon ISD	659	24,017	24,676
West Wichita County Coop	1,976	79,680	81,656
Wichita Falls ISD	10,871	383,404	394,275
Totals	\$ 25,365	\$ 821,166	\$ 846,531

Note 13. Nonmonetary Transactions

During the fiscal year ended June 30, 2020, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$1,202,215. The district receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$1,202,215 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

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally. Potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District's operations and financial results at this time.

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2020 through November 5, 2020, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

Required Supplementary Information

Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund
 For the Fiscal Year Ended June 30, 2020

Exhibit G-1
 Page 1 of 2

Data Control Codes		1		2	3	Variance With Final Budget Positive (Negative)
		Budgeted Amounts		Final	Actual	
		Original				
REVENUES						
5700	Local and intermediate sources	\$ 47,868,687	\$	46,169,369	\$ 46,143,956	\$ (25,413)
5800	State program revenues	61,275,395		80,240,715	76,213,426	(4,027,289)
5900	Federal program revenues	4,411,624		3,987,053	4,081,190	94,137
5020	Total revenues	113,555,706		130,397,137	126,438,572	(3,958,565)
EXPENDITURES						
Current:						
Instruction & instructional related services:						
0011	Instruction	69,314,285		79,673,037	76,078,784	3,594,253
0012	Instructional resources and media services	1,424,891		1,577,638	1,549,805	27,833
0013	Curriculum and staff development	1,246,241		1,333,328	1,252,197	81,131
	Total instruction & inst. related services	71,985,417		82,584,003	78,880,786	3,703,217
Instructional and school leadership:						
0021	Instructional leadership	2,520,618		2,959,213	2,680,683	278,530
0023	School leadership	7,010,186		7,767,833	7,559,906	207,927
	Total instructional & school leadership	9,530,804		10,727,046	10,240,589	486,457
Support services - student (pupil) :						
0031	Guidance, counseling, and evaluation services	4,084,631		4,483,787	4,645,045	(161,258)
0032	Social work services	295,592		323,277	371,241	(47,964)
0033	Health services	1,594,913		1,771,105	1,738,862	32,243
0034	Student transportation	2,621,960		3,113,960	2,847,277	266,683
0036	Cocurricular/extracurricular activities	3,675,384		3,759,576	3,519,822	239,754
	Total support services - student (pupil)	12,272,480		13,451,705	13,122,247	329,458
Administration support services:						
0041	General administration	4,215,625		4,672,871	4,624,358	48,513
	Total administrative support service	4,215,625		4,672,871	4,624,358	48,513
Support services:						
0051	Facilities maintenance and operations	11,364,822		11,861,135	11,098,621	762,514
0052	Security and monitoring services	646,761		695,272	628,949	66,323
0053	Data processing services	2,806,444		4,787,846	3,927,520	860,326
	Total support services - nonstudent based	14,818,027		17,344,253	15,655,090	1,689,163
Ancillary services:						
0061	Community services	3,850		5,340	3,506	1,834
	Total ancillary services	3,850		5,340	3,506	1,834
Debt service:						
0071	Principal on long-term debt	1,230,358		1,227,982	1,227,982	-
0072	Interest on long-term debt	153,712		156,086	156,086	-
	Total debt services	1,384,070		1,384,068	1,384,068	-
Capital outlay:						
0081	Capital outlay	105,098		1,013,502	965,380	48,122
	Total capital outlay	105,098		1,013,502	965,380	48,122
Intergovernmental charges:						
0093	Payments to fiscal agent/member dist. - SSA	100,000		100,000	83,993	16,007
0095	Payments related to juvenile justice alternative education program	12,000		25,000	20,124	4,876
0099	Other intergovernmental charges	567,000		566,257	565,438	819
	Total intergovernmental charges	679,000		691,257	669,555	21,702
6030	Total expenditures	114,994,371		131,874,045	125,545,579	6,328,466

Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund – Continued
 For the Fiscal Year Ended June 30, 2020

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	(1,438,665)	(1,476,908)	892,993	2,369,901
	OTHER FINANCING SOURCES (USES)				
7913	Proceeds from capital lease	-	-	1,167,289	1,167,289
7912	Sale of real or personal property	50,000	50,000	12,254	(37,746)
7915	Transfers in	413,000	413,000	409,844	(3,156)
8911	Transfers out	(175,000)	(175,000)	(1,117,055)	(942,055)
7080	Total other financing sources (uses)	288,000	288,000	472,332	184,332
1200	Net change in fund balance	(1,150,665)	(1,188,908)	1,365,325	2,554,233
0100	Fund balances, beginning	30,246,650	30,246,650	30,246,650	-
3000	FUND BALANCES, ending	<u>\$ 29,095,985</u>	<u>\$ 29,057,742</u>	<u>\$ 31,611,975</u>	<u>\$ 2,554,233</u>

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, 2020

Exhibit G-2

Data Control Codes		1 Budgeted Amounts		3	Variance With Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Total local and intermediate sources	\$ 1,440,515	\$ 1,440,515	\$ 1,183,678	\$ (256,837)
5800	State program revenues	152,247	152,247	34,019	(118,228)
5900	Federal program revenues	6,695,289	6,695,289	6,376,210	(319,079)
5020	Total revenues	8,288,051	8,288,051	7,593,907	(694,144)
EXPENDITURES					
0035	Food service	7,843,558	7,843,558	7,684,309	159,249
6030	Total expenditures	7,843,558	7,843,558	7,684,309	159,249
1100	Excess of revenues over expenditures	444,493	444,493	(90,402)	(534,895)
OTHER FINANCING SOURCES (USES)					
7912	Sale of property	-	-	159	159
8911	Transfers out	(193,000)	(193,000)	(193,000)	-
6030	Total other financing sources (uses)	(193,000)	(193,000)	(192,841)	159
1200	Net change in fund balances	251,493	251,493	(283,243)	(534,736)
0100	Fund balance, beginning	1,337,400	1,337,400	1,337,400	-
3000	FUND BALANCE, ending	<u>\$ 1,588,893</u>	<u>\$ 1,588,893</u>	<u>\$ 1,054,157</u>	<u>\$ (534,736)</u>

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 Six Fiscal Years*

	<u>2020</u>
District's proportion of the net pension liability	0.0646314%
District's proportionate share of net pension liability	\$ 33,597,439
State's proportionate share of the net pension liability associated with the District	<u>64,367,245</u>
TOTAL	<u>\$ 97,964,684</u>
District's covered payroll	\$ 81,962,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	40.99%
Plan fiduciary net position as a percentage of the total pension liability	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, 2019 - the period from September 1, 2018 - August 31, 2019.

* 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 Six Fiscal Years***

	<u>2020 *</u>
Contractually required contribution	\$ 2,706,170
Contribution in relation to the contractually required contribution	<u>(2,706,170)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u><u>\$ -</u></u>
District's covered payroll	\$ 91,626,695
Contributions as a percentage of covered payroll	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, 2018 - August 31, 2019.

* 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 Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.1022262%	0.1056270%	0.1067345%
District's proportionate share of net OPEB liability	\$ 48,344,019	\$ 52,740,505	\$ 46,414,842
State's proportionate share of the net OPEB liability associated with the District	<u>64,238,388</u>	<u>66,948,830</u>	<u>60,491,454</u>
TOTAL	<u><u>\$ 112,582,407</u></u>	<u><u>\$ 119,689,335</u></u>	<u><u>\$ 106,906,296</u></u>
District's covered payroll	\$ 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	58.98%	64.28%	56.68%
Plan fiduciary net position as a percentage of the total OPEB liability	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 p
 * 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 Three Fiscal Years***

Exhibit G-6

	<u>2020 *</u>	<u>2019 *</u>	<u>2018 **</u>
Contractually required contribution	\$ 799,787	\$ 607,232	\$ 729,149
Contribution in relation to the contractually required contribution	<u>(799,787)</u>	<u>(607,232)</u>	<u>(729,149)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 91,626,695	\$ 68,352,841	\$ 82,044,781
Contributions as a percentage of covered payroll	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 both Guidance, Counseling, and Evaluation Services as well as Social Work Services, these functions exceeded appropriation due to payroll reclassification of Head Start positions from the Head Start grant Fund 205 to Fund 199 for positions not funded by Head Start. These payroll changes were not taken to the board of trustees as budget revisions.

Function	Final Budget	Actual Expenditures	Variance
Guidance, counseling, and evaluation services	\$ 4,483,787	\$ 4,645,045	\$ (161,258)
Social work services	323,277	371,241	(47,964)

Combining Statements and Schedules

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

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	
ASSETS					
1110	Cash and cash equivalents	\$ 408,468	\$ 3,845	\$ 1	\$ -
1120	Current investments	-	-	-	-
1240	Due from other governments	351,327	2,914	653,200	14,759
1290	Other receivables	-	-	-	2,600
1300	Inventories	-	-	-	-
1000	TOTAL ASSETS	759,795	6,759	653,201	17,359
LIABILITIES					
Current liabilities;					
2110	Accounts payable	-	-	-	-
2150	Payroll deductions & withholdings	35,661	204	26,434	-
2160	Accrued wages payable	264,813	1,860	268,048	-
2170	Due to other funds	459,321	4,695	358,719	17,359
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total liabilities	759,795	6,759	653,201	17,359
FUND BALANCES					
Restricted:					
3450	Federal/state funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed fund balance	-	-	-	-
Assigned					
3550	Reserve for capital projects transfer in	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 759,795	\$ 6,759	\$ 653,201	\$ 17,359

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
\$ 3,560	\$ 27,166	\$ 4,049	\$ -	\$ 38	\$ -	\$ 11,189
-	-	-	-	-	-	-
15,842	557,875	3,031	1,723	21,162	55,724	9,151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,402	585,041	7,080	1,723	21,200	55,724	20,340
-	-	-	-	-	-	-
1,377	34,921	228	-	-	1,458	-
8,156	263,600	6,852	-	-	6,678	-
9,869	286,520	-	1,723	21,200	47,588	20,340
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,402	585,041	7,080	1,723	21,200	55,724	20,340
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 19,402	\$ 585,041	\$ 7,080	\$ 1,723	\$ 21,200	\$ 55,724	\$ 20,340

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 June 30, 2020

Data Control Codes		272 MAC Program	287/291 Department of Defense Grant	288 HIPPY Grant	289 Summer School
ASSETS					
1110	Cash and cash equivalents	\$ 285,596	\$ 12,530	\$ 163	\$ 1,900
1120	Current investments	-	-	-	-
1240	Due from other governments	-	16,822	70,920	48,111
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total assets	285,596	29,352	71,083	50,011
LIABILITIES					
Current liabilities					
2110	Accounts payable	-	-	403	7,400
2150	Payroll deductions & withholdings	-	858	2,558	441
2160	Accrued wages payable	-	3,208	19,573	1,910
2170	Due to other funds	-	25,286	48,549	40,260
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	285,596	-	-	-
2000	Total liabilities	285,596	29,352	71,083	50,011
FUND BALANCES					
Restricted:					
3450	Federal/state funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed fund balance	-	-	-	-
Assigned					
3550	Reserve for capital projects transfer in	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 285,596	\$ 29,352	\$ 71,083	\$ 50,011

315 IDEA-B Discretionary	316 IDEA-B Deaf	397 Advanced Placement Incentives	410 State Textbook Fund	415 Kindergarten and Pre-K Grant	427 HOPES Grant
\$ 268	\$ 190	\$ -	\$ 455,755	\$ -	\$ 7,181
-	-	-	-	-	-
-	-	-	-	50	23,173
-	-	-	-	-	-
-	-	-	-	-	-
<u>268</u>	<u>190</u>	<u>-</u>	<u>455,755</u>	<u>50</u>	<u>30,354</u>
261	-	-	-	-	-
-	-	-	-	-	509
-	-	-	-	-	4,197
7	-	-	-	2,653	19,511
-	-	-	-	-	-
-	-	-	423,330	-	-
<u>268</u>	<u>-</u>	<u>-</u>	<u>423,330</u>	<u>2,653</u>	<u>24,217</u>
-	190	-	32,425	-	6,137
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,603)	-
<u>-</u>	<u>190</u>	<u>-</u>	<u>32,425</u>	<u>(2,603)</u>	<u>6,137</u>
<u>\$ 268</u>	<u>\$ 190</u>	<u>\$ -</u>	<u>\$ 455,755</u>	<u>\$ 50</u>	<u>\$ 30,354</u>

Wichita Falls Independent School District
 Combining Balance Sheet
 Nonmajor Governmental Funds – Continued
 June 30, 2020

Data Control Codes	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	480 No Kid Hungry Grant	
ASSETS					
1110	Cash and cash equivalents	\$ 192,938	\$ -	\$ 776,662	\$ 11,827
1120	Current investments	-	-	-	-
1240	Due from other governments	-	220,929	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	TOTAL ASSETS	192,938	220,929	776,662	11,827
LIABILITIES					
Current liabilities					
2110	Accounts payable	-	-	-	-
2150	Payroll deductions & withholdings	-	14,074	-	-
2160	Accrued wages payable	-	119,997	-	-
2170	Due to other funds	-	324,564	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	204,649	-	-	11,827
2000	Total liabilities	204,649	458,635	-	11,827
FUND BALANCES					
Restricted:					
3450	Federal/state funds grant restrictions	-	-	-	-
Committed:					
3545	Other committed fund balance	-	-	776,662	-
Assigned					
3550	Reserve for capital projects transfer in	-	-	-	-
3600	Unassigned	(11,711)	(237,706)	-	-
3000	Total fund balances	(11,711)	(237,706)	776,662	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 192,938	\$ 220,929	\$ 776,662	\$ 11,827

489 West Foundation	Total Special Revenue Funds	60 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 186,969	\$ 2,390,295	\$ 288,843	\$ 2,679,138
-	-	75	75
-	2,066,713	-	2,066,713
-	2,600	-	2,600
8,873	8,873	-	8,873
<hr/>	<hr/>	<hr/>	<hr/>
195,842	4,468,481	288,918	4,757,399
1,012	9,076	-	9,076
-	118,723	-	118,723
-	968,892	-	968,892
-	1,688,164	-	1,688,164
-	-	-	-
198,287	1,123,689	-	1,123,689
<hr/>	<hr/>	<hr/>	<hr/>
199,299	3,908,544	-	3,908,544
-	38,752	-	38,752
-	776,662	-	776,662
-	-	288,918	288,918
(3,457)	(255,477)	-	(255,477)
<hr/>	<hr/>	<hr/>	<hr/>
(3,457)	559,937	288,918	848,855
<hr/>	<hr/>	<hr/>	<hr/>
\$ 195,842	\$ 4,468,481	\$ 288,918	\$ 4,757,399

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, 2020

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
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	2,257,176	23,448	3,686,222	83,044
5020	Total revenues	2,257,176	23,448	3,686,222	83,044
EXPENDITURES					
Current:					
0011	Instruction	2,084,025	7,619	2,790,778	79,412
0012	Instructional resources and media services	-	-	130	-
0013	Curriculum and staff development	8,594	-	409,104	2,103
0021	Instructional leadership	1,080	-	372,966	-
0023	School leadership	293,576	-	-	-
0031	Guidance, counseling, and evaluation services	59,126	-	-	-
0032	Social work services	158,951	15,148	42,640	-
0033	Health services	2,062	-	-	-
0034	Student transportation	45,000	-	13,412	1,529
0035	Food services	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	-
0041	General administration	-	681	19,328	-
0051	Facilities maintenance and operations	9,921	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	37,864	-
Intergovernmental:					
0093	Payments to member districts of SSA	-	-	-	-
6030	Total expenditures	2,662,335	23,448	3,686,222	83,044
1100	Excess (deficiency) of revenues over (under) expenditures	(405,159)	-	-	-
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	405,159	-	-	-
8911	Transfers out	-	-	-	-
7080	Total other financing sources (uses)	405,159	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balances, beginning	-	-	-	-
3000	FUND BALANCES, ending	\$ -	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
80,161	3,565,384	49,537	-	166,425	294,874	94,888
80,161	3,565,384	49,537	-	166,425	294,874	94,888
76,014	1,020,351	49,537	-	7,994	92,108	86,746
-	-	-	-	-	-	-
1,582	252,321	-	-	-	141,625	5,531
569	111,024	-	-	158,431	54,712	569
-	-	-	-	-	-	-
-	2,076,688	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,996	-	-	-	-	6,429	2,042
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	105,000	-	-	-	-	-
80,161	3,565,384	49,537	-	166,425	294,874	94,888
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2020

Data Control Codes	272 MAC Program	287/291 Department of Defense Grant	288 HIPPY Grant	289 Summer School
REVENUES				
5700	\$ -	\$ -	\$ -	\$ -
5800	-	-	-	-
5900	133,279	208,527	330,686	246,891
5020	133,279	208,527	330,686	246,891
EXPENDITURES				
Current:				
0011	35,605	119,423	4,237	52,410
0012	-	-	-	-
0013	2,975	3,420	-	121,840
0021	22,113	58,924	-	5,110
0023	-	-	-	-
0031	72,496	-	-	58,880
0032	-	-	-	-
0033	-	-	-	-
0034	-	-	-	791
0035	-	-	-	-
0036	-	26,760	-	-
0041	-	-	-	2,090
0051	90	-	-	-
0053	-	-	-	-
0061	-	-	326,449	5,770
Intergovernmental:				
0093	-	-	-	-
6030	133,279	208,527	330,686	246,891
1100	-	-	-	-
OTHER FINANCING SOURCES (USES)				
7915	-	-	-	-
8911	-	-	-	-
7080	-	-	-	-
1200	-	-	-	-
0100	-	-	-	-
3000	\$ -	\$ -	\$ -	\$ -

289	315	316	397	410	415	427
Summer School	IDEA-B Discretionary	IDEA-B Deaf	Advanced Placement Incentives	State Textbook Fund	Kindergarten and Pre-K Grant	HOPES Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	888	1,202,215	-	97,688
246,891	25,365	-	-	-	-	-
246,891	25,365	-	888	1,202,215	-	97,688
52,410	21,514	(190)	888	1,202,215	-	-
-	-	-	-	-	-	-
121,840	2,897	-	-	-	-	-
5,110	-	-	-	-	-	-
-	503	-	-	-	-	-
58,880	451	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
791	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,090	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,770	-	-	-	-	-	95,099
-	-	-	-	-	-	-
246,891	25,365	(190)	888	1,202,215	-	95,099
-	-	190	-	-	-	2,589
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	190	-	-	-	2,589
-	-	-	-	32,425	(2,603)	3,548
\$ -	\$ -	\$ 190	\$ -	\$ 32,425	\$ (2,603)	\$ 6,137

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, 2020

Data Control Codes		429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	480 No Kid Hungry Grant
REVENUES					
5700	Local and intermediate sources	\$ -	\$ 424,429	\$ 517,332	\$ 2,673
5800	State program revenues	143,476	247,735	-	-
5900	Federal program revenues	-	-	-	-
5020	Total revenues	143,476	672,164	517,332	2,673
EXPENDITURES					
Current:					
0011	Instruction	2,951	821,166	142,178	-
0012	Instructional resources and media services	-	-	70,147	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	51,413	-
0031	Guidance, counseling, and evaluation services	-	-	182	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	2,673
0036	Cocurricular/extracurricular activities	-	-	135,322	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	(235)	-
0053	Data processing services	140,637	-	-	-
0061	Community services	-	-	-	-
Intergovernmental:					
0093	Payments to member districts of SSA	-	-	-	-
6030	Total expenditures	143,588	821,166	399,007	2,673
1100	Excess (deficiency) of revenues over (under) expenditures	(112)	(149,002)	118,325	-
OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balances	(112)	(149,002)	118,325	-
0100	Fund balances, beginning	(11,599)	(88,704)	658,337	-
3000	FUND BALANCES, ending	\$ (11,711)	\$ (237,706)	\$ 776,662	\$ -

489 West Foundation	Total Special Revenue Funds	60 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 209,246	\$ 1,153,680	\$ 2,996	\$ 1,156,676
-	1,692,002	-	1,692,002
-	11,245,907	-	11,245,907
209,246	14,091,589	2,996	14,094,585
160,494	8,857,475	-	8,857,475
144	70,421	-	70,421
30,164	982,156	-	982,156
-	785,498	-	785,498
-	345,492	-	345,492
-	2,267,823	-	2,267,823
-	216,739	-	216,739
-	2,062	-	2,062
-	60,732	-	60,732
-	2,673	-	2,673
19,594	181,676	-	181,676
-	32,566	-	32,566
-	9,776	-	9,776
-	140,637	-	140,637
-	465,182	-	465,182
-	105,000	-	105,000
210,396	14,525,908	-	14,525,908
(1,150)	(434,319)	2,996	(431,323)
-	405,159	175,000	580,159
-	-	(216,844)	(216,844)
-	405,159	(41,844)	363,315
(1,150)	(29,160)	(38,848)	(68,008)
(2,307)	589,097	327,766	916,863
\$ (3,457)	\$ 559,937	\$ 288,918	\$ 848,855

Wichita Falls Independent School District
 Combining Statement of Net Position
 Internal Service Funds
 June 30, 2020

Exhibit H-3

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Fund
ASSETS			
Current Assets			
1110	\$ -	\$ 22,730	\$ 22,730
1120	-	560,882	560,882
Receivables			
1260	-	3,560,939	3,560,939
1410	-	10,939	10,939
Total current assets			
	-	4,155,490	4,155,490
1000	\$ -	\$ 4,155,490	\$ 4,155,490
LIABILITIES			
Noncurrent liabilities:			
2590	-	382,000	382,000
Total noncurrent liabilities			
	-	382,000	382,000
2000	-	382,000	382,000
NET POSITION			
3900	-	3,773,490	3,773,490
3000	\$ -	\$ 3,773,490	\$ 3,773,490

Wichita Falls Independent School District

Exhibit H-4

Combining Statement of Revenues, Expenses and Changes
 In Fund Net Position – Internal Service Funds
 For the Fiscal Year Ended June 30, 2020

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
5700 Local and intermediate sources	\$ -	\$ 1,043,660	\$ 1,043,660
5020 Total operating revenues	-	1,043,660	1,043,660
OPERATING EXPENSES			
6100 Payroll costs	-	91,481	91,481
6200 Professional and contracted services	-	192	192
6300 Supplies and materials	-	1,905	1,905
6400 Other operating costs	-	427,269	427,269
6030 Total operating expenses	-	520,847	520,847
Operating income	-	522,813	522,813
NON-OPERATING REVENUES (EXPENSES)			
7955 Earnings from temp. deposits and investments	-	7,946	7,946
8030 Total non-operating revenues (expenses)	-	7,946	7,946
7915 TRANSFERS IN	455,150	-	455,150
1300 Change in net position	455,150	530,759	985,909
0100 Net position, beginning	(455,150)	3,242,731	2,787,581
3300 TOTAL NET POSITION, ending	<u>\$ -</u>	<u>\$ 3,773,490</u>	<u>\$ 3,773,490</u>

Wichita Falls Independent School District
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2020

Exhibit H-5

	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts (payments) for quasi-external operating transactions with other funds	\$ (552,736)	\$ 453,035	\$ (99,701)
Cash payments to employees for services	-	(91,481)	(91,481)
Cash payments to suppliers for goods and services	-	(425,189)	(425,189)
	<u>(552,736)</u>	<u>(63,635)</u>	<u>(616,371)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from other funds	536,896	-	536,896
	<u>536,896</u>	<u>-</u>	<u>536,896</u>
Net cash provided by noncapital financing activities	536,896	-	536,896
	<u>(15,840)</u>	<u>(63,635)</u>	<u>(79,475)</u>
Net decrease in cash and cash equivalents	(15,840)	(63,635)	(79,475)
	<u>15,840</u>	<u>86,365</u>	<u>102,205</u>
CASH AND CASH EQUIVALENTS, beginning of year	15,840	86,365	102,205
	<u>\$ -</u>	<u>\$ 22,730</u>	<u>\$ 22,730</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ -</u>	<u>\$ 22,730</u>	<u>\$ 22,730</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income	\$ -	\$ 522,813	\$ 522,813
Adjustments to reconcile operating income to net cash used in operating activities			
Change in assets and liabilities			
Decrease (increase) in due from other funds	80	(590,625)	(590,545)
Decrease in prepaids	-	177	177
Decrease in due to other funds	(552,816)	-	(552,816)
Increase in claims liabilities	-	4,000	4,000
	<u>(552,736)</u>	<u>(586,448)</u>	<u>(1,139,184)</u>
Total adjustments	(552,736)	(586,448)	(1,139,184)
	<u>\$ (552,736)</u>	<u>\$ (63,635)</u>	<u>\$ (616,371)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (552,736)</u>	<u>\$ (63,635)</u>	<u>\$ (616,371)</u>

Wichita Falls Independent School District
 Combining Statement of Fiduciary Net Position
 Private-Purpose Trust Funds
 June 30, 2020

Exhibit H-6

Data Control Codes		828 Ryan Scholarship Fund	829 Renton Aviation Fund	Total Private Purpose Trust
	ASSETS			
1110	Cash and cash equivalents	\$ 680,546	\$ 3,000	\$ 683,546
1000	TOTAL ASSETS	<u>\$ 680,546</u>	<u>\$ 3,000</u>	<u>\$ 683,546</u>
	NET POSITION			
3800	Held in trust	680,546	3,000	683,546
3000	TOTAL NET POSITION	<u>\$ 680,546</u>	<u>\$ 3,000</u>	<u>\$ 683,546</u>

Wichita Falls Independent School District**Exhibit H-7**

Combining Statement of Changes in Fiduciary Net Position

Private-Purpose Trust Funds

For the Fiscal Year Ended June 30, 2020

	828 Ryan Scholarship Fund	829 Renton Aviation Fund	Total Private Purpose Trust
ADDITIONS			
Gifts and bequests	\$ 215,162	\$ -	\$ 215,162
Total additions	215,162	-	215,162
DEDUCTIONS			
Scholarship awards	(245,000)	-	(245,000)
Total deductions	(245,000)	-	(245,000)
Changes in net position	(29,838)	-	(29,838)
Net position, beginning of year	710,384	3,000	713,384
NET POSITION, end of year	\$ 680,546	\$ 3,000	\$ 683,546

Wichita Falls Independent School District
Statement of Changes in fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

Exhibit H-8

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
STUDENT ACTIVITIES				
Assets:				
Cash and cash equivalents	\$ 234,363	\$ 1,003,724	\$ (1,012,119)	\$ 225,968
Other receivables	38,476	332,548	(352,332)	18,692
	<u>272,839</u>	<u>1,336,272</u>	<u>(1,364,451)</u>	<u>244,660</u>
Total assets	<u>\$ 272,839</u>	<u>\$ 1,336,272</u>	<u>\$ (1,364,451)</u>	<u>\$ 244,660</u>
Liabilities:				
Due to student groups	\$ 272,839	\$ 349,723	\$ (377,902)	\$ 244,660
	<u>272,839</u>	<u>349,723</u>	<u>(377,902)</u>	<u>244,660</u>
Total liabilities	<u>\$ 272,839</u>	<u>\$ 349,723</u>	<u>\$ (377,902)</u>	<u>\$ 244,660</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, 2020

Last Ten Years Ended June 30,	1		2		3
	Tax Rates				Net Assessed/Appraised Value For School Tax Purposes
	Maintenance		Debt Service		
2011 and prior years	\$	Various	\$	Various	Various
2012		1.04		0.165	3,877,945,145
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		1.17		0.180	4,766,677,223
1000 TOTALS					

10 Beginning Balance 7/1/2019	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2020
\$ 353,132	\$ -	\$ 5,345	\$ 822	\$ (34,493)	\$ 312,472
54,158	-	1,283	204	(721)	51,950
70,714	-	1,352	221	(779)	68,362
99,331	-	6,264	994	(1,296)	90,777
119,103	-	6,514	595	(12)	111,982
168,657	-	9,801	1,791	(281)	156,784
289,428	-	20,708	3,783	(509)	264,428
379,073	-	51,768	9,458	(21,896)	295,951
1,204,997	-	692,161	119,797	(104,511)	288,528
-	53,128,125	43,610,092	8,092,594	(858,359)	567,080
<u>\$ 2,738,593</u>	<u>\$ 53,128,125</u>	<u>\$ 44,405,288</u>	<u>\$ 8,230,259</u>	<u>\$ (1,022,857)</u>	<u>\$ 2,208,314</u>

Wichita Falls Independent School District
 Budgetary Comparison Schedule – Debt Service Fund
 For the Fiscal Year Ended June 30, 2020

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 7,592,770	\$ 7,592,770	\$ 8,331,892	\$ 739,122
5800	State program revenues	789,087	789,087	391,973	(397,114)
5020	Total revenues	8,381,857	8,381,857	8,723,865	342,008
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	5,215,000	5,215,000	5,215,000	-
0072	Interest on long-term debt	3,304,500	3,304,500	3,304,500	-
0073	Bond issuance costs and fees	5,000	5,000	7,500	(2,500)
	Total debt service	8,524,500	8,524,500	8,527,000	(2,500)
6030	Total expenditures	8,524,500	8,524,500	8,527,000	(2,500)
1100	Excess (deficiency) of revenues over (under) expenditures	(142,643)	(142,643)	196,865	344,508
0100	Fund balances, beginning	2,336,443	2,336,443	2,336,443	-
3000	FUND BALANCES, ending	\$ 2,193,800	\$ 2,193,800	\$ 2,533,308	\$ 344,508

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 5, 2020



**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, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and 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, 2020.

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 5, 2020

Wichita Falls Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2020

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
- 84.010A – Title I
- 84.425D – ESSER State Fiscal Stabilization

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

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

Wichita Falls Independent School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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, 2020

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Region IX Education Service Center:			
Head Start	93.600	06CH7009/19	\$ 442,021
Head Start	93.600	06CH7009/20	1,815,155
Total Passed Through Region IX Education Service Center			2,257,176
Passed Through North Texas Area United Way:			
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001	362,730
Passed Through Fairbanks, LLC:			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00005	133,279
Total U.S. Department of Health and Human Services			2,753,185
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Impact Aid - P.L.	84.041	N/A	110,474
Passed Through Region 10:			
Texas McKinney-Vento Program 2	84.196A	14-007	24,428
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	19610101243905	255,306
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101243905	3,603,980
ESEA Title I - School Improvement Program	84.010A	19610112243905000	3,343
ESEA Title I - School Improvement Program	84.010A	20610112243905000	79,861
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	19610103243905	2,859
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	20610103243905	81,140
Total CFDA Number 84.010A			4,026,489
Special Education Cluster:			
IDEA-B Formula	84.027A	196600012439056600	312,457
IDEA-B Formula	84.027A	206600012439056600	3,305,776
SSA IDEA-B Discretionary Deaf	84.027A	196600112439056673	7,750
SSA IDEA-B Discretionary Deaf	84.027A	206600112439056673	17,990
IDEA-B Preschool	84.173A	206610012439056610	49,899
Total Special Education Cluster			3,693,872
Vocational Education - Basic Grant			
Vocational Education - Basic Grant	84.048A	19420006243905	27,302
Vocational Education - Basic Grant	84.048A	20420006243905	145,839
ESEA Title III-LEP			
ESEA Title III-LEP	84.365A	19671001243905	2,394
ESEA Title III-LEP	84.365A	20671001243905	97,022
ESEA Title II, Part A - Teacher & Principal Training & Recruiting			
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	19694501243905	308,859
ESEA Title IV Part A - Subpart 1			
ESEA Title IV Part A - Subpart 1	84.424A	19610103243905	56,474
ESEA Title IV Part A - Subpart 1	84.424A	20680101243905	202,089
COVID-19 ESSER State Fiscal Stabilization			
COVID-19 ESSER State Fiscal Stabilization	84.425D	20521001243905	2,985,029
Total Passed Through State Department of Education			11,545,369
Total U.S. Department of Education			11,680,271

Wichita Falls Independent School District
 Schedule of Expenditures of Federal Awards – Continued
 For the Fiscal Year Ended June 30, 2020

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution - SBP - Noncash assistance	10.553	806780706	67,378
Food Distribution - NSLP - Noncash assistance	10.555	806780706	456,701
Total Passed Through State Department of Agriculture			524,079
Passed Through State Department of Education:			
School Breakfast Program	10.553	7140901	1,282,864
COVID-19 School Breakfast Program	10.553	7140901	157,806
National School Lunch Program	10.555	7130901	3,038,473
COVID-19 National School Lunch Program	10.555	7130901	388,034
Total Passed Through State Department of Education			4,867,177
Passed Through State Department of Human Services:			
Summer Feeding Program	10.559	TX-2431005SU	381,348
Total Passed Through State Department of Human Services			381,348
Total Child Nutrition Cluster			5,772,604
Passed Through State Department of Agriculture:			
Child and Adult Care Food Program	10.558	01138	266,136
COVID-19 Child and Adult Care Food Program	10.558	01138	337,470
Total Passed Through State Department of Education			603,606
Total U.S. Department of Agriculture			6,376,210
U.S. DEPARTMENT OF DEFENSE			
Direct programs:			
ROTC (Instructional Reimbursement)	12.000	243-905	179,374
Military-Connected Academic and Support Programs	12.556	HE12541510030	150,657
Military-Connected Academic and Support Programs	12.556	HE12541710010	57,870
Total U.S. Department of Defense			387,901
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 21,197,567

Wichita Falls Independent School District

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

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	\$	21,197,567
E-Rate program		231,205
SHARS revenue		3,286,730
		<hr/>
Total federal program revenues per Exhibit C-2	\$	24,715,502

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, 2020

<u>Data Control Codes</u>		<u>Response</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teachers 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 school district submit its biennial pupil projections to the TEA? If not, did the school district certify TEA's pupil projections created for the school district?	Yes
SF6	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
SF7	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
SF8	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
SF9	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
SF10	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end?	\$ -