



Annual Financial Report

For the Fiscal Year Ended
August 31, 2015

Wichita Falls Independent School District

Wichita Falls, Texas

Wichita Falls Independent School District
Annual Financial Report
For The Year Ended August 31, 2015

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Introductory Section

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 year ended August 31, 2015, at a meeting of the board of trustees of such school district on the 19 day of January, 2016.



Signature of Board Secretary



Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

Financial Section



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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WICHITA FALLS, TEXAS 76307-0750
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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA, CFE
A. PAUL FLEMING, CPA

Independent Auditor's Report

To the Board of Trustees
Wichita Falls Independent School District
PO Box 97533
Wichita Falls, Texas 76307-7533

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 the Wichita Falls Independent School District (District) as of and for the year ended August 31, 2015, 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

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 of 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 District'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 District'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 Wichita Falls Independent School District as of August 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2015, Wichita Falls Independent School District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for contributions made Subsequent to the Measurement Date -- an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions identified as Required Supplementary Information 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 Wichita Falls Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information and the 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, except for that portion labeled 'unaudited' on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016 on our consideration of Wichita Falls Independent School 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 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 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 Wichita Falls Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas
January 18, 2016



WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

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Wichita Falls, Texas 76307-7533
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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Wichita Falls Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during this fiscal year. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

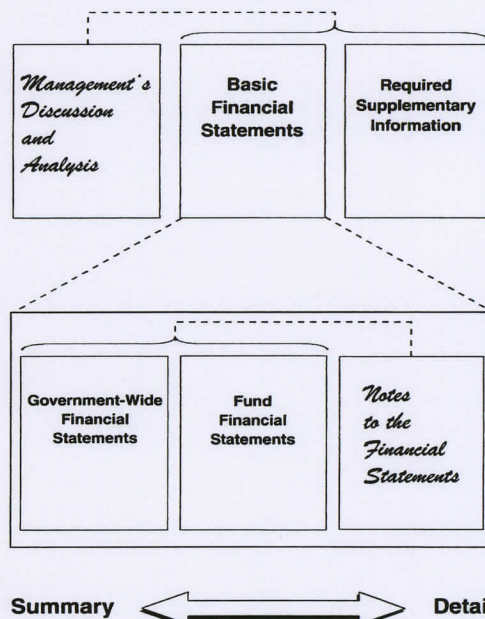
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$56.4 million (net position). Of this amount, \$14.8 million (unrestricted net position) is available to meet the District's future obligations.
- During the year, the District expensed \$128.3 million, which was \$1.8 million less than the District's revenue of \$130.2 million. Of this, \$26.0 million was program revenue and \$104.2 million was general revenue.
- The primary components of the \$12.7 million decrease in net position were the following items:
 - 1) An increase of \$61.3 million in current and other assets, due primarily to receipt of proceeds from the sale of bonds from the May, 2015 bond election;
 - 2) An increase of \$71.9 million in long-term debt, due primarily to the debt issued from the sale of bonds from the May, 2015 bond election;
 - 3) A net decrease of \$1.5 million in deferred inflows of resources, relating to implementation of GASB Statement No. 68;
- The fund balance of the General Fund was \$24.4 million, which was an increase of \$1.0 million. A prior period adjustment reduced fund balance by \$317,226, for a net increase of \$689,220. The fund balance increase was due primarily to the District's actual expenditures being less than budgeted.
- The fund balance of the Capital Projects Fund was \$58.9 million, which is comprised of proceeds from the sale of bonds from the May, 2015 bond election.
- The fund balance of other governmental funds was \$2.3 million, a decrease of \$412,991. The decrease was due combined reductions in fund balances for Special Revenue Funds and the Debt Service.

Figure A-1
Required Components of the District's
Annual Financial Report

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that 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 funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities that the government operates *like businesses*, such as self-insurance.
- *Fiduciary fund* 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 in question 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. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	♦ Statement of net assets	♦ Balance sheet	♦ Statement of net assets	♦ Statement of fiduciary net assets
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows	♦ Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide 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 government's assets and liabilities. 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—the difference between the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources — are one way to measure the District's financial health or position.

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

The government-wide financial statements of the District include the Governmental activities. The District's basic services are included here, 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. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of 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 at the bottom of the governmental funds statement, or on the subsequent page, 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. We use internal service funds and enterprise funds to report activities that provide supplies and services for the District's other programs and activities.
- **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. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$56,423,599 at year end. (See Table A-1).

Table A-1
Wichita Falls Independent School District Net Assets

	Combined Governmental and Business Type Activities		Increase (Decrease)	Percentage Change
	<u>2014</u>	<u>2015</u>		
Current and other assets	\$37,451,561	\$98,704,650	\$61,253,089	163.6%
Capital assets, net	88,936,866	87,150,633	(1,786,233)	(2.0)%
Total assets	126,388,427	185,855,283	59,466,856	47.0%
Total deferred outflows of resources	0	5,346,987	5,346,987	0%
Long-term debt	49,997,528	121,890,763	71,893,235	143.8%
Other liabilities	7,273,251	9,055,005	1,781,754	24.5%
Total liabilities	57,270,779	130,945,768	73,674,989	128.6%
Total deferred inflows of resources	0	3,832,903	3,832,903	0%
Net position				
Net investment in				
Capital assets	40,464,565	40,125,024	(339,541)	(0.8)%
Restricted	2,049,253	1,490,574	(558,679)	(27.3)%
Unrestricted	26,603,830	14,808,001	(11,795,829)	(44.3)%
Total net position	\$69,117,648	\$56,423,599	\$(12,694,049)	(18.4)%

Changes in net position. The District's total revenues were \$130.2 million, which was a decrease of \$4.0 million or 3.0%, from the prior year total of \$134.3 million. (See Figure A-3). A significant portion, 36.3%, of the District's revenue came from property taxes. 43.7% came from state grants and contributions not restricted to specific programs. The remaining 20% relates to charges for services, investment earnings, and miscellaneous revenues. The total cost of all programs and services were \$128.3 million. The District's expenses cover a range of services.

Governmental Activities

Table A-2 compares the District's operating and general revenues and functional expenses for both the prior and current years, as disclosed in the audited schedule Exhibit B-1. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

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

	Governmental Activities		Increase (Decrease)	Percentage Change
	<u>2014</u>	<u>2015</u>		
Revenues				
Program revenues				
Charges for services	\$ 3,242,014	\$ 2,940,988	(\$ 301,026)	(9.3)%
Operating grants and contributions	24,467,227	23,019,795	(1,447,432)	(5.9)%
General revenues, and special items				
Property taxes	49,098,018	47,188,783	(1,909,235)	(3.9)%
Unrestricted operating grants (mostly state aid)	57,303,601	56,887,283	(416,318)	(0.7)%
Investment earnings	21,804	35,266	13,462	61.7%
Miscellaneous	178,832	95,484	(83,348)	(46.6)%
Total revenues	134,311,496	130,167,599	4,143,897	(3.1)%
Expenses				
11-Instruction	70,842,262	72,983,648	2,141,386	3.0%
12-Instructional resources and media services	1,434,450	1,380,425	(54,025)	(3.8)%
13-Curriculum and staff development	1,506,268	1,358,101	(148,167)	(9.8)%
21-Instructional leadership	2,453,466	2,661,500	208,034	8.5%
23-School leadership	6,436,187	6,392,795	(43,392)	(0.7)%
31-Guidance, counseling and evaluation	5,061,744	5,228,732	166,988	3.3%
32-Social work services	481,937	478,136	(3,801)	(0.8)%
33-Health services	1,366,404	1,466,850	100,446	7.4%
34-Student transportation	2,522,020	2,535,454	13,434	0.5%
35-Food services	7,598,739	6,897,404	(701,335)	(9.2)%
36-Extracurricular activities	4,059,476	4,351,095	291,619	7.2%
41-General administration	3,108,321	3,731,244	622,923	20.0%
51-Facilities maintenance and operations	10,918,430	12,299,180	1,380,750	12.6%
52-Security and monitoring services	512,150	575,268	63,118	12.3%
53-Data processing services	2,182,885	2,750,749	567,864	26.0%
61-Community services	15,797	22,671	6,874	43.5%
72-Debt service	2,187,089	1,631,472	(555,617)	(25.4)%
73-Bond issuance costs and fees	500	858,892	856,392	171278.4%
93-Payments to shared service arrangements	173,959	215,735	41,776	24.0%
99-Other governmental charges	540,962	531,399	(9,563)	(1.8)%
Total expenses	123,403,046	128,348,750	4,945,704	4.0%
Change in net position	\$10,908,450	\$1,818,849	(\$9,089,601)	(83.3)%

Figure A-3
Sources of Revenues for Fiscal Year 2015

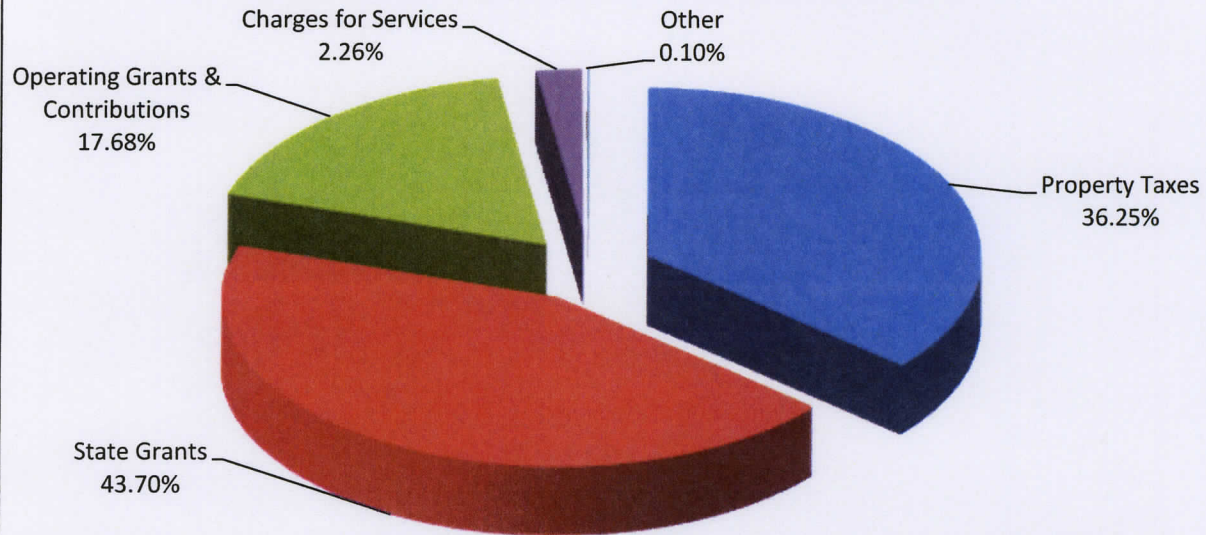


Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects amounts funded by state revenues as well as local tax dollars.

- The cost of all governmental activities this year was \$128.3 million; however, the amount that our taxpayers paid for these activities through property taxes was \$47.1 million.
- Some of the cost was paid by those who directly benefited from the programs through charges for services - \$2.9 million, or by operating grants and contributions - \$23.0 million.
- The amount funded by the state was \$56.9 million in formula grants and direct state aid.

Table A-3
Net Cost of Selected District Functions

	<u>Total Cost of Services</u>		<u>Increase (Decrease)</u>	<u>% Change</u>
	<u>2014</u>	<u>2015</u>		
Instruction	\$70,842,262	\$72,983,648	\$2,141,386	3.0%
School leadership	6,436,187	6,392,795	(43,392)	(0.7)%
General administration	3,108,321	3,731,244	622,923	20.0%
Facilities maintenance and operations	10,918,430	12,299,180	1,380,750	12.6%
Debt service				

	<u>Net Cost Of Services</u>		<u>Increase (Decrease)</u>	<u>% Change</u>
	<u>2014</u>	<u>2015</u>		
Instruction	\$57,823,222	\$60,005,868	\$2,182,646	3.8%
School leadership	5,816,225	5,745,831	(70,394)	(1.2)%
General administration	2,956,381	3,575,175	618,794	20.9%
Facilities maintenance and operations	10,498,595	11,823,531	1,324,936	12.6%

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.

General Fund Budgetary Highlights

Over the course of the year, 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 \$977,253 less than the final budgeted amounts. The District saw a decrease in state program revenues, due to the reduction in Refined Average Daily Attendance of 466 students. Actual expenditures were \$780,716 below final budgeted amounts, primarily due to the reduced student count for 2014-2015. Over the course of the year, the year, the District recommended and the Board approved several revisions to budgeted revenues and appropriations. The amendments fall into the following categories:

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of August 31, 2015, amounts to \$87,150,633 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, vehicles, equipment, and construction in progress. (See Table A-4) More detailed information about the District's capital assets is presented in the notes to the financial statements.

Table A-4
Capital Assets

	Governmental Activities		Increase (Decrease)	% Change
	<u>2014</u>	<u>2015</u>		
Land	\$4,216,717	\$4,242,406	\$25,689	0.6%
Bldgs and improvements	146,455,082	146,949,614	494,532	0.3%
Equipment	24,286,672	23,543,549	(743,123)	(3.1)%
Property under cap lease	500,608	1,781,176	1,280,568	255.8%
Construction in progress	112,769	849,537	736,768	653.3%
Totals at historical cost	175,571,848	177,366,282	1,794,434	1.0%
Less accumulated depreciation	86,634,982	90,215,649	3,580,667	4.1%
Net capital assets	\$88,936,866	\$87,150,633	(\$1,786,233)	(2.0)%

Capital Projects Fund

Bonds issued in 2015 are focused on a new Career and Technical Education Center, Junior High additions and renovations, safety and security initiatives, technology infrastructure and Memorial Stadium parking and restroom improvements. \$1,079,015 was expended in the capital projects fund this year.

Long-term Debt and Other Obligations

At year-end the District had \$109,360,961 in long-term debt and other long-term liabilities, as shown in Table A-5. The increase in bonds payable relates to the sale of bonds, approved in the May, 2015 bond election. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
Outstanding Debt and Other Long-Term Liabilities

	Governmental Activities		Increase (Decrease)	% Change
	<u>2014</u>	<u>2015</u>		
Gen. obligation bonds	\$47,215,000	\$95,770,000	\$48,555,000	102.8%
Premium on bonds	1,046,710	11,015,913	9,969,203	952.4%
Total Bonds Payable	48,261,710	106,785,913	58,524,203	121.3%
Capital leases payable	212,108	1,250,064	1,037,956	489.4%
Compensated Absences	1,523,710	1,324,984	(198,726)	(13.0)%
Total long-term obligations	\$49,997,528	\$109,360,961	\$59,363,433	118.7%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The maintenance and operating tax rate of \$1.04 is the same as the prior year. A total of 4 cents above \$1.00 is allowable at the local level, under provisions of HB 1. The District is now at its maximum maintenance and operating tax rate, and will remain at this rate until the Board of Trustees call for a tax ratification election to access up to 13 additional pennies. The District's interest and sinking tax rate increased \$0.095 to \$0.19, due to the increase in debt service requirements from the sale of bonds, as approved in the May, 2015 bond election.

The District's certified property values for development of the 2015-16 budget, were up \$175 million, 3%, from the prior year's appraisal roll. The total tax rate adopted by the Board was \$1.23.

General Fund spending per student in 2015-16 will increase approximately 9%, from \$7,180 to \$7,841 per student.

The District's 2015-16 refined average daily attendance is expected to be constant at 13,014 with increases in the career and technology contact hours.

General Fund revenues are budgeted to be \$107,807,706, an increase of \$970,853 or 0.9% above the 2014-15 budgeted revenues of \$106,836,853. The increase is mostly attributable to the increase expected federal revenues from SHARS reimbursements.

Expenditures in most budget categories are similar to the previous year, with the total expenditure budget for 2015-16 increasing \$2,996,824 or 2.8% above the 2014-15 budgeted expenditures of \$105,203,578. This increase resulted from several factors including raises for all employees and increases to the stipend schedule.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer or Director of Finance.

Basic Financial Statements

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION**

AUGUST 31, 2015

Data Control Codes		1	Governmental Activities
ASSETS:			
1110	Cash and Cash Equivalents	\$	4,927,092
1120	Current Investments		87,742,660
1225	Property Taxes Receivable, Net		1,208,637
1240	Due from Other Governments		2,617,874
1267	Due from Fiduciary Funds		37,618
1290	Other Receivables		516,616
1300	Inventories		1,494,408
1410	Unrealized Expenses		159,745
Capital Assets:			
1510	Land		4,242,406
1520	Buildings and Improvements, Net		75,874,854
1530	Furniture and Equipment, Net		4,754,460
1550	Capital Lease Assets, Net		1,429,376
1580	Construction In Progress		849,537
1000	Total Assets		<u>185,855,283</u>
DEFERRED OUTFLOWS OF RESOURCES:			
1701	Deferred Losses from Refunding Bonds		2,080,384
1705	Pension Related Outflows		3,266,603
1700	Total Deferred Outflows of Resources		<u>5,346,987</u>
LIABILITIES:			
2110	Accounts Payable		2,690,694
2150	Payroll Deductions & Withholdings		605,933
2165	Accrued Liabilities		4,208,154
2180	Due to Other Governments		262,904
2200	Accrued Expenses		431,305
2300	Unearned Revenue		856,015
Noncurrent Liabilities:			
2501	Due Within One Year		5,884,572
2502	Due in More Than One Year		103,476,389
2540	Net Pension Liability		12,529,802
2000	Total Liabilities		<u>130,945,768</u>
DEFERRED INFLOWS OF RESOURCES:			
2605	Pension Related Inflows		3,832,903
2600	Total Deferred Inflows of Resources		<u>3,832,903</u>
NET POSITION			
3200	Net Investment in Capital Assets		40,125,024
Restricted For:			
3820	Retirement of Long-Term Debt		238,114
3850	Food Service		1,252,460
3900	Unrestricted		14,808,001
3000	Total Net Position	\$	<u>56,423,599</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Functions/Programs	1	3	4	6
		Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Servicecs	Operating Grants and Contributions	
					Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 72,983,648	\$ 246,867	\$ 12,730,913	\$ (60,005,868)
12	Instructional Resources and Media Services	1,380,425	14,663	72,289	(1,293,473)
13	Curriculum and Staff Development	1,358,101	6,563	510,148	(841,390)
21	Instructional Leadership	2,661,500	--	624,334	(2,037,166)
23	School Leadership	6,392,795	69,523	577,441	(5,745,831)
31	Guidance, Counseling, & Evaluation Services	5,228,732	--	1,078,087	(4,150,645)
32	Social Work Services	478,136	--	232,556	(245,580)
33	Health Services	1,466,850	--	127,617	(1,339,233)
34	Student Transportation	2,535,454	--	--	(2,535,454)
35	Food Service	6,897,404	1,409,595	5,462,871	(24,938)
36	Cocurricular/Extracurricular Activities	4,351,095	1,093,509	240,438	(3,017,148)
41	General Administration	3,731,244	--	156,069	(3,575,175)
51	Facilities Maintenance and Operations	12,299,180	100,268	375,381	(11,823,531)
52	Security and Monitoring Services	575,268	--	6,131	(569,137)
53	Data Processing Services	2,750,749	--	101,383	(2,649,366)
61	Community Services	22,671	--	19,461	(3,210)
72	Interest on Long-term Debt	1,631,472	--	488,941	(1,142,531)
73	Bond Issuance Costs and Fees	856,892	--	--	(856,892)
93	Payments Related to Shared Services Arrangements	215,735	--	215,735	--
99	Other Intergovernmental Charges	531,399	--	--	(531,399)
TG	Total Governmental Activities	\$ 128,348,750	\$ 2,940,988	\$ 23,019,795	(102,387,967)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				43,237,128
DT	Property Taxes, Levied for Debt Service				3,951,655
IE	Investment Earnings				35,266
GC	Grants and Contributions Not Restricted to Specific Programs				56,887,283
MI	Miscellaneous				95,484
TR	Total General Revenues				104,206,816
CN	Change in Net Position				1,818,849
NB	Net Position - Beginning				69,117,648
PA	Prior Period Adjustment				(14,512,898)
	Net Position - Beginning, as Restated				54,604,750
NE	Net Position - Ending				\$ 56,423,599

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS**

AUGUST 31, 2015

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 589,449	\$ 4,236	\$ 1,159,594	\$ 1,753,279
1120 Current Investments	26,882,571	59,421,821	1,065,175	87,369,567
1225 Taxes Receivable, Net	1,059,868	--	148,769	1,208,637
1240 Due from Other Governments	523,475	--	2,094,399	2,617,874
1260 Due from Other Funds	1,442,828	--	175,166	1,617,994
1290 Other Receivables	459,973	--	55,482	515,455
1300 Inventories	421,551	--	1,072,857	1,494,408
1410 Unrealized Expenditures	159,745	--	--	159,745
1000 Total Assets	<u>\$ 31,539,460</u>	<u>\$ 59,426,057</u>	<u>\$ 5,771,442</u>	<u>\$ 96,736,959</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 1,646,648	\$ 493,212	\$ 215,514	\$ 2,355,374
2150 Payroll Deductions & Withholdings	583,567	--	22,366	605,933
2160 Accrued Wages Payable	3,578,950	--	629,117	4,208,067
2170 Due to Other Funds	327,059	2,861	1,418,413	1,748,333
2180 Due to Other Governments	6,826	--	256,078	262,904
2300 Unearned Revenue	46,006	--	810,009	856,015
2000 Total Liabilities	<u>6,189,056</u>	<u>496,073</u>	<u>3,351,497</u>	<u>10,036,626</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Property Taxes	926,064	--	133,124	1,059,188
2600 Total Deferred Inflows of Resources	<u>926,064</u>	<u>--</u>	<u>133,124</u>	<u>1,059,188</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	421,551	--	722,130	1,143,681
3430 Prepaid Items	159,745	--	--	159,745
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	530,330	530,330
3480 Retirement of Long-Term Debt	--	--	424,214	424,214
3490 Construction	--	58,929,984	--	58,929,984
Committed Fund Balances:				
3540 Self-Insurance	100,000	--	--	100,000
3545 Other Committed Fund Balance	1,248,614	--	610,147	1,858,761
3600 Unassigned	22,494,430	--	--	22,494,430
3000 Total Fund Balances	<u>24,424,340</u>	<u>58,929,984</u>	<u>2,286,821</u>	<u>85,641,145</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,539,460</u>	<u>\$ 59,426,057</u>	<u>\$ 5,771,442</u>	<u>\$ 96,736,959</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2015

Total fund balances - governmental funds balance sheet		\$	85,641,145
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.			168,931,971
Accumulated depreciation has not been included in the governmental fund financial statements.			(85,007,394)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:			
Bonds payable	\$	95,770,000	
Compensated absences		<u>1,324,984</u>	(97,094,984)
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.			(319,224)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.			(11,015,913)
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.			2,080,384
Revenue reported as unearned revenue in the governmental fund financial statements are recorded as revenue in the government-wide financial statements.			1,059,188
Internal service funds are used by management to charge the costs of various services to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.			5,244,528
The District's net pension liability and related deferred outflows and inflows related to its proportionate share of the state Teacher Retirement System 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		12,529,802	
Deferred outflows - pension related items		(3,266,603)	
Deferred inflows - pension related items		<u>3,832,903</u>	(13,096,102)
Net position of governmental activities - statement of net position		\$	<u>56,423,599</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 43,908,498	\$ 3,058	\$ 7,324,526	\$ 51,236,082
5800 State Program Revenues	59,712,129	--	1,381,588	61,093,717
5900 Federal Program Revenues	2,194,073	--	15,720,733	17,914,806
5020 Total Revenues	<u>105,814,700</u>	<u>3,058</u>	<u>24,426,847</u>	<u>130,244,605</u>
EXPENDITURES:				
Current:				
0011 Instruction	62,326,255	--	9,430,713	71,756,968
0012 Instructional Resources and Media Services	1,329,393	--	15,070	1,344,463
0013 Curriculum and Staff Development	837,260	--	489,047	1,326,307
0021 Instructional Leadership	2,088,445	--	510,154	2,598,599
0023 School Leadership	5,905,998	--	341,140	6,247,138
0031 Guidance, Counseling, & Evaluation Services	4,274,847	--	843,431	5,118,278
0032 Social Work Services	246,588	--	224,407	470,995
0033 Health Services	1,379,216	--	53,317	1,432,533
0034 Student Transportation	2,571,820	--	--	2,571,820
0035 Food Service	--	--	7,052,993	7,052,993
0036 Cocurricular/Extracurricular Activities	3,390,770	--	840,775	4,231,545
0041 General Administration	3,483,596	--	1,298	3,484,894
0051 Facilities Maintenance and Operations	12,029,431	--	250,933	12,280,364
0052 Security and Monitoring Services	553,834	--	--	553,834
0053 Data Processing Services	2,814,869	--	--	2,814,869
0061 Community Services	2,539	--	19,530	22,069
0071 Principal on Long-term Debt	655,000	--	2,660,000	3,315,000
0072 Interest on Long-term Debt	36,880	--	1,664,862	1,701,742
0073 Bond Issuance Costs and Fees	--	500,760	356,132	856,892
0081 Capital Outlay	299,954	578,255	--	878,209
0093 Payments to Shared Service Arrangements	--	--	215,735	215,735
0099 Other Intergovernmental Charges	531,399	--	--	531,399
6030 Total Expenditures	<u>104,758,094</u>	<u>1,079,015</u>	<u>24,969,537</u>	<u>130,806,646</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>1,056,606</u>	<u>(1,075,957)</u>	<u>(542,690)</u>	<u>(562,041)</u>
Other Financing Sources and (Uses):				
7911 Bonded Debt Issued	--	53,645,000	35,350,000	88,995,000
7912 Sale of Real or Personal Property	52,439	--	72,369	124,808
7915 Transfers In	--	3,663	87,936	91,599
7916 Premium or Discount on Issuance of Bonds	--	6,355,761	4,766,966	11,122,727
8911 Transfers Out	(91,599)	--	--	(91,599)
8949 Other Uses	--	--	(40,147,572)	(40,147,572)
7080 Total Other Financing Sources and (Uses)	<u>(39,160)</u>	<u>60,004,424</u>	<u>129,699</u>	<u>60,094,963</u>
SPECIAL ITEM:				
8912 Special Item (Use)	(11,000)	--	--	(11,000)
1200 Net Change in Fund Balances	<u>1,006,446</u>	<u>58,928,467</u>	<u>(412,991)</u>	<u>59,521,922</u>
0100 Fund Balances - Beginning, As Originally Stated	23,735,120	1,517	2,699,812	26,436,449
PA Prior Period Adjustment	(317,226)	--	--	(317,226)
Fund Balances - Beginning, As Restated	<u>23,417,894</u>	<u>1,517</u>	<u>2,699,812</u>	<u>26,119,223</u>
3000 Fund Balances - Ending	<u>\$ 24,424,340</u>	<u>\$ 58,929,984</u>	<u>\$ 2,286,821</u>	<u>\$ 85,641,145</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015

Net change in fund balances - total governmental funds \$ 59,521,922

Amounts reported for governmental activities in the statement of activities are different because:

Current year capital outlays are expenditures in the governmental fund financial statements, but are shown as increases in capital assets in the government-wide financial statements. 2,078,236

Depreciation is not recognized as an expenditure in the governmental fund financial statements since it does not use current financial resources. Current year depreciation expense is: (4,108,553)

The disposal of capital assets is not recognized in the governmental fund financial statements. However, the net book value of the capital assets disposed of in the current year is: (8,495)

Issuances of long-term debt are other financing sources in the governmental financial statements, but are reported as increases in long-term liabilities in the government-wide financial statements. The District issued the following long-term debt in the current year:

School building bonds	\$ 88,995,000	
Premium on school building bonds	<u>11,122,727</u>	(100,117,727)

Refundings of debt are reported as other uses in the governmental financial statements, but are reported as decreases in long-term liabilities in the government-wide financial statements. The District refunded the following long-term debt in the current year.

General obligation bonds	37,125,000	
Premium on general obligation bonds	<u>866,262</u>	37,991,262

The current year refunding of debt included a difference between the escrow deposit and the outstanding principal balance which is capitalized and amortized as a deferred outflow of resources on the government-wide statements. 2,156,310

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: 3,315,000

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 increased by: (141,065)

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: 198,726

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: 287,262

Amortization of deferred losses on refundings is only reported in the government-wide financial statements. Current year amortization is: (75,926)

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. (74,024)

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015*

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.

(303,649)

The District participates in a cost-sharing multiple-employer defined benefit pension plan. Contributions to the plan are expenditures at the fund-level when payments are due. At the government-wide level, pension expenses is recognized on an actuarial basis. Payments exceeded the actuarial expense in the current year by:

1,099,570

Change in net position of governmental activities - statement of activities

\$ 1,818,849

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

AUGUST 31, 2015

Data Control Codes		Internal Service Funds
ASSETS:		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 3,173,813
1120	Investments	373,093
Receivables:		
1260	Due from Other Funds	167,957
1290	Other Receivables	1,161
	Total Current Assets	<u>3,716,024</u>
Noncurrent Assets:		
Capital Assets:		
1530	Furniture and Equipment	6,653,136
1550	Assets Purchased Under Capital Leases	1,781,176
1570	Accumulated Depreciation	(5,208,256)
	Total Noncurrent Assets	<u>3,226,056</u>
1000	Total Assets	<u>6,942,080</u>
LIABILITIES:		
Current Liabilities:		
2110	Accounts Payable	335,319
2130	Capital Leases Payable	348,202
2150	Payroll Deduction & Withholdings	158
2160	Accrued Wages Payable	10
2200	Accrued Expenses	112,000
	Total Current Liabilities	<u>795,689</u>
Noncurrent Liabilities:		
2500	Bonds, Notes and Loans Payable	901,862
	Total Noncurrent Liabilities	<u>901,862</u>
2000	Total Liabilities	<u>1,697,551</u>
NET POSITION:		
3200	Net Investment in Capital Assets	1,975,992
3900	Unrestricted	3,268,537
3000	Total Net Position	<u>\$ 5,244,529</u>

The accompanying notes 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 YEAR ENDED AUGUST 31, 2015

Data Control Codes		Internal Service Funds
	OPERATING REVENUES:	
5700	<i>Local and Intermediate Sources</i>	\$ 3,458,607
5020	Total Revenues	<u>3,458,607</u>
	OPERATING EXPENSES:	
6100	<i>Payroll Costs</i>	118,156
6200	<i>Professional and Contracted Services</i>	2,306,408
6300	<i>Supplies and Materials</i>	319,744
6400	<i>Other Operating Costs</i>	891,286
6500	<i>Debt Service</i>	18,365
6030	Total Expenses	<u>3,653,959</u>
	Operating Loss	<u>(195,352)</u>
	NON-OPERATING REVENUES (EXPENSES):	
7955	<i>Earnings from Temp. Deposits and Investments</i>	147
8951	<i>Loss on Sale of Real and Personal Property</i>	(108,443)
8030	Total Non-operating Revenues (Expenses)	<u>(108,296)</u>
1300	Change in Net Position	(303,648)
0100	Total Net Position - Beginning	5,548,177
3300	Total Net Position - Ending	<u>\$ 5,244,529</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received for Quasi-external Operating Transactions with Others	\$ 3,378,420
Cash Payments to Employees for Services	(117,995)
Cash Payments to Other Suppliers for Goods and Services	(3,341,315)
Net Cash Used by Operating Activities	<u>(80,890)</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(942,950)
Proceeds from the Sale of Capital Assets	15,249
Principal Paid on Long-Term Debt	(242,612)
Proceeds from Issuance of Long-Term Debt	1,280,568
Net Cash Provided by Capital and Related Financing Activities	<u>110,255</u>
Cash Flows from Investing Activities:	
Purchase of Investments	(153,926)
Interest and Dividends on Investments	147
Net Cash Used by Investing Activities	<u>(153,779)</u>
Net Decrease in Cash and Cash Equivalents	(124,414)
Cash and Cash Equivalents at Beginning of Year	3,298,227
Cash and Cash Equivalents at End of Year	<u>\$ 3,173,813</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities:	
Operating Loss	\$ (195,352)
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities	
Depreciation	566,679
Change in Assets and Liabilities:	
Decrease (Increase) in Due from Other Funds	(6,786)
Decrease (Increase) in Other Receivables	(3,820)
Increase (Decrease) in Accounts Payable	(340,191)
Increase (Decrease) in Payroll Deduction & Withholding	158
Increase (Decrease) in Accrued Wages Payable	3
Increase (Decrease) in Due to Other Funds	(69,581)
Increase (Decrease) in Accrued Expenses	(32,000)
Total Adjustments	<u>114,462</u>
Net Cash Used by Operating Activities	<u>\$ (80,890)</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2015

Data Control Codes		Private-Purpose Trust Funds	Agency Funds
ASSETS:			
1110	Cash and Cash Equivalents	\$ 376,592	\$ 261,568
1240	Due from Other Governments	--	43,430
1290	Other Receivables	231,180	20,194
1000	Total Assets	<u>607,772</u>	<u>325,192</u>
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	--	25,610
2150	Payroll Deduction & Withholdings	--	279
2160	Accrued Wages Payable	--	173
2170	Due to Other Funds	--	37,618
2190	Due to Student Groups	--	261,512
2000	Total Liabilities	<u>--</u>	<u>325,192</u>
NET POSITION:			
3800	Held in Trust	607,772	--
3000	Total Net Position	<u>\$ 607,772</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FIDUCIARY FUNDS****FOR THE YEAR ENDED AUGUST 31, 2015**

	Private-Purpose Trust Funds
Additions:	
Gifts and Bequests	\$ 333,546
Deductions:	
Scholarship Awards	46,000
Change in Net Position	<u>287,546</u>
Net Position-Beginning of the Year, As Originally Stated	3,000
Prior Period Adjustment	317,226
Net Position-Beginning of the Year, As Restated	<u>320,226</u>
Net Position-End of the Year	<u>\$ 607,772</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies

The basic financial statements of Wichita Falls Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (Resource Guide). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (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 (TEA) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity" as revised by GASB Statements No. 39 and 61, and there are no component units included within the reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of 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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Capital Projects Fund: The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in this fund.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

In addition, 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 award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

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.

Proprietary Fund:

Internal Service Funds: Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's most significant Internal Service Funds are a transportation fund, self-insured worker's compensation insurance plan, and a print shop.

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 the Renton Aviation Fund.

Agency Funds: The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Funds include only the Student Activity Fund, for which the District is the fiscal agent.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, if required, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. 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.

c. 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 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 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 when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General Fund are based upon 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.

At August 31, 2015, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$ 2,035,046
Allowance for uncollectible taxes	(826,409)
Net property taxes receivable	<u>\$ 1,208,637</u>

d. Inventories 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.

e. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

The significant receivables and anticipated collections within one year are as follows:

	Property Taxes	Due from Other Governments	Others
Balance at August 31, 2015	\$ 2,035,046	\$ 2,617,874	\$ 516,616
Anticipated to be collected within one year	\$ 600,000	\$ 2,617,874	\$ 516,616

f. Deferred Outflows/Inflows of Resources

Deferred outflows of resources refers to the consumption of net assets that are applicable to a future reporting period. Deferred outflows of resources has a positive effect on net position, similar to assets. Notwithstanding the similarities, Concepts Statement 5 clearly establishes that deferred outflows of resources are not assets. The deferred outflows of resources reported for the year ended August 31, 2015 at the government-wide level were for loss on refunding and pension related items.

Deferred inflows of resources refers to the acquisition of net assets that are applicable to a future reporting period. Deferred inflows of resources has a negative effect on net position, similar to liabilities. Notwithstanding the similarities, Concepts Statement 5 clearly established that deferred inflows of resources are not liabilities. Specifically for the current period fund level statements, the unavailable property taxes are considered a deferred inflow of resources. In addition, at the government-wide level, the District reports deferred inflows of resources for pension related items.

g. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

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

h. 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 resignation from the District up to a maximum of 90 days.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

i. Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The United States Treasury requires payments for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At August 31, 2015, no liability is estimated.

j. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position for governmental activities. Bond premiums and discounts, as well as issuance costs 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. Bonds payable are reported net of applicable bond premium or discount and gain or loss on refunding. Bond issuance costs are reported as expensed during the period they are incurred.

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 the 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.

k. Interfund Activity

Interfund activity results from loans, services 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 "Transfers" 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.

l. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. At August 31, 2015, the Board of Trustees have committed fund balances as follows:

	General Fund	Other Governmental Funds	Totals
Self-insurance	\$ 100,000	\$ --	\$ 100,000
Accumulated sick leave benefits obligations	1,248,614	--	1,248,614
Campus Activity Funds	--	610,147	610,147
Totals	<u>\$ 1,348,614</u>	<u>\$ 610,147</u>	<u>\$ 1,958,761</u>

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

m. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

n. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

o. Pensions

The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

p. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

The amount of Foundation revenues 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 reasonably possible that Foundation revenue estimates as of August 31, 2015 will change.

q. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a Statewide database for policy development and funding plans.

r. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2015, the District purchased commercial insurance to cover general liabilities, except for worker's compensation. 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.

s. New Accounting Standards Adopted

In fiscal year 2015, the District adopted two new statements of financial accounting standards issued by GASB:

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.*

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

1. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

2. Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's final year-end, the effects of the District's reported contributions to the plan subsequent to the respective measurement date of the plan is shown as an increase in deferred outflow of resources and a decrease in net position.

B. Compliance and Accountability

1. The District did not have any violations of finance-related legal and contractual provisions during the year ended August 31, 2015.
2. Deficit Fund Balance or Fund Net Position of Individual Funds

None of the District's funds had any significant deficit fund balance or net position balance at August 31, 2015.

C. Cash and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

Cash

At August 31, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,560,801 and the bank balance was \$6,244,921, including fiduciary funds. The District's cash deposits at August 31, 2015 and during the year ended August 31, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent in the District's name.

Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

Reporting

Cash and investments as of August 31, 2015 are classified in the accompanying financial statements as follows:

Governmental Activities Statement of Net Position

Cash and cash equivalents	\$ 4,927,092
Current investments	87,742,660

Fiduciary Funds - Statement of Fiduciary Net Position

Cash and cash equivalents	638,160
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Total cash and investments	\$ 93,307,912
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Cash and investments as of August 31, 2015 consist of the following:

Cash on hand	\$ 4,451
Deposits in financial institutions	5,560,801
Investments	87,742,660

Total cash and investments	\$ 93,307,912
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WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

The District's investments at August 31, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Months)</u>	<u>Fair Value</u>
Held in governmental funds:		
TexPool	1	\$ 78,413,490
Texas Term	1	8,956,077
		<u>87,369,567</u>
Held in internal service funds:		
TexPool	1	<u>373,093</u>
Total investments		<u>\$ 87,742,660</u>

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. Presented below is the minimum rating required by, where applicable, the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
TexPool	N/A	AAA
Texas Term	N/A	AAA

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk, except for the external investment pools which invest in numerous individual investments.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

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-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the 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's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

D. Capital Assets

Capital asset activity for the year ended August 31, 2015 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,216,717	\$ 25,689	\$ --	\$ 4,242,406
Construction in progress	112,769	849,537	112,769	849,537
Total capital assets not being depreciated	4,329,486	875,226	112,769	5,091,943
<i>Capital assets being depreciated:</i>				
Buildings and improvements	146,455,082	494,532	--	146,949,614
Furniture and equipment	24,276,930	821,247	1,554,628	23,543,549
Property under capital lease	500,608	1,280,568	--	1,781,176
Total capital assets being depreciated	171,232,620	2,596,347	1,554,628	172,274,339
Less accumulated depreciation for:				
Buildings and improvements	67,917,920	3,156,840	--	71,074,760
Furniture and equipment	18,528,498	1,397,666	1,137,075	18,789,089
Property under capital lease	178,824	172,976	--	351,800
Total accumulated depreciation	86,625,242	4,727,482	1,137,075	90,215,649
Total capital assets being depreciated, net	84,607,378	(2,131,135)	417,553	82,058,690
Governmental activities capital assets, net	\$ 88,936,864	\$ (1,255,909)	\$ 530,322	\$ 87,150,633

The following is a reconciliation of the Increases/Transfers for the year:

	Costs	Accumulated Depreciation
Totals per above	\$ 3,471,573	\$ 4,727,482
Less transfers between classifications	450,387	52,249
Capital asset purchases during the year	\$ 3,021,186	
Depreciation expense for the year		\$ 4,675,233

Depreciation was charged to functions as follows:

Instruction	\$ 2,406,425
Instructional Resources and Media Services	43,984
Curriculum and Staff Development	43,390
Instructional Leadership	85,013
School Leadership	204,365
Guidance, Counseling, & Evaluation Services	167,302
Social Work Services	15,409
Health Services	46,865
Student Transportation	508,516
Food Services	230,739
Extracurricular Activities	143,476
General Administration	266,942
Plant Maintenance and Operations	401,881
Security and Monitoring Services	18,119
Data Processing Services	92,085
Community Services	722
	\$ 4,675,233

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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E. Interfund Balances

Balances due to and from other funds at August 31, 2015 consisted of the following:

Due From	Due To	Amount	Purpose
Capital Projects Fund	General Fund	\$ 2,861	Short-term borrowings
Other Governmental Funds	Other Governmental Funds	16,065	Short-term borrowings
Agency Fund	General Fund	37,618	Short-term borrowings
General Fund	Other Governmental Funds	159,101	Short-term borrowings
General Fund	Internal Service Funds	167,957	Short-term borrowings
Other Governmental Funds	General Fund	1,402,349	Short-term borrowings
Total		<u>\$ 1,785,951</u>	

The interfund balances are anticipated to be repaid within one year.

Balances transferred to and from other funds during the year ended August 31, 2015 consisted of the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 87,936	Supplement other funds
General Fund	Capital Projects Fund	3,663	Supplement other funds
		<u>\$ 91,599</u>	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2015 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds Payable:					
General Obligation Bonds	\$ 47,215,000	\$ 88,995,000	\$ 40,440,000	\$ 95,770,000	\$ 5,310,000
Premium on Bonds	1,046,710	11,122,727	1,153,524	11,015,913	--
Total Bonds Payable	48,261,710	100,117,727	41,593,524	106,785,913	5,310,000
Capital Leases Payable	212,108	1,280,568	242,612	1,250,064	348,202
Compensated Absences *	1,523,710	419,712	618,438	1,324,984	226,370
Total governmental activities	<u>\$ 49,997,528</u>	<u>\$ 101,818,007</u>	<u>\$ 42,454,574</u>	<u>\$ 109,360,961</u>	<u>\$ 5,884,572</u>

* Compensated absences are considered other long-term liabilities and are typically liquidated in the General Fund.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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2. Debt Service Requirements

Debt service requirements on long-term debt, excluding amortization of bond premium, deferred loss on refunding and compensated absences, at August 31, 2015 are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 5,658,202	\$ 3,879,367	\$ 9,537,569
2017	5,429,531	3,787,620	9,217,151
2018	4,996,341	3,602,155	8,598,496
2019	5,126,116	3,421,929	8,548,045
2020	5,353,739	3,195,256	8,548,995
2021-2025	29,726,135	12,487,006	42,213,141
2026-2030	22,655,000	6,402,813	29,057,813
2031-2035	18,075,000	2,345,963	20,420,963
Totals	\$ 97,020,064	\$ 39,122,109	\$ 136,142,173

3. General Obligation Bonds

Debt service requirements for the above listed general obligation bonds are as follows:

Year Ending August 31,	General Obligation Bonds		Total
	Principal	Interest	Requirements
2016	\$ 5,310,000	\$ 3,858,608	\$ 9,168,608
2017	5,185,000	3,772,988	8,957,988
2018	4,815,000	3,591,500	8,406,500
2019	4,990,000	3,414,025	8,404,025
2020	5,215,000	3,189,975	8,404,975
2021-2025	29,525,000	12,484,113	42,009,113
2026-2030	22,655,000	6,402,813	29,057,813
2031-2035	18,075,000	2,345,963	20,420,963
Totals	\$ 95,770,000	\$ 39,059,985	\$ 134,829,985

A summary of changes in general obligation bonds and notes for the year ended August 31, 2015 is as follows:

	Amounts Outstanding 9/1/14	Issued	Refunded	Retired	Amounts Outstanding 8/31/15
* Unlimited Tax School Building Bonds, Series 2007 Interest Range 4.00% -5.00%	\$ 45,420,000	\$ --	\$ 37,125,000	\$ 2,655,000	\$ 5,640,000
** Maintenance Tax Refunding Bonds, Series 2011 Interest Range 1.90% -2.75%	1,795,000	--	--	655,000	1,140,000
* Unlimited Tax Refunding Bonds, Series 2015 Interest Range 2.125% -5.00%	--	35,350,000	--	--	35,350,000
* Unlimited Tax School Building Bonds, Series 2015 Interest Range 1.00% -5.00%	--	53,645,000	--	5,000	53,640,000
Totals	\$ 47,215,000	\$ 88,995,000	\$ 37,125,000	\$ 3,315,000	\$ 95,770,000

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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- * Principal and interest payments provided by the Interest and Sinking tax assessments.
- ** Principal and interest payments provided by the District's operations annually.

Limitations and Restrictions

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions.

Arbitrage Regulations

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The United States Treasury requires payments for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At August 31, 2015, the District has no liability under these regulations.

4. Advance Refundings of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2015, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Unlimited Tax School Building Bonds, Series 2007	\$ <u>37,125,000</u>

5. Capital Leases

The Public Property Finance Act gives the District the authority to enter into leases for the acquisition of personal property. The District is obligated under certain leases accounted for as capital leases. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, 'Accounting for Leases', which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The leased assets are recorded under 'Property under capital lease' in the capital assets with a stated cost of \$1,781,176. The interest rates on the capital leases range from 1.38% to 3.35%. Future minimum lease payments under these leases are as follows:

<u>Year Ending August 31:</u>	<u>Capital Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2016	\$ 348,202	\$ 20,759	\$ 368,961
2017	244,531	14,632	259,163
2018	181,341	10,655	191,996
2019	136,116	7,904	144,020
2020	138,739	5,281	144,020
2021-2025	201,135	2,893	204,028
Totals	\$ <u>1,250,064</u>	\$ <u>62,124</u>	\$ <u>1,312,188</u>

6. Compensated Absences

Vacation Leave

At August 31, 2015, the District had \$73,260 in accumulated unpaid vacation leave payable. These amounts have been reported in the government-wide financial statements. These obligations are not recognized in the governmental fund financial statements until they are due and payable because they are not considered to be uses of current financial resources until that time.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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Sick Leave

Upon termination, retirement, or death of certain employees, the District pays any accrued sick leave in a lump sum cash payment to such employee or his/her estate at a reduced rate. At August 31, 2015, the accumulated sick leave liability was \$1,248,614.

Comp Time

From time-to-time, employees work more than their contracted hours. The District allows some employees to defer the payment of hours until a later date. The liability for comp time is accrued and at August 31, 2015 was \$3,110.

7. Continuing Disclosure Requirements

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. The information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

G. Defined Benefit Pension Plan

1. 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 TRS. TRS's defined benefit pension plan is 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.

2. Pension Plan Fiduciary Net Position

Detailed information about TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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3. Benefits Provided

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

4. 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 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% 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 through 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution rates for the Plan fiscal year (September through August) 2014 and 2015 follow:

	Contribution Rates for Plan Fiscal Year:	
	2014	2015
Members (Employees)	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employer (District)	6.8%	6.8%

Employer #243905 - 2014 Employer Contributions	\$	1,189,251
Employer #243905 - 2014 Member Contributions	\$	4,795,227
Employer #243905 - 2014 NECE On-Behalf Contributions	\$	3,956,872

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
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As the non-employer continuing 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 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, 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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Market Value
Discount Rate	8.00%
Long-term Expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

* - Includes inflation at 3%

The actuarial methods and assumptions used in the valuation were based on the results of an actuarial experience study for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011, they contained a significant margin for possible future mortality improvements. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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6. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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 is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns *
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflat. Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy & Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	0%		1.0%
Total	100%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

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7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability of the plan if the discount rate used was 1% less than and 1% higher than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
District's proportional share of the net pension liability	\$ 22,389,997	\$ 12,529,802	\$ 5,156,213
Plan net pension liability (in millions from TRS CAFR)	\$ 47,737	\$ 26,717	10,998

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

At August 31, 2015, the District reported a liability of \$12,529,802 for its proportionate share of the TRS's net pension liability calculated at August 31, 2014. This liability reflects a reduction for the State pension support provided to the District. The amount recognized by the District as its proportional share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 12,529,802
State's proportionate share of the net pension liability associated with the District	41,778,062
Total	<u>\$ 54,307,864</u>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

At August 31, 2014 the District's proportion of the collective net pension liability was 0.0469081%. Since this is the first year of implementation, the District does not have the proportion measured at August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS states that the change in proportion was immaterial and therefore disregarded this year.

For the year ended August 31, 2014, there was an adoption of a new mortality assumption that the average life expectancy for members over 65 years of age will increase by approximately nine months over the next four years.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the District's reporting date. A 1.5% contribution for District's not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resultant change in the District's proportion cannot be determined at this time.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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For the year ended August 31, 2014, the District recognized pension expense of \$3,862,304 and revenue of \$3,956,872 for support provided by the State.

At August 31, 2015, the District reported its proportionate share of the TRS's August 31, 2014 deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 193,777	\$ --
Changes in assumptions	814,451	--
Net difference between projected and actual earnings on pension plan investments	--	3,829,619
Changes in proportion and differences between District contributions and proportionate share of contributions	--	3,284
District contributions subsequent to the measurement date	2,258,375	--
Total	<u>\$ 3,266,603</u>	<u>\$ 3,832,903</u>

The \$2,258,375 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended August 31, 2015 (fiscal year August 31, 2016). Other amounts reported as deferred outflows of resources or deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year Ended August 31	Pension Exp. Amount
2015	\$ (787,871)
2016	\$ (787,871)
2017	\$ (787,871)
2018	\$ (787,871)
2019	\$ 169,534
Thereafter	\$ 157,275

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
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H. Retiree Health Care Plan

1. TRS-Care

a. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by TRS. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the TRS. The statutory authority for the program is the Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The System issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by download from the TRS web site, www.trs.state.tx.us, under the TRS Publications heading, by writing the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling the TRS Communications Department at 1-800-223-8778.

b. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.00% (0.5% for 2013) and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014 and 2013. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for the three most recent periods:

Year	Active Member (.65%)	State (.50% or 1%)	District (.55%)
2015	\$ 495,302	\$ 762,003	\$ 419,102
2014	\$ 487,015	\$ 749,254	\$ 412,090
2013	\$ 493,667	\$ 379,744	\$ 417,718

2. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on-behalf of the District were \$223,865, \$195,424, and \$197,806, respectively.

I. 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.

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The estimated claims benefit obligation for the self-insured worker's compensation plan of \$343,000 at August 31, 2015 includes requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of the loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability recorded was the undiscounted estimate of the third party administrator at August 31, 2015.

The District's ultimate liability is the sum of the District's loss fund as determined by the third party administrator. The District is not responsible for claims and claims allocation expense beyond its stop loss insurance coverage noted above.

As of August 31, 2015, the worker's compensation benefit obligation consisted of \$343,000 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:

Balance at September 1, 2014		\$	345,000
Included claims:			
Provision for insured events for 2014-15	\$	269,000	
Provision for insured events for prior years		(53,000)	216,000
Payments:			
Claims attributed to insured events for 2014-15		112,000	
Claims attributed to insured events for prior years		106,000	218,000
Balance at August 31, 2015		\$	<u>343,000</u>

J. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable 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 basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2015.

3. Construction Commitments

The District entered into a variety of construction related contracts through August 31, 2015 as summarized in the following table:

Funded By	Total Contracts	Incurred to Date	Remaining Commitments
General Fund	\$ 247,766	\$ 224,175	\$ 23,591
Capital Projects Fund	22,923,731	519,199	22,404,532
Totals	<u>\$ 23,171,497</u>	<u>\$ 743,374</u>	<u>\$ 22,428,123</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

K. Shared Service Arrangement

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides a regional day school for the deaf to member districts listed below. All services are provided by the District as 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 No. 315, 316, 317 and 435 and such activities have been accounted for using Module 3 in the SSA section of TEA's Resource Guide. The expenditures of the SSA are summarized as follows:

Member Districts	#315	#316	#317	#435	Totals
Big Four Special Education Coop	\$ 463	\$ 470	\$ --	\$ 4,790	\$ 5,723
Burkburnett ISD	1,735	1,760	--	73,438	76,933
Clay-Jack Coop	1,852	1,877	--	68,250	71,979
Graham ISD	463	469	--	28,737	29,669
Greenbelt Coop	693	704	--	6,386	7,783
Haskell/Knox Coop	231	235	--	2,395	2,861
Montague County Coop	1,850	1,878	--	44,304	48,032
Vernon ISD	231	235	--	3,193	3,659
West Wichita County Coop	2,372	2,406	--	98,783	103,561
Wichita Falls ISD	6,245	6,336	2,385	344,417	359,383
Totals	<u>\$ 16,135</u>	<u>\$ 16,370</u>	<u>\$ 2,385</u>	<u>\$ 674,693</u>	<u>\$ 709,583</u>

L. Fiscal Agent - Communities in Schools of Greater Wichita Falls Area, Inc.

The District is the fiscal agent on behalf of the Communities in Schools of Greater Wichita Falls Area, Inc. (CIS). As such, the District reports the activity of CIS in an Agency Fund (Fund 864). For the year ended August 31, 2015, the additions and deletions for CIS were as follows:

Additions		\$ 278,907
Deletions:		
21 Instructional Leadership	\$ 81,850	
31 Guidance, Counseling, & Evaluation Services	197,057	
Total deletions		278,907
Net Change		<u>\$ --</u>

M. Prior Period Adjustments

In the current year, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions - An Amendment to GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date -- an amendment of GASB Statement No. 68, as these statements are effective for fiscal years beginning on or after June 15, 2014. Implementation of these statements were made to improve accounting and financial reporting by the District for pensions provided by TRS as described in Note G. Implementation required a prior period adjustment to beginning net position of the governmental activities as of September 1, 2014. The prior period adjustment to reduce beginning unrestricted net position is composed of the following August 31, 2014 amounts:

Net Pension Liability	\$ (15,384,923)
Net of Deferred Inflows/Outflows of Resources	<u>1,189,251</u>
Prior Period Adjustment	<u>\$ (14,195,672)</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

Since pension liability data is not available for periods prior to August 31, 2014, the effect of the prior period adjustment on the change in net position for the fiscal year ended August 31, 2014, is not determinable.

Furthermore, District management noted an error in the previously reported fund balance of the General Fund and the net position of the Governmental Activities relative to the Ryan Scholarship Fund. The excess scholarship funds were incorrectly included in the previously reported fund balance and net position totalling \$317,226. Consequently, a prior period adjustment reducing the amounts previously reported was made.

A summary of the effects of the prior period adjustments are as follows:

	Governmental Activities	General Fund	Private- Purpose Trust Funds
Adjustment related to implementation of GASB 68 & 71	\$ (14,195,672)	\$ --	\$ --
Adjustment related to the Ryan Scholarship Fund	(317,226)	(317,226)	317,226
Total prior period adjustments	<u>\$ (14,512,898)</u>	<u>\$ (317,226)</u>	<u>\$ 317,226</u>

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 43,811,665	\$ 43,816,765	\$ 43,908,498	\$ 91,733
5800	State Program Revenues	61,180,188	61,180,188	59,712,129	(1,468,059)
5900	Federal Program Revenues	1,795,000	1,795,000	2,194,073	399,073
5020	Total Revenues	<u>106,786,853</u>	<u>106,791,953</u>	<u>105,814,700</u>	<u>(977,253)</u>
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	Instruction	63,071,869	62,489,570	62,326,255	163,315
0012	Instructional Resources and Media Services	1,440,484	1,397,258	1,329,393	67,865
0013	Curriculum and Staff Development	1,320,339	1,027,029	837,260	189,769
	Total Instruction & Instr. Related Services	<u>65,832,692</u>	<u>64,913,857</u>	<u>64,492,908</u>	<u>420,949</u>
	Instructional and School Leadership:				
0021	Instructional Leadership	2,179,757	2,126,433	2,088,445	37,988
0023	School Leadership	6,137,140	5,955,031	5,905,998	49,033
	Total Instructional & School Leadership	<u>8,316,897</u>	<u>8,081,464</u>	<u>7,994,443</u>	<u>87,021</u>
	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	4,013,894	4,313,412	4,274,847	38,565
0032	Social Work Services	269,513	269,513	246,588	22,925
0033	Health Services	1,357,643	1,372,943	1,379,216	(6,273)
0034	Student Transportation	2,672,824	2,668,314	2,571,820	96,494
0035	Food Services	--	75,000	--	75,000
0036	Cocurricular/Extracurricular Activities	3,434,201	3,436,630	3,390,770	45,860
	Total Support Services - Student (Pupil)	<u>11,748,075</u>	<u>12,135,812</u>	<u>11,863,241</u>	<u>272,571</u>
	Administrative Support Services:				
0041	General Administration	3,247,322	3,489,658	3,483,596	6,062
	Total Administrative Support Services	<u>3,247,322</u>	<u>3,489,658</u>	<u>3,483,596</u>	<u>6,062</u>
	Support Services - Nonstudent Based:				
0051	Facilities Maintenance and Operations	11,145,646	11,832,681	12,029,431	(196,750)
0052	Security and Monitoring Services	569,031	569,031	553,834	15,197
0053	Data Processing Services	2,449,249	2,746,006	2,814,869	(68,863)
	Total Support Services - Nonstudent Based	<u>14,163,926</u>	<u>15,147,718</u>	<u>15,398,134</u>	<u>(250,416)</u>
	Ancillary Services:				
0061	Community Services	7,581	7,866	2,539	5,327
	Total Ancillary Services	<u>7,581</u>	<u>7,866</u>	<u>2,539</u>	<u>5,327</u>
	Debt Service:				
0071	Principal on Long-Term Debt	698,485	655,000	655,000	--
0072	Interest on Long-Term Debt	600	44,085	36,880	7,205
	Total Debt Service	<u>699,085</u>	<u>699,085</u>	<u>691,880</u>	<u>7,205</u>
	Capital Outlay:				
0081	Capital Outlay	390,000	390,000	299,954	90,046
	Total Capital Outlay	<u>390,000</u>	<u>390,000</u>	<u>299,954</u>	<u>90,046</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	245,000	121,350	--	121,350
0099	Other Intergovernmental Charges	552,000	552,000	531,399	20,601
	Total Intergovernmental Charges	797,000	673,350	531,399	141,951
6030	Total Expenditures	105,202,578	105,538,810	104,758,094	780,716
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	1,584,275	1,253,143	1,056,606	(196,537)
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	50,000	50,000	52,439	2,439
8911	Transfers Out	(437,551)	(426,551)	(91,599)	334,952
7080	Total Other Financing Sources and (Uses)	(387,551)	(376,551)	(39,160)	337,391
	SPECIAL ITEM:				
8912	Special Item (Use)	--	(11,000)	(11,000)	--
1200	Net Change in Fund Balance	1,196,724	865,592	1,006,446	140,854
0100	Fund Balance - Beginning, as Originally Stated	23,735,120	23,735,120	23,735,120	--
PA	Prior Period Adjustment	(317,226)	(317,226)	(317,226)	--
	Fund Balance - Beginning, as Restated	23,417,894	23,417,894	23,417,894	--
3000	Fund Balance - Ending	\$ 24,614,618	\$ 24,283,486	\$ 24,424,340	\$ 140,854

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****TEACHER RETIREMENT SYSTEM OF TEXAS****YEAR ENDED AUGUST 31, 2015**

	<u>2015</u>
District's Proportion of the Net Pension Liability	0.0469081%
District's Proportionate Share of the Net Pension Liability	\$ 12,529,802
State's Proportionate Share of the Net Pension Liability associated with the District	<u>41,778,062</u>
Total	<u>\$ 54,307,864</u>
District's Covered Employee Payroll	<u>\$ 74,925,429</u>
District's Proportionate Share of the Net Pension Liability as a percentage of its covered-employee payroll	<u>16.72%</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	<u>83.25%</u>

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2015

	<u>2015</u>
Contractually required contribution	\$ 2,258,375
Contribution in relation to the contractually required contribution	<u>(2,258,375)</u>
Contribution Deficiency (Excess)	\$ <u>--</u>
District's covered-employee payroll	\$ <u>76,200,342</u>
Contribution as a percentage of covered-employee payroll	<u>2.96%</u>

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2015

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

The following negative budget variances were noted in the General Fund, but are not considered material to the financial statements:

0033 - Health Services	\$	6,273
0051 - Facilities Maintenance and Operations		196,750
0053 - Data Processing Services		68,863

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

For the year ended August 31, 2014, there was an adoption of a new mortality assumption that the average life expectancy for members over 65 years of age will increase by approximately nine months over the next four years.

*Combining Statements
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2015

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:			
1110 Cash and Cash Equivalents	\$ 1,140,351	\$ 19,243	\$ 1,159,594
1120 Current Investments	424,339	640,836	1,065,175
1225 Taxes Receivable, Net	--	148,769	148,769
1240 Due from Other Governments	2,092,194	2,205	2,094,399
1260 Due from Other Funds	175,166	--	175,166
1290 Other Receivables	48,695	6,787	55,482
1300 Inventories	1,072,857	--	1,072,857
1000 Total Assets	<u>\$ 4,953,602</u>	<u>\$ 817,840</u>	<u>\$ 5,771,442</u>
LIABILITIES:			
Current Liabilities:			
2110 Accounts Payable	\$ 215,514	\$ --	\$ 215,514
2150 Payroll Deductions & Withholdings	22,366	--	22,366
2160 Accrued Wages Payable	629,117	--	629,117
2170 Due to Other Funds	1,402,348	16,065	1,418,413
2180 Due to Other Governments	11,641	244,437	256,078
2300 Unearned Revenue	810,009	--	810,009
2000 Total Liabilities	<u>3,090,995</u>	<u>260,502</u>	<u>3,351,497</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Property Taxes	--	133,124	133,124
2600 Total Deferred Inflows of Resources	<u>--</u>	<u>133,124</u>	<u>133,124</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410 Inventories	722,130	--	722,130
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	530,330	--	530,330
3480 Retirement of Long-Term Debt	--	424,214	424,214
Committed Fund Balances:			
3545 Other Committed Fund Balance	610,147	--	610,147
3000 Total Fund Balances	<u>1,862,607</u>	<u>424,214</u>	<u>2,286,821</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,953,602</u>	<u>\$ 817,840</u>	<u>\$ 5,771,442</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 3,338,860	\$ 3,985,666	\$ 7,324,526
5800 <i>State Program Revenues</i>	892,647	488,941	1,381,588
5900 <i>Federal Program Revenues</i>	15,720,733	--	15,720,733
5020 <i>Total Revenues</i>	<u>19,952,240</u>	<u>4,474,607</u>	<u>24,426,847</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	9,430,713	--	9,430,713
0012 <i>Instructional Resources and Media Services</i>	15,070	--	15,070
0013 <i>Curriculum and Staff Development</i>	489,047	--	489,047
0021 <i>Instructional Leadership</i>	510,154	--	510,154
0023 <i>School Leadership</i>	341,140	--	341,140
0031 <i>Guidance, Counseling, & Evaluation Services</i>	843,431	--	843,431
0032 <i>Social Work Services</i>	224,407	--	224,407
0033 <i>Health Services</i>	53,317	--	53,317
0035 <i>Food Service</i>	7,052,993	--	7,052,993
0036 <i>Cocurricular/Extracurricular Activities</i>	840,775	--	840,775
0041 <i>General Administration</i>	1,298	--	1,298
0051 <i>Facilities Maintenance and Operations</i>	250,933	--	250,933
0061 <i>Community Services</i>	19,530	--	19,530
0071 <i>Principal on Long-term Debt</i>	--	2,660,000	2,660,000
0072 <i>Interest on Long-term Debt</i>	--	1,664,862	1,664,862
0073 <i>Bond Issuance Costs and Fees</i>	--	356,132	356,132
0093 <i>Payments to Shared Service Arrangements</i>	215,735	--	215,735
6030 <i>Total Expenditures</i>	<u>20,288,543</u>	<u>4,680,994</u>	<u>24,969,537</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>(336,303)</u>	<u>(206,387)</u>	<u>(542,690)</u>
Other Financing Sources and (Uses):			
7911 <i>Bonded Debt Issued</i>	--	35,350,000	35,350,000
7912 <i>Sale of Real or Personal Property</i>	72,369	--	72,369
7915 <i>Transfers In</i>	87,936	--	87,936
7916 <i>Premium or Discount on Issuance of Bonds</i>	--	4,766,966	4,766,966
8949 <i>Other Uses</i>	--	(40,147,572)	(40,147,572)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>160,305</u>	<u>(30,606)</u>	<u>129,699</u>
1200 <i>Net Change in Fund Balances</i>	<u>(175,998)</u>	<u>(236,993)</u>	<u>(412,991)</u>
0100 <i>Fund Balances - Beginning</i>	2,038,605	661,207	2,699,812
3000 <i>Fund Balances - Ending</i>	<u>\$ 1,862,607</u>	<u>\$ 424,214</u>	<u>\$ 2,286,821</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2015

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	\$ (808)	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	469,147	9,456	322,069	10,573
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 468,339</u>	<u>\$ 9,456</u>	<u>\$ 322,069</u>	<u>\$ 10,573</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 1,921	\$ 675	\$ 4,873	\$ 2,140
2150 Payroll Deductions & Withholdings	13,964	164	(1,152)	544
2160 Accrued Wages Payable	268,885	--	106,463	--
2170 Due to Other Funds	183,569	8,617	211,885	7,889
2180 Due to Other Governments	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>468,339</u>	<u>9,456</u>	<u>322,069</u>	<u>10,573</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 468,339</u>	<u>\$ 9,456</u>	<u>\$ 322,069</u>	<u>\$ 10,573</u>

215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	242 Summer Feeding Program
\$ --	\$ --	\$ 10,519	\$ 163,046	\$ (92,522)
--	--	--	338,865	85,474
4,098	396,381	2,881	166,200	--
--	--	--	152,805	6,296
--	--	--	6,552	--
--	--	--	1,063,984	--
<u>\$ 4,098</u>	<u>\$ 396,381</u>	<u>\$ 13,400</u>	<u>\$ 1,891,452</u>	<u>\$ (752)</u>
\$ --	\$ --	\$ --	\$ 149,448	\$ --
(77)	5,335	189	2,420	(723)
1,487	39,872	2,881	127,589	--
2,688	351,174	--	17,652	--
--	--	10,330	--	--
--	--	--	341,854	--
<u>4,098</u>	<u>396,381</u>	<u>13,400</u>	<u>638,963</u>	<u>(723)</u>
--	--	--	722,130	--
--	--	--	530,359	(29)
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>1,252,489</u>	<u>(29)</u>
<u>\$ 4,098</u>	<u>\$ 396,381</u>	<u>\$ 13,400</u>	<u>\$ 1,891,452</u>	<u>\$ (752)</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2015

Data Control Codes	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Lang. Acquisition and Enhancement	265 21st Century Community Learning Ctrs.
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	4,795	143,044	--	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 4,795</u>	<u>\$ 143,044</u>	<u>\$ --</u>	<u>\$ --</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 40	\$ 3,930	\$ --	\$ --
2150 Payroll Deductions & Withholdings	57	1,239	(902)	(1,251)
2160 Accrued Wages Payable	--	39,556	--	--
2170 Due to Other Funds	4,698	98,319	902	1,251
2180 Due to Other Governments	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>4,795</u>	<u>143,044</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 4,795</u>	<u>\$ 143,044</u>	<u>\$ --</u>	<u>\$ --</u>

272	277	288	315	316
MAC Program	Title III Part A Immigrant	HIPPY Grant	IDEA-B Discretionary	IDEA-B Deaf
\$ 103,047	\$ --	\$ 131	\$ --	\$ --
--	--	--	--	--
--	--	61,970	3,769	7,027
16,065	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 119,112</u>	<u>\$ --</u>	<u>\$ 62,101</u>	<u>\$ 3,769</u>	<u>\$ 7,027</u>
\$ --	\$ --	\$ 1,719	\$ 2,481	\$ 3,439
--	(47)	1,441	--	46
--	--	--	--	--
--	47	57,630	1,288	3,542
--	--	1,311	--	--
119,112	--	--	--	--
<u>119,112</u>	<u>--</u>	<u>62,101</u>	<u>3,769</u>	<u>7,027</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 119,112</u>	<u>\$ --</u>	<u>\$ 62,101</u>	<u>\$ 3,769</u>	<u>\$ 7,027</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2015

Data Control Codes	410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf
ASSETS:			
1110 Cash and Cash Equivalents	\$ --	\$ 5,017	\$ --
1120 Current Investments	--	--	--
1240 Due from Other Governments	448,693	--	42,091
1260 Due from Other Funds	--	--	--
1290 Other Receivables	--	117	3,500
1300 Inventories	--	--	--
1000 Total Assets	<u>\$ 448,693</u>	<u>\$ 5,134</u>	<u>\$ 45,591</u>
LIABILITIES:			
Current Liabilities:			
2110 Accounts Payable	\$ --	\$ --	\$ --
2150 Payroll Deductions & Withholdings	--	--	996
2160 Accrued Wages Payable	--	--	42,091
2170 Due to Other Funds	448,693	--	2,504
2180 Due to Other Governments	--	--	--
2300 Unearned Revenue	--	5,134	--
2000 Total Liabilities	<u>448,693</u>	<u>5,134</u>	<u>45,591</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410 Inventories	--	--	--
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	--	--	--
Committed Fund Balances:			
3545 Other Committed Fund Balance	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 448,693</u>	<u>\$ 5,134</u>	<u>\$ 45,591</u>

461 Campus Activity Funds	489 West Foundation	499 CIS	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 609,992	\$ 188,478	\$ 153,451	\$ 1,140,351
--	--	--	424,339
--	--	--	2,092,194
--	--	--	175,166
38,504	--	22	48,695
--	8,873	--	1,072,857
<u>\$ 648,496</u>	<u>\$ 197,351</u>	<u>\$ 153,473</u>	<u>\$ 4,953,602</u>
\$ 38,349	\$ 6,332	\$ 167	\$ 215,514
--	98	25	22,366
--	293	--	629,117
--	--	--	1,402,348
--	--	--	11,641
--	190,628	153,281	810,009
<u>38,349</u>	<u>197,351</u>	<u>153,473</u>	<u>3,090,995</u>
--	--	--	722,130
--	--	--	530,330
610,147	--	--	610,147
<u>610,147</u>	<u>--</u>	<u>--</u>	<u>1,862,607</u>
<u>\$ 648,496</u>	<u>\$ 197,351</u>	<u>\$ 153,473</u>	<u>\$ 4,953,602</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

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	2,188,299	39,621	3,675,343	65,935
5020 Total Revenues	<u>2,188,299</u>	<u>39,621</u>	<u>3,675,343</u>	<u>65,935</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,565,088	10,054	3,219,212	49,679
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	11,705	--	130,148	16,256
0021 Instructional Leadership	4,785	--	297,840	--
0023 School Leadership	265,449	--	2,279	--
0031 Guidance, Counseling, & Evaluation Services	124,556	--	--	--
0032 Social Work Services	185,678	28,269	10,460	--
0033 Health Services	53,317	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	1,298	--	--
0051 Facilities Maintenance and Operations	63,876	--	--	--
0061 Community Services	1,781	--	15,404	--
0093 Payments to Shared Service Arrangements	--	--	--	--
6030 Total Expenditures	<u>2,276,235</u>	<u>39,621</u>	<u>3,675,343</u>	<u>65,935</u>
1100 Excess (Deficiency) of Revenues Over (Under)	(87,936)	--	--	--
1100 Expenditures	<u>(87,936)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7912 Sale of Real or Personal Property	--	--	--	--
7915 Transfers In	87,936	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>87,936</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

214 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	242 Summer Feeding Program
\$ --	\$ --	\$ --	\$ 1,412,398	\$ 40
--	--	--	98,978	--
47,311	2,684,042	56,412	5,460,065	47,046
<u>47,311</u>	<u>2,684,042</u>	<u>56,412</u>	<u>6,971,441</u>	<u>47,086</u>
47,311	1,911,878	56,412	--	--
--	--	--	--	--
--	629	--	--	--
--	--	--	--	--
--	--	--	--	--
--	555,800	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	7,005,913	47,080
--	--	--	--	--
--	--	--	--	--
--	--	--	185,270	--
--	--	--	--	--
--	215,735	--	--	--
<u>47,311</u>	<u>2,684,042</u>	<u>56,412</u>	<u>7,191,183</u>	<u>47,080</u>
--	--	--	(219,742)	6
--	--	--	72,369	--
--	--	--	--	--
--	--	--	72,369	--
--	--	--	(147,373)	6
--	--	--	1,399,862	(35)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,252,489</u>	<u>\$ (29)</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Lang. Acquisition and Enhancement	272 MAC Program
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	123,880	845,625	80,003	87,434
5020	Total Revenues	<u>123,880</u>	<u>845,625</u>	<u>80,003</u>	<u>87,434</u>
EXPENDITURES:					
Current:					
0011	Instruction	64,625	573,244	77,658	15,000
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	4,803	168,364	--	3,211
0021	Instructional Leadership	16,271	102,742	--	29,612
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	38,181	1,275	--	39,611
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	--
0061	Community Services	--	--	2,345	--
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	<u>123,880</u>	<u>845,625</u>	<u>80,003</u>	<u>87,434</u>
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100	Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):					
7912	Sale of Real or Personal Property	--	--	--	--
7915	Transfers In	--	--	--	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

276 Title I SIP Academy Grant	288 HIPPY Grant	289 Summer School	315 IDEA-B Discretionary	316 IDEA-B Deaf
\$ --	\$ --	\$ --	\$ 720	\$ --
--	--	--	--	--
15,520	267,427	2,213	15,417	16,370
<u>15,520</u>	<u>267,427</u>	<u>2,213</u>	<u>16,137</u>	<u>16,370</u>
11,258	267,427	2,213	12,528	12,581
--	--	--	--	--
--	--	--	1,646	3,789
4,262	--	--	--	--
--	--	--	1,963	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>15,520</u>	<u>267,427</u>	<u>2,213</u>	<u>16,137</u>	<u>16,370</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	317 IDEA-B Preschool Deaf	340 IDEA-C Deaf	397 Advanced Placement Incentives
REVENUES:			
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	5,190
5900 Federal Program Revenues	2,386	384	--
5020 Total Revenues	<u>2,386</u>	<u>384</u>	<u>5,190</u>
EXPENDITURES:			
Current:			
0011 Instruction	2,386	384	2,940
0012 Instructional Resources and Media Services	--	--	--
0013 Curriculum and Staff Development	--	--	2,250
0021 Instructional Leadership	--	--	--
0023 School Leadership	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--
0032 Social Work Services	--	--	--
0033 Health Services	--	--	--
0035 Food Service	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--
0041 General Administration	--	--	--
0051 Facilities Maintenance and Operations	--	--	--
0061 Community Services	--	--	--
0093 Payments to Shared Service Arrangements	--	--	--
6030 Total Expenditures	<u>2,386</u>	<u>384</u>	<u>5,190</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--
1100 Expenditures	--	--	--
Other Financing Sources and (Uses):			
7912 Sale of Real or Personal Property	--	--	--
7915 Transfers In	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--
1200 Net Change in Fund Balances	--	--	--
0100 Fund Balances - Beginning	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
\$ --	\$ --	\$ 422,610	\$ 1,027,150
535,820	577	252,082	--
--	--	--	--
<u>535,820</u>	<u>577</u>	<u>674,692</u>	<u>1,027,150</u>
535,820	577	674,912	240,273
--	--	--	15,070
--	--	--	6,744
--	--	--	--
--	--	--	71,449
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	720,288
--	--	--	--
--	--	--	1,787
--	--	--	--
--	--	--	--
<u>535,820</u>	<u>577</u>	<u>674,912</u>	<u>1,055,611</u>
--	--	(220)	(28,461)
--	--	--	--
--	--	--	--
--	--	--	--
--	--	(220)	(28,461)
--	--	220	638,608
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 610,147</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	489 West Foundation	499 CIS	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 303,193	\$ 172,749	\$ 3,338,860
5800 <i>State Program Revenues</i>	--	--	892,647
5900 <i>Federal Program Revenues</i>	--	--	15,720,733
5020 <i>Total Revenues</i>	<u>303,193</u>	<u>172,749</u>	<u>19,952,240</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	43,204	34,049	9,430,713
0012 <i>Instructional Resources and Media Services</i>	--	--	15,070
0013 <i>Curriculum and Staff Development</i>	139,502	--	489,047
0021 <i>Instructional Leadership</i>	--	54,642	510,154
0023 <i>School Leadership</i>	--	--	341,140
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	84,008	843,431
0032 <i>Social Work Services</i>	--	--	224,407
0033 <i>Health Services</i>	--	--	53,317
0035 <i>Food Service</i>	--	--	7,052,993
0036 <i>Cocurricular/Extracurricular Activities</i>	120,487	--	840,775
0041 <i>General Administration</i>	--	--	1,298
0051 <i>Facilities Maintenance and Operations</i>	--	--	250,933
0061 <i>Community Services</i>	--	--	19,530
0093 <i>Payments to Shared Service Arrangements</i>	--	--	215,735
6030 <i>Total Expenditures</i>	<u>303,193</u>	<u>172,699</u>	<u>20,288,543</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>--</u>	<u>50</u>	<u>(336,303)</u>
Other Financing Sources and (Uses):			
7912 <i>Sale of Real or Personal Property</i>	--	--	72,369
7915 <i>Transfers In</i>	--	--	87,936
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>--</u>	<u>--</u>	<u>160,305</u>
1200 <i>Net Change in Fund Balances</i>	<u>--</u>	<u>50</u>	<u>(175,998)</u>
0100 <i>Fund Balances - Beginning</i>	--	(50)	2,038,605
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,862,607</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

AUGUST 31, 2015

Data Control Codes	751 Transportation Fund	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
ASSETS:				
Current Assets:				
1110 Cash and Cash Equivalents	\$ 1,059,565	\$ 119,540	\$ 1,994,708	\$ 3,173,813
1120 Investments	--	--	373,093	373,093
Receivables:				
1260 Due from Other Funds	--	11,086	156,871	167,957
1290 Other Receivables	1,161	--	--	1,161
Total Current Assets	<u>1,060,726</u>	<u>130,626</u>	<u>2,524,672</u>	<u>3,716,024</u>
Noncurrent Assets:				
Capital Assets:				
1530 Furniture and Equipment	6,351,469	301,667	--	6,653,136
1550 Assets Purchased Under Capital Leases	1,443,558	337,618	--	1,781,176
1570 Accumulated Depreciation	(4,879,759)	(328,497)	--	(5,208,256)
Total Noncurrent Assets	<u>2,915,268</u>	<u>310,788</u>	<u>--</u>	<u>3,226,056</u>
1000 Total Assets	<u>3,975,994</u>	<u>441,414</u>	<u>2,524,672</u>	<u>6,942,080</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	90,929	12,240	232,150	335,319
2130 Capital Leases Payable	236,367	111,835	--	348,202
2150 Payroll Deduction & Withholdings	--	77	81	158
2160 Accrued Wages Payable	--	10	--	10
2200 Accrued Expenses	--	--	112,000	112,000
Total Current Liabilities	<u>327,296</u>	<u>124,162</u>	<u>344,231</u>	<u>795,689</u>
Noncurrent Liabilities:				
2500 Bonds, Notes and Loans Payable	740,551	161,311	--	901,862
Total Noncurrent Liabilities	<u>740,551</u>	<u>161,311</u>	<u>--</u>	<u>901,862</u>
2000 Total Liabilities	<u>1,067,847</u>	<u>285,473</u>	<u>344,231</u>	<u>1,697,551</u>
NET POSITION:				
3200 Net Investment in Capital Assets	1,938,350	37,642	--	1,975,992
3900 Unrestricted	969,797	118,299	2,180,441	3,268,537
3000 Total Net Position	<u>\$ 2,908,147</u>	<u>\$ 155,941</u>	<u>\$ 2,180,441</u>	<u>\$ 5,244,529</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,

AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	751 Transportation Fund	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 2,970,363	\$ 331,373	\$ 156,871	\$ 3,458,607
5020 <i>Total Revenues</i>	<u>2,970,363</u>	<u>331,373</u>	<u>156,871</u>	<u>3,458,607</u>
OPERATING EXPENSES:				
6100 <i>Payroll Costs</i>	--	64,729	53,427	118,156
6200 <i>Professional and Contracted Services</i>	2,120,563	171,672	14,173	2,306,408
6300 <i>Supplies and Materials</i>	288,163	31,085	496	319,744
6400 <i>Other Operating Costs</i>	509,600	59,146	322,540	891,286
6500 <i>Debt Service</i>	15,670	2,695	--	18,365
6030 <i>Total Expenses</i>	<u>2,933,996</u>	<u>329,327</u>	<u>390,636</u>	<u>3,653,959</u>
Operating Income (Loss)	<u>36,367</u>	<u>2,046</u>	<u>(233,765)</u>	<u>(195,352)</u>
NON-OPERATING REVENUES (EXPENSES):				
7955 <i>Earnings from Temp. Deposits and Investments</i>	--	--	147	147
8951 <i>Gain/(Loss) on Sale of Real or Personal Property</i>	11,249	(119,692)	--	(108,443)
8030 <i>Total Non-operating Revenues (Expenses)</i>	<u>11,249</u>	<u>(119,692)</u>	<u>147</u>	<u>(108,296)</u>
1300 <i>Change in Net Position</i>	47,616	(117,646)	(233,618)	(303,648)
0100 <i>Total Net Position - Beginning</i>	2,860,531	273,587	2,414,059	5,548,177
3300 <i>Total Net Position - Ending</i>	<u>\$ 2,908,147</u>	<u>\$ 155,941</u>	<u>\$ 2,180,441</u>	<u>\$ 5,244,529</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2015

	751 Transportation Fund	752 Print Shop Fund	753 Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
Cash Flows from Operating Activities:				
<i>Cash Receipts for Quasi-external Operating Transactions with Other Funds</i>	\$ 2,966,543	\$ 258,098	\$ 153,779	\$ 3,378,420
<i>Cash Payments to Employees for Services</i>	--	(64,649)	(53,346)	(117,995)
<i>Cash Payments to Suppliers for Goods and Services</i>	(2,449,615)	(541,976)	(349,724)	(3,341,315)
Net Cash Provided (Used) by Operating Activities	<u>516,928</u>	<u>(348,527)</u>	<u>(249,291)</u>	<u>(80,890)</u>
Cash Flows from Capital and Related Financing Activities:				
<i>Purchase of Capital Assets</i>	(942,950)	--	--	(942,950)
<i>Proceeds from the Sale of Capital Assets</i>	11,249	4,000	--	15,249
<i>Principal Paid on Long-Term Debt</i>	(178,140)	(64,472)	--	(242,612)
<i>Proceeds from Issuance of Long-Term Debt</i>	942,950	337,618	--	1,280,568
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(166,891)</u>	<u>277,146</u>	<u>--</u>	<u>110,255</u>
Cash Flows from Investing Activities:				
<i>Purchase of Investments</i>	--	--	(153,926)	(153,926)
<i>Interest and Dividends on Investments</i>	--	--	147	147
Net Cash Used by Investing Activities	<u>--</u>	<u>--</u>	<u>(153,779)</u>	<u>(153,779)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	350,037	(71,381)	(403,070)	(124,414)
Cash and Cash Equivalents at Beginning of Year	709,528	190,921	2,397,778	3,298,227
Cash and Cash Equivalents at End of Year	<u>\$ 1,059,565</u>	<u>\$ 119,540</u>	<u>\$ 1,994,708</u>	<u>\$ 3,173,813</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 36,367	\$ 2,046	\$ (233,765)	\$ (195,352)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
<i>Depreciation</i>	508,516	58,163	--	566,679
Change in Assets and Liabilities:				
<i>Decrease (Increase) in Due from Other Funds</i>	--	(3,694)	(3,092)	(6,786)
<i>Decrease (Increase) in Other Receivables</i>	(3,820)	--	--	(3,820)
<i>Increase (Decrease) in Accounts Payable</i>	(24,135)	(335,541)	19,485	(340,191)
<i>Increase (Decrease) in Payroll Deduction & Withholding</i>	--	77	81	158
<i>Increase (Decrease) in Accrued Wages Payable</i>	--	3	--	3
<i>Increase (Decrease) in Due to Other Funds</i>	--	(69,581)	--	(69,581)
<i>Increase (Decrease) in Accrued Expenses</i>	--	--	(32,000)	(32,000)
Total Adjustments	<u>480,561</u>	<u>(350,573)</u>	<u>(15,526)</u>	<u>114,462</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 516,928</u>	<u>\$ (348,527)</u>	<u>\$ (249,291)</u>	<u>\$ (80,890)</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2015

Data Control Codes	828 Ryan Scholarship Fund	829 Renton Aviation Fund	Total Private- Purpose Trust Funds (See Exhibit E-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ 373,592	\$ 3,000	\$ 376,592
1290 <i>Other Receivables</i>	231,180	--	231,180
1000 Total Assets	<u>604,772</u>	<u>3,000</u>	<u>607,772</u>
LIABILITIES:			
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION:			
3800 <i>Held in Trust</i>	604,772	3,000	607,772
3000 Total Net Position	<u>\$ 604,772</u>	<u>\$ 3,000</u>	<u>\$ 607,772</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

	828 Ryan Scholarship Fund	829 Renton Aviation Fund	Total Private-Purpose Trust Funds (See Exhibit E-2)
Additions:			
Gifts and Bequests	\$ 333,546	\$ --	\$ 333,546
Total Additions	<u>333,546</u>	<u>--</u>	<u>333,546</u>
Deductions:			
Scholarship Awards	46,000	--	46,000
Total Deductions	<u>46,000</u>	<u>--</u>	<u>46,000</u>
Change in Net Position	<u>287,546</u>	<u>--</u>	<u>287,546</u>
Net Position-Beginning of the Year, As Originally Stated	--	3,000	3,000
Prior Period Adjustment	317,226	--	317,226
Net Position-Beginning of the Year, As Restated	<u>317,226</u>	<u>3,000</u>	<u>320,226</u>
Net Position-End of the Year	<u>\$ 604,772</u>	<u>\$ 3,000</u>	<u>\$ 607,772</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****AUGUST 31, 2015**

Data Control Codes	864 Accounts Payable Clearing	865 Student Activity	Total Agency Funds (See Exhibit E-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 261,568	\$ 261,568
1240 <i>Due from Other Governments</i>	43,430	--	43,430
1290 <i>Other Receivables</i>	--	20,194	20,194
1000 Total Assets	<u>\$ 43,430</u>	<u>\$ 281,762</u>	<u>\$ 325,192</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 5,360	\$ 20,250	\$ 25,610
2150 <i>Payroll Deduction & Withholdings</i>	279	--	279
2160 <i>Accrued Wages Payable</i>	173	--	173
2170 <i>Due to Other Funds</i>	37,618	--	37,618
2190 <i>Due to Student Groups</i>	--	261,512	261,512
2000 Total Liabilities	<u>\$ 43,430</u>	<u>\$ 281,762</u>	<u>\$ 325,192</u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2015*

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
	\$	Various	\$	Various	\$	Various
2006 and Prior Years		1.33		.0636		3,595,382,821
2007		1.04		.149		3,830,850,210
2008		1.04		.159		4,075,065,685
2009		1.04		.16		3,859,503,833
2010		1.04		.16		3,870,054,417
2011		1.04		.165		3,877,945,145
2012		1.04		.17		3,944,910,744
2013		1.04		.165		4,035,873,693
2014		1.04		.095		4,123,975,683
2015 (School Year Under Audit)						
1000 Totals						

10 Beginning Balance 9/1/14	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/15
\$ 432,849	\$ --	\$ 41,036	\$ 2,606	\$ (45,503)	\$ 343,704
85,047	--	9,966	477	(543)	74,061
72,257	--	9,272	1,328	(1,405)	60,252
80,261	--	6,721	1,028	(5,208)	67,304
113,794	--	17,563	2,702	(682)	92,847
135,269	--	29,581	4,551	(705)	100,432
179,907	--	43,956	6,974	(5,217)	123,760
337,172	--	101,012	16,512	(26,160)	193,488
725,003	--	294,562	46,734	(23,191)	360,516
--	46,807,124	42,194,761	3,854,329	(139,352)	618,682
<u>\$ 2,161,559</u>	<u>\$ 46,807,124</u>	<u>\$ 42,748,430</u>	<u>\$ 3,937,241</u>	<u>\$ (247,966)</u>	<u>\$ 2,035,046</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 1,605,200	\$ 1,605,200	\$ 1,412,398	\$ (192,802)
5800	State Program Revenues	212,000	212,000	98,978	(113,022)
5900	Federal Program Revenues	6,290,000	6,290,000	5,460,065	(829,935)
5020	Total Revenues	<u>8,107,200</u>	<u>8,107,200</u>	<u>6,971,441</u>	<u>(1,135,759)</u>
	EXPENDITURES:				
	Current:				
	Support Services - Student (Pupil):				
0035	Food Services	<u>7,770,474</u>	<u>7,994,609</u>	<u>7,005,913</u>	<u>988,696</u>
	Total Support Services - Student (Pupil)	<u>7,770,474</u>	<u>7,994,609</u>	<u>7,005,913</u>	<u>988,696</u>
	Support Services - Nonstudent Based:				
0051	Facilities Maintenance and Operations	<u>297,300</u>	<u>297,300</u>	<u>185,270</u>	<u>112,030</u>
	Total Support Services - Nonstudent Based	<u>297,300</u>	<u>297,300</u>	<u>185,270</u>	<u>112,030</u>
6030	Total Expenditures	<u>8,067,774</u>	<u>8,291,909</u>	<u>7,191,183</u>	<u>1,100,726</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>39,426</u>	<u>(184,709)</u>	<u>(219,742)</u>	<u>(35,033)</u>
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	<u>--</u>	<u>--</u>	<u>72,369</u>	<u>72,369</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>72,369</u>	<u>72,369</u>
1200	Net Change in Fund Balance	<u>39,426</u>	<u>(184,709)</u>	<u>(147,373)</u>	<u>37,336</u>
0100	Fund Balance - Beginning	<u>1,399,862</u>	<u>1,399,862</u>	<u>1,399,862</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 1,439,288</u>	<u>\$ 1,215,153</u>	<u>\$ 1,252,489</u>	<u>\$ 37,336</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES:					
5700	Local and Intermediate Sources	\$ 4,024,232	\$ 4,024,232	\$ 3,985,666	\$ (38,566)
5800	State Program Revenues	678,193	678,193	488,941	(189,252)
5020	Total Revenues	4,702,425	4,702,425	4,474,607	(227,818)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	3,310,000	2,660,000	2,660,000	--
0072	Interest on Long-Term Debt	1,385,705	1,692,595	1,664,862	27,733
0073	Bond Issuance Costs and Fees	--	146,537	356,132	(209,595)
	Total Debt Service	4,695,705	4,499,132	4,680,994	(181,862)
6030	Total Expenditures	4,695,705	4,499,132	4,680,994	(181,862)
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	6,720	203,293	(206,387)	(409,680)
Other Financing Sources (Uses):					
7911	Bonded Debt Issued	--	35,350,000	35,350,000	--
7916	Premium or Discount on Issuance of Bonds	--	4,550,583	4,766,966	216,383
8949	Other Uses	--	(40,147,573)	(40,147,572)	1
7080	Total Other Financing Sources and (Uses)	--	(246,990)	(30,606)	216,384
1200	Net Change in Fund Balance	6,720	(43,697)	(236,993)	(193,296)
0100	Fund Balance - Beginning	661,207	661,207	661,207	--
3000	Fund Balance - Ending	\$ 667,927	\$ 617,510	\$ 424,214	\$ (193,296)



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. Box 750
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PH. (940) 766-5550 ▪ FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA, CFE
A. PAUL FLEMING, CPA

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

Board of Trustees
Wichita Falls Independent School District
PO Box 97533
Wichita Falls, Texas 76307-7533

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Falls Independent School District, as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise Wichita Falls Independent School District's basic financial statements, and have issued our report thereon dated January 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wichita Falls Independent School 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 Wichita Falls Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wichita Falls Independent School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wichita Falls Independent School 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2015-001.

Wichita Falls Independent School District's Response to Finding

Wichita Falls Independent School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Wichita Falls Independent School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas
January 18, 2016



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA, CFE
A. PAUL FLEMING, CPA

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Board of Trustees
Wichita Falls Independent School District
PO Box 97533
Wichita Falls, Texas 76307-7533

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Wichita Falls Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Wichita Falls Independent School District's major federal programs for the year ended August 31, 2015. Wichita Falls Independent School 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wichita Falls Independent School 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Wichita Falls Independent School 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 Wichita Falls Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Wichita Falls Independent School 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

Management of the Wichita Falls Independent School 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 Wichita Falls Independent School 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 OMB Circular A-133, 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 Wichita Falls Independent School 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 considered 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas
January 18, 2016

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****FOR THE YEAR ENDED AUGUST 31, 2015****A. Summary of Auditor's Results****1. Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

 Yes X NoOne or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None ReportedNoncompliance material to financial
statements noted? X Yes No**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?

 Yes X NoOne or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None ReportedType of auditor's report issued on compliance for
major programs:UnmodifiedAny audit findings disclosed that are required
to be reported in accordance with section 510(a)
of OMB Circular A-133? Yes X No

Identification of major programs:

CFDA Number(s)

10.553 / 10.555 / 10.559

84.010A

Name of Federal Program or Cluster

Child Nutrition Cluster

ESEA Title I Part A - Improving Basic Programs and
School ImprovementDollar threshold used to distinguish between
type A and type B programs:\$487,555

Auditee qualified as low-risk auditee?

 Yes X No

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2015

B. Financial Statement Findings

Finding 2015-001 - Material Noncompliance - Investment Training

Criteria or Specified Requirement

Texas Government Code Section 2256.008 - Investment Training requires the District's investment officer to attend an investment training session not less than once in a two-year period that begins on the first day of the District's fiscal year and consists of the two consecutive fiscal years after that date and receive not less than 10 hours instruction relating to investment responsibilities under section 2256.008 from an independent source approved by the governing body of the District or a designated investment committee advising the officer as provided for in the investment policy of the District.

Condition Found

During the year ended August 31, 2015, the District invested in the TexPool and TexasTerm which are allowable investments according to the District's investment policy and State requirements. However, the District's chief financial officer/investment officer did not obtain the required continuing education requirements as an investment officer. The District's investment officer received 10 hours on February 5-6, 2013 but none since that point.

Cause

The District failed to monitor the investment officer's investment training to ensure that the individual obtained the necessary investment training.

Effect

The District's investment officer did not obtain the required investment training under section 2256.008 of the Texas Government Code.

Recommendation

We recommend that the District implement procedures to require review of the investment officer's investment training to ensure that the officer is obtaining the required investment training under section 2256.008 of the Texas Government Code.

Views of Responsible Officials and Planned Corrective Action

Please refer to the Corrective Action Plan prepared by District management.

C. Federal Award Findings and Questioned Costs

None

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
There were no findings in the prior year audit.		

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2015

Finding 2015-001 - Material Noncompliance - Investment Training

The District will have two employees designated as investment officers and they will receive training every two years to insure that this does not happen again. At this point the District has designated the Chief Financial Officer and the Director of Finance as the District's investment officers. The Chief Financial Officer's training is current and the Director of Finance is registered for training at Region 9 ESC on February 29th and March 1st, 2016.

Responsible Person: Sheryl Dixon, Director of Finance

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT K-1

Page 1 of 2

(1)	(2)	(2A)	(3)
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:			
School Breakfast Program - Noncash	(1) 10.553	243008A	\$ 129,628
National School Lunch Program - Noncash	(1) 10.555	243008A	343,937
Total Passed Through State Department of Agriculture			<u>473,565</u>
Passed Through State Department of Education:			
School Breakfast Program - Cash	(1) 10.553	7140901	1,364,947
National School Lunch Program - Cash	(1) 10.555	7130901	3,621,554
Total Passed Through State Department of Education			<u>4,986,501</u>
Passed Through State Department of Human Services:			
Summer Feeding Program	(1) 10.559	TX-2431005SU	47,046
Total Passed Through State Department of Human Services			<u>47,046</u>
Total U.S. Department of Agriculture			<u>5,507,112</u>
U. S. DEPARTMENT OF THE TREASURY			
Direct Program:			
ROTC (Instructional Reimbursement)	21.XXX	243-905	189,540
Total U.S. Department of the Treasury			<u>189,540</u>
U. S. DEPARTMENT OF EDUCATION			
Direct Program:			
Impact Aid - P.L. 81.874	84.041	N/A	193,403
Passed Through Education Service Center Region10:			
ESEA Title X Part C - Educ. for Homeless Children and Youth	84.196A	14-007	40,231
Total Passed Through Education Service Center Region 10			<u>40,231</u>
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	14610101243905	24,200
ESEA Title I Part A - Improving Basic Programs	84.010A	15610101243905	3,598,243
ESEA Title I Part A - Improving Basic Programs	84.010A	16610101243905	111,018
ESEA Title I - School Improvement Program	84.010A	14610112243905105	235
ESEA Title I - School Improvement Program	84.010A	15610112243905105	15,360
ESEA Title I - School Improvement Program	84.010A	14610112243905114	224
ESEA Title I - School Improvement Program	84.010A	15610112243905114	9,343
ESEA Title I - School Improvement Program	84.010A	14610112243905125	266
ESEA Title I - School Improvement Program	84.010A	15610112243905125	15,865
ESEA Title I - School Improvement Program	84.010A	14610112243905128	1,635
ESEA Title I - School Improvement Program	84.010A	15610112243905128	23,842
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	15610103243905	46,564
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	16610103243905	1,487
Total CFDA Number 84.010A			<u>3,848,282</u>
IDEA-B Formula	(2) 84.027A	156600012439056600	2,642,132
IDEA-B Formula	(2) 84.027A	166600012439056600	85,113
SSA IDEA-B Discretionary Deal	(2) 84.027A	156600022439056673	15,417
SSA IDEA-B Deaf	(2) 84.027A	146600012439056601	307
SSA IDEA-B Deaf	(2) 84.027A	156600012439056601	16,063
Total CFDA Number 84.027A			<u>2,759,032</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

EXHIBIT K-1

Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Career and Technical - Basic Grant	84.048	15420006243905	121,148
Career and Technical - Basic Grant	84.048	16420006243905	4,795
Total CFDA Number 84.048			<u>125,943</u>
IDEA-B Preschool	(2) 84.173	156610012439056610	54,423
IDEA-B Preschool	(2) 84.173	166610012439056610	2,881
SSA IDEA-B Preschool Deaf	(2) 84.173	156610012439056611	2,386
Total CFDA Number 84.173			<u>59,690</u>
SSA IDEA-C Early Intervention (Deaf)	84.181A	153911012439053911	384
Title III Part A English Lang. Acquisition & Lang. Enhancement	84.365	15671001243905	81,236
Title III Part A English Lang. Acquisition & Lang. Enhancement	84.365	15671003243905	15,759
Total CFDA Number 84.365			<u>96,995</u>
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	14694501243905	4,769
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	15694501243905	813,924
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	16694501243905	40,166
Total CFDA Number 84.367A			<u>858,859</u>
Summer School LEP	84.369A	69550902	2,213
Total Passed Through State Department of Education			<u>7,751,398</u>
Total U. S. Department of Education			<u>7,985,032</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through North Texas Area United Way:			
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001A	18,069
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001	276,339
Total CFDA Number 93.505			<u>294,408</u>
Passed Through Region 9 Education Service Center:			
Head Start	93.600	06CH7009/15	233,164
Head Start	93.600	06CH7009/16	1,955,135
Total CFDA Number 93.600			<u>2,188,299</u>
Passed Through Fairbanks, LLC:			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00005	87,434
Total U. S. Department of Health and Human Services			<u>2,570,141</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,251,825</u>
Cluster Programs:			
(1) Child Nutrition Cluster			
(2) Special Education Cluster			

The accompanying notes are an integral part of this schedule.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wichita Falls Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Reconciliation

A reconciliation of the Schedule of Expenditures of Federal Awards to the federal revenue per Exhibit C-2 is as follows:

Total expenditures per the Schedule of Expenditures of Federal Awards	\$ 16,251,825
School Health and Related Services (not considered to be a federal award)	1,382,904
E-Rate Program (not considered to be a federal award)	<u>280,077</u>
Federal revenue per Exhibit C-2	\$ <u><u>17,914,806</u></u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS (UNAUDITED)
AS OF AUGUST 31, 2015*

Data Control Codes		Responses
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
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	Yes
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ --
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 12,532,439
SF13	Pension Expense (object 6147) at fiscal year-end.	\$ 1,158,158