



# Annual Financial Report

For the Fiscal Year Ended  
August 31, 2014

---

**Wichita Falls Independent  
School District**

Wichita Falls, Texas

**Edgin, Parkman, Fleming & Fleming, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita Falls Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2014

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of Board.....	1	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	5	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	13	A-1
Statement of Activities.....	14	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	15	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	16	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	17	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	18	C-3
Statement of Net Position - Proprietary Funds.....	19	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Proprietary Funds.....	20	D-2
Statement of Cash Flows - Proprietary Funds.....	21	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	22	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	23	E-2
Notes to the Financial Statements .....	24	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule - General Fund.....	42	G-1
Notes to Required Supplementary Information.....	44	
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	45	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	46	H-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	47	H-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	54	H-4

Wichita Falls Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2014

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Internal Service Funds:		
Combining Statement of Net Position.....	61	H-5
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	63	H-6
Combining Statement of Cash Flows.....	65	H-7
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	67	H-8
OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	68	J-1
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	70	J-2
Debt Service Fund.....	71	J-3
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	72	
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.....	74	
Schedule of Findings and Questioned Costs .....	76	
Summary Schedule of Prior Audit Findings.....	77	
Corrective Action Plan.....	78	
Schedule of Expenditures of Federal Awards .....	79	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	81	
Schedule of Required Responses to Selected School First Indicators.....	82	L-1

## *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, 2014, at a meeting of the board of trustees of such school district on the 26<sup>th</sup> day of January, 2015.

  
\_\_\_\_\_  
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

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA  
DAVID L. PARKMAN, CPA, CFE  
A. PAUL FLEMING, CPA  
J. MARK 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 Wichita Falls Independent School District (District) as of and for the year ended August 31, 2014, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Wichita Falls Independent School District as of August 31, 2014, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information 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 combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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, 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2015 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,

A handwritten signature in blue ink that reads "Edgin, Parkman, Fleming & Fleming, PC". The signature is written in a cursive, flowing style.

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas  
January 5, 2015





# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

1104 Broad • P.O. Box 97533  
Wichita Falls, Texas 76307-7533  
Phone (940) 235-1015 • FAX (940) 235-1317  
E-mail: ctatum@wfsd.net

## 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

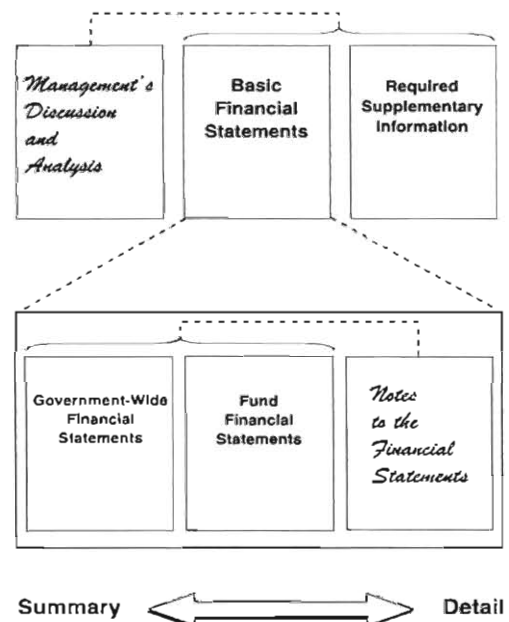
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$69.1 million (net position). Of this amount, \$26.6 million (unrestricted net position) is available to meet the District's future obligations.
- During the year, the District expensed \$123.4 million, which was \$10.9 million less than the District's revenue of \$134.3 million. Of this, \$27.7 million was program revenue and \$106.6 million was general revenue.
- The primary components of the \$11.1 million increase in net position were the following items:
  - 1) a reduction of \$7.1 million in long-term debt;
  - 2) a reduction in capital assets of \$1.2 million;
  - 3) an increase of \$4 million in current assets;
  - 4) a decrease of \$1.1 million in other liabilities.
- The fund balance of the General Fund was \$23.7 million, which was an increase of \$6.3 million. The fund balance increase was due to the District continuing the implementation of the staffing study. Also, the District monitored attendance throughout the year.
- The fund balance of other governmental funds was \$2.7 million, a decrease of \$0.7 million. The decrease was due primarily to capital outlays in the Food Service Fund.

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.

<b>Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements</b>				
<i>Type of Statements</i>	<b>Fund Statements</b>			
	<b>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<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 and liabilities—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 assets and a statement of changes in fiduciary net assets. 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 were \$69,117,648 at year end. (See Table A-1).

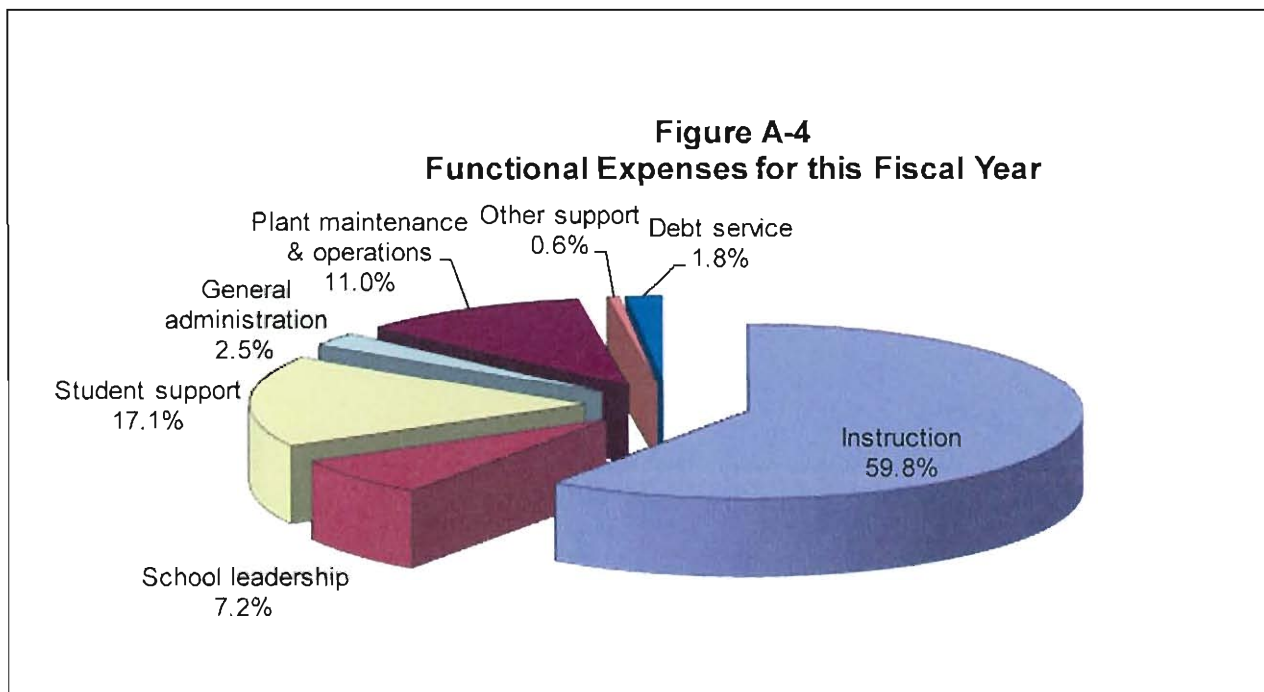
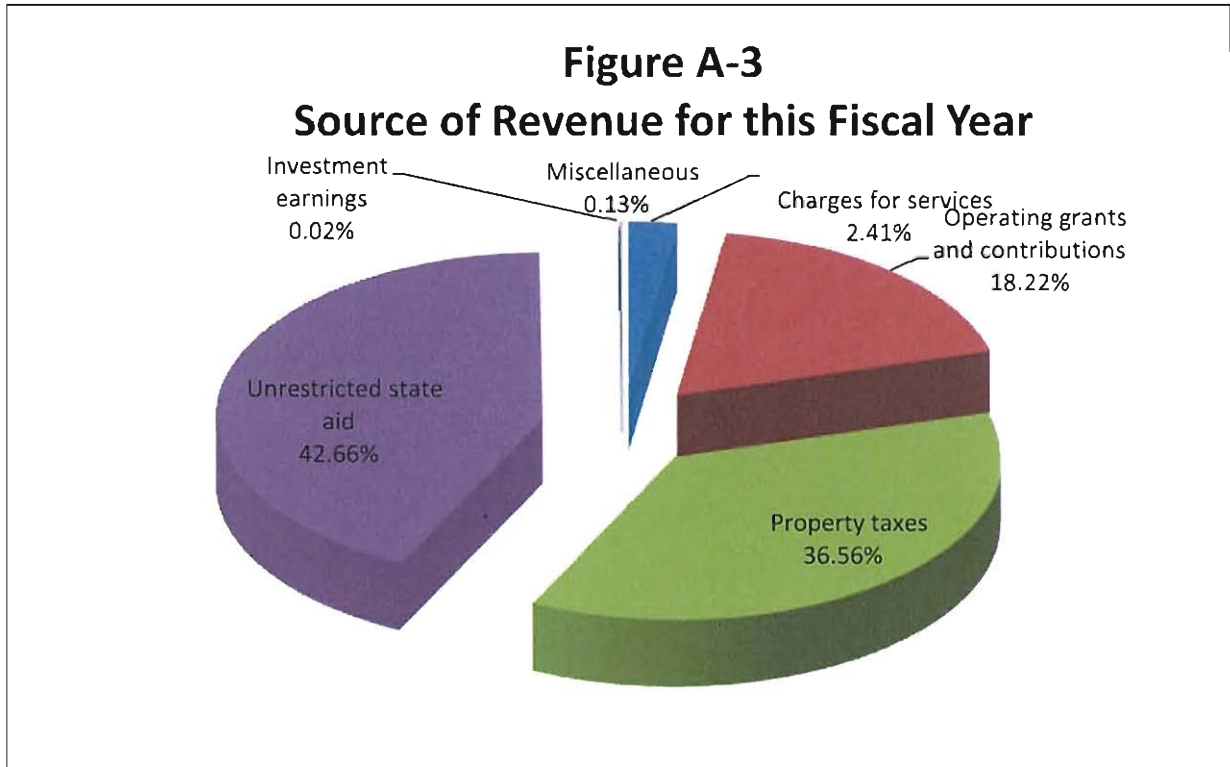
**Table A-1**  
**Wichita Falls Independent School District Net Assets**

	Combined Governmental and Business Type Activities		Increase (Decrease)	Percentage Change
	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>	<u>2013-2014</u>
Current and other assets	\$33,356,912	\$37,451,561	\$ 4,094,649	12.28%
Capital assets, net	90,192,775	88,936,866	(1,255,909)	(1.39)%
Total assets	123,549,687	126,388,427	2,838,740	2.30%
Long-term debt	57,149,889	49,997,528	(7,152,361)	(12.52)%
Other liabilities	8,440,259	7,273,251	(1,167,008)	(13.83)%
Total liabilities	65,590,148	57,270,779	(8,319,369)	(12.68)%
Net position				
Net investment in				
Capital assets	34,988,746	40,464,565	5,475,819	15.65%
Restricted	2,485,347	2,049,253	(439,094)	(17.55)%
Unrestricted	20,485,446	26,603,830	6,118,384	29.87%
Total net position	\$57,959,539	\$69,117,648	\$11,158,109	19.25%



**Changes in net position.** The District's total revenues were \$134.3 million, which was an increase of \$6.7 million or 5.3%, over the prior year total of \$127.5 million. A significant portion, 36.5%, of the District's revenue came from property taxes (see Figure A-3), 42.6% came from unrestricted state and federal aid, and 18.2% came from operating grants and contributions.

Total cost of all programs and services was \$123.4 million. 59.8% of these costs were for instructional and related services (Functions 11-13). Campus and school leadership (Functions 21 and 23) was 7.2% and student support services (Functions 31-36) was 17.1%. The remaining 15.9% supports instruction indirectly through general administration (2.5%), facilities maintenance, utilities, security, and data processing (11.0%) debt service (1.8%) and other expense (0.6%) (See Figure A-4).



### 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

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	<b>Percentage Change</b>
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013-2014</u></b>	<b><u>2013-2014</u></b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 3,370,921	\$ 3,242,014	(\$ 128,907)	(3.82)%
Operating grants and contributions	22,734,466	24,467,227	1,732,761	7.62%
General revenues, and special items				
Property taxes	48,269,317	49,098,018	828,701	1.72%
Unrestricted operating grants (mostly state aid)	52,995,475	57,303,601	4,308,126	8.13%
Investment earnings	20,809	21,804	995	4.78%
Miscellaneous	155,073	178,832	23,759	15.3%
<b>Total revenues</b>	<b>127,546,061</b>	<b>134,311,496</b>	<b>6,765,435</b>	<b>5.3%</b>
<b>Expenses</b>				
11-Instruction	69,347,582	70,842,262	1,494,680	2.16%
12-Instructional resources and media services	1,418,442	1,434,450	16,008	1.13%
13-Curriculum and staff development	1,577,248	1,506,268	(70,980)	(4.50)%
21-Instructional leadership	2,082,678	2,453,466	370,788	17.80%
23-School leadership	6,491,569	6,436,187	(55,382)	(0.85)%
31-Guidance, counseling and evaluation svcs	5,008,572	5,061,744	53,172	1.06%
32-Social work services	472,930	481,937	9,007	1.90%
33-Health services	1,390,454	1,366,404	(24,050)	(1.73)%
34-Student transportation	2,507,836	2,522,020	14,184	0.57%
35-Food services	6,755,062	7,598,739	843,667	12.49%
36-Extracurricular activities	3,955,266	4,059,476	104,210	2.63%
41-General administration	2,871,825	3,108,321	236,496	8.24%
51-Facilities maintenance and operations	10,996,616	10,918,430	(78,186)	(0.71)%
52-Security and monitoring services	364,887	512,150	147,263	40.36%
53-Data processing services	2,280,674	2,182,885	(97,789)	(4.29)%
61-Community services	17,160	15,797	(1,363)	(7.94)%
72-Debt service	2,452,776	2,187,089	(265,687)	(10.83)%
73-Bond issuance costs and fees	610	500	(110)	(18.03)%
93-Payments to shared service arrangements	224,827	173,959	(50,868)	(22.63)%
99-Other governmental charges	529,031	540,962	11,931	(2.26)%
<b>Total expenses</b>	<b>120,746,045</b>	<b>123,403,046</b>	<b>2,657,001</b>	<b>2.20%</b>
<b>Change in net position</b>	<b>\$6,800,016</b>	<b>\$10,908,450</b>	<b>\$4,108,434</b>	<b>60.42%</b>

## Revenues

- Revenue from operating grants and contributions are designated for specific projects/purposes, such as grants from private foundations; the state's contribution to employee retirement accounts on the District's behalf; National School Lunch/Breakfast and Commodities; and various federal programs funded by the federal government. The increase of \$1,732,761 7.62% was due to the state textbook allotment and increase in federal Title grants and other various federal grants.
- Property taxes revenue increased \$828,701, or 1.72% due to increase in property values and taxes collected in the General Fund and Debt Service Fund.
- Unrestricted operating grants, which consists mostly of state aid formula revenues, increased by \$4,308,126, or 8.13% due to increased attendance and increase in contact hours in various funding areas.

## Expenses

- Overall expenditures increased a total of \$2,657,001, or 2.20%, primarily in the Instruction (11) functional areas and Food Service (35). The Instruction increase was primarily due to salary increases and purchase of classroom technology. Food Service increased due to the increase in both food and supply costs as the District improved the overall meal quality for its students.

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 \$123,403,046. The amount that our taxpayers paid for these activities through property taxes was \$49,098,018.
- Some of the cost was paid by those who directly benefited from the programs through charges for services - \$3,242,014 – and by grants and contributions - \$24,467,227.
- The amount funded by the state was \$57,303,601 in formula grants and direct state aid.

**Table A-3**  
**Net Cost of Governmental Activities**

	<u>Total Expenses</u>		<u>Increase</u>	<u>%</u>
	<u>Before Program Revenue</u>		<u>(Decrease)</u>	<u>Change</u>
	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>	<u>2013-2014</u>
Instruction	\$69,347,582	\$70,842,262	\$1,494,680	2.16%
Instr resources/media	1,418,442	1,434,450	16,008	1.13%
School leadership	6,491,569	6,436,187	(55,382)	(0.85)%
Guidance & counseling	5,008,572	5,061,744	55,172	1.06%
Food services	6,755,062	7,598,739	843,677	12.49%
Extracurricular activities	3,955,266	4,059,476	104,210	2.63%
General administration	2,871,825	3,108,321	236,496	8.24%
Facilities maint & optns	10,996,616	10,918,430	(78,186)	(0.71)%

	<u>Net Cost Of Services</u>		<u>Increase</u>	<u>%</u>
	<u>2013</u>	<u>2014</u>	<u>(Decrease)</u>	<u>Change</u>
	<u>2013</u>	<u>2014</u>	<u>2013-2014</u>	<u>2013-2014</u>
Instruction	\$57,403,600	\$57,823,222	\$419,622	0.73%
Instr resources/media	1,339,294	1,343,020	3,726	0.28%
School leadership	5,904,589	5,816,225	(88,364)	(1.50)%
Guidance & counseling	3,782,076	3,789,857	7,781	0.21%
Food services	254,282	68,805	(185,477)	(72.94)%
Extracurricular activities	2,644,825	2,645,126	301	0.01%
General administration	2,741,675	2,956,381	214,706	3.48%
Facilities maint & optns	10,509,805	10,498,595	(11,210)	(0.11)%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types on a modified accrual basis totaled \$134,265,934, an increase of \$6,593,766 5.1% over revenues of \$127,672,168 from the preceding year. Revenues consist of three reported revenue sources: local, state, and federal. Local revenues increased primarily due to increase in property tax revenues and other local income. State revenues increased primarily due to the increase in attendance and increase in contact hours in certain programs. Federal revenues increased primarily due to an increase in Title Funds.

### General Fund Revenue Highlights

- General fund local revenues were \$43,071,578 for the year. This was \$758,254 higher than the previous year, or 1.79% increase. The total varied \$278,582 above the amended budget. The primary component of local revenues is property taxes.
- Total state program revenues were \$60,791,406 an increase of \$5,170,443, or 9.2%. The total was \$1,350,635 more than budgeted estimates.
- Federal program revenues were \$1,423,047 a decrease of \$429,269 or 23.2%, which was \$646,953 below the amended budget.

### General Fund Expenditure Highlights

- Over the course of the year, the District revised its general fund budget six times during the year. The difference in the original budget and final amended expenditure budget was an increase of \$125,299 due the installing new vertical chairlifts at Hirschi High School.
- General fund expenditures were \$98,723,369 up \$2,390,668 from the prior year and were \$3,354,506 below the final amended budget.
- Instructional and related expenditures were \$61,604,623, up \$273,487, which was below the final amended budget by \$1,290,193.
- Support service-student expenditures were up \$38,638, which was below budget by \$509,289.
- Support services (non-student) of \$13,305,473, an increase of \$486,091, were \$1,043,615 under budget.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The District has invested \$172,544,063 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4) This amount represents a net decrease (including additions and retirements) of \$.6 million over last year. More detailed information about the District's capital assets is presented in the notes to the financial statement.

**Table A-4**  
**Capital Assets**

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	<b>% Change</b>
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013-2014</u></b>	<b><u>2013-2014</u></b>
Land	\$3,667,424	\$4,216,717	\$549,293	14.97%
Bldgs and improvements	146,371,084	146,455,082	83,998	0.05%
Equipment	21,549,027	24,286,672	2,737,645	12.7%
Property under cap lease	956,528	500,608	(455,920)	(47.66)%
Construction in progress	0	112,769	112,769	100%
Cost of capital assets	172,544,063	175,571,848	3,027,785	1.8%
Accumulated depreciation	82,101,640	86,634,982	4,533,342	5.5%
Capital assets, net of depreciation	<u>\$90,442,423</u>	<u>\$88,936,866</u>	<u>(\$1,505,557)</u>	<u>(1.66)%</u>

### Capital Projects Fund

Bonds issued in 2007 focused on remodeling and upgrading elementary facilities, renovating bathrooms and kitchens and adding classrooms where needed, building two new elementary schools, remodeling science labs, and air conditioning junior high and high school competition gyms. The projects began in 2006-07, and those exceeding \$100,000 to any one campus, primarily re-roofing and paving projects, were capitalized as an addition to the cost of the facility. \$83,998 was expended in the capital projects fund this year.

### Long-term Debt and Other Obligations

At year-end the District had \$48,473,818 in long-term debt and \$1,523,710 in compensated absences outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

**Table A-5  
Outstanding Debt**

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	<b>% Change</b>
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013-2014</u></b>	<b><u>2013-2014</u></b>
Gen. obligation bonds	\$53,595,733	\$47,215,000	(\$6,380,733)	(11.9)%
Cap leases payable	463,414	212,108	(251,306)	(54.22)%
Notes Payable	76,951	0	(76,951)	(100)%
Unamortized prem on bonds	1,130,447	1,046,710	(83,737)	(7.4)%
Long-term debt	55,266,545	48,473,818	(6,081,222)	(9.91)%
Compensated Absences	1,883,345	1,523,710	(359,635)	(19.09)%
Total long-term obligations	\$57,149,890	\$49,997,528	(\$7,152,362)	(12.51)%

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following indicators were taken into account when adopting the 2014-15 budget for the General Fund.

Appraised value used for the 2014-15 budget preparation is up to \$3.71 billion from \$3.67 billion used in the prior year, an increase of 1%. The tax rate adopted by the Board was \$1.135, a decrease of \$0.07 or 5.8%, due to decrease in bond payments.

General Fund spending per student will increase approximately 6% in 2014-15 compared to the 2013-14 fiscal year.

The District's 2014-15 refined average daily attendance is expected to be constant at 13,440 with increases in the career and technology contact hours.

General Fund revenues are budgeted to be \$106,786,853, an increase of \$1,500,822 or 1.4% above the final 2013-14 actual of \$105,286,031. The increase is mostly attributable to the increase in property taxes and state revenues.

Expenditures in most budget categories are similar to the previous year, with the total expenditure budget for 2014-15 increasing \$6,480,209 or 6.5% above the 2013-14 actual expenditures of \$98,723,369. This increase resulted from several factors including raises for all employees, increases to stipend schedule and increase in health care insurance contribution.

If these estimates are realized, the District's General Fund's fund balance will increase by \$1.65 million.

### 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 and Operations Officer or Director of Finance/Budget.

## *Basic Financial Statements*

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

AUGUST 31, 2014

1

Data Control Codes		Governmental Activities
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 6,248,861
1120	Current Investments	23,280,233
1225	Property Taxes Receivable, Net	1,287,041
1240	Due from Other Governments	4,500,405
1267	Due from Fiduciary Funds	25,539
1290	Other Receivables	560,120
1300	Inventories	1,308,269
1410	Unrealized Expenses	241,093
Capital Assets:		
1510	Land	4,216,717
1520	Buildings and Improvements, Net	78,537,162
1530	Furniture and Equipment, Net	5,748,489
1550	Capital Lease Assets, Net	321,729
1580	Construction In Progress	112,769
1000	Total Assets	<u>126,388,427</u>
<b>LIABILITIES:</b>		
2110	Accounts Payable	1,696,447
2150	Payroll Deductions & Withholdings	487,426
2165	Accrued Liabilities	3,664,725
2180	Due to Other Governments	52,818
2200	Accrued Expenses	322,158
2300	Unearned Revenue	1,049,677
Noncurrent Liabilities:		
2501	Due Within One Year	3,806,026
2502	Due in More Than One Year	46,191,502
2000	Total Liabilities	<u>57,270,779</u>
<b>NET POSITION</b>		
3200	Net Investment in Capital Assets	40,464,565
Restricted For:		
3820	Retirement of Long-Term Debt	649,257
3850	Food Service	1,399,826
3890	Other	170
3900	Unrestricted	26,603,830
3000	Total Net Position	<u>\$ 69,117,648</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, 2014

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	\$ 70,842,262	\$ 265,062	\$ 12,753,978	\$ (57,823,222)
12	Instructional Resources and Media Services	1,434,450	17,460	73,970	(1,343,020)
13	Curriculum and Staff Development	1,506,268	7,875	579,004	(919,389)
21	Instructional Leadership	2,453,466	--	606,032	(1,847,434)
23	School Leadership	6,436,187	79,997	539,965	(5,816,225)
31	Guidance, Counseling, & Evaluation Services	5,061,744	--	1,271,887	(3,789,857)
32	Social Work Services	481,937	--	207,747	(274,190)
33	Health Services	1,366,404	--	133,418	(1,232,986)
34	Student Transportation	2,522,020	--	--	(2,522,020)
35	Food Service	7,598,739	1,581,544	5,948,390	(68,805)
36	Cocurricular/Extracurricular Activities	4,059,476	1,203,844	210,506	(2,645,126)
41	General Administration	3,108,321	--	151,940	(2,956,381)
51	Facilities Maintenance and Operations	10,918,430	86,232	333,603	(10,498,595)
52	Security and Monitoring Services	512,150	--	76,101	(436,049)
53	Data Processing Services	2,182,885	--	94,384	(2,088,501)
61	Community Services	15,797	--	12,204	(3,593)
72	Interest on Long-term Debt	2,187,089	--	1,327,009	(860,080)
73	Bond Issuance Costs and Fees	500	--	--	(500)
93	Payments Related to Shared Services Arrangement.	173,959	--	147,089	(26,870)
99	Other Intergovernmental Charges	540,962	--	--	(540,962)
TG	Total Governmental Activities	\$ 123,403,046	\$ 3,242,014	\$ 24,467,227	(95,693,805)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				42,397,363
DT	Property Taxes, Levied for Debt Service				6,700,655
IE	Investment Earnings				21,804
GC	Grants and Contributions Not Restricted to Specific Programs				57,303,601
MI	Miscellaneous				178,832
TR	Total General Revenues				106,602,255
CN	Change in Net Position				10,908,450
NB	Net Position - Beginning				58,209,198
NE	Net Position - Ending				\$ 69,117,648

The accompanying notes are an integral part of this statement.



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

AUGUST 31, 2014

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ 1,510,334	\$ 1,440,300	\$ 2,950,634
1120 <i>Current Investments</i>	21,672,062	1,389,004	23,061,066
1225 <i>Taxes Receivable, Net</i>	1,099,521	187,520	1,287,041
1240 <i>Due from Other Governments</i>	2,179,839	2,320,566	4,500,405
1260 <i>Due from Other Funds</i>	1,721,023	56,159	1,777,182
1290 <i>Other Receivables</i>	496,331	66,450	562,781
1300 <i>Inventories</i>	400,948	907,321	1,308,269
1410 <i>Unrealized Expenditures</i>	241,093	—	241,093
1000 <b>Total Assets</b>	<b>\$ 29,321,151</b>	<b>\$ 6,367,320</b>	<b>\$ 35,688,471</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 738,330	\$ 282,607	\$ 1,020,937
2150 <i>Payroll Deductions &amp; Withholdings</i>	477,130	10,296	487,426
2160 <i>Accrued Wages Payable</i>	3,103,332	561,386	3,664,718
2170 <i>Due to Other Funds</i>	217,332	1,625,903	1,843,235
2180 <i>Due to Other Governments</i>	4,633	48,185	52,818
2300 <i>Unearned Revenue</i>	78,270	971,407	1,049,677
2000 <b>Total Liabilities</b>	<b>4,619,027</b>	<b>3,499,784</b>	<b>8,118,811</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
<i>Unavailable Property Taxes</i>	967,004	166,208	1,133,212
2600 <b>Total Deferred Inflows of Resources</b>	<b>967,004</b>	<b>166,208</b>	<b>1,133,212</b>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410 <i>Inventories</i>	400,948	563,509	964,457
3430 <i>Prepaid Items</i>	241,093	—	241,093
Restricted Fund Balances:			
3450 <i>Federal/State Funds Grant Restrictions</i>	--	836,317	836,317
3480 <i>Retirement of Long-Term Debt</i>	--	661,207	661,207
3490 <i>Other Restrictions of Fund Balance</i>	--	170	170
Committed Fund Balances:			
3510 <i>Construction</i>	--	1,517	1,517
3540 <i>Self-Insurance</i>	100,000	—	100,000
3545 <i>Other Committed Fund Balance</i>	1,331,968	638,608	1,970,576
3600 <i>Unassigned</i>	21,661,111	—	21,661,111
3000 <b>Total Fund Balances</b>	<b>23,735,120</b>	<b>2,701,328</b>	<b>26,436,448</b>
<b>Total Liabilities, Deferred Inflows</b>			
4000 <b>of Resources and Fund Balances</b>	<b>\$ 29,321,151</b>	<b>\$ 6,367,320</b>	<b>\$ 35,688,471</b>

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, 2014

Total fund balances - governmental funds balance sheet	\$	26,436,448
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.		167,316,795
Accumulated depreciation has not been included in the governmental fund financial statements.		(81,353,406)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:		
Bonds payable	\$	47,215,000
Compensated absences		<u>1,523,710</u>
		(48,738,710)
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.		(178,158)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.		(1,046,710)
Revenue reported as unearned revenue in the governmental fund financial statements are recorded as revenue in the government-wide financial statements.		1,133,212
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.		5,548,177
Net position of governmental activities - statement of net position	\$	<u><u>69,117,648</u></u>

The accompanying notes are an integral part of this statement.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCES - GOVERNMENTAL FUNDS****FOR THE YEAR ENDED AUGUST 31, 2014**

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 43,071,578	\$ 10,214,002	\$ 53,285,580
5800 <i>State Program Revenues</i>	60,791,406	3,464,934	64,256,340
5900 <i>Federal Program Revenues</i>	1,423,047	15,300,967	16,724,014
5020 <i>Total Revenues</i>	<u>105,286,031</u>	<u>28,979,903</u>	<u>134,265,934</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	59,333,508	9,581,979	68,915,487
0012 <i>Instructional Resources and Media Services</i>	1,370,443	16,129	1,386,572
0013 <i>Curriculum and Staff Development</i>	900,672	555,771	1,456,443
0021 <i>Instructional Leadership</i>	1,876,651	502,428	2,379,079
0023 <i>School Leadership</i>	5,894,381	327,473	6,221,854
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	3,837,299	1,056,900	4,894,199
0032 <i>Social Work Services</i>	257,709	208,134	465,843
0033 <i>Health Services</i>	1,257,249	63,591	1,320,840
0034 <i>Student Transportation</i>	2,458,112	—	2,458,112
0035 <i>Food Service</i>	4,410	8,390,114	8,394,524
0036 <i>Cocurricular/Extracurricular Activities</i>	3,102,319	820,450	3,922,769
0041 <i>General Administration</i>	3,012,037	1,384	3,013,421
0051 <i>Facilities Maintenance and Operations</i>	10,508,545	230,164	10,738,709
0052 <i>Security and Monitoring Services</i>	424,929	71,084	496,013
0053 <i>Data Processing Services</i>	2,371,999	—	2,371,999
0061 <i>Community Services</i>	3,104	12,204	15,308
0071 <i>Principal on Long-term Debt</i>	869,183	3,160,425	4,029,608
0072 <i>Interest on Long-term Debt</i>	50,925	4,721,470	4,772,395
0073 <i>Bond Issuance Costs and Fees</i>	—	500	500
0081 <i>Capital Outlay</i>	622,062	83,998	706,060
0093 <i>Payments to Shared Service Arrangements</i>	26,870	147,089	173,959
0099 <i>Other Intergovernmental Charges</i>	540,962	—	540,962
6030 <i>Total Expenditures</i>	<u>98,723,369</u>	<u>29,951,287</u>	<u>128,674,656</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>			
1100 <i>Expenditures</i>	<u>6,562,662</u>	<u>(971,384)</u>	<u>5,591,278</u>
Other Financing Sources and (Uses):			
7912 <i>Sale of Real or Personal Property</i>	33,667	—	33,667
7915 <i>Transfers In</i>	—	227,561	227,561
8911 <i>Transfers Out</i>	(227,561)	—	(227,561)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>(193,894)</u>	<u>227,561</u>	<u>33,667</u>
1200 <i>Net Change in Fund Balances</i>	<u>6,368,768</u>	<u>(743,823)</u>	<u>5,624,945</u>
0100 <i>Fund Balances - Beginning</i>	17,366,352	3,445,151	20,811,503
3000 <i>Fund Balances - Ending</i>	<u>\$ 23,735,120</u>	<u>\$ 2,701,328</u>	<u>\$ 26,436,448</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, 2014*

Net change in fund balances - total governmental funds	\$ 5,624,945
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.	2,354,273
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:	(4,085,593)
Long-term debt principal payments are expenditures in the governmental fund financial statements, but are reported as reductions of long-term debt in the government-wide financial statements. Current year long-term debt principal payments are:	6,605,454
Accretion on capital appreciation bonds is not reflected in the governmental fund financial statements, but is reflected as an increase in accreted interest in the government-wide financial statements. The current year accretion is:	(74,267)
Interest is accrued on long-term debt in the government-wide financial statements, whereas interest is reported when due in the governmental fund financial statements. Accrued interest decreased by:	9,988
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:	359,635
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 premiums were:	83,737
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.	11,810
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.	18,468
Change in net position of governmental activities - statement of activities	\$ <u>10,908,450</u>

The accompanying notes are an integral part of this statement.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT****STATEMENT OF NET POSITION****PROPRIETARY FUNDS****AUGUST 31, 2014**

Data Control Codes		Internal Service Funds
<b>ASSETS:</b>		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 3,298,227
1120	Investments	219,167
Receivables:		
1260	Due from Other Funds	161,171
1290	Other Receivables	(2,659)
	Total Current Assets	<u>3,675,906</u>
Noncurrent Assets:		
Capital Assets:		
1530	Furniture and Equipment	7,744,704
1550	Assets Purchased Under Capital Leases	500,608
1570	Accumulated Depreciation	(5,271,835)
	Total Noncurrent Assets	<u>2,973,477</u>
1000	Total Assets	<u>6,649,383</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110	Accounts Payable	675,510
2130	Capital Leases Payable	104,283
2160	Accrued Wages Payable	7
2170	Due to Other Funds	69,581
2200	Accrued Expenses	144,000
	Total Current Liabilities	<u>993,381</u>
Noncurrent Liabilities:		
2500	Bonds, Notes and Loans Payable	107,825
	Total Noncurrent Liabilities	<u>107,825</u>
2000	Total Liabilities	<u>1,101,206</u>
<b>NET POSITION:</b>		
3200	Net Investment in Capital Assets	2,761,369
3900	Unrestricted	2,786,808
3000	Total Net Position	<u>\$ 5,548,177</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, 2014

Data Control Codes		Internal Service Funds
<b>OPERATING REVENUES:</b>		
5700	<i>Local and Intermediate Sources</i>	\$ 3,403,679
5020	Total Revenues	<u>3,403,679</u>
<b>OPERATING EXPENSES:</b>		
6100	<i>Payroll Costs</i>	121,837
6200	<i>Professional and Contracted Services</i>	2,286,709
6300	<i>Supplies and Materials</i>	453,646
6400	<i>Other Operating Costs</i>	513,106
6500	<i>Debt Service</i>	9,998
6030	Total Expenses	<u>3,385,296</u>
	Operating Income	<u>18,383</u>
<b>NON-OPERATING REVENUES:</b>		
7955	<i>Earnings from Temp. Deposits and Investments</i>	85
8030	Total Non-operating Revenues	<u>85</u>
1300	Change in Net Position	18,468
0100	Total Net Position - Beginning	5,529,709
3300	Total Net Position - Ending	<u>\$ 5,548,177</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, 2014

	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>	
Cash Received for Quasi-external Operating Transactions with Others	\$ 3,679,304
Cash Payments to Employees for Services	(121,843)
Cash Payments to Other Suppliers for Goods and Services	(2,691,022)
Net Cash Provided by Operating Activities	<u>866,439</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Principal Paid on Long-Term Debt	(177,802)
Net Cash Used by Capital and Related Financing Activities	<u>(177,802)</u>
<b>Cash Flows from Investing Activities:</b>	
Purchase of Capital Assets	(721,804)
Sale of Investments	29,915
Interest and Dividends on Investments	85
Net Cash Used by Investing Activities	<u>(691,804)</u>
Net Decrease in Cash and Cash Equivalents	(3,167)
Cash and Cash Equivalents at Beginning of Year	3,301,394
Cash and Cash Equivalents at End of Year	<u>\$ 3,298,227</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income	\$ 18,383
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	496,042
Change in Assets and Liabilities:	
Decrease (Increase) in Due from Other Funds	207,774
Decrease (Increase) in Other Receivables	(1,730)
Increase (Decrease) in Accounts Payable	209,395
Increase (Decrease) in Accrued Wages Payable	(6)
Increase (Decrease) in Due to Other Funds	69,581
Increase (Decrease) in Accrued Expenses	(133,000)
Total Adjustments	<u>848,056</u>
Net Cash Provided by Operating Activities	<u>\$ 866,439</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, 2014

Data Control Codes	Private-Purpose Trust Funds	
	Renton Aviation Fund	Agency Funds
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ 3,000	\$ 304,073
1240 Due from Other Governments	--	25,756
1290 Other Receivables	--	30,223
1000 Total Assets	<u>3,000</u>	<u>360,052</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	--	30,495
2170 Due to Other Funds	--	25,539
2190 Due to Student Groups	--	304,018
2000 Total Liabilities	<u>--</u>	<u>360,052</u>
<b>NET POSITION:</b>		
3800 Held in Trust	3,000	--
3000 Total Net Position	<u>\$ 3,000</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, 2014*

	Private-Purpose Trust Fund	Renton Aviation Fund
<b>Additions:</b>		
None	\$ —	—
<b>Deductions:</b>		
None	—	—
<b>Change in Net Position</b>	—	—
Net Position-Beginning of the Year		3,000
Net Position-End of the Year	\$	<u>3,000</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, 2014**

**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.

In addition, the District reports the following fund types:

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**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.

**Capital Projects Funds:** The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in these funds.

**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 Fund:** 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 Fund includes 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 the Student Activity Fund and Communities in Schools, 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, 2014**

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, 2014, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$ 2,161,559
Allowance for uncollectible taxes	(874,518)
Net property taxes receivable	<u>\$ 1,287,041</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, 2014**

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

	Property Taxes	Due from Other Governments	Others
Balance at August 31, 2014	\$ 2,161,559	\$ 4,500,405	\$ 560,120
Anticipated to be collected within one year	\$ 700,000	\$ 4,500,405	\$ 560,120

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the year ended August 31, 2014, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, property taxes receivable. Property taxes receivable are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received.

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 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, 2014**

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, 2014, 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 deferred charges and amortized over the term of the related debt.

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.

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.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

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. 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, 2014 will change.

n. 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.

o. 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 2014, 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.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

The District did not have any violations of finance-related legal and contractual provisions during the year ended August 31, 2014.

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, 2014.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**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.

**Cash**

At August 31, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$6,548,082 and the bank balance was \$8,112,172, including fiduciary funds. The District's cash deposits at August 31, 2014 and during the year ended August 31, 2014 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, 2014 are classified in the accompanying financial statements as follows:

**Governmental Activities Statement of Net Position**

Cash and cash equivalents	\$ 6,248,861
Current investments	23,280,233

**Fiduciary Funds - Statement of Fiduciary Net Position**

Cash and cash equivalents	307,073
---------------------------	---------

Total cash and investments	<u>\$ 29,836,167</u>
----------------------------	----------------------

Cash and investments as of August 31, 2014 consist of the following:

Cash on hand	\$ 7,852
Deposits in financial institutions	6,548,082
Investments	<u>23,280,233</u>

Total cash and investments	<u>\$ 29,836,167</u>
----------------------------	----------------------



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

The District's investments at August 31, 2014 are shown below.

Investment or Investment Type	Weighted Average Maturity (Months)	Fair Value
Held in governmental funds:		
TexPool	1	\$ 21,967,670
Texas Term	1	1,093,396
		<u>23,061,066</u>
Held in internal service funds:		
TexPool	1	<u>219,167</u>
Total investments		<u>\$ 23,280,233</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.

Investment Type	Minimum Legal Rating	Rating as of Year End
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, 2014**

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, 2014**

**D. Capital Assets**

Capital asset activity for the year ended August 31, 2014 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,667,424	\$ 549,293	\$ --	\$ 4,216,717
Construction in progress	--	112,769	--	112,769
Total capital assets not being depreciated	3,667,424	662,062	--	4,329,486
<i>Capital assets being depreciated:</i>				
Buildings and improvements	146,371,084	83,998	--	146,455,082
Furniture and equipment	21,549,027	2,785,938	48,293	24,286,672
Property under capital lease	956,528	--	455,920	500,608
Total capital assets being depreciated	168,876,639	2,869,936	504,213	171,242,362
Less accumulated depreciation for:				
Buildings and improvements	64,721,024	3,196,896	--	67,917,920
Furniture and equipment	17,160,614	1,425,862	48,293	18,538,183
Property under capital lease	220,002	50,061	91,184	178,879
Total accumulated depreciation	82,101,640	4,672,819	139,477	86,634,982
Total capital assets being depreciated, net	86,774,999	(1,802,883)	364,736	84,607,380
Governmental activities capital assets, net	\$ 90,442,423	\$ (1,140,821)	\$ 364,736	\$ 88,936,866

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

	Costs	Accumulated Depreciation
Totals per above	\$ 3,531,998	\$ 4,672,819
Less transfers between classifications	455,920	91,184
Capital asset purchases during the year	\$ 3,076,078	
Depreciation expense for the year		\$ 4,581,635

Depreciation was charged to functions as follows:

Instruction	\$ 2,476,086
Instructional Resources and Media Services	48,616
Curriculum and Staff Development	51,065
Instructional Leadership	83,415
School Leadership	218,284
Guidance, Counseling, & Evaluation Services	171,599
Social Work Services	16,333
Health Services	46,311
Student Transportation	437,208
Food Services	294,396
Extracurricular Activities	147,273
General Administration	117,454
Plant Maintenance and Operations	372,501
Security and Monitoring Services	17,391
Data Processing Services	83,166
Community Services	537
	<u>\$ 4,581,635</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**E. Interfund Balances**

Balances due to and from other funds at August 31, 2014 consisted of the following:

Due From	Due To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 56,159	Short-term borrowings
General Fund	Internal Service Fund	161,171	Short-term borrowings
Other Governmental Funds	General Fund	1,625,903	Short-term borrowings
Internal Service Fund	General Fund	69,581	Short-term borrowings
Agency Fund	General Fund	25,539	Short-term borrowings
Total		<u>\$ 1,938,353</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, 2014 consisted of the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Other Governmental Funds	<u>\$ 227,561</u>	Supplement other funds

**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, 2014 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 50,595,000	\$ --	\$ 3,380,000	\$ 47,215,000	\$ 3,310,000
Capital Appreciation Bonds	3,000,733	74,267	3,075,000	--	--
Premium on Bonds	1,130,447	--	83,737	1,046,710	--
Total Bonds Payable	<u>54,726,180</u>	<u>74,267</u>	<u>6,538,737</u>	<u>48,261,710</u>	<u>3,310,000</u>
Note Payable	76,951	--	76,951	--	--
Capital Leases Payable	463,414	--	251,306	212,108	104,283
Compensated Absences *	1,883,345	541,200	900,835	1,523,710	391,743
Total governmental activities	<u>\$ 57,149,890</u>	<u>\$ 615,467</u>	<u>\$ 7,767,829</u>	<u>\$ 49,997,528</u>	<u>\$ 3,806,026</u>

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

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2014 are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 3,414,283	\$ 2,083,100	\$ 5,497,383
2016	3,537,825	1,955,678	5,493,503
2017	3,350,000	1,822,467	5,172,467
2018	3,000,000	1,694,805	4,694,805
2019	3,125,000	1,570,352	4,695,352
2020-2024	17,920,000	5,551,917	23,471,917
2025-2027	13,080,000	1,002,750	14,082,750
Totals	\$ 47,427,108	\$ 15,681,069	\$ 63,108,177

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
2015	\$ 3,310,000	\$ 2,077,585	\$ 5,387,585
2016	3,430,000	1,953,705	5,383,705
2017	3,350,000	1,822,467	5,172,467
2018	3,000,000	1,694,805	4,694,805
2019	3,125,000	1,570,352	4,695,352
2020-2024	17,920,000	5,551,917	23,471,917
2025-2027	13,080,000	1,002,750	14,082,750
Totals	\$ 47,215,000	\$ 15,673,581	\$ 62,888,581

A summary of changes in general obligation bonds and notes for the year ended August 31, 2014 is as follows:

	Amounts Outstanding 9/1/13	Issued	Interest Accretion	Retired	Amounts Outstanding 8/31/14
* Unlimited Tax Refunding Bonds, Series 1998 Interest Range 3.35% -5.00%	\$ 3,000,733	\$ --	\$ 74,267	\$ 3,075,000	\$ --
* Unlimited Tax Refunding Bonds, Series 2004 Interest Range 1.50% -3.80%	110,000	--	--	110,000	--
* Unlimited Tax School Building Bonds, Series 2007 Interest Range 4.00% -5.00%	47,970,000	--	--	2,550,000	45,420,000
** Maintenance Tax Refunding Bonds, Series 2011 Interest Range 1.90% -2.75%	2,515,000	--	--	720,000	1,795,000
Totals	\$ 53,595,733	\$ --	\$ 74,267	\$ 6,455,000	\$ 47,215,000

\* Principal and interest payments provided by the Interest and Sinking tax assessments.

\*\* Principal and interest payments provided by the District's operations annually.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

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.

4. Note Payable

The District issued a note payable to a local financial institution to finance the purchase of six school buses. The original note was for \$700,000 to be repaid over five years at 4.25%. The note called for monthly payments of \$12,988, including interest, from March 2009 through February 2014. The note was paid in full during the year ended August 31, 2014 as scheduled.

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 \$500,608. The interest rate on the remaining capital lease is 3.35%. Future minimum lease payments under these leases are as follows:

Year Ending August 31:	Capital Leases		Total Requirements
	Principal	Interest	
2015	\$ 104,283	\$ 5,515	\$ 109,798
2016	107,825	1,973	109,798
Totals	\$ 212,108	\$ 7,488	\$ 219,596

6. Compensated Absences

Vacation Leave

At August 31, 2014, the District had \$170,838 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.

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, 2014, the accumulated sick leave liability was \$1,331,968.

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, 2014 was \$20,904.

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.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**G. Pension Plan**

**1. Plan Description**

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by download from the TRS website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

**2. Funding Policy**

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the 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 of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contribution rates and contributions for fiscal years 2014, 2013 and 2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the State's and/or member's contribution on the portion of the employee's salary that exceeds the statutory minimum.

Year	Contribution Rates and Contribution Amounts					
	Member		State		Above	
	Rate	Amount	Rate	Amount	Minimum	
2014	6.40%	\$ 4,795,227	6.80%	\$ 5,094,929	\$	573,065
2013	6.40%	\$ 4,860,724	6.40%	\$ 4,860,724	\$	550,430
2012	6.40%	\$ 4,837,886	6.00%	\$ 4,535,519	\$	544,026

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

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](http://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 0.50% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal year 2013. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2014 and 2012. 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 (.5% to 1%)	District (.55%)
2014	\$ 487,015	\$ 749,254	\$ 412,090
2013	\$ 493,667	\$ 379,744	\$ 417,718
2012	\$ 491,348	\$ 755,920	\$ 415,756

2. Medicare Part D Subsidiaries

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, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on-behalf of the District were \$195,424, \$197,806, and \$197,705, respectively.



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**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.

The estimated claims benefit obligation for the self-insured worker's compensation plan of \$345,000 at August 31, 2014 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, 2014.

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, 2014, the worker's compensation benefit obligation consisted of \$345,000 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, 2013		\$	605,000
Incurring claims:			
Provision for insured events for 2013-14	\$	206,000	
Provision for insured events for prior years		(259,000)	(53,000)
Payments:			
Claims attributed to insured events for 2013-14		80,000	
Claims attributed to insured events for prior years		127,000	207,000
Balance at August 31, 2014		\$	<u>345,000</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, 2014.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2014**

**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	\$ 1,219	\$ 1,063	\$ --	\$ 30,951	\$ 33,233
Burkburnett ISD	1,761	1,534	--	43,043	46,338
Clay-Jack Coop	2,033	1,769	--	69,279	73,081
Graham ISD	542	472	--	29,515	30,529
Greenbelt Coop	541	472	--	4,919	5,932
Haskell/Knox Coop	--	--	--	1,640	1,640
Montague County Coop	1,964	1,711	--	35,051	38,726
Vernon ISD	271	236	--	3,279	3,786
West Wichita County Coop	2,914	2,537	--	96,130	101,581
Wichita Falls ISD	7,724	7,197	2,082	285,247	302,250
Totals	\$ 18,969	\$ 16,991	\$ 2,082	\$ 599,054	\$ 637,096

**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, 2014, the additions and deletions for CIS were as follows:

Additions		\$ 255,487
Deletions:		
21 Instructional Leadership	\$ 89,246	
31 Guidance, Counseling, & Evaluation Services	166,241	
Total deletions		255,487
Net Change		\$ --

**M. Committed Fund Balance**

At August 31, 2014, the District had committed fund balance for specific purposes in the following funds:

	General Fund	Other Governmental Funds	Totals
Construction	\$ --	\$ 1,517	\$ 1,517
Self-insurance	100,000	--	100,000
Accumulated sick leave benefits obligations	1,331,968	--	1,331,968
Campus Activity Funds	--	638,608	638,608
Totals	\$ 1,431,968	\$ 640,125	\$ 2,072,093

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2014**

### **N. New Pronouncements**

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 to amend GASB Statements 27 and 50. The statement is effective for fiscal years beginning after June 15, 2014 and addresses accounting and financial reporting for pensions that are provided to the employees of state and local government employers. This statement will affect the District's reporting of its governmental activities on the government-wide statements as of and for the year ended August 31, 2015, although the impact of applying the statement is unknown.

### *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, 2014

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts		Actual	Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 42,784,000	\$ 42,792,996	\$ 43,071,578	\$ 278,582
5800	State Program Revenues	59,440,771	59,440,771	60,791,406	1,350,635
5900	Federal Program Revenues	2,070,000	2,070,000	1,423,047	(646,953)
5020	Total Revenues	104,294,771	104,303,767	105,286,031	982,264
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	60,932,061	60,239,750	59,333,508	906,242
0012	Instructional Resources and Media Services	1,398,392	1,401,388	1,370,443	30,945
0013	Curriculum and Staff Development	1,271,548	1,248,553	900,672	347,881
	Total Instruction & Instr. Related Services	63,602,001	62,889,691	61,604,623	1,285,068
Instructional and School Leadership:					
0021	Instructional Leadership	1,960,718	2,059,190	1,876,651	182,539
0023	School Leadership	6,201,317	6,186,472	5,894,381	292,091
	Total Instructional & School Leadership	8,162,035	8,245,662	7,771,032	474,630
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	3,988,874	3,908,520	3,837,299	71,221
0032	Social Work Services	256,006	259,366	257,709	1,657
0033	Health Services	1,354,708	1,351,287	1,257,249	94,038
0034	Student (Pupil) Transportation	2,620,416	2,620,416	2,458,112	162,304
0035	Food Services	--	4,410	4,410	--
0036	Cocurricular/Extracurricular Activities	3,294,794	3,280,153	3,102,319	177,834
	Total Support Services - Student (Pupil)	11,514,798	11,424,152	10,917,098	507,054
Administrative Support Services:					
0041	General Administration	3,142,303	3,147,570	3,012,037	135,533
	Total Administrative Support Services	3,142,303	3,147,570	3,012,037	135,533
Support Services - Nonstudent Based:					
0051	Facilities Maintenance and Operations	11,179,219	11,206,704	10,508,545	698,159
0052	Security and Monitoring Services	507,173	508,295	424,929	83,366
0053	Data Processing Services	2,335,401	2,634,089	2,371,999	262,090
	Total Support Services - Nonstudent Based	14,021,793	14,349,088	13,305,473	1,043,615
Ancillary Services:					
0061	Community Services	7,081	7,373	3,104	4,269
	Total Ancillary Services	7,081	7,373	3,104	4,269
Debt Service:					
0071	Principal on Long-Term Debt	990,965	990,965	869,183	121,782
0072	Interest on Long-Term Debt	600	600	50,925	(50,325)
	Total Debt Service	991,565	991,565	920,108	71,457
Capital Outlay:					
0081	Capital Outlay	41,000	677,524	622,062	55,462
	Total Capital Outlay	41,000	677,524	622,062	55,462

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
Intergovernmental Charges:					
0093	Payments to Fiscal Agent/Member Dist. -SSA	225,000	100,250	26,870	73,380
0099	Other Intergovernmental Charges	545,000	545,000	540,962	4,038
	Total Intergovernmental Charges	770,000	645,250	567,832	77,418
6030	Total Expenditures	102,252,576	102,377,875	98,723,369	3,654,506
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	2,042,195	1,925,892	6,562,662	4,636,770
Other Financing Sources (Uses):					
7912	Sale of Real or Personal Property	50,000	50,000	33,667	(16,333)
8911	Transfers Out	(437,551)	(437,551)	(227,561)	209,990
7080	Total Other Financing Sources and (Uses)	(387,551)	(387,551)	(193,894)	193,657
1200	Net Change in Fund Balance	1,654,644	1,538,341	6,368,768	4,830,427
0100	Fund Balance - Beginning	17,366,352	17,366,352	17,366,352	—
3000	Fund Balance - Ending	\$ 19,020,996	\$ 18,904,693	\$ 23,735,120	\$ 4,830,427

## **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGET**

**YEAR ENDED AUGUST 31, 2014**

The budget was prepared for adoption for the General Fund, Food Service Fund, and the Debt Service Fund. The budget was prepared in accordance with accounting principles generally accepted in the United States of America. The following procedures were 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.

*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, 2014

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ 1,414,420	\$ 21,646	\$ 4,234	\$ 1,440,300
1120 Current Investments	735,636	651,901	1,467	1,389,004
1225 Taxes Receivable, Net	--	187,520	--	187,520
1240 Due from Other Governments	2,316,842	3,724	--	2,320,566
1260 Due from Other Funds	45,350	10,809	--	56,159
1290 Other Receivables	66,450	--	--	66,450
1300 Inventories	907,321	--	--	907,321
1000 Total Assets	\$ 5,486,019	\$ 875,600	\$ 5,701	\$ 6,367,320
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 278,423	\$ --	\$ 4,184	\$ 282,607
2150 Payroll Deductions & Withholdings	10,296	--	--	10,296
2160 Accrued Wages Payable	561,386	--	--	561,386
2170 Due to Other Funds	1,625,903	--	--	1,625,903
2180 Due to Other Governments	--	48,185	--	48,185
2300 Unearned Revenue	971,407	--	--	971,407
2000 Total Liabilities	3,447,415	48,185	4,184	3,499,784
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable Property Taxes	--	166,208	--	166,208
2600 Total Deferred Inflows of Resources	--	166,208	--	166,208
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	563,509	--	--	563,509
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	836,317	--	--	836,317
3480 Retirement of Long-Term Debt	--	661,207	--	661,207
3490 Other Restrictions of Fund Balance	170	--	--	170
Committed Fund Balances:				
3510 Construction	--	--	1,517	1,517
3545 Other Committed Fund Balance	638,608	--	--	638,608
3000 Total Fund Balances	2,038,604	661,207	1,517	2,701,328
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,486,019	\$ 875,600	\$ 5,701	\$ 6,367,320

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes		Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 3,522,191	\$ 6,691,756	\$ 55	\$ 10,214,002
5800	State Program Revenues	2,137,925	1,327,009	--	3,464,934
5900	Federal Program Revenues	15,300,967	--	--	15,300,967
5020	Total Revenues	20,961,083	8,018,765	55	28,979,903
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	9,581,979	--	--	9,581,979
0012	Instructional Resources and Media Services	16,129	--	--	16,129
0013	Curriculum and Staff Development	555,771	--	--	555,771
0021	Instructional Leadership	502,428	--	--	502,428
0023	School Leadership	327,473	--	--	327,473
0031	Guidance, Counseling, & Evaluation Services	1,056,900	--	--	1,056,900
0032	Social Work Services	208,134	--	--	208,134
0033	Health Services	63,591	--	--	63,591
0035	Food Service	8,390,114	--	--	8,390,114
0036	Cocurricular/Extracurricular Activities	820,450	--	--	820,450
0041	General Administration	1,384	--	--	1,384
0051	Facilities Maintenance and Operations	230,164	--	--	230,164
0052	Security and Monitoring Services	71,084	--	--	71,084
0061	Community Services	12,204	--	--	12,204
0071	Principal on Long-term Debt	--	3,160,425	--	3,160,425
0072	Interest on Long-term Debt	--	4,721,470	--	4,721,470
0073	Bond Issuance Costs and Fees	--	500	--	500
0081	Capital Outlay	--	--	83,998	83,998
0093	Payments to Shared Service Arrangements	147,089	--	--	147,089
6030	Total Expenditures	21,984,894	7,882,395	83,998	29,951,287
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(1,023,811)	136,370	(83,943)	(971,384)
Other Financing Sources and (Uses):					
7915	Transfers In	204,615	--	22,946	227,561
7080	Total Other Financing Sources and (Uses)	204,615	--	22,946	227,561
1200	Net Change in Fund Balances	(819,196)	136,370	(60,997)	(743,823)
0100	Fund Balances - Beginning	2,857,800	524,837	62,514	3,445,151
3000	Fund Balances - Ending	\$ 2,038,604	\$ 661,207	\$ 1,517	\$ 2,701,328

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2014

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	213 ESEA Title I Part B-Even St. Family Literacy
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	560,506	9,525	297,587	15,384
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	\$ 560,506	\$ 9,525	\$ 297,587	\$ 15,384
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 2,067	\$ 1,756	\$ 5,662	\$ 2,539
2150 Payroll Deductions & Withholdings	10,583	153	(4,183)	421
2160 Accrued Wages Payable	241,068	--	96,201	--
2170 Due to Other Funds	306,788	7,616	199,907	12,424
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	560,506	9,525	297,587	15,384
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
3490 Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	--	--	--	--
4000 Total Liabilities and Fund Balances	\$ 560,506	\$ 9,525	\$ 297,587	\$ 15,384

214 ESEA Title I Part A Capital Expenses	215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
\$ --	\$ --	\$ --	\$ --	\$ 255,220
--	--	--	--	735,636
--	7,841	386,988	11,018	137,241
--	--	--	--	623
--	--	--	--	6,400
--	--	--	--	898,448
<u>\$ --</u>	<u>\$ 7,841</u>	<u>\$ 386,988</u>	<u>\$ 11,018</u>	<u>\$ 2,033,568</u>
\$ --	\$ --	\$ --	\$ --	\$ 75,666
--	113	3,540	369	--
--	2,195	66,762	4,339	106,261
--	5,533	316,686	6,310	116,841
--	--	--	--	334,938
<u>--</u>	<u>7,841</u>	<u>386,988</u>	<u>11,018</u>	<u>633,706</u>
--	--	--	--	563,509
--	--	--	--	836,353
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,399,862</u>
<u>\$ --</u>	<u>\$ 7,841</u>	<u>\$ 386,988</u>	<u>\$ 11,018</u>	<u>\$ 2,033,568</u>

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2014

Data Control Codes		242 Summer Feeding Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Lang. Acquisition and Enhancement
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ (42,730)	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	--	10,292	68,532	2,302
1260	Due from Other Funds	44,727	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 1,997	\$ 10,292	\$ 68,532	\$ 2,302
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 1,335	\$ 1,179	\$ --
2150	Payroll Deductions & Withholdings	(534)	(138)	(207)	(901)
2160	Accrued Wages Payable	--	--	14,072	--
2170	Due to Other Funds	2,567	9,095	53,488	3,203
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	2,033	10,292	68,532	2,302
<b>FUND BALANCES:</b>					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	(36)	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	(36)	--	--	--
4000	Total Liabilities and Fund Balances	\$ 1,997	\$ 10,292	\$ 68,532	\$ 2,302

265 21st Century Community Learning Centers	272 MAC Program	277 Title III Part A Immigrant	288 HIPPY Grant	315 IDEA-B Discretionary
\$ --	\$ 164,843	\$ --	\$ --	\$ --
--	--	--	--	--
16,875	--	--	49,911	3,878
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 16,875</u>	<u>\$ 164,843</u>	<u>\$ --</u>	<u>\$ 49,911</u>	<u>\$ 3,878</u>
\$ --	\$ 12,442	\$ --	\$ 17,024	\$ 204
(870)	1,310	(47)	339	--
--	--	--	--	(1,305)
17,745	--	47	32,548	4,259
--	151,091	--	--	720
<u>16,875</u>	<u>164,843</u>	<u>--</u>	<u>49,911</u>	<u>3,878</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 16,875</u>	<u>\$ 164,843</u>	<u>\$ --</u>	<u>\$ 49,911</u>	<u>\$ 3,878</u>

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2014

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	340 IDEA-C Deaf	396 Communities in Schools
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	1,915	--	--	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	\$ 1,915	\$ --	\$ --	\$ --
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 509	\$ --	\$ --	\$ --
2150 Payroll Deductions & Withholdings	52	--	--	--
2160 Accrued Wages Payable	(803)	--	--	--
2170 Due to Other Funds	2,157	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	1,915	--	--	--
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
3490 Other Restrictions of Fund Balance	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	--	--	--	--
4000 Total Liabilities and Fund Balances	\$ 1,915	\$ --	\$ --	\$ --

397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
\$ --	\$ --	\$ 460	\$ 516	\$ 638,453
--	--	--	--	--
--	700,778	--	32,545	--
--	--	--	--	--
--	--	117	--	59,911
--	--	--	--	--
<u>\$ --</u>	<u>\$ 700,778</u>	<u>\$ 577</u>	<u>\$ 33,061</u>	<u>\$ 698,364</u>
\$ --	\$ 74,891	\$ --	\$ --	\$ 59,747
--	--	--	296	--
--	--	--	32,545	--
--	528,680	--	--	9
--	97,207	577	--	--
--	700,778	577	32,841	59,756
--	--	--	--	--
--	--	--	--	--
--	--	--	220	--
--	--	--	--	638,608
--	--	--	220	638,608
<u>\$ --</u>	<u>\$ 700,778</u>	<u>\$ 577</u>	<u>\$ 33,061</u>	<u>\$ 698,364</u>





**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT****COMBINING BALANCE SHEET****NONMAJOR SPECIAL REVENUE FUNDS****AUGUST 31, 2014**

Data Control Codes	489 West Foundation	499 CIS	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ 171,835	\$ 225,823	\$ 1,414,420
1120 Current Investments	--	--	735,636
1240 Due from Other Governments	--	3,724	2,316,842
1260 Due from Other Funds	--	--	45,350
1290 Other Receivables	--	22	66,450
1300 Inventories	8,873	--	907,321
1000 Total Assets	\$ 180,708	\$ 229,569	\$ 5,486,019
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ 21,012	\$ 2,390	\$ 278,423
2150 Payroll Deductions & Withholdings	--	--	10,296
2160 Accrued Wages Payable	--	51	561,386
2170 Due to Other Funds	--	--	1,625,903
2300 Unearned Revenue	159,696	227,178	971,407
2000 Total Liabilities	180,708	229,619	3,447,415
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410 Inventories	--	--	563,509
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	--	--	836,317
3490 Other Restrictions of Fund Balance	--	(50)	170
Committed Fund Balances:			
3545 Other Committed Fund Balance	--	--	638,608
3000 Total Fund Balances	--	(50)	2,038,604
4000 Total Liabilities and Fund Balances	\$ 180,708	\$ 229,569	\$ 5,486,019

# **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, 2014

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	213 ESEA Title I Part B-Even St. Family Literacy
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	1,844,762	39,912	3,214,696	47,624
5020 Total Revenues	1,844,762	39,912	3,214,696	47,624
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,419,601	10,911	2,688,851	12,623
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	11,607	--	158,212	28,976
0021 Instructional Leadership	1,859	250	275,663	5,978
0023 School Leadership	251,389	--	893	--
0031 Guidance, Counseling, & Evaluation Services	113,449	--	--	--
0032 Social Work Services	171,484	27,367	9,283	--
0033 Health Services	63,591	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	1,384	--	--
0051 Facilities Maintenance and Operations	16,397	--	--	--
0052 Security and Monitoring Services	--	--	71,084	--
0061 Community Services	--	--	10,710	47
0093 Payments to Shared Service Arrangements	--	--	--	--
6030 Total Expenditures	2,049,377	39,912	3,214,696	47,624
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(204,615)	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	204,615	--	--	--
7080 Total Other Financing Sources and (Uses)	204,615	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

214 ESEA Title I Part A Capital Expenses	215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
\$ --	\$ --	\$ --	\$ --	\$ 1,588,711
--	--	--	--	103,272
99,348	--	2,803,826	110,697	5,937,755
99,348	--	2,803,826	110,697	7,629,738
99,348	--	1,921,270	110,697	--
--	--	--	--	--
--	--	10,058	--	--
--	--	--	--	--
--	--	--	--	--
--	--	725,409	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	8,345,667
--	--	--	--	--
--	--	--	--	194,286
--	--	--	--	--
--	--	147,089	--	--
99,348	--	2,803,826	110,697	8,539,953
--	--	--	--	(910,215)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	(910,215)
--	--	--	--	2,310,077
\$ --	\$ --	\$ --	\$ --	\$ 1,399,862

# 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, 2014

Data Control Codes		242 Summer Feeding Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Lang. Acquisition and Enhancement
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	44,798	109,266	593,275	71,752
5020	Total Revenues	44,798	109,266	593,275	71,752
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	--	61,175	354,188	63,961
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	3,263	147,238	6,344
0021	Instructional Leadership	--	19,328	89,381	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	25,500	2,468	--
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0035	Food Service	44,447	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	--	--	--	1,447
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	44,447	109,266	593,275	71,752
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	351	--	--	--
Other Financing Sources and (Uses):					
7915	Transfers In	--	--	--	--
7080	Total Other Financing Sources and (Uses)	--	--	--	--
1200	Net Change in Fund Balances	351	--	--	--
0100	Fund Balances - Beginning	(387)	--	--	--
3000	Fund Balances - Ending	\$ (36)	\$ --	\$ --	\$ --

265 21st Century Community Learning Centers	272 MAC Program	277 Title III Part A Immigrant	288 HIPPY Grant	315 IDEA-B Discretionary
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
157,370	142,183	--	45,471	18,969
157,370	142,183	--	45,471	18,969
51,446	12,923	--	45,471	10,491
--	--	--	--	--
--	29,982	--	--	6,938
10,775	40,851	--	--	--
--	--	--	--	1,540
95,149	58,427	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
157,370	142,183	--	45,471	18,969
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

# **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, 2014

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	340 IDEA-C Deaf	396 Communities in Schools
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	16,991	2,082	190	--
5020 <i>Total Revenues</i>	<u>16,991</u>	<u>2,082</u>	<u>190</u>	<u>--</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	15,906	2,082	190	--
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	1,085	--	--	--
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0051 <i>Facilities Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	--
0093 <i>Payments to Shared Service Arrangements</i>	--	--	--	--
6030 <i>Total Expenditures</i>	<u>16,991</u>	<u>2,082</u>	<u>190</u>	<u>--</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>	--	--	--	--
1100 <i>Expenditures</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <i>Net Change in Fund Balances</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

397 Advanced Placement Incentives	410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
\$ --	\$ --	\$ --	\$ 365,334	\$ 1,143,006
7,900	1,791,289	54	233,720	--
--	--	--	--	--
7,900	1,791,289	54	599,054	1,143,006
--	1,791,289	--	599,054	231,250
--	--	54	--	16,075
7,900	--	--	--	7,250
--	--	--	--	--
--	--	--	--	73,651
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	722,433
--	--	--	--	--
--	--	--	--	1,679
--	--	--	--	--
--	--	--	--	--
7,900	1,791,289	54	599,054	1,052,338
--	--	--	--	90,668
--	--	--	--	--
--	--	--	--	--
--	--	--	--	90,668
--	--	--	220	547,940
\$ --	\$ --	\$ --	\$ 220	\$ 638,608





**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, 2014

Data Control Codes	489 West Foundation	499 CIS	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 318,193	\$ 106,947	\$ 3,522,191
5800 <i>State Program Revenues</i>	--	1,690	2,137,925
5900 <i>Federal Program Revenues</i>	--	--	15,300,967
5020 <b>Total Revenues</b>	<u>318,193</u>	<u>108,637</u>	<u>20,961,083</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	65,456	13,796	9,581,979
0012 <i>Instructional Resources and Media Services</i>	--	--	16,129
0013 <i>Curriculum and Staff Development</i>	136,918	--	555,771
0021 <i>Instructional Leadership</i>	--	58,343	502,428
0023 <i>School Leadership</i>	--	--	327,473
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	--	36,498	1,056,900
0032 <i>Social Work Services</i>	--	--	208,134
0033 <i>Health Services</i>	--	--	63,591
0035 <i>Food Service</i>	--	--	8,390,114
0036 <i>Cocurricular/Extracurricular Activities</i>	98,017	--	820,450
0041 <i>General Administration</i>	--	--	1,384
0051 <i>Facilities Maintenance and Operations</i>	17,802	--	230,164
0052 <i>Security and Monitoring Services</i>	--	--	71,084
0061 <i>Community Services</i>	--	--	12,204
0093 <i>Payments to Shared Service Arrangements</i>	--	--	147,089
6030 <b>Total Expenditures</b>	<u>318,193</u>	<u>108,637</u>	<u>21,984,894</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>(1,023,811)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	204,615
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>204,615</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>(819,196)</u>
0100 <b>Fund Balances - Beginning</b>	--	(50)	2,857,800
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ (50)</u>	<u>\$ 2,038,604</u>

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

AUGUST 31, 2014

Data Control Codes		751 Transportation Fund	752 Print Shop Fund
<b>ASSETS:</b>			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 709,527	\$ 190,921
1120	Investments	--	--
Receivables:			
1260	Due from Other Funds	--	7,392
1290	Other Receivables	(2,659)	--
	Total Current Assets	<u>706,868</u>	<u>198,313</u>
Noncurrent Assets:			
Capital Assets:			
1530	Furniture and Equipment	6,784,414	960,290
1550	Assets Purchased Under Capital Leases	500,608	--
1570	Accumulated Depreciation	(4,804,188)	(467,647)
	Total Noncurrent Assets	<u>2,480,834</u>	<u>492,643</u>
1000	Total Assets	<u>3,187,702</u>	<u>690,956</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	115,064	347,781
2130	Capital Leases Payable	104,283	--
2160	Accrued Wages Payable	--	7
2170	Due to Other Funds	--	69,581
2200	Accrued Expenses	--	--
	Total Current Liabilities	<u>219,347</u>	<u>417,369</u>
Noncurrent Liabilities:			
2500	Bonds, Notes and Loans Payable	107,825	--
	Total Noncurrent Liabilities	<u>107,825</u>	<u>--</u>
2000	Total Liabilities	<u>327,172</u>	<u>417,369</u>
<b>NET POSITION:</b>			
3200	Net Investment in Capital Assets	2,268,726	492,643
3900	Unrestricted	591,804	(219,056)
3000	Total Net Position	<u>\$ 2,860,530</u>	<u>\$ 273,587</u>

753 Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
\$ 2,397,779	\$ 3,298,227
219,167	219,167
153,779	161,171
—	(2,659)
<u>2,770,725</u>	<u>3,675,906</u>
—	7,744,704
—	500,608
—	(5,271,835)
—	<u>2,973,477</u>
<u>2,770,725</u>	<u>6,649,383</u>
212,665	675,510
—	104,283
—	7
—	69,581
144,000	144,000
<u>356,665</u>	<u>993,381</u>
—	107,825
—	107,825
<u>356,665</u>	<u>1,101,206</u>
—	2,761,369
2,414,060	2,786,808
<u>\$ 2,414,060</u>	<u>\$ 5,548,177</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, 2014

Data Control Codes		751  Transportation Fund	752 Print Shop Fund
	<b>OPERATING REVENUES:</b>		
5700	<i>Local and Intermediate Sources</i>	\$ 2,886,814	\$ 361,029
5020	Total Revenues	<u>2,886,814</u>	<u>361,029</u>
	<b>OPERATING EXPENSES:</b>		
6100	<i>Payroll Costs</i>	--	64,004
6200	<i>Professional and Contracted Services</i>	2,092,348	186,861
6300	<i>Supplies and Materials</i>	421,166	32,491
6400	<i>Other Operating Costs</i>	437,208	59,961
6500	<i>Debt Service</i>	9,998	--
6030	Total Expenses	<u>2,960,720</u>	<u>343,317</u>
	Operating Income (Loss)	(73,906)	17,712
	<b>NON-OPERATING REVENUES:</b>		
7955	<i>Earnings from Temp. Deposits and Investments</i>	--	--
8030	Total Non-operating Revenues	<u>--</u>	<u>--</u>
1300	Change in Net Position	(73,906)	17,712
0100	Total Net Position - Beginning	2,934,436	255,875
3300	Total Net Position - Ending	<u>\$ 2,860,530</u>	<u>\$ 273,587</u>

753 Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
\$ 155,836	\$ 3,403,679
155,836	3,403,679
57,833	121,837
7,500	2,286,709
(11)	453,646
15,937	513,106
--	9,998
81,259	3,385,296
74,577	18,383
85	85
85	85
74,662	18,468
2,339,398	5,529,709
\$ 2,414,060	\$ 5,548,177

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## COMBINING STATEMENT OF CASH FLOWS

### ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2014

	751 Transportation Fund	752 Print Shop Fund
<b>Cash Flows from Operating Activities:</b>		
Cash Receipts for Quasi-external Operating Transactions with Other Funds	\$ 2,885,084	\$ 423,896
Cash Payments to Employees for Services	--	(64,010)
Cash Payments to Suppliers for Goods and Services	(2,542,430)	126,302
Net Cash Provided by Operating Activities	<u>342,654</u>	<u>486,188</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Principal Paid on Long-Term Debt	(177,802)	--
Net Cash Used by Capital and Related Financing Activities	<u>(177,802)</u>	<u>--</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Capital Assets	(384,186)	(337,618)
Sale of Investments	--	--
Interest and Dividends on Investments	--	--
Net Cash Provided (Used) by Investing Activities	<u>(384,186)</u>	<u>(337,618)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(219,334)	148,570
Cash and Cash Equivalents at Beginning of Year	928,861	42,351
Cash and Cash Equivalents at End of Year	<u>\$ 709,527</u>	<u>\$ 190,921</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ (73,906)	\$ 17,712
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation	437,208	58,834
Change in Assets and Liabilities:		
Decrease (Increase) in Due from Other Funds	--	(6,714)
Decrease (Increase) in Other Receivables	(1,730)	--
Increase (Decrease) in Accounts Payable	(18,918)	346,781
Increase (Decrease) in Accrued Wages Payable	--	(6)
Increase (Decrease) in Due to Other Funds	--	69,581
Increase (Decrease) in Accrued Expenses	--	--
Total Adjustments	<u>416,560</u>	<u>468,476</u>
Net Cash Provided by Operating Activities	<u>\$ 342,654</u>	<u>\$ 486,188</u>

753 Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
\$ 370,324	\$ 3,679,304
(57,833)	(121,843)
(274,894)	(2,691,022)
<u>37,597</u>	<u>866,439</u>
--	(177,802)
<u>--</u>	<u>(177,802)</u>
--	(721,804)
29,915	29,915
85	85
<u>30,000</u>	<u>(691,804)</u>
67,597	(3,167)
2,330,182	3,301,394
<u>\$ 2,397,779</u>	<u>\$ 3,298,227</u>
\$ 74,577	\$ 18,383
--	496,042
214,488	207,774
--	(1,730)
(118,468)	209,395
--	(6)
--	69,581
(133,000)	(133,000)
<u>(36,980)</u>	<u>848,056</u>
<u>\$ 37,597</u>	<u>\$ 866,439</u>



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

AUGUST 31, 2014

Data Control Codes	864 Communities in Schools	865 Student Activity	Total Agency Funds (See Exhibit E-1)
<b>ASSETS:</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 304,073	\$ 304,073
1240 <i>Due from Other Governments</i>	25,756	--	25,756
1290 <i>Other Receivables</i>	--	30,223	30,223
1000 <i>Total Assets</i>	<u>\$ 25,756</u>	<u>\$ 334,296</u>	<u>\$ 360,052</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 217	\$ 30,278	\$ 30,495
2170 <i>Due to Other Funds</i>	25,539	--	25,539
2190 <i>Due to Student Groups</i>	--	304,018	304,018
2000 <i>Total Liabilities</i>	<u>\$ 25,756</u>	<u>\$ 334,296</u>	<u>\$ 360,052</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, 2014**

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2005 and Prior Years	\$	Various	\$	Various	\$	Various
2006		1.50		.0636		3,357,610,770
2007		1.33		.0636		3,595,382,821
2008		1.04		.149		3,830,850,210
2009		1.04		.159		4,075,065,685
2010		1.04		.16		3,859,503,833
2011		1.04		.16		3,870,054,417
2012		1.04		.165		3,877,945,145
2013		1.04		.17		3,944,910,744
2014 (School Year Under Audit)		1.04		.165		4,035,873,693
1000 Totals						

10 Beginning Balance 9/1/13	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/14
\$ 525,804	\$ --	\$ 52,493	\$ 2,891	\$ (138,215)	\$ 332,205
127,381	--	15,947	676	(10,114)	100,644
106,315	--	16,716	799	(3,753)	85,047
90,178	--	15,168	2,173	(580)	72,257
113,054	--	28,972	4,429	608	80,261
167,528	--	45,843	7,053	(838)	113,794
211,767	--	65,949	10,146	(403)	135,269
292,454	--	96,856	15,366	(325)	179,907
698,462	--	279,423	45,675	(36,192)	337,172
--	48,632,278	41,219,476	6,539,629	(148,170)	725,003
<u>\$ 2,332,943</u>	<u>\$ 48,632,278</u>	<u>\$ 41,836,843</u>	<u>\$ 6,628,837</u>	<u>\$ (337,982)</u>	<u>\$ 2,161,559</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**
**EXHIBIT J-2**
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**
**BUDGETARY COMPARISON SCHEDULE**
**FOR THE YEAR ENDED AUGUST 31, 2014**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,655,200	\$ 1,655,200	\$ 1,588,711	\$ (66,489)
5800	State Program Revenues	212,000	212,000	103,272	(108,728)
5900	Federal Program Revenues	6,215,000	6,215,000	5,937,755	(277,245)
5020	Total Revenues	8,082,200	8,082,200	7,629,738	(452,462)
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	7,830,273	8,899,127	8,345,667	553,460
	Total Support Services - Student (Pupil)	7,830,273	8,899,127	8,345,667	553,460
Support Services - Nonstudent Based:					
0051	Facilities Maintenance and Operations	227,227	232,916	194,286	38,630
	Total Support Services - Nonstudent Based	227,227	232,916	194,286	38,630
Capital Outlay:					
0081	Capital Outlay	50,000	50,000	--	50,000
	Total Capital Outlay	50,000	50,000	--	50,000
6030	Total Expenditures	8,107,500	9,182,043	8,539,953	642,090
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(25,300)	(1,099,843)	(910,215)	189,628
1200	Net Change in Fund Balance	(25,300)	(1,099,843)	(910,215)	189,628
0100	Fund Balance - Beginning	2,310,077	2,310,077	2,310,077	--
3000	Fund Balance - Ending	\$ 2,284,777	\$ 1,210,234	\$ 1,399,862	\$ 189,628

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**
**EXHIBIT J-3**
**DEBT SERVICE FUND**
**BUDGETARY COMPARISON SCHEDULE**
**FOR THE YEAR ENDED AUGUST 31, 2014**

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 6,531,560	\$ 6,531,560	\$ 6,691,756	\$ 160,196
5800	State Program Revenues	1,372,543	1,372,543	1,327,009	(45,534)
5020	Total Revenues	7,904,103	7,904,103	8,018,765	114,662
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	3,160,425	3,160,425	3,160,425	--
0072	Interest on Long-Term Debt	4,721,470	4,721,470	4,721,470	--
0073	Bond Issuance Costs and Fees	3,160	3,160	500	2,660
	Total Debt Service	7,885,055	7,885,055	7,882,395	2,660
6030	Total Expenditures	7,885,055	7,885,055	7,882,395	2,660
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	19,048	19,048	136,370	117,322
1200	Net Change in Fund Balance	19,048	19,048	136,370	117,322
0100	Fund Balance - Beginning	524,837	524,837	524,837	--
3000	Fund Balance - Ending	\$ 543,885	\$ 543,885	\$ 661,207	\$ 117,322





## EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA  
DAVID L. PARKMAN, CPA, CFE  
A. PAUL FLEMING, CPA  
J. MARK 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, 2014, 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 5, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 Wichita Falls Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Edgin, Parkman, Fleming & Fleming, PC". The signature is written in a cursive, flowing style.

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas  
January 5, 2015



## EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR • P.O. Box 750  
WICHITA FALLS, TEXAS 76307-0750  
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA  
DAVID L. PARKMAN, CPA, CFE  
A. PAUL FLEMING, CPA  
J. MARK 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 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 Wichita Falls Independent School District's major federal programs for the year ended August 31, 2014. 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 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 Wichita Falls Independent School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, 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, 2014.

### **Report on Internal Control Over Compliance**

Management of 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 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 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

Wichita Falls, Texas  
January 5, 2015

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

**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 ☒ No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes ☒ None Reported

Noncompliance material to financial statements noted? Yes ☒ No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified? Yes ☒ No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes ☒ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 / 10.555 / 10.559	Child Nutrition Cluster
84.010A	ESEA Title I Part A - Improving Basic Programs and School Improvement
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$471,526

Auditee qualified as low-risk auditee? Yes ☒ No

**B. Financial Statement Findings**

None

**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, 2014

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<u>Finding 2013-001 - Material Noncompliance - Excess Fund Balance</u>  The National School Breakfast and Lunch Program Fund (Food Service Fund) had a fund balance in excess of three months of food service operations at August 31, 2013. During the year ended August 31, 2014, the District replaced the steamers and convection ovens at each of the cafeterias and a forklift in the Child Nutrition warehouse. Furthermore, management will continually monitor the fund balance levels in the future to ensure they do not exceed the three months of operation in the future.	Implemented	
<u>Finding 2013-002 - Significant Deficiency and Material Noncompliance with State and Grant Bidding Requirements</u>  During the year ended August 31, 2008, the District competitively bid the purchase of bread. The vendor's price for bread stayed the same through the years ended August 31, 2009 through 2012. However, the vendor increased the price for bread for the year ended August 31, 2013; however, the District continued to purchase from the vendor without a new competitive bid.  The District changed the personnel at the end of the 2012-13 fiscal year and rebid the bread purchase.	Implemented	

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

***FOR THE YEAR ENDED AUGUST 31, 2014***

No corrective action plan is required as there were no current year findings or questioned costs.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

**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
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Agriculture:			
School Breakfast Program - Noncash	(1) 10.553	243008A	\$ 206,497
National School Lunch Program - Noncash	(1) 10.555	243008A	486,487
Total Passed Through State Department of Agriculture			<u>692,984</u>
Passed Through State Department of Education:			
School Breakfast Program - Noncash	(1) 10.553	7140901	1,562,852
National School Lunch Program - Noncash	(1) 10.555	7130901	3,681,918
Total Passed Through State Department of Education			<u>5,244,770</u>
Passed Through State Department of Human Services:			
Summer Feeding Program	(1) 10.559	TX-2431005SU	44,798
Total Passed Through State Department of Human Services			<u>44,798</u>
Total U.S. Department of Agriculture			<u>5,982,552</u>
<b>U. S. DEPARTMENT OF THE TREASURY</b>			
Direct Program:			
ROTC (Instructional Reimbursement)	21.XXX	243-905	191,325
Total U.S. Department of the Treasury			<u>191,325</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Direct Program:			
Impact Aid - P.L. 81.874	84.041	N/A	147,651
Passed Through Education Service Center Region10:			
ESEA Title X Part C - Educ. for Homeless Children and Youth	84.196A	14-007	40,536
Total Passed Through Education Service Center Region 10			<u>40,536</u>
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	13610101243905	21,504
ESEA Title I Part A - Improving Basic Programs	84.010A	14610101243905	3,147,784
ESEA Title I Part A - Improving Basic Programs	84.010A	15610101243905	96,201
ESEA Title I - School Improvement Effective Strategies	84.010A	13610110243905004	6,072
ESEA Title I - School Improvement Program	84.010A	13610104243905105	9,990
ESEA Title I - School Improvement Program	84.010A	13610104243905114	8,567
ESEA Title I - School Improvement Program	84.010A	13610104243905125	14,270
ESEA Title I - School Improvement Program	84.010A	13610104243905128	47
ESEA Title I - School Improvement Program	84.010A	14610104243905128	9,425
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	14610103243905	98,726
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	15610103243905	2,195
Total CFDA Number 84.010A			<u>3,414,781</u>
IDEA-B Formula	(2) 84.027A	146600012439056600	2,688,661
IDEA-B Formula	(2) 84.027A	156600012439056600	119,573
SSA IDEA-B Discretionary Deaf	(2) 84.027A	146600022439056673	18,969
SSA IDEA-B Deaf	(2) 84.027A	136600012439056601	110
SSA IDEA-B Deaf	(2) 84.027A	146600012439056601	16,881
Total CFDA Number 84.027A			<u>2,844,194</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

**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
<i>Career and Technical - Basic Grant</i>	84.048	14420006243905	101,028
<i>Career and Technical - Basic Grant</i>	84.048	15420006243905	9,966
Total CFDA Number 84.048			<u>110,994</u>
<i>IDEA-B Preschool</i>	(2) 84.173	146610012439056610	106,936
<i>IDEA-B Preschool</i>	(2) 84.173	156610012439056610	4,339
<i>SSA IDEA-B Preschool Deaf</i>	(2) 84.173	146610012439056611	2,082
Total CFDA Number 84.173			<u>113,357</u>
<i>SSA IDEA-C Early Intervention (Deaf)</i>	84.181A	143911012439053911	190
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	136950147110061	<u>159,327</u>
<i>Title III Part A English Lang. Acquisition &amp; Lang. Enhancement</i>	84.365	13671001243905	363
<i>Title III Part A English Lang. Acquisition &amp; Lang. Enhancement</i>	84.365	14671001243905	72,514
Total CFDA Number 84.365			<u>72,877</u>
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	13694501243905	1,060
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	14694501243905	587,750
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	15694501243905	14,072
Total CFDA Number 84.367A			<u>602,882</u>
Total Passed Through State Department of Education			<u>7,318,602</u>
Total U. S. Department of Education			<u>7,506,789</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through North Texas Area United Way:			
<i>Maternal, Infant, and Early Childhood Home Visiting Program</i>	93.505	D89MC26366	<u>49,911</u>
Passed Through Region 9 Education Service Center:			
<i>Head Start</i>	93.600	06CH7009/14	52,998
<i>Head Start</i>	93.600	06CH7009/15	1,791,765
Total CFDA Number 93.600			<u>1,844,763</u>
Passed Through Fairbanks, LLC:			
<i>Medicaid Administrative Claiming Program - MAC</i>	93.778	529-08-0177-00005	<u>142,181</u>
Total U. S. Department of Health and Human Services			<u>2,036,855</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>15,717,521</u></b>

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, 2014**

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	\$	15,717,521
School Health and Related Services (not considered to be a federal award)		735,657
E-Rate Program (not considered to be a federal award)		<u>270,836</u>
Federal revenue per Exhibit C-2	\$	<u>16,724,014</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2014*

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? - 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?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ --