

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED AUGUST 31, 2013*

Wichita Falls Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2013

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## *Introductory Section*

CERTIFICATE OF BOARD

Wichita Falls Independent School District  
Name of School District

Wichita  
County

243-905  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2013, at a meeting of the board of trustees of such school district on the 21<sup>st</sup> day of January, 2014.

  
Signature of Board Secretary

  
Signature of Board President

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

*Financial Section*



## EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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DAVID L. PARKMAN, CPA, CFE  
A. PAUL FLEMING, CPA  
J. MARK FLEMING, CPA

### **Independent Auditor's Report**

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, the business-type 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, 2013, 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, 2013, 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, 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, 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 14, 2014 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 14, 2014



# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

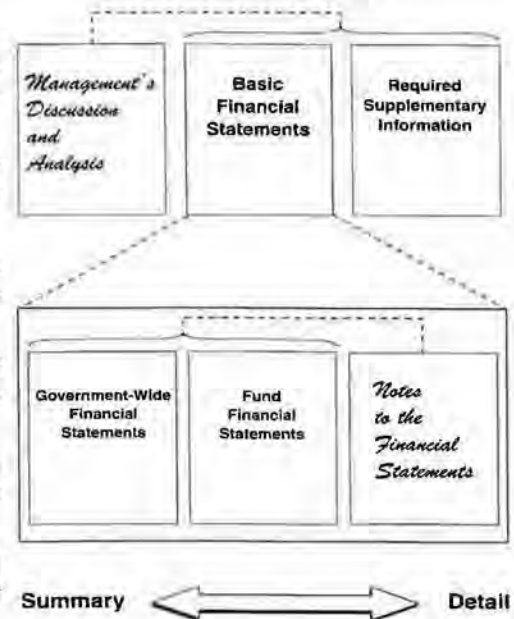
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$58 million (net position). Of this amount, \$20.5 million (unrestricted net position) is available to meet the District's future obligations.
- During the year, the District expensed \$120.7 million, which was \$6.8 million less than the District's revenue of \$127.5 million. Of this, \$26.1 million was program revenue and \$101.4 million was general revenue.
- The primary components of the \$6.4 million increase in net position were the following items:
  - 1) a reduction of \$6.6 million in long-term debt;
  - 2) a reduction in capital assets of \$4 million;
  - 3) an increase of \$2.5 million in current net position;
  - 4) a decrease of \$1.3 million in other liabilities.
- The fund balance of the General Fund was \$17.4 million, which was an increase of \$3.2 million. The fund balance increase was due to the district conducting and implementing a staffing study. Also, the District monitored attendance throughout the year.
- The fund balance of other governmental funds was \$3.4 million, an increase of \$0.6 million. The increase was due primarily to an operating surplus in the Food Service Fund.

### 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.

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



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	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
Required financial statements	<ul style="list-style-type: none"> <li>* Statement of net assets</li> <li>* Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>* Balance sheet</li> <li>* Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>* Statement of net assets</li> <li>* Statement of revenues, expenses and changes in fund net assets</li> <li>* Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>* Statement of fiduciary net assets</li> <li>* Statement of changes in fiduciary net assets</li> </ul>
Accounting basis and measurement focus	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
Type of asset/liability information	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
Type of inflow/outflow information	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—is one way to measure the District's financial health or position.

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

The government-wide financial statements of the District include the Governmental activities. The District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

The District has the following kinds of funds:

- **Governmental funds**—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- **Proprietary funds**—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. We use internal service funds and enterprise funds to report activities that provide supplies and services for the District's other programs and activities.
- **Fiduciary funds**—The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's combined net position was \$57,959,539 at year end. (See Table A-1).

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

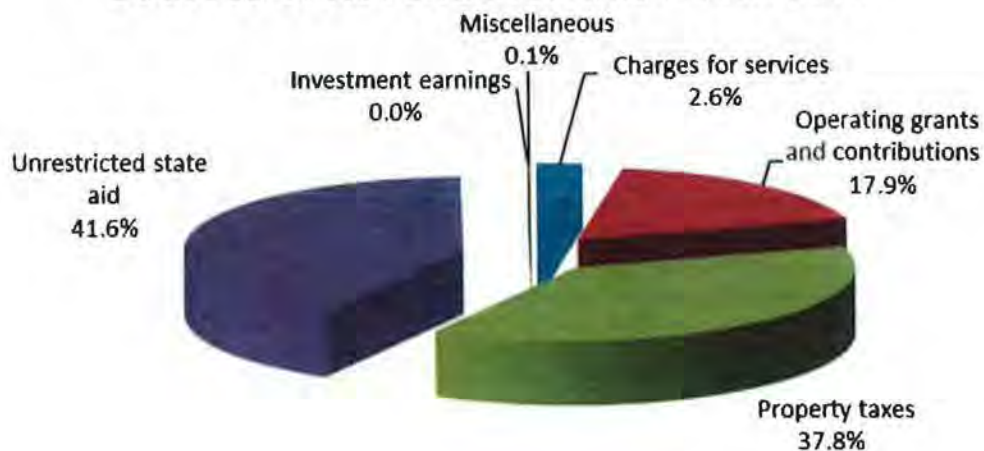
	<b>Combined Governmental and Business Type Activities</b>		<b>Increase (Decrease)</b>	<b>Percentage Change</b>
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2012-2013</u></b>	<b><u>2012-2013</u></b>
Current and other assets	\$30,796,512	\$33,356,912	\$ 2,560,400	8.31%
Capital assets, net	94,230,114	90,192,775	(4,036,340)	(4.28)%
Total assets	125,026,626	123,549,687	(1,475,940)	(1.18)%
Long-term debt	63,758,896	57,149,889	(6,609,007)	(10.37)%
Other liabilities	9,750,710	8,440,259	(1,310,451)	(13.44)%
Total liabilities	73,509,606	65,590,148	(7,919,458)	(10.77)%
Net position:				
Net investment in capital				
assets	33,086,747	34,988,746	1,901,999	5.75%
Restricted	2,048,283	2,485,347	437,064	21.34%
Unrestricted	16,381,990	20,485,446	4,103,456	25.05%
Total net position	51,517,020	57,959,539	6,442,519	12.51%



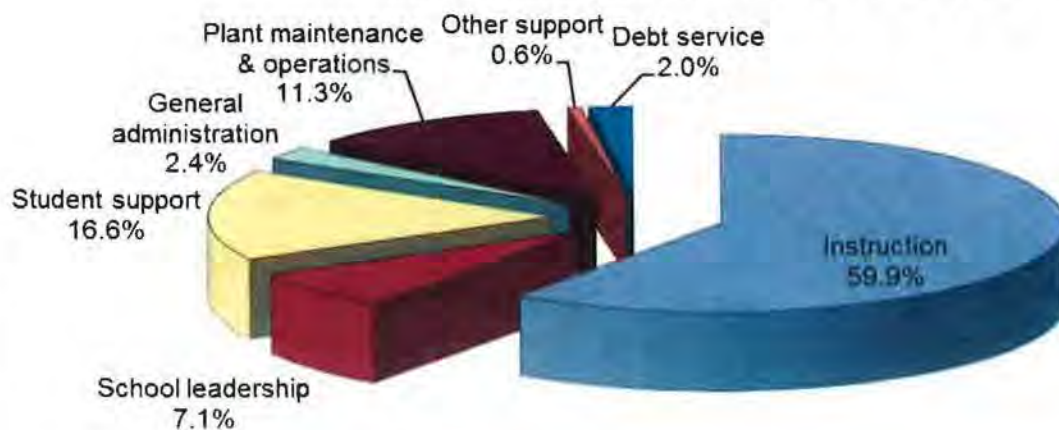
**Changes in net position.** The District's total revenues were \$127.5 million, which was an increase of \$.1 million or .12%, over the prior year total of \$127.4 million. A significant portion, 37.8%, of the District's revenue came from property taxes (see Figure A-3), 41.6% came from unrestricted state and federal aid, and 17.9% came from operating grants and contributions.

Total cost of all programs and services was \$120.7 million. 59.9% of these costs were for instructional and related services (Functions 11-13). Campus and school leadership (Functions 21 and 23) was 7.1% and student support services (Functions 31-36) was 16.6%. The remaining 16.3% supports instruction indirectly through general administration (2.4%), facilities maintenance, utilities, security, and data processing (11.3%) debt service (2.0%) and other expense (0.6%) (See Figure A-4).

**Figure A-3  
Sources of Revenue for this Fiscal Year**



**Figure A-4  
Functional Expenses for this Fiscal Year**



### Governmental Activities

Table A-2 compares the District's program 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>2012</u></b>	<b><u>2013</u></b>	<b><u>2012-2013</u></b>	<b><u>2012-2013</u></b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$3,576,721	\$3,370,921	(\$205,800)	(5.75)%
Operating grants and contributions	26,348,196	22,734,466	(3,613,730)	(13.72)%
General revenues, and special items				
Property taxes	47,076,148	48,269,317	1,193,169	2.53%
Unrestricted state aid	50,152,551	52,995,475	2,842,964	5.67%
Unrestricted federal grant (reclassified)				
Investment earnings	42,051	20,809	(21,242)	(50.51)%
Miscellaneous	199,875	155,073	(44,802)	(22.41)%
<b>Total revenues</b>	<b>127,395,502</b>	<b>127,546,061</b>	<b>150,559</b>	<b>.12%</b>
<b>Expenses</b>				
11-Instruction	70,153,305	69,347,582	(805,723)	(1.15)%
12-Instructional resources and media services	1,451,381	1,418,442	(32,939)	(2.27)%
13-Curriculum and staff development	1,610,118	1,577,248	(32,870)	(2.04)%
21-Instructional leadership	2,433,780	2,082,678	(351,102)	(14.43)%
23-School leadership	6,724,541	6,491,569	(232,972)	(3.46)%
31-Guidance, counseling and evaluation svcs	5,327,428	5,008,572	(318,856)	(5.99)%
32-Social work services	435,233	472,930	37,697	8.66%
33-Health services	1,308,393	1,390,454	82,061	6.27%
34-Student transportation	2,858,516	2,507,836	(350,680)	(12.27)%
35-Food services	6,752,134	6,755,062	2,928	.04%
36-Extracurricular activities	4,030,192	3,955,266	(74,926)	(1.86)%
41-General administration	2,734,141	2,871,825	137,684	5.04%
51-Plant maintenance and operations	12,005,616	10,996,616	(1,009,000)	(8.40)%
52-Security and monitoring services	405,549	364,887	(40,662)	(10.03)%
53-Data processing services	2,938,511	2,280,674	(657,837)	(22.39)%
61-Community services	25,127	17,160	(7,967)	(31.71)%
72-Debt service	2,661,870	2,452,776	(209,094)	(7.86)%
73-Bond issuance costs and fees	25,763	610	(25,153)	(97.63)%
93-Payments to shared service arrangements	124,077	224,827	100,750	81.20%
99-Other governmental charges	520,454	529,031	8,577	1.65%
<b>Total expenses</b>	<b>124,526,129</b>	<b>120,746,045</b>	<b>(3,780,084)</b>	<b>(3.04)%</b>
<b>Increase in net position</b>	<b>2,869,373</b>	<b>6,800,016</b>	<b>3,930,643</b>	<b>136.99%</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 decrease of \$3,613,730 (13.72%) was due to the elimination of the EduJobs grant and increases in other various federal grants.
- Property taxes revenue increased \$1,193,169, or 2.53% due to increase in property values and taxes collected in the General Fund and Debt Service Fund.
- State aid formula revenues increased by \$2,842,964, or 5.67% due to increased attendance.

## Expenses

- Overall expenditures decreased a total of \$3,780,084, or 3.04%, primarily in the Plant Maintenance (51) and Instruction (11) functional areas. The Instruction decreased due implementation of the staffing study that was conducted during the year.

**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 \$120,746,045. The amount that our taxpayers paid for these activities through property taxes was \$48,269,317.
- Some of the cost was paid by those who directly benefited from the programs through charges for services - \$3,370,921 – and by grants and contributions - \$22,734,466.
- The amount funded by the state was \$52,995,475 in formula grants and direct state aid.

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

	<b>Total Expenses</b>		<b>Increase</b>	<b>%</b>
	<b>Before Program Revenue</b>		<b>(Decrease)</b>	<b>Change</b>
	<b>2012</b>	<b>2013</b>	<b>2012-2013</b>	<b>2012-2013</b>
Instruction	\$70,153,305	\$69,347,582	\$(805,723)	(1.15)%
Instr resources/media	1,451,381	1,418,442	(32,939)	(2.27)%
School leadership	6,724,541	6,491,569	(232,972)	(3.46)%
Guidance & counseling	5,327,428	5,008,572	(318,856)	(5.99)%
Food services	6,752,134	6,755,062	2,928	.04%
Extracurricular activities	4,030,192	3,955,266	(74,926)	(1.86)%
General administration	2,731,141	2,871,825	137,684	5.04%
Plant maint & optns	12,005,616	10,996,616	(1,009,000)	(8.4)%

	<b>Net Cost Of Services</b>		<b>Increase</b>	<b>%</b>
	<b>2012</b>	<b>2013</b>	<b>(Decrease)</b>	<b>Change</b>
	<b>2012</b>	<b>2013</b>	<b>2012-2013</b>	<b>2012-2013</b>
Instruction	54,675,969	57,403,600	2,727,631	4.75%
Instr resources/media	1,358,787	1,339,294	(18,964)	(1.45)%
School leadership	6,040,462	5,904,589	(135,873)	(2.30)%
Guidance & counseling	4,304,187	3,782,076	(522,111)	(13.80)%
Food services	394,006	(534,838)	(928,844)	(173.66)%
Extracurricular activities	2,641,084	2,644,825	3,741	.14%
General administration	2,617,936	2,741,675	123,739	4.51%
Plant maint & optns	11,478,217	10,509,805	(968,412)	(9.21)%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types on a modified accrual basis totaled \$127,672,168, an increase of \$290,010 2% over revenues of \$127,382,158 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 receipts and other local income. State revenues increased primarily due to the increase in attendance. Federal revenues decreased primarily due to EduJobs grant funds being eliminated.

### General Fund Revenue Highlights

- General fund local revenues were \$42,313,324 for the year. This was \$939,554 higher than the previous year, or 2.27% increase. The total varied \$125,384 below the amended budget. The primary component of local revenues is property taxes.
- Total state program revenues were \$55,620,963 an increase of \$3,703,101 (7.1%). The total was \$258,779 more than budgeted estimates.
- Federal program revenues were \$1,852,316 a decrease of \$1,048,635 (36.15%), which was \$227,684 below the amended budget.

### General Fund Expenditure Highlights

- Over the course of the year, the District revised its general fund budget. The difference in the original budget and final amended expenditure budget was an increase of \$1,825,290 due the District creating a strategic planning stipend for all employees.
- General fund expenditures were \$96,332,701, down \$795,144 from the prior year and were \$4,672,255 below the final amended budget.
- Instructional and related expenditures were \$61,331,136, up \$2,758,687, which was below the final amended budget by \$3,260,415.
- Support service-student expenditures were down \$851,578, which was below budget by \$301,006.
- Support services (non-student) of \$12,819,382, a decrease of \$1,892,598, were \$397,225 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**

	Governmental Activities		Increase (Decrease)	% Change
	2012	2013	2012-2013	2012-2013
Land	\$3,636,485	\$3,667,424	\$30,939	0.80%
Bldgs and improvements	145,171,084	146,371,084	1,200,000	0.82%
Equipment	21,798,491	21,549,027	(249,464)	(1.14)%
Property under cap lease	2,531,643	956,528	(1,575,115)	(62.22)%
Cost of capital assets	173,137,703	172,544,063	(593,640)	(0.34)%
Accumulated depreciation	78,907,589	82,351,288	3,443,699	4.36%
Capital assets, net of depreciation	94,230,114	90,192,775	(4,037,339)	(4.28)%

### 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. \$139,298 was expended in the capital projects fund this year.

### Long-term Debt and Other Obligations

At year-end the District had \$55,266,545 in long-term debt and \$1,883,345 in compensated absences outstanding as shown in Table A-5. More detailed information about the District's long-term obligations is presented in the notes to the financial statements.

**Table A-5**  
**Long-term Obligations**

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>	<b>% Change</b>
	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2012-2013</u></b>	<b><u>2012-2013</u></b>
Gen. obligation bonds	\$59,009,000	\$53,595,733	(\$5,413,267)	(9.17)%
Cap leases payable	898,597	463,414	(435,183)	(48.43)%
Notes Payable	225,986	76,951	(149,035)	(65.95)%
Unamortized prem on bonds	1,214,184	1,130,447	(83,737)	(6.89)%
Long-term debt	61,347,767	55,266,545	(6,081,222)	(9.91)%
Compensated Absences	2,411,129	1,883,345	(527,784)	(21.88)%
Total long-term obligations	63,758,896	57,149,890	(6,609,006)	(10.36)%

### 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, 2013

Data Control Codes	1 Governmental Activities	2 Business-type Activities	3 Total
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ 9,495,239	\$ --	\$ 9,495,239
1120 Current Investments	15,554,831	--	15,554,831
1225 Property Taxes Receivable, Net	1,297,567	--	1,297,567
1240 Due from Other Governments	4,585,350	--	4,585,350
1260 Internal Balances	5,437	--	5,437
1290 Other Receivables	553,615	--	553,615
1300 Inventories	1,721,043	--	1,721,043
1410 Unrealized Expenses	143,830	--	143,830
Capital Assets:			
1510 Land	3,667,424	--	3,667,424
1520 Buildings and Improvements, Net	81,650,060	--	81,650,060
1530 Furniture and Equipment, Net	4,138,765	--	4,138,765
1550 Capital Lease Assets, Net	736,526	--	736,526
1000 Total Assets	123,549,687	--	123,549,687
<b>LIABILITIES:</b>			
2110 Accounts Payable	3,153,688	--	3,153,688
2150 Payroll Deductions & Withholdings	(88,150)	--	(88,150)
2165 Accrued Liabilities	3,635,672	--	3,635,672
2180 Due to Other Governments	67,828	--	67,828
2200 Accrued Expenses	465,146	--	465,146
2300 Unearned Revenue	1,206,075	--	1,206,075
Noncurrent Liabilities:			
2501 Due Within One Year	7,381,132	--	7,381,132
2502 Due in More Than One Year	49,768,757	--	49,768,757
2000 Total Liabilities	65,590,148	--	65,590,148
<b>NET POSITION</b>			
3200 Net Investment in Capital Assets	34,988,746	--	34,988,746
Restricted For:			
3820 Retirement of Long-Term Debt	493,299	--	493,299
3850 Food Service	1,991,878	--	1,991,878
3890 Other	170	--	170
3900 Unrestricted	20,485,446	--	20,485,446
3000 Total Net Position	\$ 57,959,539	\$ --	\$ 57,959,539

The accompanying notes are an integral part of this statement.

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Program Revenues Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 69,347,582	\$ 251,579	\$ 11,692,403
12	Instructional Resources and Media Services	1,418,442	16,693	62,455
13	Curriculum and Staff Development	1,577,248	8,733	634,480
21	Instructional Leadership	2,082,678	—	540,370
23	School Leadership	6,491,569	78,488	508,492
31	Guidance, Counseling, & Evaluation Services	5,008,572	—	1,226,496
32	Social Work Services	472,930	—	218,648
33	Health Services	1,390,454	—	162,055
34	Student Transportation	2,507,836	—	—
35	Food Service	6,755,062	1,758,523	5,531,377
36	Cocurricular/Extracurricular Activities	3,955,266	1,177,391	133,050
41	General Administration	2,871,825	—	130,150
51	Plant Maintenance and Operations	10,996,616	79,514	407,297
52	Security and Monitoring Services	364,887	—	6,767
53	Data Processing Services	2,280,674	—	79,377
61	Community Services	17,160	—	13,964
72	Interest on Long-term Debt	2,452,776	—	1,387,085
73	Bond Issuance Costs and Fees	610	—	—
93	Payments Related to Shared Services Arrangements	224,827	—	—
99	Other Intergovernmental Charges	529,031	—	—
TG	Total Governmental Activities	120,746,045	3,370,921	22,734,466
	Business-type Activities:			
01	WFHS Tutoring	—	—	—
TP	Total Primary Government	\$ 120,746,045	\$ 3,370,921	\$ 22,734,466
MT	General Revenues:			
DT	Property Taxes, Levied for General Purposes			
IE	Property Taxes, Levied for Debt Service			
GC	Investment Earnings			
MI	Grants and Contributions Not Restricted to Specific Programs			
SI	Miscellaneous			
FR	Special Item - Gain on Sale of Capital Assets			
TR	Transfers			
CN	Total General Revenues, Special Item, and Transfers			
NB	Change in Net Position			
PA	Net Position - Beginning (As Originally Stated)			
	Prior Period Adjustment			
	Net Position - Beginning (As Restated)			
NE	Net Position - Ending			

The accompanying notes are an integral part of this statement.



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## Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (57,403,600)		\$ (57,403,600)
(1,339,294)		(1,339,294)
(934,035)		(934,035)
(1,542,308)		(1,542,308)
(5,904,589)		(5,904,589)
(3,782,076)		(3,782,076)
(254,282)		(254,282)
(1,228,399)		(1,228,399)
(2,507,836)		(2,507,836)
534,838		534,838
(2,644,825)		(2,644,825)
(2,741,675)		(2,741,675)
(10,509,805)		(10,509,805)
(358,120)		(358,120)
(2,201,297)		(2,201,297)
(3,196)		(3,196)
(1,065,691)		(1,065,691)
(610)		(610)
(224,827)		(224,827)
(529,031)		(529,031)
(94,640,658)		(94,640,658)
<hr/>		
—	\$ —	—
(94,640,658)	—	(94,640,658)
<hr/>		
41,542,029	—	41,542,029
6,727,288	—	6,727,288
20,809	—	20,809
52,995,475	—	52,995,475
42,350	—	42,350
112,723	—	112,723
(7,495)	7,495	—
101,433,179	7,495	101,440,674
6,792,521	7,495	6,800,016
51,524,491	(7,495)	51,516,996
(357,473)	—	(357,473)
51,167,018	(7,495)	51,159,523
\$ 57,959,539	\$ —	\$ 57,959,539

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

AUGUST 31, 2013

Data Control Codes	10 General Fund	24 National School Breakfast/Lunch Program	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ 4,976,251	\$ 129,448	\$ 1,088,146	\$ 6,193,845
1120 Current Investments	12,947,040	1,916,610	442,099	15,305,749
1225 Taxes Receivable, Net	1,114,922	—	182,645	1,297,567
1240 Due from Other Governments	2,837,143	139,860	1,608,347	4,585,350
1260 Due from Other Funds	824,971	12,559	6,570	844,100
1290 Other Receivables	520,677	6,157	31,171	558,005
1300 Inventories	484,760	1,227,410	8,873	1,721,043
1410 Unrealized Expenditures	143,830	—	—	143,830
1000 Total Assets	\$ 23,849,594	\$ 3,432,044	\$ 3,367,851	\$ 30,649,489
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 2,037,571	\$ 478,590	\$ 171,412	\$ 2,687,573
2150 Payroll Deductions & Withholdings	(53,584)	—	(34,566)	(88,150)
2160 Accrued Wages Payable	3,049,539	111,170	474,950	3,635,659
2170 Due to Other Funds	389,000	25,304	793,305	1,207,609
2180 Due to Other Governments	4,297	—	63,531	67,828
2300 Unearned Revenue	91,637	506,903	607,535	1,206,075
2000 Total Liabilities	5,518,460	1,121,967	2,076,167	8,716,594
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
2600 Unavailable Property Taxes	964,794	—	156,608	1,121,402
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	484,760	720,507	—	1,205,267
3430 Prepaid Items	143,830	—	—	143,830
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	—	1,589,570	(386)	1,589,184
3480 Retirement of Long-Term Debt	—	—	524,837	524,837
3490 Other Restrictions of Fund Balance	—	—	170	170
Committed Fund Balances:				
3510 Construction	—	—	62,515	62,515
3540 Self-Insurance	100,000	—	—	100,000
3545 Other Committed Fund Balance	1,535,469	—	547,940	2,083,409
3600 Unassigned	15,102,281	—	—	15,102,281
3000 Total Fund Balances	17,366,340	2,310,077	1,135,076	20,811,493
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 23,849,594	\$ 3,432,044	\$ 3,367,851	\$ 30,649,489

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, 2013**

Total fund balances - governmental funds balance sheet	\$	20,811,493
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.		165,020,555
Accumulated depreciation has not been included in the governmental fund financial statements.		(77,575,494)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:		
Bonds payable	\$	53,595,733
Capital leases payable		150,454
Compensated absences		1,883,345
		(55,629,532)
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.		(188,146)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.		(1,130,447)
Revenue reported as unearned revenue in the governmental fund financial statements are recorded as revenue in the government-wide financial statements.		1,121,402
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.		5,529,708
Net assets of governmental activities - statement of net position	\$	<u>57,959,539</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, 2013

Data Control Codes	10 General Fund	24 National School Breakfast/Lunch Program	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ 42,313,324	\$ 1,763,960	\$ 8,589,941	\$ 52,667,225
5800 State Program Revenues	55,620,963	107,830	2,382,037	58,110,830
5900 Federal Program Revenues	1,852,316	5,496,569	9,545,228	16,894,113
5020 Total Revenues	99,786,603	7,368,359	20,517,206	127,672,168
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	59,053,326	--	8,847,635	67,900,961
0012 Instructional Resources and Media Services	1,358,200	--	17,161	1,375,361
0013 Curriculum and Staff Development	919,610	--	612,962	1,532,572
0021 Instructional Leadership	1,566,050	--	460,704	2,026,754
0023 School Leadership	5,952,514	--	343,998	6,296,512
0031 Guidance, Counseling, & Evaluation Services	3,827,764	--	1,034,938	4,862,702
0032 Social Work Services	233,428	--	225,080	458,508
0033 Health Services	1,240,149	--	107,574	1,347,723
0034 Student Transportation	2,539,941	--	--	2,539,941
0035 Food Service	--	6,681,788	69,040	6,750,828
0036 Cocurricular/Extracurricular Activities	3,037,178	--	817,989	3,855,167
0041 General Administration	2,787,183	--	956	2,788,139
0051 Plant Maintenance and Operations	10,251,450	181,981	248,904	10,682,335
0052 Security and Monitoring Services	357,297	--	2,435	359,732
0053 Data Processing Services	2,210,635	--	--	2,210,635
0061 Community Services	3,025	--	13,964	16,989
0071 Principal on Long-term Debt	209,615	--	3,118,985	3,328,600
0072 Interest on Long-term Debt	538	--	4,819,654	4,820,192
0073 Bond Issuance Costs and Fees	--	--	610	610
0081 Capital Outlay	30,940	--	11,456	42,396
0093 Payments to Shared Service Arrangements	224,827	--	--	224,827
0099 Other Intergovernmental Charges	529,031	--	--	529,031
6030 Total Expenditures	96,332,701	6,863,769	20,754,045	123,950,515
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	3,453,902	504,590	(236,839)	3,721,653
Other Financing Sources and (Uses):				
7912 Sale of Real or Personal Property	110,251	2,473	--	112,724
7915 Transfers In	--	--	335,134	335,134
8911 Transfers Out	(351,673)	--	--	(351,673)
7080 Total Other Financing Sources and (Uses)	(241,422)	2,473	335,134	96,185
1200 Net Change in Fund Balances	3,212,480	507,063	98,295	3,817,838
0100 Fund Balances - Beginning	14,153,860	1,803,014	1,036,781	16,993,655
3000 Fund Balances - Ending	\$ 17,366,340	\$ 2,310,077	\$ 1,135,076	\$ 20,811,493

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, 2013**

Net change in fund balances - total governmental funds	\$ 3,817,838
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.	244,355
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:	(3,892,268)
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:	5,839,613
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:	(216,732)
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:	8,482
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:	527,784
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.	(238,969)
Internal service funds are used by management to charge the costs of various services to the individual funds. The change in net assets of the internal service funds is reported in the governmental activities.	618,681
Change in net position of governmental activities - statement of activities	\$ 6,792,521

The accompanying notes are an integral part of this statement.

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

AUGUST 31, 2013

		Nonmajor Enterprise Fund		Internal Service Funds
Data Control Codes		WFHS Tutoring		
<b>ASSETS:</b>				
Current Assets:				
1110	Cash and Cash Equivalents	\$ --	\$	3,301,394
1120	Investments	--		249,082
Receivables:				
1260	Due from Other Funds	--		368,945
1290	Other Receivables (net)	--		(4,389)
	Total Current Assets	--		3,915,032
Noncurrent Assets:				
Capital Assets:				
1530	Furniture and Equipment	--		7,022,900
1550	Assets Purchased Under Capital Leases	--		500,608
1570	Accumulated Depreciation	--		(4,775,794)
	Total Noncurrent Assets	--		2,747,714
1000	Total Assets	--		6,662,746
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	--		466,115
2120	Bonds, Notes and Loans Payable	--		76,950
2130	Capital Leases Payable	--		100,852
2160	Accrued Wages Payable	--		13
2200	Accrued Expenses	--		277,000
	Total Current Liabilities	--		920,930
Noncurrent Liabilities:				
2500	Bonds, Notes and Loans Payable	--		212,108
	Total Noncurrent Liabilities	--		212,108
2000	Total Liabilities	--		1,133,038
<b>NET POSITION:</b>				
3200	Net Investment in Capital Assets	--		2,357,802
3900	Unrestricted	--		3,171,906
3000	Total Net Position	\$ --	\$	5,529,708

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, 2013

Data Control Codes		Nonmajor Enterprise Fund	Internal Service Funds
		WFHS Tutoring	
	<b>OPERATING REVENUES:</b>		
5700	Local and Intermediate Sources	\$ --	\$ 4,373,440
5020	Total Revenues	<u>—</u>	<u>4,373,440</u>
	<b>OPERATING EXPENSES:</b>		
6100	Payroll Costs	—	166,049
6200	Professional and Contracted Services	—	2,297,762
6300	Supplies and Materials	—	438,943
6400	Other Operating Costs	—	853,864
6500	Debt Service	—	20,748
6030	Total Expenses	<u>—</u>	<u>3,777,366</u>
	Operating Income	<u>—</u>	<u>596,074</u>
	<b>NON-OPERATING REVENUES (EXPENSES):</b>		
7951	Gain on Sale of Real and Personal Property	—	13,425
7955	Earnings from Temp. Deposits and Investments	—	139
8030	Total Non-operating Revenues (Expenses)	<u>—</u>	<u>13,564</u>
	Income before Transfers	<u>—</u>	<u>609,638</u>
7915	Transfers In	7,495	9,043
1300	Change in Net Position	<u>7,495</u>	<u>618,681</u>
0100	Total Net Position - Beginning	(7,495)	4,911,027
3300	Total Net Position - Ending	<u>\$ —</u>	<u>\$ 5,529,708</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, 2013

	Nonmajor Enterprise Fund	Internal Service Funds
	WFHS Tutoring	
<b>Cash Flows from Operating Activities:</b>		
Cash Received for Quasi-external Operating Transactions with Others	\$ —	\$ 4,191,404
Cash Payments to Employees for Services	—	(166,036)
Cash Payments to Other Suppliers for Goods and Services	—	(3,043,126)
Net Cash Provided by Operating Activities	—	982,242
<b>Cash Flows from Non-capital Financing Activities:</b>		
Transfers from Other Funds	7,495	9,043
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Sale of Capital Assets	—	13,425
Principal Paid	—	(374,606)
Net Cash Used by Capital and Related Financing Activities	—	(361,181)
<b>Cash Flows from Investing Activities:</b>		
Purchase of Capital Assets	—	(108,580)
Purchase of Investment Securities	—	(139)
Interest and Dividends on Investments	—	139
Net Cash Used by Investing Activities	—	(108,580)
Net Increase in Cash and Cash Equivalents	7,495	521,524
Cash and Cash Equivalents at Beginning of Year	(7,495)	2,779,870
Cash and Cash Equivalents at End of Year	\$ —	\$ 3,301,394
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ —	\$ 596,074
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	—	498,006
Change in Assets and Liabilities:		
Decrease (Increase) in Due from Other Funds	—	(181,995)
Decrease (Increase) in Inventories	—	6,500
Increase (Decrease) in Accounts Payable	—	167,685
Increase (Decrease) in Accrued Wages Payable	—	13
Increase (Decrease) in Due to Other Funds	—	(41)
Increase (Decrease) in Accrued Expenses	—	(104,000)
Total Adjustments	—	386,168
Net Cash Provided by Operating Activities	\$ —	\$ 982,242

The accompanying notes are an integral part of this statement.

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

AUGUST 31, 2013

AUGUST 31, 2013		Private-Purpose Trust Funds	
Data Control Codes		Renton Aviation Fund	Agency Funds
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 3,000	\$ 280,722
1240	Due from Other Governments	--	15,951
1260	Due from Other Funds	--	926
1290	Other Receivables	--	25,161
1000	Total Assets	3,000	322,760
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	--	19,655
2160	Accrued Wages Payable	--	65
2170	Due to Other Funds	--	6,363
2190	Due to Student Groups	--	296,677
2000	Total Liabilities	--	322,760
<b>NET POSITION:</b>			
3800	Held in Trust	3,000	--
3000	Total Net Position	\$ 3,000	\$ --

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, 2013**

	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	\$	3,000

The accompanying notes are an integral part of this statement.

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

### 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.

**National School Breakfast/Lunch Program Fund:** This is a special revenue fund used to account for the operations of the National School Breakfast/Lunch Program.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

In addition, the District reports the following fund types:

**Governmental Funds:**

**Special Revenue Funds:** The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial award programs are accounted for in these funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.

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

**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 Funds:**

**Enterprise Fund:** This fund is used to account for revenues and expenses related to services sold to parties outside the District. The District's only Enterprise Fund is tutoring services, which was closed in 2012-13.

**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, computer operations, 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, 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.



# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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.

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, 2013, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$	2,332,943
Allowance for uncollectible taxes		(1,035,376)
Net property taxes receivable	\$	1,297,567

## WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

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.

There are no significant receivables, except delinquent taxes receivable, which are not scheduled for collection within one year of year end. Of the \$2,332,943 outstanding at August 31, 2013, it is expected that the District will collect approximately \$600,000 during the upcoming year.

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, 2013, 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

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

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

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, 2013, 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).

## WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

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.

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 convey 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, 2013 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 2013, 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.



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

**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, 2013.

**2. Deficit Fund Balance or Fund Net Assets of Individual Funds**

None of the District's funds had any significant deficit fund balance or net asset balance at August 31, 2013.

**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, 2013, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$9,778,961 and the bank balance was \$10,352,683, including fiduciary funds. The District's cash deposits at August 31, 2013 and during the year ended August 31, 2013 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.



## WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

#### Reporting

Cash and investments as of August 31, 2013 are classified in the accompanying financial statements as follows:

#### Governmental Activities Statement of Net Position

Cash and cash equivalents	\$ 9,495,239
Current investments	15,554,831

#### Business-Type Activities Statement of Net Position

Cash and cash equivalents	—
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#### Fiduciary Funds - Statement of Fiduciary Net Position

Cash and cash equivalents	283,722
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Total cash and investments	\$ 25,333,792
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Cash and investments as of August 31, 2013 consist of the following:

Cash on hand	\$ 3,710
Deposits in financial institutions	9,775,251
Investments	15,554,831

Total cash and investments	\$ 25,333,792
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The District's investments at August 31, 2013 are shown below.

Investment or Investment Type	Weighted Average Maturity (Months)	Fair Value
Held in governmental funds:		
TexPool	1	\$ 14,212,799
Texas Term	1	1,092,950
		15,305,749
Held in internal service funds:		
TexPool	1	249,082
Total investments		\$ 15,554,831

#### 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:

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

**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.

**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.

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

### 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.

### D. Capital Assets

Capital asset activity for the year ended August 31, 2013 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,636,485	\$ 30,939	\$ —	\$ 3,667,424
Total capital assets not being depreciated	3,636,485	30,939	—	3,667,424
<i>Capital assets being depreciated:</i>				
Buildings and improvements	145,171,084	1,200,000	—	146,371,084
Furniture and equipment	21,798,491	697,111	946,575	21,549,027
Property under capital lease	2,531,643	—	1,575,115	956,528
Total capital assets being depreciated	169,501,218	1,897,111	2,521,690	168,876,639
Less accumulated depreciation for:				
Buildings and improvements	61,217,838	3,503,186	—	64,721,024
Furniture and equipment	17,161,290	1,195,547	946,575	17,410,262
Property under capital lease	528,461	95,148	403,607	220,002
Total accumulated depreciation	78,907,589	4,793,881	1,350,182	82,351,288
Total capital assets being depreciated, net	90,593,629	(2,896,770)	1,171,508	86,525,351
Governmental activities capital assets, net	\$ 94,230,114	\$ (2,865,831)	\$ 1,171,508	\$ 90,192,775

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

	Costs	Accumulated Depreciation
Totals per above	\$ 1,928,050	\$ 4,793,881
Less transfers between classifications	1,575,116	403,607
Capital asset purchases during the year	\$ 352,934	
Depreciation expense for the year		\$ 4,390,274

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2013**

Depreciation was charged to functions as follows:

Instruction	\$	2,389,550
Instructional Resources and Media Services		47,331
Curriculum and Staff Development		52,741
Instructional Leadership		69,748
School Leadership		217,433
Guidance, Counseling, & Evaluation Services		167,343
Social Work Services		15,779
Health Services		46,380
Student Transportation		444,275
Food Services		232,320
Extracurricular Activities		137,886
General Administration		114,161
Plant Maintenance and Operations		367,616
Security and Monitoring Services		12,380
Data Processing Services		74,746
Community Services		585
	\$	<u>4,390,274</u>

### **E. Interfund Balances**

Balances due to and from other funds at August 31, 2013 consisted of the following:

Due From	Due To	Amount	Purpose
General Fund	NSB/LP Fund	\$ 25,304	Short-term borrowings
General Fund	Other Governmental Funds	793,305	Short-term borrowings
General Fund	Agency Fund	6,363	Short-term borrowings
NSB/LP Fund	General Fund	12,559	Short-term borrowings
Other Governmental Funds	General Fund	6,570	Short-term borrowings
Internal Service Fund	General Fund	368,945	Short-term borrowings
Agency Fund	General Fund	926	Short-term borrowings
Total		\$ <u>1,213,972</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, 2013 consisted of the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 335,134	Supplement other funds
General Fund	Enterprise Fund	7,495	Supplement other funds
General Fund	Internal Service Funds	9,043	Supplement other funds
Total		\$ <u>351,672</u>	

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2013**

### **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, 2013 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	\$ 53,150,000	\$ —	\$ 2,555,000	\$ 50,595,000	\$ 3,380,000
Capital Appreciation Bonds	5,859,000	216,733	3,075,000	3,000,733	3,000,733
Premium on Bonds	1,214,184	—	83,737	1,130,447	—
Total Bonds Payable	60,223,184	216,733	5,713,737	54,726,180	6,380,733
Note Payable	225,986	—	149,035	76,951	76,951
Capital Leases Payable	898,597	—	435,183	463,414	251,306
Compensated Absences *	2,411,129	424,519	952,303	1,883,345	597,876
Total governmental activities	\$ 63,758,896	\$ 641,252	\$ 7,250,258	\$ 57,149,890	\$ 7,306,866

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

#### **2. Debt Service Requirements**

Debt service requirements on long-term debt at August 31, 2013 are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 6,783,257	\$ 2,207,742	\$ 8,990,999
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
2019-2023	17,105,000	6,369,769	23,474,769
2024-2027	17,020,000	1,755,250	18,775,250
Subtotals	54,210,365	17,888,811	72,099,176
Remaining accretion	(74,267)	—	(74,267)
Totals	\$ 54,136,098	\$ 17,888,811	\$ 72,024,909

The difference between the cumulative principal debt service requirements of \$54,136,098 and the amount reflected in the summary schedule above of \$54,210,365 relates to the remaining accretion of \$74,267 on the capital appreciation bonds.



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

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
2014	\$ 6,455,000	\$ 2,197,820	\$ 8,652,820
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
2019-2023	17,105,000	6,369,769	23,474,769
2024-2027	17,020,000	1,755,250	18,775,250
Subtotals	53,670,000	17,871,401	71,541,401
Remaining accretion	(74,267)	—	(74,267)
Totals	\$ 53,595,733	\$ 17,871,401	\$ 71,467,134

The difference between the cumulative principal debt service requirements of \$53,670,000 and the amount reflected in the summary schedule above of \$53,595,733 relates to the remaining accretion of \$74,267 on the capital appreciation bonds.

A summary of changes in general obligation bonds and notes for the year ended August 31, 2013 is as follows:

	Amounts Outstanding 9/1/12	Issued	Interest Accretion	Retired	Amounts Outstanding 8/31/13
* Unlimited Tax Refunding Bonds, Series 1998 Interest Range 3.35% -5.00%	\$ 5,859,000	\$ —	\$ 216,733	\$ 3,075,000	\$ 3,000,733
* Unlimited Tax Refunding Bonds, Series 2004 Interest Range 1.50% -3.80%	215,000	—	—	105,000	110,000
* Unlimited Tax School Building Bonds, Series 2007 Interest Range 4.00% -5.00%	50,420,000	—	—	2,450,000	47,970,000
** Maintenance Tax Refunding Bonds, Series 2011 Interest Range 1.90% -2.75%	2,515,000	—	—	—	2,515,000
Totals	\$ 59,009,000	\$ —	\$ 216,733	\$ 5,630,000	\$ 53,595,733

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

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

**Limitations and Restrictions**

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

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

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 calls for monthly payments of \$12,988, including interest, from March 2009 through February 2014. Debt service requirements on the note payable at August 31, 2013 are as follows:

Year Ending August 31:	Note Payable		Total
	Principal	Interest	Requirements
2014	\$ 76,951	\$ 976	\$ 77,927

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 \$2,531,643. The interest rates on the capital leases range from 2.39% to 3.63%. Future minimum lease payments under these leases are as follows:

Year Ending August 31:	Capital Leases		Total
	Principal	Interest	Requirements
2014	\$ 251,306	\$ 8,946	\$ 260,252
2015	104,283	5,515	109,798
2016	107,825	1,973	109,798
Totals	\$ 463,414	\$ 16,434	\$ 479,848

6. Compensated Absences

Vacation Leave

At August 31, 2013, the District had \$278,393 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, 2013, the accumulated sick leave liability was \$1,535,469.

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, 2013 was \$69,483.

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, 2013**

**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, 100 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 2013, 2012 and 2011 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 Minimum	
	Rate	Amount	Rate	Amount		
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
2011	6.40%	\$ 5,082,446	6.64%	\$ 5,276,214	\$	642,855

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

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 2012 and 2011. 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	State	District
2013	\$ 493,667	\$ 379,744	\$ 417,718
2012	\$ 491,348	\$ 755,920	\$ 415,756
2011	\$ 516,186	\$ 794,132	\$ 436,773

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, 2013, 2012, and 2011, the subsidy payments received by TRS-Care on-behalf of the District were \$197,806, \$197,705, and \$186,969, respectively.



# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

### 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 \$605,000 at August 31, 2013 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, 2013.

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, 2013, the worker's compensation benefit obligation consisted of \$605,000 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, 2012		\$	562,000
Included claims:			
Provision for insured events for 2012-13	\$	458,000	
Provision for insured events for prior years		(175,000)	283,000
Payments:			
Claims attributed to insured events for 2012-13		157,000	
Claims attributed to insured events for prior years		83,000	240,000
Balance at August 31, 2013		\$	605,000

### 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, 2013.



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2013**

**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	\$ 1,325	\$ 1,064	\$ —	\$ 20,815	\$ 23,204
Burkburnett ISD	2,319	1,861	—	49,953	54,133
Clay-Jack Coop	2,154	1,727	—	52,658	56,539
Graham ISD	331	266	—	15,818	16,415
Greenbelt Coop	662	532	—	4,163	5,357
Haskell/Knox Coop	—	—	—	1,665	1,665
Montague County Coop	1,987	1,595	—	20,606	24,188
Vernon ISD	663	532	—	10,407	11,602
West Wichita County Coop	3,148	2,525	—	80,757	86,430
Wichita Falls ISD	10,102	8,107	2,259	374,355	394,823
Totals	\$ 22,691	\$ 18,209	\$ 2,259	\$ 631,197	\$ 674,356

**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, 2013, the additions and deletions for CIS were as follows:

Additions	\$ 188,862
Deletions:	
21 Instructional Leadership	\$ 70,322
31 Guidance, Counseling, & Evaluation Services	118,540
Total deletions	188,862
Net Change	\$ —

**M. Committed Fund Balance**

At August 31, 2013, the District had committed fund balance for specific purposes in the following funds:

	General Fund	Other Governmental Funds	Totals
Construction	\$ —	\$ 62,515	\$ 62,515
Self-insurance	100,000	—	100,000
Accumulated sick leave benefits obligations	1,535,469	—	1,535,469
Campus Activity Funds	—	547,940	547,940
Totals	\$ 1,635,469	\$ 610,455	\$ 2,245,924

## **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2013**

#### **N. Prior Period Adjustment**

In June 2011, the GASB issued GASB Statement No. 63 to provide a new statement of net position to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The Statement is effective for periods beginning after December 15, 2011 and requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. The Statement also amends certain provisions of GASB Statement 34 and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. The GASB also issued GASB Statement No. 65 in April 2012 (effective for periods beginning after December 15, 2012) to limit the recognition of deferred outflows and deferred inflows of resources to those instances specifically identified in authoritative GASB pronouncements. Together these statements changed the District's reporting of its governmental activities on the government-wide statements as of and for the year ended August 31, 2013. As a result of the early implementation of GASB Statement 65, bond issuance costs are no longer capitalized and recorded as assets on the Statement of Net Position. As a result, the District's net position as of August 31, 2012 has been reduced by \$357,473, the amount of bond issuance costs reported as assets as of August 31, 2012. This amount is reported as a prior period adjustment on the Statement of Activities.

### *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, 2013

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts			Final Budget
		Original	Final	Actual	Positive (Negative)
REVENUES:					
5700	Local and Intermediate Sources	\$ 42,187,940	\$ 42,187,940	\$ 42,313,324	\$ 125,384
5800	State Program Revenues	55,362,184	55,362,184	55,620,963	258,779
5900	Federal Program Revenues	2,080,000	2,080,000	1,852,316	(227,684)
5020	Total Revenues	99,630,124	99,630,124	99,786,603	156,479
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	60,617,226	62,028,561	59,053,326	2,975,235
0012	Instructional Resources and Media Services	1,366,420	1,392,714	1,358,200	34,514
0013	Curriculum and Staff Development	1,194,794	1,170,276	919,610	250,666
	Total Instruction & Instr. Related Services	63,178,440	64,591,551	61,331,136	3,260,415
Instructional and School Leadership:					
0021	Instructional Leadership	1,834,782	1,813,121	1,566,050	247,071
0023	School Leadership	6,070,716	6,211,343	5,952,514	258,829
	Total Instructional & School Leadership	7,905,498	8,024,464	7,518,564	505,900
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	3,831,803	3,936,738	3,827,764	108,974
0032	Social Work Services	239,019	248,199	233,428	14,771
0033	Health Services	1,284,196	1,328,702	1,240,149	88,553
0034	Student (Pupil) Transportation	2,620,416	2,620,416	2,539,941	80,475
0036	Cocurricular/Extracurricular Activities	3,047,199	3,045,411	3,037,178	8,233
	Total Support Services - Student (Pupil)	11,022,633	11,179,466	10,878,460	301,006
Administrative Support Services:					
0041	General Administration	2,942,996	2,975,213	2,787,183	188,030
	Total Administrative Support Services	2,942,996	2,975,213	2,787,183	188,030
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	10,475,273	10,580,351	10,251,450	328,901
0052	Security and Monitoring Services	377,641	381,448	357,297	24,151
0053	Data Processing Services	2,299,404	2,254,808	2,210,635	44,173
	Total Support Services - Nonstudent Based	13,152,318	13,216,607	12,819,382	397,225
Ancillary Services:					
0061	Community Services	7,981	7,855	3,025	4,830
	Total Ancillary Services	7,981	7,855	3,025	4,830
Debt Service:					
0071	Principal on Long-Term Debt	213,200	213,200	209,615	3,585
0072	Interest on Long-Term Debt	600	600	538	62
	Total Debt Service	213,800	213,800	210,153	3,647
Capital Outlay:					
0081	Capital Outlay	41,000	41,000	30,940	10,060
	Total Capital Outlay	41,000	41,000	30,940	10,060

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2013

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	175,000	215,000	224,827	(9,827)
0099	Other Intergovernmental Charges	540,000	540,000	529,031	10,969
	Total Intergovernmental Charges	715,000	755,000	753,858	1,142
6030	Total Expenditures	99,179,666	101,004,956	96,332,701	4,672,255
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	450,458	(1,374,832)	3,453,902	4,828,734
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	50,000	50,000	110,251	60,251
8911	Transfers Out	(495,316)	(495,316)	(351,673)	143,643
7080	Total Other Financing Sources and (Uses)	(445,316)	(445,316)	(241,422)	203,894
1200	Net Change in Fund Balance	5,142	(1,820,148)	3,212,480	5,032,628
0100	Fund Balance - Beginning	14,153,860	14,153,860	14,153,860	—
3000	Fund Balance - Ending	\$ 14,159,002	\$ 12,333,712	\$ 17,366,340	\$ 5,032,628

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-2

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes		1	2	3	Variance with
		Budgeted Amounts		Actual	Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,907,000	\$ 1,907,000	\$ 1,763,960	\$ (143,040)
5800	State Program Revenues	211,000	211,000	107,830	(103,170)
5900	Federal Program Revenues	5,313,930	5,313,930	5,496,569	182,639
5020	Total Revenues	7,431,930	7,431,930	7,368,359	(63,571)
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	7,341,850	7,444,360	6,681,788	762,572
	Total Support Services - Student (Pupil)	7,341,850	7,444,360	6,681,788	762,572
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	270,100	270,100	181,981	88,119
	Total Support Services - Nonstudent Based	270,100	270,100	181,981	88,119
Capital Outlay:					
0081	Capital Outlay	30,000	30,000	—	30,000
	Total Capital Outlay	30,000	30,000	—	30,000
6030	Total Expenditures	7,641,950	7,744,460	6,863,769	880,691
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(210,020)	(312,530)	504,590	817,120
Other Financing Sources (Uses):					
7912	Sale of Real or Personal Property	—	—	2,473	2,473
7080	Total Other Financing Sources and (Uses)	—	—	2,473	2,473
1200	Net Change in Fund Balance	(210,020)	(312,530)	507,063	819,593
0100	Fund Balance - Beginning	1,803,014	1,803,014	1,803,014	—
3000	Fund Balance - Ending	\$ 1,592,994	\$ 1,490,484	\$ 2,310,077	\$ 819,593



## **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2013**

#### **A. Basis of Budgeting**

The Wichita Falls Independent School District's (District) budgets for the General Fund and National School Breakfast/Lunch Program Fund are prepared and presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### **B. Budget Process**

##### **1. Budgeting**

Annual budgets are legally adopted for the General Fund, National School Breakfast/Lunch Program Fund, and Debt Service Fund. The annual budget is presented in the accompanying schedules for the General Fund and the National School Breakfast/Lunch Program Funds, the only two major governmental funds. The following procedures are used in establishing the budgetary data reflected in that schedule:

- 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 of Trustees 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 of Trustees.

The budget is prepared and controlled by the budget officer at the revenue object and expenditure function level.

The official budgets for the General Fund, National School Breakfast/Lunch Program Fund, and Debt Service Fund were prepared and adopted through Board resolution before September 1, 2012. The administration performs budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Texas Education Agency. Total expenditures may exceed total appropriations, as amended, by fund as long as those expenditures are certified as being available by the budget officer to the Board.

The final amended budget for the General Fund reflected the one significant change to the original adopted budget in Instruction expenditures. The Instruction expenditures were increased \$1,411,335 to reflect the one-stipend paid to all District employees in December 2012.

The final amended budget for the National School Breakfast/Lunch Program Fund reflected the one significant change to the original adopted budget in Food Service expenditures. The Food Services expenditures were increased \$102,510 to reflect anticipated increased costs for cafeteria supplies, including food costs.

The budget amounts reflected in the accompanying schedule represent final amended budget amounts as approved by the Board.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED AUGUST 31, 2013**

There are no expenditures in excess of the final amended budget.

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Since appropriations lapse at year-end, outstanding encumbrances are re-appropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.

*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, 2013

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	\$ 1,019,440	\$ 7,137	\$ 61,569	\$ 1,088,146
1120 Current Investments	--	440,632	1,467	442,099
1225 Taxes Receivable, Net	--	182,645	--	182,645
1240 Due from Other Governments	1,482,316	126,031	--	1,608,347
1260 Due from Other Funds	6,570	--	--	6,570
1290 Other Receivables	31,171	--	--	31,171
1300 Inventories	8,873	--	--	8,873
1000 Total Assets	\$ 2,548,370	\$ 756,445	\$ 63,036	\$ 3,367,851
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 170,891	\$ --	\$ 521	\$ 171,412
2150 Payroll Deductions & Withholdings	(34,566)	--	--	(34,566)
2160 Accrued Wages Payable	474,950	--	--	474,950
2170 Due to Other Funds	718,305	75,000	--	793,305
2180 Due to Other Governments	63,531	--	--	63,531
2300 Unearned Revenue	607,535	--	--	607,535
2000 Total Liabilities	2,000,646	75,000	521	2,076,167
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
2600 Unavailable Property Taxes	--	156,608	--	156,608
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	(386)	--	--	(386)
3480 Retirement of Long-Term Debt	--	524,837	--	524,837
3490 Other Restrictions of Fund Balance	170	--	--	170
Committed Fund Balances:				
3510 Construction	--	--	62,515	62,515
3545 Other Committed Fund Balance	547,940	--	--	547,940
3000 Total Fund Balances	547,724	524,837	62,515	1,135,076
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 2,548,370	\$ 756,445	\$ 63,036	\$ 3,367,851

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ 1,835,227	\$ 6,757,301	\$ (2,587)	\$ 8,589,941
5800 <i>State Program Revenues</i>	994,952	1,387,085	—	2,382,037
5900 <i>Federal Program Revenues</i>	9,545,228	—	—	9,545,228
5020 <i>Total Revenues</i>	12,375,407	8,144,386	(2,587)	20,517,206
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	8,847,635	—	—	8,847,635
0012 <i>Instructional Resources and Media Services</i>	17,161	—	—	17,161
0013 <i>Curriculum and Staff Development</i>	612,962	—	—	612,962
0021 <i>Instructional Leadership</i>	460,704	—	—	460,704
0023 <i>School Leadership</i>	343,998	—	—	343,998
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	1,034,938	—	—	1,034,938
0032 <i>Social Work Services</i>	225,080	—	—	225,080
0033 <i>Health Services</i>	107,574	—	—	107,574
0035 <i>Food Service</i>	69,040	—	—	69,040
0036 <i>Cocurricular/Extracurricular Activities</i>	817,989	—	—	817,989
0041 <i>General Administration</i>	956	—	—	956
0051 <i>Plant Maintenance and Operations</i>	121,062	—	127,842	248,904
0052 <i>Security and Monitoring Services</i>	2,435	—	—	2,435
0061 <i>Community Services</i>	13,964	—	—	13,964
0071 <i>Principal on Long-term Debt</i>	—	3,118,985	—	3,118,985
0072 <i>Interest on Long-term Debt</i>	—	4,819,654	—	4,819,654
0073 <i>Bond Issuance Costs and Fees</i>	—	610	—	610
0081 <i>Capital Outlay</i>	—	—	11,456	11,456
6030 <i>Total Expenditures</i>	12,675,498	7,939,249	139,298	20,754,045
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>				
1100 <i>Expenditures</i>	(300,091)	205,137	(141,885)	(236,839)
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	277,369	57,765	—	335,134
7080 <i>Total Other Financing Sources and (Uses)</i>	277,369	57,765	—	335,134
1200 <i>Net Change in Fund Balances</i>	(22,722)	262,902	(141,885)	98,295
0100 <i>Fund Balances - Beginning</i>	570,446	261,935	204,400	1,036,781
3000 <i>Fund Balances - Ending</i>	\$ 547,724	\$ 524,837	\$ 62,515	\$ 1,135,076



# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2013

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	\$ (95)	\$ (11,196)	\$ (943)	\$ (9,808)
1240 Due from Other Governments	426,923	12,933	449,341	10,875
1260 Due from Other Funds	—	—	—	—
1290 Other Receivables	—	—	—	—
1300 Inventories	—	—	—	—
1000 Total Assets	\$ 426,828	\$ 1,737	\$ 448,398	\$ 1,067
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 10,630	\$ 1,737	\$ 15,239	\$ 1,067
2150 Payroll Deductions & Withholdings	100	—	(16,055)	—
2160 Accrued Wages Payable	271,098	—	85,545	—
2170 Due to Other Funds	145,000	—	300,138	—
2180 Due to Other Governments	—	—	63,531	—
2300 Unearned Revenue	—	—	—	—
2000 Total Liabilities	426,828	1,737	448,398	1,067
<b>FUND BALANCES:</b>				
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	\$ 426,828	\$ 1,737	\$ 448,398	\$ 1,067

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	242 Summer Feeding Program
\$ --	\$ (4,242)	\$ (713)	\$ (7,533)	\$ 5,599
--	8,296	341,201	11,926	--
--	--	24	--	--
--	--	--	--	--
\$ --	\$ 4,054	\$ 340,512	\$ 4,393	\$ 5,599
\$ --	\$ 281	\$ 19,407	\$ 445	\$ 7,128
--	(272)	(10,112)	(150)	(1,143)
--	3,379	67,217	4,098	--
--	666	264,000	--	--
--	--	--	--	--
--	--	--	--	--
--	4,054	340,512	4,393	5,985
--	--	--	--	(386)
--	--	--	--	--
--	--	--	--	--
--	--	--	--	(386)
\$ --	\$ 4,054	\$ 340,512	\$ 4,393	\$ 5,599

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2013

Data Control Codes		244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Ctrs.
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ (5,361)	\$ (42,849)	\$ (902)	\$ (34,551)
1240	Due from Other Governments	11,256	57,873	--	36,707
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 5,895	\$ 15,024	\$ (902)	\$ 2,156
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 2,201	\$ 4,012	\$ --	\$ 3,049
2150	Payroll Deductions & Withholdings	(293)	(4,441)	(902)	(1,251)
2160	Accrued Wages Payable	14	14,262	--	65
2170	Due to Other Funds	3,973	1,191	--	293
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	5,895	15,024	(902)	2,156
<b>FUND BALANCES:</b>					
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	\$ 5,895	\$ 15,024	\$ (902)	\$ 2,156

272 MAC Program	276 Title I SIP Academy Grant	277 Title III Part A Immigrant	289 Summer School LEP	315 IDEA-B Discretionary
\$ 242,581	\$ --	\$ (1,356)	\$ (46,280)	\$ (3,610)
--	--	2,059	46,280	4,058
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 242,581	\$ --	\$ 703	\$ --	\$ 448
\$ --	\$ --	\$ --	\$ --	\$ 196
--	--	(47)	--	--
--	--	--	--	(468)
--	--	750	--	--
--	--	--	--	--
242,581	--	--	--	720
242,581	--	703	--	448
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ 242,581	\$ --	\$ 703	\$ --	\$ 448

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## COMBINING BALANCE SHEET

### NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2013

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	340 IDEA-C Deaf
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ (3,180)	\$ (228)	\$ (1)
1240 Due from Other Governments	2,598	228	1
1260 Due from Other Funds	—	—	—
1290 Other Receivables	—	—	—
1300 Inventories	—	—	—
1000 Total Assets	\$ (582)	\$ —	\$ —
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ 221	\$ —	\$ —
2150 Payroll Deductions & Withholdings	—	—	—
2160 Accrued Wages Payable	(803)	—	—
2170 Due to Other Funds	—	—	—
2180 Due to Other Governments	—	—	—
2300 Unearned Revenue	—	—	—
2000 Total Liabilities	(582)	—	—
<b>FUND BALANCES:</b>			
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	\$ (582)	\$ —	\$ —



404 Student Success Initiative	410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
\$ (7,557)	\$ 123,701	\$ 460	\$ (3,525)	\$ 547,941
7,700	21,540	--	30,521	--
1,972	--	--	3,933	--
--	--	117	--	31,032
--	--	--	--	--
<u>\$ 2,115</u>	<u>\$ 145,241</u>	<u>\$ 577</u>	<u>\$ 30,929</u>	<u>\$ 578,973</u>
\$ 2,115	\$ 64,388	\$ --	\$ 188	\$ 28,739
--	--	--	--	--
--	--	--	30,521	--
--	--	--	--	2,294
--	--	--	--	--
--	80,853	577	--	--
<u>2,115</u>	<u>145,241</u>	<u>577</u>	<u>30,709</u>	<u>31,033</u>
--	--	--	--	--
--	--	--	220	--
--	--	--	--	547,940
--	--	--	220	547,940
<u>\$ 2,115</u>	<u>\$ 145,241</u>	<u>\$ 577</u>	<u>\$ 30,929</u>	<u>\$ 578,973</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2013

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	\$ 159,176	\$ 123,912	\$ 1,019,440
1240 Due from Other Governments	—	—	1,482,316
1260 Due from Other Funds	231	410	6,570
1290 Other Receivables	—	22	31,171
1300 Inventories	8,873	—	8,873
1000 Total Assets	<u>\$ 168,280</u>	<u>\$ 124,344</u>	<u>\$ 2,548,370</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ 7,333	\$ 2,515	\$ 170,891
2150 Payroll Deductions & Withholdings	—	—	(34,566)
2160 Accrued Wages Payable	—	22	474,950
2170 Due to Other Funds	—	—	718,305
2180 Due to Other Governments	—	—	63,531
2300 Unearned Revenue	160,947	121,857	607,535
2000 Total Liabilities	<u>168,280</u>	<u>124,394</u>	<u>2,000,646</u>
<b>FUND BALANCES:</b>			
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	—	—	(386)
3490 Other Restrictions of Fund Balance	—	(50)	170
Committed Fund Balances:			
3545 Other Committed Fund Balance	—	—	547,940
3000 Total Fund Balances	<u>—</u>	<u>(50)</u>	<u>547,724</u>
4000 Total Liabilities and Fund Balances	<u>\$ 168,280</u>	<u>\$ 124,344</u>	<u>\$ 2,548,370</u>

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013

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	2,139,964	40,493	2,999,318	183,465
5020 Total Revenues	2,139,964	40,493	2,999,318	183,465
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,669,709	9,544	2,430,165	80,498
0012 Instructional Resources and Media Services	—	—	—	—
0013 Curriculum and Staff Development	4,742	224	320,254	49,656
0021 Instructional Leadership	2,205	50	220,029	52,961
0023 School Leadership	261,263	—	—	—
0031 Guidance, Counseling, & Evaluation Services	125,327	—	—	—
0032 Social Work Services	176,592	29,719	18,769	—
0033 Health Services	107,625	—	(51)	—
0035 Food Service	—	—	—	—
0036 Cocurricular/Extracurricular Activities	—	—	—	—
0041 General Administration	—	956	—	—
0051 Plant Maintenance and Operations	69,870	—	—	—
0052 Security and Monitoring Services	—	—	2,435	—
0061 Community Services	—	—	7,717	350
6030 Total Expenditures	2,417,333	40,493	2,999,318	183,465
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(277,369)	—	—	—
Other Financing Sources and (Uses):				
7915 Transfers In	277,369	—	—	—
7080 Total Other Financing Sources and (Uses)	277,369	—	—	—
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	242 Summer Feeding Program
\$ --	\$ --	\$ --	\$ --	\$ (29)
--	--	--	--	--
3,379	73,556	2,718,363	95,182	74,009
<u>3,379</u>	<u>73,556</u>	<u>2,718,363</u>	<u>95,182</u>	<u>73,980</u>
3,379	73,556	2,100,979	95,182	--
--	--	--	--	--
--	--	11,271	--	--
--	--	1,065	--	--
--	--	304	--	--
--	--	604,744	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	69,040
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>3,379</u>	<u>73,556</u>	<u>2,718,363</u>	<u>95,182</u>	<u>69,040</u>
--	--	--	--	4,940
--	--	--	--	--
--	--	--	--	--
--	--	--	--	4,940
--	--	--	--	--
--	--	--	--	(5,326)
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (386)</u>

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes		244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	265 21st Century Community Learning Ctrs.
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ —	\$ —	\$ —	\$ —
5800	State Program Revenues	—	—	—	—
5900	Federal Program Revenues	124,291	550,696	84,560	329,549
5020	Total Revenues	124,291	550,696	84,560	329,549
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	62,791	347,257	79,677	122,468
0012	Instructional Resources and Media Services	—	—	—	—
0013	Curriculum and Staff Development	13,914	102,217	2,311	—
0021	Instructional Leadership	17,184	97,616	—	34,086
0023	School Leadership	—	—	—	—
0031	Guidance, Counseling, & Evaluation Services	30,402	3,606	—	171,521
0032	Social Work Services	—	—	—	—
0033	Health Services	—	—	—	—
0035	Food Service	—	—	—	—
0036	Cocurricular/Extracurricular Activities	—	—	—	—
0041	General Administration	—	—	—	—
0051	Plant Maintenance and Operations	—	—	—	—
0052	Security and Monitoring Services	—	—	—	—
0061	Community Services	—	—	2,572	1,474
6030	Total Expenditures	124,291	550,696	84,560	329,549
1100	Excess (Deficiency) of Revenues Over (Under)	—	—	—	—
1100	Expenditures	—	—	—	—
Other Financing Sources and (Uses):					
7915	Transfers In	—	—	—	—
7080	Total Other Financing Sources and (Uses)	—	—	—	—
1200	Net Change in Fund Balances	—	—	—	—
0100	Fund Balances - Beginning	—	—	—	—
3000	Fund Balances - Ending	\$ —	\$ —	\$ —	\$ —



272 MAC Program	276 Title I SIP Academy Grant	277 Title III Part A Immigrant	289 Summer School LEP	315 IDEA-B Discretionary
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	37,555	--	47,395	22,691
--	37,555	--	47,395	22,691
--	28,312	--	1,115	15,528
--	5,811	--	--	5,157
--	3,181	--	--	19
--	--	--	--	1,987
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	46,280	--
--	--	--	--	--
--	251	--	--	--
--	37,555	--	47,395	22,691
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

# **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, 2013

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	340 IDEA-C Deaf
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--
5900 Federal Program Revenues	18,209	2,259	294
5020 Total Revenues	18,209	2,259	294
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	18,209	2,259	294
0012 Instructional Resources and Media Services	--	--	--
0013 Curriculum and Staff Development	--	--	--
0021 Instructional Leadership	--	--	--
0023 School Leadership	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--
0032 Social Work Services	--	--	--
0033 Health Services	--	--	--
0035 Food Service	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--
0041 General Administration	--	--	--
0051 Plant Maintenance and Operations	--	--	--
0052 Security and Monitoring Services	--	--	--
0061 Community Services	--	--	--
6030 Total Expenditures	18,209	2,259	294
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--
1100 Expenditures	--	--	--
Other Financing Sources and (Uses):			
7915 Transfers In	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--
1200 Net Change in Fund Balances	--	--	--
0100 Fund Balances - Beginning	--	--	--
3000 Fund Balances - Ending	\$ --	\$ --	\$ --

404 Student Success Initiative	410 State Textbook Fund	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ 379,077	\$ 1,110,257
53,045	686,810	2,977	252,120	-
-	-	-	-	-
53,045	686,810	2,977	631,197	1,110,257
53,045	686,810	2,924	618,392	246,202
-	-	53	-	17,108
-	-	-	-	8,951
-	-	-	12,805	-
-	-	-	-	80,444
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	780,302
-	-	-	-	-
-	-	-	-	4,912
-	-	-	-	-
-	-	-	-	-
53,045	686,810	2,977	631,197	1,137,919
-	-	-	-	(27,662)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(27,662)
-	-	-	220	575,602
\$ -	\$ -	\$ -	\$ 220	\$ 547,940

**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, 2013

Data Control Codes	489 West Foundation	499 CIS	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 222,289	\$ 123,633	\$ 1,835,227
5800 State Program Revenues	—	—	994,952
5900 Federal Program Revenues	—	—	9,545,228
5020 Total Revenues	222,289	123,633	12,375,407
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	96,148	3,192	8,847,635
0012 Instructional Resources and Media Services	—	—	17,161
0013 Curriculum and Staff Development	88,454	—	612,962
0021 Instructional Leadership	—	19,503	460,704
0023 School Leadership	—	—	343,998
0031 Guidance, Counseling, & Evaluation Services	—	99,338	1,034,938
0032 Social Work Services	—	—	225,080
0033 Health Services	—	—	107,574
0035 Food Service	—	—	69,040
0036 Cocurricular/Extracurricular Activities	37,687	—	817,989
0041 General Administration	—	—	956
0051 Plant Maintenance and Operations	—	—	121,062
0052 Security and Monitoring Services	—	—	2,435
0061 Community Services	—	1,600	13,964
6030 Total Expenditures	222,289	123,633	12,675,498
1100 Excess (Deficiency) of Revenues Over (Under)	—	—	(300,091)
1100 Expenditures	—	—	(300,091)
Other Financing Sources and (Uses):			
7915 Transfers In	—	—	277,369
7080 Total Other Financing Sources and (Uses)	—	—	277,369
1200 Net Change in Fund Balances	—	—	(22,722)
0100 Fund Balances - Beginning	—	(50)	570,446
3000 Fund Balances - Ending	\$ —	\$ (50)	\$ 547,724

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

AUGUST 31, 2013

Data Control Codes	751 Transportation Fund	752 Print Shop Fund
<b>ASSETS:</b>		
Current Assets:		
1110 Cash and Cash Equivalents	\$ 928,861	\$ 42,351
1120 Investments	—	—
Receivables:		
1260 Due from Other Funds	—	678
1290 Other Receivables (net)	(4,389)	—
Total Current Assets	924,472	43,029
Noncurrent Assets:		
Capital Assets:		
1530 Furniture and Equipment	6,400,228	622,672
1550 Assets Purchased Under Capital Leases	500,608	—
1570 Accumulated Depreciation	(4,366,980)	(408,814)
Total Noncurrent Assets	2,533,856	213,858
1000 Total Assets	3,458,328	256,887
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	133,982	1,000
2120 Bonds, Notes and Loans Payable	76,950	—
2130 Capital Leases Payable	100,852	—
2160 Accrued Wages Payable	—	13
2200 Accrued Expenses	—	—
Total Current Liabilities	311,784	1,013
Noncurrent Liabilities:		
2500 Bonds, Notes and Loans Payable	212,108	—
Total Noncurrent Liabilities	212,108	—
2000 Total Liabilities	523,892	1,013
<b>NET POSITION:</b>		
3200 Net Investment in Capital Assets	2,143,945	213,857
3900 Unrestricted	790,491	42,017
3000 Total Net Position	\$ 2,934,436	\$ 255,874

## EXHIBIT H-5

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-1)
\$ 2,330,182	\$ --	\$ 3,301,394
249,082	--	249,082
368,267	--	368,945
--	--	(4,389)
<u>2,947,531</u>	<u>--</u>	<u>3,915,032</u>
--	--	7,022,900
--	--	500,608
--	--	(4,775,794)
--	--	<u>2,747,714</u>
<u>2,947,531</u>	<u>--</u>	<u>6,662,746</u>
331,133	--	466,115
--	--	76,950
--	--	100,852
--	--	13
277,000	--	277,000
<u>608,133</u>	<u>--</u>	<u>920,930</u>
--	--	212,108
--	--	212,108
<u>608,133</u>	<u>--</u>	<u>1,133,038</u>
--	--	2,357,802
2,339,398	--	3,171,906
<u>\$ 2,339,398</u>	<u>\$ --</u>	<u>\$ 5,529,708</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, 2013

Data Control Codes	751 Transportation Fund	752 Print Shop Fund
<b>OPERATING REVENUES:</b>		
5700 <i>Local and Intermediate Sources</i>	\$ 3,010,928	\$ 479,053
5020 <i>Total Revenues</i>	<u>3,010,928</u>	<u>479,053</u>
<b>OPERATING EXPENSES:</b>		
6100 <i>Payroll Costs</i>	—	60,836
6200 <i>Professional and Contracted Services</i>	2,136,539	161,036
6300 <i>Supplies and Materials</i>	411,434	27,912
6400 <i>Other Operating Costs</i>	444,275	55,197
6500 <i>Debt Service</i>	19,084	1,664
6030 <i>Total Expenses</i>	<u>3,011,332</u>	<u>306,645</u>
Operating Income (Loss)	<u>(404)</u>	<u>172,408</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
7951 <i>Gain in Sale of Real and Personal Property</i>	13,425	—
7955 <i>Earnings from Temp. Deposits and Investments</i>	—	—
8030 <i>Total Non-operating Revenues (Expenses)</i>	<u>13,425</u>	<u>—</u>
Income before Transfers	13,021	172,408
7915 <i>Transfers In</i>	—	—
1300 <i>Change in Net Position</i>	<u>13,021</u>	<u>172,408</u>
0100 <i>Total Net Position - Beginning</i>	2,921,415	83,466
3300 <i>Total Net Position - Ending</i>	<u>\$ 2,934,436</u>	<u>\$ 255,874</u>

## EXHIBIT H-6

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-2)
\$ 883,459	\$ --	\$ 4,373,440
883,459	--	4,373,440
105,213	--	166,049
187	--	2,297,762
(403)	--	438,943
354,392	--	853,864
--	--	20,748
459,389	--	3,777,366
424,070	--	596,074
--	--	13,425
139	--	139
139	--	13,564
424,209	--	609,638
--	9,043	9,043
424,209	9,043	618,681
1,915,189	(9,043)	4,911,027
\$ 2,339,398	\$ --	\$ 5,529,708

# **WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

## COMBINING STATEMENT OF CASH FLOWS

### ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	751 Transportation Fund	752 Print Shop Fund
<b>Cash Flows from Operating Activities:</b>		
Cash Receipts for Quasi-external Operating Transactions with Other Funds	\$ 3,049,258	\$ 485,641
Cash Payments to Employees for Services	—	(60,823)
Cash Payments to Suppliers for Goods and Services	(2,512,865)	(228,601)
Net Cash Provided by Operating Activities	536,393	196,217
<b>Cash Flows from Non-capital Financing Activities:</b>		
Transfers From Other Funds	—	—
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from Sale of Capital Assets	13,425	—
Principal Paid	(246,570)	(128,036)
Net Cash Used by Capital and Related Financing Activities	(233,145)	(128,036)
<b>Cash Flows from Investing Activities:</b>		
Purchase of Capital Assets	(100,000)	(8,580)
Purchase of Investment Securities	—	—
Interest and Dividends on Investments	—	—
Net Cash Used by Investing Activities	(100,000)	(8,580)
Net Increase in Cash and Cash Equivalents	203,248	59,601
Cash and Cash Equivalents at Beginning of Year	725,613	(17,250)
Cash and Cash Equivalents at End of Year	\$ 928,861	\$ 42,351
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (404)	\$ 172,408
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	444,275	53,731
Change in Assets and Liabilities:		
Decrease (Increase) in Due from Other Funds	38,330	6,629
Decrease (Increase) in Inventories	—	—
Increase (Decrease) in Accounts Payable	54,192	(36,523)
Increase (Decrease) in Accrued Wages Payable	—	13
Increase (Decrease) in Due to Other Funds	—	(41)
Increase (Decrease) in Accrued Expenses	—	—
Total Adjustments	536,797	23,809
Net Cash Provided by Operating Activities	\$ 536,393	\$ 196,217

## EXHIBIT H-7

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-3)
\$ 656,505	\$ --	\$ 4,191,404
(105,213)	--	(166,036)
(308,160)	6,500	(3,043,126)
<u>243,132</u>	<u>6,500</u>	<u>982,242</u>
--	9,043	9,043
--	--	13,425
--	--	(374,606)
--	--	(361,181)
--	--	(108,580)
(139)	--	(139)
<u>139</u>	<u>--</u>	<u>139</u>
--	--	(108,580)
243,132	15,543	521,524
2,087,050	(15,543)	2,779,870
<u>\$ 2,330,182</u>	<u>\$ --</u>	<u>\$ 3,301,394</u>
\$ 424,070	\$ --	\$ 596,074
--	--	498,006
(226,954)	--	(181,995)
--	6,500	6,500
150,016	--	167,685
--	--	13
--	--	(41)
(104,000)	--	(104,000)
(180,938)	6,500	386,168
<u>\$ 243,132</u>	<u>\$ 6,500</u>	<u>\$ 982,242</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

AUGUST 31, 2013

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>	\$ (16,005)	\$ 296,727	\$ 280,722
1240 <i>Due from Other Governments</i>	15,951	--	15,951
1260 <i>Due from Other Funds</i>	926	--	926
1290 <i>Other Receivables</i>	--	25,161	25,161
1000 <b>Total Assets</b>	<u>\$ 872</u>	<u>\$ 321,888</u>	<u>\$ 322,760</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 807	\$ 18,848	\$ 19,655
2160 <i>Accrued Wages Payable</i>	65	--	65
2170 <i>Due to Other Funds</i>	--	6,363	6,363
2190 <i>Due to Student Groups</i>	--	296,677	296,677
2000 <b>Total Liabilities</b>	<u>\$ 872</u>	<u>\$ 321,888</u>	<u>\$ 322,760</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, 2013

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2004 and Prior Years	\$	Various	\$	Various	\$	Various
2005		1.50		.0636		3,201,175,556
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 (School Year Under Audit)		1.04		.17		3,944,910,744
1000 Totals						

10 Beginning Balance 9/1/12	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/13
\$ 813,645	\$ --	\$ 62,249	\$ 3,278	\$ (349,049)	\$ 399,069
172,479	--	13,247	561	(31,936)	126,735
177,933	--	17,864	758	(31,930)	127,381
150,607	--	16,532	791	(26,969)	106,315
163,973	--	24,417	3,498	(45,880)	90,178
215,444	--	49,684	7,596	(45,110)	113,054
287,565	--	76,803	11,816	(31,418)	167,528
386,102	--	106,694	16,415	(51,226)	211,767
692,032	--	305,943	48,539	(45,096)	292,454
--	47,733,420	40,320,850	6,590,909	(123,199)	698,462
<u>\$ 3,059,780</u>	<u>\$ 47,733,420</u>	<u>\$ 40,994,283</u>	<u>\$ 6,684,161</u>	<u>\$ (781,813)</u>	<u>\$ 2,332,943</u>

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

## SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2014-2015

### GENERAL AND SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

#### FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 277,033	\$ 1,478,159	\$ 79,796	\$ 559,046	\$ 2,394,034
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	39,907	--	--	39,907
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	43,532	--	12,880	--	38,831	--	95,243
6212	Audit Services	--	--	--	57,875	--	--	57,875
6213	Tax Appraisal and Collection	--	572,700	--	--	--	--	572,700
621X	Other Prof. Services	7,834	--	10,000	--	--	--	17,834
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	9,700	450	--	10,150
6240	Contr. Maint. and Repair	--	--	--	--	17,645	--	17,645
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	--	--	5,731	5,731
6290	Miscellaneous Contr.	8,402	--	1,003	52,664	321	9,909	72,299
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	193	534	--	187	914
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	1,246	--	5,304	91,947	98	--	98,595
6410	Travel, Subsistence, Stipends	3,031	--	6,344	39,122	1,656	4,355	54,508
6420	Ins. and Bonding Costs	--	--	--	--	--	32,345	32,345
6430	Election Costs	--	--	--	--	--	--	--
6490	Miscellaneous Operating	7,327	--	3,837	31,835	150	14,461	57,610
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	14,395	14,395

Total \$ 71,372 \$ 572,700 \$ 316,594 \$ 1,801,743 \$ 138,947 \$ 640,429 \$ 3,541,785

Total Expenditures for General and Special Revenue Funds (9) \$ 115,871,968

#### LESS: Deductions of Unallowable Costs

##### FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 244,356
Total Debt & Lease (6500)	(11)	210,153
Plant Maintenance (Function 51, 6100-6400)	(12)	10,554,493
Food (Function 35, 6341 and 6499)	(13)	2,580,188
Stipends (6413)	(14)	--
Column 4 (above) - Total Indirect Cost		1,801,743

##### Subtotal

15,390,933

#### Net Allowed Direct Cost

\$ 100,481,035

##### CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 146,371,084
Historical Cost of Buildings over 50 years old	(16)	7,056,813
Amount of Federal Money in Building Cost (Net of #16)	(17)	94,035
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	22,505,555
Historical Cost of Furniture & Equipment over 16 years old	(19)	4,321,651
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	3,151,326

(8) Note A - \$225,572 in Function 53 expenditures and \$529,030 in Function 99 expenditures are included in this report on administrative costs.

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

## DEBT SERVICE FUND

### BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES:					
5700	Local and Intermediate Sources	\$ 6,601,622	\$ 6,601,622	\$ 6,757,301	\$ 155,679
5800	State Program Revenues	1,377,808	1,377,808	1,387,085	9,277
5020	Total Revenues	7,979,430	7,979,430	8,144,386	164,956
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	3,118,985	3,118,985	3,118,985	—
0072	Interest on Long-Term Debt	4,819,655	4,819,655	4,819,654	1
0073	Bond Issuance Costs and Fees	10,000	10,000	610	9,390
	Total Debt Service	7,948,640	7,948,640	7,939,249	9,391
6030	Total Expenditures	7,948,640	7,948,640	7,939,249	9,391
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	30,790	30,790	205,137	174,347
Other Financing Sources (Uses):					
7915	Transfers In	57,765	57,765	57,765	—
7080	Total Other Financing Sources and (Uses)	57,765	57,765	57,765	—
1200	Net Change in Fund Balance	88,555	88,555	262,902	174,347
0100	Fund Balance - Beginning	261,935	261,935	261,935	—
3000	Fund Balance - Ending	\$ 350,490	\$ 350,490	\$ 524,837	\$ 174,347





## EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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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

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, the business-type 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, 2013, 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 14, 2014.

### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2013-002, that we consider to be a significant deficiency.

## **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 2013-001 and 2013-002.

## **Purpose of this Report**

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

Respectfully submitted,

*Edgin, Parkman, Fleming & Fleming, PC*

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas  
January 14, 2014





## EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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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

#### **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, 2013. 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, 2013.



## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as finding 2013-002. Our opinion on each major federal program is not modified with respect to these matters.

## **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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider a deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2013-002 to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*Edgin, Parkman, Fleming & Fleming, PC*

Edgin, Parkman, Fleming & Fleming, PC

Wichita Falls, Texas  
January 14, 2014

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

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

Noncompliance material to financial statements noted?   X   Yes      No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 / 10.555 / 10.559	Child Nutrition Cluster
84.027 / 84.173	Special Education Cluster
84.367A	ESEA Title II, Part A - Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs: \$467,963

Auditee qualified as low-risk auditee?      Yes   X   No

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**B. Financial Statement Findings**

Finding 2013-001 - Material Noncompliance - Excess Fund Balance

Criteria or Specified Requirement

The National School Breakfast and Lunch Program Fund (Food Service Fund) may not have a fund balance in excess of three months of food service operations.

Condition and Effect

At August 31, 2013, the total fund balance of the Food Service Fund was \$2,310,077 and the total expenditures for the year was \$6,863,769. Three months of operations would be \$1,715,942 (\$6,863,769 / 12 X 3). Therefore, the fund balance is \$594,135 in excess of three months of operations.

Cause

The District's Food Service Fund has been operating successfully and generated a net increase in fund balance of \$507,063 during the year ended August 31, 2013, along with positive increases in the past few years as well.

Effect

Because of the accumulated positive increases in fund balance over the past few years, the Food Service Fund has built a fund balance in excess of the legally required limit.

Recommendation

We recommend management closely review the Food Service operations to determine if (1) the pricing of meals should be adjusted, (2) additional costs can be properly allocated to the program, and/or (3) capital asset purchases or other unique, one-time purchases are necessary for the cafeterias.

Views of Responsible Officials and Planned Corrective Actions

Refer to Corrective Action Plan prepared by District management.

Finding 2013-002 - Procurement

Procurement, Suspension and Debarment - Significant Deficiency and Material Noncompliance with State and Grant Requirements

Program: Child Nutrition Cluster (CFDA # 10.553, 10.555 & 10.559) Pass Through Numbers 243008A, 7130901, 7140901 and TX-2431005SU

Criteria or Specified Requirement

Texas Education Code (TEC) Section 44.031 requires all aggregate purchases of goods over \$50,000 and OMB Circular A-133 requires that all aggregate purchases of goods over \$25,000 to be competitively bid.

Condition and Effect

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 of bread for the year ended August 31, 2013. The District continued to purchase from the vendor without a new competitive bid.

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

**Cause**

The District did not have effective communication between the Food Service and Purchasing departments to ensure that competitive bidding requirements for food service purchases were followed.

**Effect**

The District did not follow the procurement laws required by TEC 44.031 and OMB Circular A-133 relative to the purchase of snacks and chips.

**Recommendation**

We recommend that the Purchasing Department maintain a schedule of purchase types that require competitive bidding and the time of the last competitive bid so that it can properly communicate to other departments when new competitive bids are required.

**Views of Responsible Officials and Planned Corrective Actions**

Refer to Corrective Action Plan prepared by District management.

**C. Federal Award Findings and Questioned Costs**

Finding 2013-002 - Procurement - See Financial Statement Findings



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
<u>Finding 2012-01 - Material Weakness in Financial Reporting - Material Audit Adjustments</u>	Implemented	Not applicable
<p>In the prior year, material audit adjustments were required to properly report the District's operations pursuant to Generally Accepted Accounting Principles (GAAP). No material adjustments were required, individually or in the aggregate, during the year ended August 31, 2013.</p>		
<u>Finding 2012-02 - Significant Deficiency and Material Noncompliance with State and Grant Bidding Requirements</u>	On-Going	<p>Though the items in question were properly re-bid for 2012-13, another item was discovered that should have been re-bid as well.</p>
<p>The District did not re-bid snacks and chips in 2011-12 after a price increase from the vendor. These items were re-bid for the 2012-13 school year. However, during the 2012-13 audit, it was noted that the bread bid should have been re-bid for the 2012-13 school year as the prices were increased.</p>		
<u>Finding 2012-03 - Significant Deficiency and Material Noncompliance - Allowable Costs and Cost Principles</u>	Implemented	Not applicable
<p>In the prior year audit of the Special Education Cluster, it was noted that 3 employees' semi-annual certifications were not obtained timely and 2 additional employees did not have any time and effort documentation. Known questioned costs of \$22,071 was reported.</p>		
<p>During 2012-13, the District refunded the \$22,071 of known questioned costs. Additionally, no similar issues were noted during the audit of the Special Education Cluster.</p>		



**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

Finding 2013-001 - Material Noncompliance - Excess Fund Balance

The District will replace the steamers and convection ovens at each of the cafeterias and a forklift at the Child Nutrition warehouse during the year ending August 31, 2014 with an estimated cost of \$789,803. Additionally, the fund balance will continually be monitored to maintain the fund balance below the required 90 days of operations level in the future.

Responsible Person: Scott Moorehouse, Executive Director of Operations

Finding 2013-002 - Significant Deficiency and Material Noncompliance with State and Grant Bidding Requirements

The District had a change in personnel at the end of the 2012-13 school year. The new personnel has extensive knowledge and experience in the competitive procurement laws and regulations.

Responsible Person: Cindy Tatum, Chief Financial Officer

# WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2013

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	\$ 135,115
National School Lunch Program - Noncash	(1) 10.555	243008A	369,544
Total Passed Through State Department of Agriculture			504,659
Passed Through State Department of Education:			
School Breakfast Program - Noncash	(1) 10.553	7140901	1,336,510
National School Lunch Program - Noncash	(1) 10.555	7130901	3,655,399
Total Passed Through State Department of Education			4,991,909
Passed Through State Department of Human Services:			
Summer Feeding Program	(1) 10.559	TX-2431005SU	74,009
Total Passed Through State Department of Human Services			74,009
Total U.S. Department of Agriculture			5,570,577
<b>U. S. DEPARTMENT OF THE TREASURY</b>			
Direct Program:			
ROTC (Instructional Reimbursement)	21.XXX	243-905	252,053
Total U.S. Department of the Treasury			252,053
<b>U. S. DEPARTMENT OF ENERGY</b>			
Passed Through State Energy Conservation Office:			
Energy Efficiency Grant	81.041	CM1348	46,280
Total U.S. Department of Energy			46,280
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Direct Program:			
Impact Aid - P.L. 81.874	84.041	N/A	191,277
Passed Through Education Service Center Region10:			
ESEA Title X Part C - Educ. for Homeless Children and Youth	84.196A	MVP2-004	41,128
Total Passed Through Education Service Center Region 10			41,128
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	12610101243905	14,435
ESEA Title I Part A - Improving Basic Programs	84.010A	13610101243905	2,904,121
ESEA Title I Part A - Improving Basic Programs	84.010A	14610101243905	127,183
ESEA Title I - School Improvement Effective Strategies	84.010A	13610110243905004	109,113
ESEA Title I - School Improvement Program	84.010A	12610110243905004	662
ESEA Title I - School Improvement Program	84.010A	13610104243905004	23,538
ESEA Title I - School Improvement Program	84.010A	13610104243905101	9,590
ESEA Title I - School Improvement Program	84.010A	13610104243905105	10,551
ESEA Title I - School Improvement Program	84.010A	13610104243905116	14,231
ESEA Title I - School Improvement Program	84.010A	13610104243905125	10,629
ESEA Title I - School Improvement Program	84.010A	13610104243905128	8,028
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	13610103243905	74,751
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	14610103243905	3,379
Total CFDA Number 84.010A			3,310,211
IDEA-B Formula	(2) 84.027A	126600012439056600	20,587
IDEA-B Formula	(2) 84.027A	136600012439056600	2,636,628

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2013

**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>IDEA-B Formula</i>	(2) 84.027A	146600012439056600	104,648
<i>SSA IDEA-B Discretionary Deaf</i>	(2) 84.027A	136600022439056673	22,691
<i>SSA IDEA-B Deaf</i>	(2) 84.027A	136600012439056601	18,209
Total CFDA Number 84.027A			2,802,763
<i>Career and Technical - Basic Grant</i>	84.048	13420006243905	115,451
<i>Career and Technical - Basic Grant</i>	84.048	14420006243905	10,816
Total CFDA Number 84.048			126,267
<i>IDEA-B Preschool</i>	(2) 84.173	136610012439056610	92,533
<i>IDEA-B Preschool</i>	(2) 84.173	146610012439056610	4,098
<i>SSA IDEA-B Preschool Deaf</i>	(2) 84.173	136610012439056611	2,259
Total CFDA Number 84.173			98,890
<i>SSA IDEA-C Early Intervention (Deaf)</i>	84.181A	133911012439053911	294
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	126950127110026	135,188
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	126950147110061	190,224
<i>Title IV Part B21st Century Community Learning Centers</i>	84.287	136950147110061	9,423
Total CFDA Number 84.287			334,835
<i>Title III Part A English Lang. Acquisition &amp; Lang. Enhancement</i>	84.365	13671001243905	85,886
<i>Title III Part A English Lang. Acquisition &amp; Lang. Enhancement</i>	84.365	13671003243905	38,144
Total CFDA Number 84.365			124,030
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	12694501243905	9,294
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	13694501243905	516,721
<i>ESEA Title II Part A - Teacher &amp; Principal Training &amp; Recruiting</i>	84.367A	14694501243905	33,068
Total CFDA Number 84.367A			559,083
<i>Summer School LEP</i>	84.369A	69550902	1,115
Total Passed Through State Department of Education			7,357,488
Total U. S. Department of Education			7,589,893
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Region 9 Education Service Center:			
<i>Head Start</i>	93.600	06CH7009/13	295,971
<i>Head Start</i>	93.600	06CH7009/14	1,843,993
Total CFDA Number 93.600			2,139,964
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 15,598,767

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, 2013**

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	\$	15,598,767
School Health and Related Services (not considered to be a federal award)		1,050,371
E-Rate Program (not considered to be a federal award)		<u>244,975</u>
Federal revenue per Exhibit C-2	\$	<u>16,894,113</u>

**WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2013*

Data Control Codes		Responses
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?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 1,495,366