

Wichita Falls Independent School District
Annual Financial Report
For The Year Ended August 31, 2011

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Certificate of Board.....	1	
FINANCIAL SECTION		
Independent Auditor's Report on Financial Statements.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	4	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	12	A-1
Statement of Activities.....	13	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	15	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	17	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	18	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	20	C-3
Statement of Net Assets - Proprietary Funds.....	21	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Proprietary Funds.....	22	D-2
Statement of Cash Flows - Proprietary Funds.....	23	D-3
Statement of Fiduciary Net Assets - Fiduciary Funds.....	24	E-1
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	25	E-2
Notes to the Financial Statements	26	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule - General Fund.....	44	G-1
Notes to Required Supplementary Information.....	46	
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	47	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	48	H-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	49	H-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	59	H-4

Wichita Falls Independent School District
Annual Financial Report
For The Year Ended August 31, 2011

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Internal Service Funds:		
Combining Statement of Net Assets.....	69	H-5
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets.....	71	H-6
Combining Statement of Cash Flows.....	73	H-7
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	75	H-8
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	76	J-1
Indirect Cost Computation Schedule	78	J-2
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	79	J-3
Debt Service Fund.....	80	J-4
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance In Accordance With OMB Circular A-133.....	83	
Schedule of Findings and Questioned Costs	85	
Summary Schedule of Prior Audit Findings.....	87	
Corrective Action Plan.....	89	
Schedule of Expenditures of Federal Awards	90	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	93	
Schedule of Required Responses to Selected School First Indicators.....	94	K-2

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, 2011, at a meeting of the board of trustees of such school district on the 23 day of January, 2012



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

Independent Auditor's Report on Financial Statements

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

Members of the Board of Trustees:

We have audited 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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wichita Falls Independent School District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2011, 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* and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wichita Falls Independent School District's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 14, 2011



WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

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

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

FINANCIAL HIGHLIGHTS

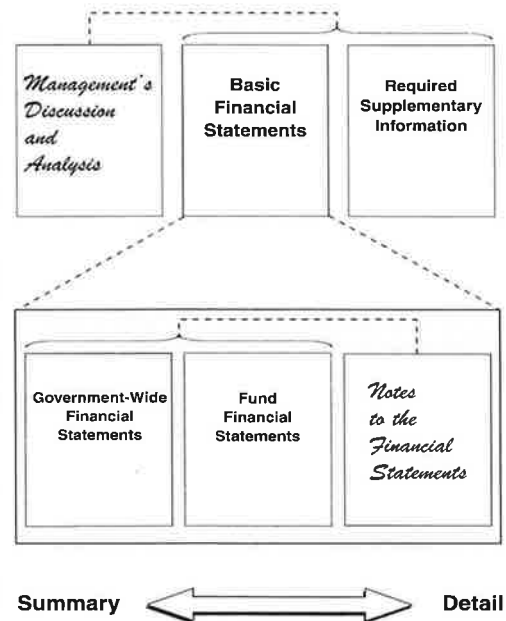
- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$48.6 million (net assets). Of this amount, \$16.5 million (unrestricted net assets) is available to meet the District's future obligations.
- During the year, the District expensed \$130.5 million, which was \$2.9 million less than the District's revenue of \$133.4 million. Of this, \$36.7 million was program revenue and \$96.7 million was general revenue.
- The primary components of the \$2.9 million increase in net assets were the following items:
 - 1) a reduction of \$4.9 million in long-term debt;
 - 2) a reduction in capital assets of \$1.5 million;
 - 3) a reduction of \$2.1 million in current net assets;
 - 4) a reduction of \$1.6 million in other liabilities.
- The fund balance of the General Fund was \$14.6 million, which was an increase of \$1.1 million. The fund balance increase was due to an operating surplus resulting from a correction of prior year revenues of \$.3 million and utilization of remaining Stimulus Funds \$.3 million.
- The fund balance of other governmental funds was \$2 million, an increase of \$0.4 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

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> ◆ Statement of net assets ◆ Statement of activities 	<ul style="list-style-type: none"> ◆ Balance sheet ◆ Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> ◆ Statement of net assets ◆ Statement of revenues, expenses and changes in fund net assets ◆ Statement of cash flows 	<ul style="list-style-type: none"> ◆ Statement of fiduciary net assets ◆ Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 assets and how they have changed. Net assets—the difference between the District's assets and liabilities—are one way to measure the District's financial health or position.

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's combined net assets were \$48,647,642 at year end. (See Table A-1).

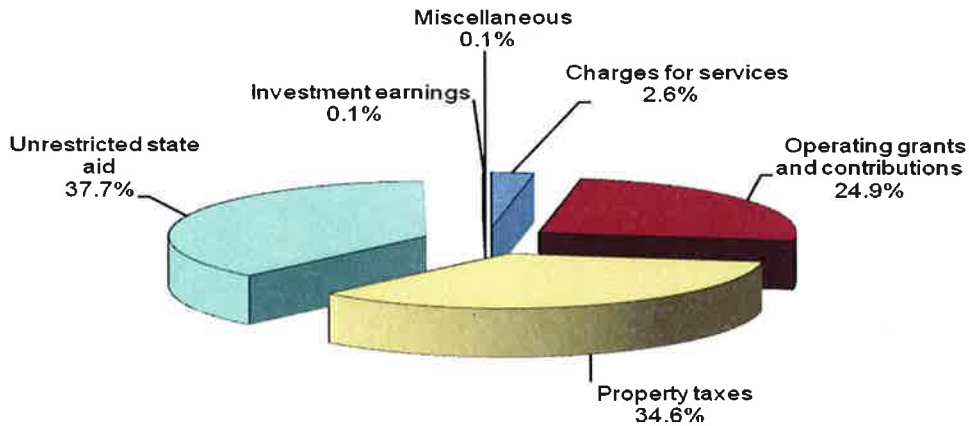
**Table A-1
Wichita Falls Independent School District Net Assets**

	Governmental Activities		Increase (Decrease)	Percentage Change
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>	<u>2010-2011</u>
Current and other assets	\$31,663,675	\$29,580,018	(\$2,083,657)	(6.58)%
Capital assets, net	98,973,723	97,482,434	(1,491,289)	(1.51)%
Total assets	130,637,398	127,062,452	(3,574,946)	(2.74)%
Long-term debt	74,058,291	69,150,673	(4,907,618)	(6.63)%
Other liabilities	10,820,827	9,264,137	(1,556,690)	(14.39)%
Total liabilities	84,879,118	78,414,810	(6,464,308)	(7.62)%
Net assets				
invested in capital assets, net of related debt	27,867,401	31,186,196	3,318,795	11.91%
Restricted	1,141,301	960,892	(180,409)	(15.81)%
Unrestricted	16,749,578	16,500,554	(249,024)	(1.49)%
Total net assets	45,758,280	48,647,642	2,889,362	6.31%

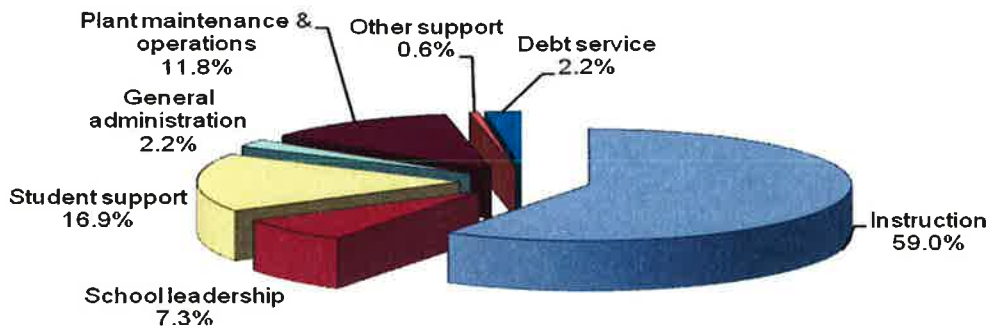
Changes in net assets. The District's total revenues were \$133.4 million, which was an increase of \$309,578 or .23%, over the prior year total of \$133 million. A significant portion, 34.6%, of the District's revenue came from property taxes (see Figure A-3), 37.7% came from unrestricted state and federal aid, and 27.7% came from operating grants, contributions and charges for services.

Total cost of all programs and services was \$130.5 million. 59% of these costs were for instructional and related services (Functions 11-13). Campus and school leadership (Functions 21 and 23) was 7.3% and student support services (Functions 31-36) was 16.9%. The remaining 16.8% supports instruction indirectly through general administration (2.2%), facilities maintenance, utilities, security, and data processing (11.8%) debt service (2.2%) 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 operating and general revenues and functional expenses for both the prior and current years, as disclosed in the audited schedule Exhibit B-1. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

Table A-2

	Governmental Activities		Increase (Decrease)	Percentage Change
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>	<u>2010-2011</u>
Revenues				
Program revenues				
Charges for services	\$3,535,673	\$3,538,332	\$2,659	0.08%
Operating grants and contributions	31,128,274	33,152,713	2,024,439	6.50%
General revenues, and special items				
Property taxes	46,671,430	46,103,455	(567,975)	(1.22)%
Unrestricted state aid	51,471,143	50,343,441	(1,127,702)	(2.19)%
Unrestricted federal grant (reclassified)				
Investment earnings	89,906	127,466	37,560	41.78%
Miscellaneous	159,404	100,001	(59,403)	(37.27)%
Total revenues	133,055,830	133,365,408	309,578	0.23%
Expenses				
11-Instruction	73,755,901	73,526,304	(229,597)	(0.31)%
12-Instructional resources and media services	1,584,624	1,505,099	(79,525)	(5.02)%
13-Curriculum and staff development	2,291,844	1,916,091	(375,753)	(16.40)%
21-Instructional leadership	2,896,136	3,038,455	142,319	4.91%
23-School leadership	6,425,506	6,533,698	108,192	1.68%
31-Guidance, counseling and evaluation svcs	5,480,257	5,294,099	(186,158)	(3.40)%
32-Social work services	597,537	479,636	(117,901)	(19.73)%
33-Health services	1,326,030	1,389,335	63,305	4.77%
34-Student transportation	2,516,688	2,627,364	110,676	4.40%
35-Food services	7,457,551	7,097,783	(359,768)	(4.82)%
36-Extracurricular activities	4,926,064	5,169,825	243,761	4.95%
41-General administration	2,982,963	2,840,218	(142,745)	(4.79)%
51-Plant maintenance and operations	12,536,534	12,718,722	182,188	1.45%
52-Security and monitoring services	571,700	496,991	(74,709)	(13.07)%
53-Data processing services	2,318,344	2,227,146	(94,198)	(3.93)%
61-Community services	33,521	29,034	(4,487)	(13.39)%
72-Debt service	3,072,811	2,841,097	(231,714)	(7.54)%
73-Bond issuance costs and fees	26,663	26,263	(400)	(1.50)%
81-Facilities acquisition & construction				
93-Payments to shared service arrangements	172,015	174,497	2,482	1.44%
99-Other governmental charges	553,141	526,764	(26,377)	(4.77)%
01-WFHS Tutoring		17,629	17,629	
Total expenses	131,525,830	130,476,050	(1,049,780)	(0.80)%
Increase in net assets	1,530,000	2,889,358	1,359,358	88.85%

Revenues

- Revenue from operating grants and contributions are designated for specific projects/purposes, such as grants from private foundations; the state's contribution to employee retirement accounts on the District's behalf; National School Lunch/Breakfast and Commodities; and various federal programs funded by the federal government. The increase of \$2,024,439 (6.5%) was due to increased State Fiscal Stabilization Funds of \$2.0 million.
- Property taxes revenue decreased \$567,975, or 1.22% due to fewer taxes collected in the General Fund.
- State aid formula revenues decreased by \$1,127,702, or 2.19%, mainly due to the increase in the State Fiscal Stabilization Funds of \$2.0 million (noted above).

Expenses

- Overall expenditures decreased a total of \$1,049,780, or 0.80%, primarily in the Curriculum and Staff Development (13), Food Service (35) and the Debt Service (71) functional areas. The curriculum and staff development decreased due to a reduction in the grant funds of \$234,000 as well as a planned reduction for staff development in the general fund of \$140,879. Food Service function decreased due to a reduction in payroll, contracted services as well as food costs. The debt service function was reduced due to a planned Board approved refinancing of maintenance bonds in April 2011.

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 \$130,476,050. The amount that our taxpayers paid for these activities through property taxes was \$46,103,455.
- Some of the cost was paid by those who directly benefited from the programs through charges for services - \$3,538,332 – and by grants and contributions - \$33,152,713.
- The amount funded by the state was \$50,343,441 in formula grants and direct state aid.

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

	<u>Total Expenses</u>		<u>Increase</u>	<u>%</u>
	<u>Before Program Revenue</u>		<u>(Decrease)</u>	<u>Change</u>
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>	<u>2010-2011</u>
Instruction	\$73,755,901	\$73,526,304	\$(229,597)	(0.31)%
Instr resources/media	1,584,624	1,505,099	(79,525)	(5.02)%
School leadership	6,425,506	6,533,698	108,192	1.68%
Guidance & counseling	5,480,257	5,294,099	(186,258)	(3.40)%
Food services	7,457,551	7,097,783	(359,768)	(4.82)%
Extracurricular activities	4,926,064	5,169,825	243,761	4.95%
General administration	2,982,963	2,840,218	(142,745)	(4.79)%
Plant maint & optns	12,536,534	12,718,722	182,188	1.45%
	<u>Net Cost Of Services</u>		<u>Increase</u>	<u>%</u>
	<u>2010</u>		<u>(Decrease)</u>	<u>Change</u>
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>	<u>2010-2011</u>
Instruction	54,426,399	52,182,275	(2,244,064)	(4.12)%
Instr resources/media	1,418,043	1,377,751	(40,292)	(2.84)%
School leadership	5,826,361	5,899,224	72,863	1.25%
Guidance & counseling	4,184,174	4,335,378	151,204	3.61%
Food services	69,754	232,710	162,956	233.62
Extracurricular activities	3,726,762	3,836,856	110,094	2.95
General administration	2,859,523	2,718,902	(140,621)	(4.92)%
Plant maint & optns	12,225,656	12,221,433	(4,223)	(0.03)%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types on a modified accrual basis totaled \$134,085,637, an increase of \$1,176,756 (.89%) over revenues of \$132,908,881 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, interest income, and other local income. State revenues reductions were due primarily to supplanting of additional state aid offsetting property tax reductions with increases to federal American Recovery and Reinvestment Act (ARRA) stimulus funding. Federal revenues increased primarily due to federal ARRA stimulus funds.

General Fund Revenue Highlights

- General fund local revenues were \$41,337,126 for the year. This was \$213,496 higher than the previous year, or 0.5% increase. The total varied \$517,173 below the amended budget. The primary component of local revenues is property taxes.
- Total state program revenues were \$52,095,448, a decrease of \$1,972,645 (3.65%). The total was \$276,615 less than budgeted estimates.
- Federal program revenues were \$2,669,079, an increase of \$756,775 (39.57%), which was \$70,015 above the amended budget.
- 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 \$0.96 million due primarily to revised personnel budgeted expenditures and benefits.

General Fund Expenditure Highlights

- General fund expenditures were \$92,832,906, down \$2,834,171 from the prior year and were \$1,515,080 below the final amended budget.
- Instructional expenditures were \$53,674,608, down \$2,816,319, which was below the final amended budget by \$885,778.
- Support service expenditures were up \$319,311, which was below budget by \$105,459.
- Support services (non-student) of \$14,757,029, a decrease of \$80,794, were \$94,745 under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District has invested \$173,276,594 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4) This amount represents a net increase (including additions and retirements) of \$1.6 million over last year. The District purchased nineteen buses for \$1,801,154. 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
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>	<u>2010-2011</u>
Land	\$3,481,231	\$3,636,485	\$155,254	4.46%
Bldgs and improvements	145,628,460	146,107,493	479,033	0.33%
Equipment	22,000,024	22,315,119	315,095	1.43%
Property under cap lease	517,497	1,217,497	700,000	135.27%
Construction in progress	22,933	0	(22,933)	(100)%
Cost of capital assets	171,650,145	173,276,594	1,626,449	0.95%
Accumulated depreciation	72,676,422	75,794,160	3,117,738	4.29%
Capital assets, net of depreciation	98,973,723	97,482,434	(1,491,289)	(1.51)%

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. \$667,385 was expended in the capital projects fund this year.

Long-term Debt and Other Obligations

At year-end the District had \$65,161,101 in bonds and capital leases and \$2,322,939 in accrued leave outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

	Governmental Activities		Increase (Decrease)	% Change
	2010	2011	2010-2011	2010-2011
Gen. obligation bonds	\$69,700,802	\$64,190,793	(\$5,510,009)	(7.91)%
Cap leases payable	706,132	970,308	264,176	37.41%
Notes Payable	505,463	368,712	(136,751)	(27.06)%
Unamortized prem on bonds	1,381,658	1,297,921	(83,737)	(6.06)%
Long-term debt	\$72,294,055	66,827,734	(5,466,321)	(7.56)%
Compensated Absences	1,723,040	2,322,939	599,899	34.82%
Total long-term obligations	\$74,017,095	69,150,673	(4,866,422)	(6.57)%

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 ASSETS

AUGUST 31, 2011

Data Control Codes	1	2	3
	Governmental Activities	Business-type Activities	Total
ASSETS:			
1110	\$ 8,292,323	\$ (7,495)	\$ 8,284,828
1120	6,254,898	--	6,254,898
1225	1,640,072	--	1,640,072
1240	10,617,661	--	10,617,661
1260	10,476	--	10,476
1290	508,519	--	508,519
1300	1,568,099	--	1,568,099
1410	313,339	--	313,339
1420	382,126	--	382,126
Capital Assets:			
1510	3,636,485	--	3,636,485
1520	87,683,302	--	87,683,302
1530	5,163,098	--	5,163,098
1550	999,549	--	999,549
1000	<u>127,069,947</u>	<u>(7,495)</u>	<u>127,062,452</u>
LIABILITIES:			
2110	1,520,660	--	1,520,660
2150	985,681	--	985,681
2165	4,643,170	--	4,643,170
2180	7,334	--	7,334
2200	679,062	--	679,062
2300	1,428,230	--	1,428,230
Noncurrent Liabilities:			
2501	7,861,350	--	7,861,350
2502	61,289,323	--	61,289,323
2000	<u>78,414,810</u>	<u>--</u>	<u>78,414,810</u>
NET ASSETS			
3200	31,186,196	--	31,186,196
Restricted For:			
3820	175,571	--	175,571
3850	785,321	--	785,321
3900	16,508,049	(7,495)	16,500,554
3000	<u>\$ 48,655,137</u>	<u>\$ (7,495)</u>	<u>\$ 48,647,642</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues	
			Charges for Services	4 Operating Grants and Contributions
	Governmental Activities:			
11	<i>Instruction</i>	\$ 73,526,304	\$ 248,914	\$ 21,095,115
12	<i>Instructional Resources and Media Services</i>	1,505,099	18,187	109,161
13	<i>Curriculum and Staff Development</i>	1,916,091	69,025	1,051,655
21	<i>Instructional Leadership</i>	3,038,455	--	1,058,058
23	<i>School Leadership</i>	6,533,698	84,583	549,891
31	<i>Guidance, Counseling, & Evaluation Services</i>	5,294,099	--	958,721
32	<i>Social Work Services</i>	479,636	--	231,592
33	<i>Health Services</i>	1,389,335	--	163,987
34	<i>Student Transportation</i>	2,627,364	--	222,108
35	<i>Food Service</i>	7,097,783	1,868,183	5,462,310
36	<i>Cocurricular/Extracurricular Activities</i>	5,169,825	1,130,358	202,611
41	<i>General Administration</i>	2,840,218	--	121,316
51	<i>Plant Maintenance and Operations</i>	12,718,722	110,177	387,112
52	<i>Security and Monitoring Services</i>	496,991	--	32,747
53	<i>Data Processing Services</i>	2,227,146	--	75,232
61	<i>Community Services</i>	29,034	--	10,767
72	<i>Interest on Long-term Debt</i>	2,841,097	--	1,420,330
73	<i>Bond Issuance Costs and Fees</i>	26,263	--	--
93	<i>Payments Related to Shared Services Arrangements</i>	174,497	--	--
99	<i>Other Intergovernmental Charges</i>	526,764	--	--
TG	Total Governmental Activities	<u>130,458,421</u>	<u>3,529,427</u>	<u>33,152,713</u>
	Business-type Activities:			
01	<i>WFHS Tutoring</i>	17,629	8,905	--
TP	Total Primary Government	<u>\$ 130,476,050</u>	<u>\$ 3,538,332</u>	<u>\$ 33,152,713</u>
	General Revenues:			
MT	<i>Property Taxes, Levied for General Purposes</i>			
DT	<i>Property Taxes, Levied for Debt Service</i>			
IE	<i>Investment Earnings</i>			
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>			
MI	<i>Miscellaneous</i>			
TR	Total General Revenues			
CN	Change in Net Assets			
NB	Net Assets - Beginning			
NE	Net Assets - Ending			

The accompanying notes are an integral part of this statement.

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Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (52,182,275)		\$ (52,182,275)
(1,377,751)		(1,377,751)
(795,411)		(795,411)
(1,980,397)		(1,980,397)
(5,899,224)		(5,899,224)
(4,335,378)		(4,335,378)
(248,044)		(248,044)
(1,225,348)		(1,225,348)
(2,405,256)		(2,405,256)
232,710		232,710
(3,836,856)		(3,836,856)
(2,718,902)		(2,718,902)
(12,221,433)		(12,221,433)
(464,244)		(464,244)
(2,151,914)		(2,151,914)
(18,267)		(18,267)
(1,420,767)		(1,420,767)
(26,263)		(26,263)
(174,497)		(174,497)
(526,764)		(526,764)
<u>(93,776,281)</u>		<u>(93,776,281)</u>
--	\$ (8,724)	(8,724)
<u>(93,776,281)</u>	<u>(8,724)</u>	<u>(93,785,005)</u>
39,896,500	--	39,896,500
6,206,955	--	6,206,955
127,466	--	127,466
50,343,441	--	50,343,441
100,001	--	100,001
<u>96,674,363</u>	<u>--</u>	<u>96,674,363</u>
2,898,082	(8,724)	2,889,358
45,757,055	1,229	45,758,284
<u>\$ 48,655,137</u>	<u>\$ (7,495)</u>	<u>\$ 48,647,642</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2011

Data Control Codes	10		Title XIV State Fiscal Stabilization
	General Fund		
ASSETS:			
1110	Cash and Cash Equivalents	\$ 4,165,027	\$ 149,471
1120	Current Investments	5,506,351	--
1225	Taxes Receivable, Net	1,426,367	--
1240	Due from Other Governments	4,785,648	1,855,892
1260	Due from Other Funds	5,280,616	--
1290	Other Receivables	472,315	--
1300	Inventories	422,403	--
1410	Deferred Expenditures	313,339	--
1000	Total Assets	\$ 22,372,066	\$ 2,005,363
LIABILITIES:			
Current Liabilities:			
2110	Accounts Payable	\$ 931,299	\$ --
2150	Payroll Deductions & Withholdings	985,581	--
2160	Accrued Wages Payable	3,881,334	--
2170	Due to Other Funds	408,185	2,005,363
2180	Due to Other Governments	4,609	--
2300	Unearned Revenue	1,571,666	--
2000	Total Liabilities	7,782,674	2,005,363
FUND BALANCES:			
Nonspendable Fund Balances:			
3410	Inventories	422,402	--
3430	Prepaid Items	313,339	--
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--
3480	Retirement of Long-Term Debt	--	--
Committed Fund Balances:			
3510	Construction	--	--
3540	Self-Insurance	100,000	--
3545	Other Committed Fund Balance	1,811,750	--
3600	Unassigned	11,941,901	--
3000	Total Fund Balances	14,589,392	--
4000	Total Liabilities and Fund Balances	\$ 22,372,066	\$ 2,005,363

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 533,402	\$ 1,386,194	\$ 6,234,094
4,572	495,301	6,006,224
--	213,705	1,640,072
--	3,976,121	10,617,661
--	397,982	5,678,598
--	35,226	507,541
--	1,139,196	1,561,599
--	--	313,339
<u>\$ 537,974</u>	<u>\$ 7,643,725</u>	<u>\$ 32,559,128</u>
\$ 5,530	\$ 262,217	\$ 1,199,046
--	100	985,681
--	760,763	4,642,097
948	3,263,527	5,678,023
--	2,725	7,334
--	1,347,499	2,919,165
<u>6,478</u>	<u>5,636,831</u>	<u>15,431,346</u>
--	500,288	922,690
--	--	313,339
--	785,491	785,491
--	191,479	191,479
531,496	--	531,496
--	--	100,000
--	529,636	2,341,386
--	--	11,941,901
<u>531,496</u>	<u>2,006,894</u>	<u>17,127,782</u>
<u>\$ 537,974</u>	<u>\$ 7,643,725</u>	<u>\$ 32,559,128</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 AUGUST 31, 2011

Total fund balances - governmental funds balance sheet	\$ 17,127,782
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the governmental fund financial statements.	165,451,247
Accumulated depreciation has not been included in the governmental fund financial statements.	(71,631,409)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:	
Bonds payable	\$ 64,190,793
Capital leases payable	197,551
Compensated absences	<u>2,322,939</u>
	(66,711,283)
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.	(210,062)
In the governmental fund financial statements, bond issuance costs are expensed when incurred, whereas in the government-wide financial statements they are capitalized, net of amortization.	382,126
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.	(1,297,921)
Revenue reported as unearned revenue in the governmental fund financial statements are recorded as revenue in the government-wide financial statements.	1,490,935
Internal service funds are used by management to charge the costs of various services to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	4,053,722
	<u>48,655,137</u>
Net assets of governmental activities - statement of net assets	<u>\$ 48,655,137</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, 2011

Data Control Codes	10 General Fund	Title XIV State Fiscal Stabilization
REVENUES:		
5700 Local and Intermediate Sources	\$ 41,337,126	\$ --
5800 State Program Revenues	52,095,448	--
5900 Federal Program Revenues	2,669,079	6,630,957
5020 Total Revenues	<u>96,101,653</u>	<u>6,630,957</u>
EXPENDITURES:		
Current:		
0011 Instruction	51,508,272	6,630,957
0012 Instructional Resources and Media Services	1,395,606	--
0013 Curriculum and Staff Development	770,730	--
0021 Instructional Leadership	2,076,784	--
0023 School Leadership	6,056,866	--
0031 Guidance, Counseling, & Evaluation Services	4,380,314	--
0032 Social Work Services	229,088	--
0033 Health Services	1,255,923	--
0034 Student Transportation	2,395,718	--
0035 Food Service	46,521	--
0036 Cocurricular/Extracurricular Activities	4,378,341	--
0041 General Administration	2,733,890	--
0051 Plant Maintenance and Operations	12,193,714	--
0052 Security and Monitoring Services	493,884	--
0053 Data Processing Services	2,069,431	--
0061 Community Services	3,288	--
0071 Principal on Long-term Debt	133,465	--
0072 Interest on Long-term Debt	9,810	--
0073 Bond Issuance Costs and Fees	--	--
0081 Capital Outlay	--	--
0093 Payments to Shared Service Arrangements	174,497	--
0099 Other Intergovernmental Charges	526,764	--
6030 Total Expenditures	<u>92,832,906</u>	<u>6,630,957</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,268,747</u>	<u>--</u>
Other Financing Sources and (Uses):		
7911 Capital-Related Debt Issued (Regular Bonds)	--	--
7912 Sale of Real or Personal Property	64,459	--
7915 Transfers In	100,000	--
8911 Transfers Out	(2,403,069)	--
8949 Other Uses	--	--
7080 Total Other Financing Sources and (Uses)	<u>(2,238,610)</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>1,030,137</u>	<u>--</u>
0100 Fund Balances - Beginning	13,559,255	--
3000 Fund Balances - Ending	<u>\$ 14,589,392</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 69,952	\$ 9,772,813	\$ 51,179,891
--	3,537,292	55,632,740
--	17,972,970	27,273,006
<u>69,952</u>	<u>31,283,075</u>	<u>134,085,637</u>
--	13,017,473	71,156,702
--	53,989	1,449,595
--	1,086,601	1,857,331
--	951,143	3,027,927
--	298,219	6,355,085
--	736,670	5,116,984
--	235,780	464,868
--	96,777	1,352,700
--	222,110	2,617,828
--	6,847,980	6,894,501
--	669,213	5,047,554
--	(14)	2,733,876
--	263,984	12,457,698
--	662	494,546
--	--	2,069,431
--	24,420	27,708
--	5,775,000	5,908,465
--	2,648,896	2,658,706
--	1,610	1,610
667,385	--	667,385
--	--	174,497
--	--	526,764
<u>667,385</u>	<u>32,930,513</u>	<u>133,061,761</u>
<u>(597,433)</u>	<u>(1,647,438)</u>	<u>1,023,876</u>
--	2,515,000	2,515,000
--	--	64,459
--	2,057,270	2,157,270
(100,000)	--	(2,503,069)
--	(2,515,000)	(2,515,000)
<u>(100,000)</u>	<u>2,057,270</u>	<u>(281,340)</u>
<u>(697,433)</u>	<u>409,832</u>	<u>742,536</u>
1,228,929	1,597,062	16,385,246
<u>\$ 531,496</u>	<u>\$ 2,006,894</u>	<u>\$ 17,127,782</u>

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, 2011

Net change in fund balances - total governmental funds	\$ 742,536
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.	1,461,318
Depreciation is not recognized as an expenditure in the governmental fund financial statements since it does not use current financial resources. Current year depreciation expense is:	(4,211,087)
Book value of capital assets disposed of during the year are not reported in the governmental fund financial statements, but are recognized in the government-wide financial statements. The the net book value of the capital assets disposed of during the year was:	(87,700)
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:	8,423,465
Issuance of long-term debt are other sources in the governmental fund financial statements, but are reported as additions of long-term debt in the government-wide financial statements. Current year long-term debt issued was:	(2,515,000)
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:	(264,991)
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:	19,205
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 increased by:	(599,899)
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
Amortization of debt issuance costs is only reported in the government-wide financial statements. Current year amortization is:	(24,653)
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.	(729,476)
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.	600,627
Change in net assets of governmental activities - statement of activities	<u>\$ 2,898,082</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

AUGUST 31, 2011

Data Control Codes	Nonmajor Enterprise Fund	Internal Service Funds
	WFHS Tutoring	
ASSETS:		
Current Assets:		
1110	\$ (7,495)	\$ 2,058,229
1120	--	248,674
Receivables:		
1260	--	9,901
1290	--	978
1310	--	6,500
	<u>(7,495)</u>	<u>2,324,282</u>
Noncurrent Assets:		
Capital Assets:		
1530	--	6,609,939
1550	--	1,217,496
1570	--	(4,164,839)
	--	<u>3,662,596</u>
1000	<u>(7,495)</u>	<u>5,986,878</u>
LIABILITIES:		
Current Liabilities:		
2110	--	321,614
2120	--	232,840
2130	--	144,113
2160	--	1,073
2200	--	469,000
	--	<u>1,168,640</u>
Noncurrent Liabilities:		
2500	--	764,516
	--	<u>764,516</u>
2000	--	<u>1,933,156</u>
NET ASSETS:		
3200	--	2,521,127
3900	(7,495)	1,532,595
3000	<u>(7,495)</u>	<u>\$ 4,053,722</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	Nonmajor Enterprise Fund	Internal Service Funds
	WFHS Tutoring	
OPERATING REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 8,905	\$ 4,132,228
5020 Total Revenues	<u>8,905</u>	<u>4,132,228</u>
OPERATING EXPENSES:		
6100 <i>Payroll Costs</i>	6,929	206,398
6200 <i>Professional and Contracted Services</i>	10,700	2,656,743
6300 <i>Supplies and Materials</i>	--	550,820
6400 <i>Other Operating Costs</i>	--	435,805
6500 <i>Debt Service</i>	--	27,976
6030 Total Expenses	<u>17,629</u>	<u>3,877,742</u>
Operating Income (Loss)	<u>(8,724)</u>	<u>254,486</u>
NON-OPERATING REVENUES (EXPENSES):		
7955 <i>Earnings from Temp. Deposits and Investments</i>	--	343
8030 Total Non-operating Revenues (Expenses)	<u>--</u>	<u>343</u>
Income (Loss) before Transfers	<u>(8,724)</u>	<u>254,829</u>
7915 <i>Transfers In</i>	--	345,799
1300 Change in Net Assets	<u>(8,724)</u>	<u>600,628</u>
0100 Total Net Assets - Beginning	1,229	3,453,094
3300 Total Net Assets - Ending	<u>\$ (7,495)</u>	<u>\$ 4,053,722</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, 2011

	Nonmajor Enterprise Fund	Internal Service Funds
	WFHS Tutoring	
Cash Flows from Operating Activities:		
<i>Cash Received for Quasi-external Operating Transactions with Others</i>	\$ 8,905	\$ 5,877,998
<i>Cash Payments to Employees for Services</i>	(6,929)	(202,660)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(10,700)	(3,757,742)
Net Cash Provided (Used) by Operating Activities	<u>(8,724)</u>	<u>1,917,596</u>
Cash Flows from Non-capital Financing Activities:		
<i>Transfers from Other Funds</i>	--	345,799
Cash Flows from Capital and Related Financing Activities:		
<i>Purchase of Capital Assets</i>	--	(1,801,153)
<i>Proceeds from Debt Issuance</i>	--	500,608
<i>Principal Paid</i>	--	(280,914)
Net Cash Used by Capital and Related Financing Activities	<u>--</u>	<u>(1,581,459)</u>
Cash Flows from Investing Activities:		
<i>Purchase of Investment Securities</i>	--	(343)
<i>Interest and Dividends on Investments</i>	--	343
Net Cash Provided for Investing Activities	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,724)	681,936
Cash and Cash Equivalents at Beginning of Year	1,229	1,376,293
Cash and Cash Equivalents at End of Year	<u>\$ (7,495)</u>	<u>\$ 2,058,229</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (8,724)	\$ 254,486
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
<i>Depreciation</i>	--	454,972
Change in Assets and Liabilities:		
<i>Decrease (Increase) in Due from Other Funds</i>	--	1,746,748
<i>Decrease (Increase) in Other Receivables</i>	--	(978)
<i>Increase (Decrease) in Accounts Payable</i>	--	(339,051)
<i>Increase (Decrease) in Accrued Wages Payable</i>	--	(708)
<i>Increase (Decrease) in Due to Other Funds</i>	--	(12,309)
<i>Increase (Decrease) in Due to Other Governments</i>	--	17
<i>Increase (Decrease) in Accrued Expenses</i>	--	(185,581)
Total Adjustments	<u>--</u>	<u>1,663,110</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,724)</u>	<u>\$ 1,917,596</u>

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2011

Data Control Codes	Private-Purpose Trust Funds	
	Renton Aviation Fund	Agency Funds
ASSETS:		
1110	Cash and Cash Equivalents	\$ 233,330
1240	Due from Other Governments	60,971
1260	Due from Other Funds	302
1290	Other Receivables	25,984
1000	Total Assets	320,587
LIABILITIES:		
Current Liabilities:		
2110	Accounts Payable	16,985
2160	Accrued Wages Payable	265
2170	Due to Other Funds	10,778
2190	Due to Student Groups	292,559
2000	Total Liabilities	320,587
NET ASSETS		
3800	Held in Trust	3,000
3000	Total Net Assets	\$ 3,000

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**FIDUCIARY FUNDS**FOR THE YEAR ENDED AUGUST 31, 2011*

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

The accompanying notes are an integral part of this statement.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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 No. 39, 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 assets 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.

Title XIV State Fiscal Stabilization Fund: This fund is used to account for the revenues and expenditures associated with the State Fiscal Stabilization ARRA Grant.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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.

In addition, the District reports the following fund types:

Governmental Funds:

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

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

Proprietary 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.

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, an employee wellness benefit program, 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 Statements: These financial statements are reported using the economic resources measurement focus. The government-wide fund 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, 2011

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, 2011, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$	3,279,227
Allowance for uncollectible taxes		(1,639,155)
Net property taxes receivable	\$	<u>1,640,072</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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 \$3,279,227 outstanding at August 31, 2011, it is expected that the District will collect approximately \$680,000 during the upcoming year.

f. 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:

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

g. 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.

h. 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, 2011, no liability is estimated.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

i. 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 Assets 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.

j. 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 assets.

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2011

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.

l. 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, 2011 will change.

m. 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.

n. 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 2011, the District purchased commercial insurance to cover general liabilities, except for worker's compensation. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

The District did not have any violations of finance-related legal and contractual provisions during the year ended August 31, 2011.

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, 2011.

C. Cash and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

Cash

At August 31, 2011, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$8,521,158 and the bank balance was \$9,329,962, including fiduciary funds. The District's cash deposits at August 31, 2011 and during the year ended August 31, 2011 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent in the District's name.

Investments

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

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

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

Reporting

Cash and investments as of August 31, 2011 are classified in the accompanying financial statements as follows:

Governmental Activities Statement of Net Assets	
Cash and cash equivalents	\$ 8,292,323
Current investments	6,254,898
Business-Type Activities Statement of Net Assets	
Cash and cash equivalents	(7,495)
Fiduciary Funds - Statement of Fiduciary Net Assets	
Cash and cash equivalents	<u>236,330</u>
Total cash and investments	<u>\$ 14,776,056</u>
Cash and investments as of August 31, 2011 consist of the following:	
Cash on hand	\$ 21,292
Deposits in financial institutions	8,499,866
Investments	<u>6,254,898</u>
Total cash and investments	<u>\$ 14,776,056</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

The District's investments at August 31, 2011 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Months)</u>	<u>Fair Value</u>
Held in governmental funds:		
TexPool	1	\$ 3,915,539
Texas Term	1	2,090,685
		<u>6,006,224</u>
Held in internal service funds:		
TexPool	1	248,674
		<u>248,674</u>
Total investments		<u>\$ 6,254,898</u>

Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

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

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

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

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

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

D. Capital Assets

Capital asset activity for the year ended August 31, 2011 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,481,231	\$ 155,254	\$ --	\$ 3,636,485
Construction in progress	22,933	--	22,933	--
Total capital assets not being depreciated	<u>3,504,164</u>	<u>155,254</u>	<u>22,933</u>	<u>3,636,485</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	145,628,460	479,033	--	146,107,493
Furniture and equipment	22,000,024	1,951,116	1,636,021	22,315,119
Property under capital lease	517,497	700,000	--	1,217,497
Total capital assets being depreciated	<u>168,145,981</u>	<u>3,130,149</u>	<u>1,636,021</u>	<u>169,640,109</u>
Less accumulated depreciation for:				
Buildings and improvements	55,162,954	3,261,237	--	58,424,191
Furniture and equipment	17,431,846	1,268,496	1,548,321	17,152,021
Property under capital lease	81,622	136,326	--	217,948
Total accumulated depreciation	<u>72,676,422</u>	<u>4,666,059</u>	<u>1,548,321</u>	<u>75,794,160</u>
Total capital assets being depreciated, net	<u>95,469,559</u>	<u>(1,535,910)</u>	<u>87,700</u>	<u>93,845,949</u>
Governmental activities capital assets, net	<u>\$ 98,973,723</u>	<u>\$ (1,380,656)</u>	<u>\$ 110,633</u>	<u>\$ 97,482,434</u>

Depreciation was charged to functions as follows:

Instruction	\$ 2,233,783
Instructional Resources and Media Services	59,799
Curriculum and Staff Development	50,684
Instructional Leadership	99,178
School Leadership	175,393
Guidance, Counseling, & Evaluation Services	142,588
Social Work Services	12,474
Health Services	36,297
Student Transportation	397,274
Food Services	376,210
Extracurricular Activities	153,956
General Administration	89,606
Plant Maintenance and Operations	475,902
Security and Monitoring Services	41,744
Data Processing Services	320,428
Community Services	743
	<u>\$ 4,666,059</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

E. Interfund Balances

Balances due to and from other funds at August 31, 2011 consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	State Fiscal Stabilization	\$ 2,005,363	Supplement other funds
General Fund	Capital Projects Fund	948	Supplement other funds
General Fund	Other Governmental Funds	3,263,527	Supplement other funds
General Fund	Agency Fund	10,778	Supplement other funds
Other Governmental Funds	General Fund	397,982	Supplement other funds
Internal Service Fund	General Fund	9,901	Supplement other funds
Agency Fund	General Fund	302	Supplement other funds
Total		\$ 5,688,801	

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

Balances transferred to and from other funds during the year ended August 31, 2011 consisted of the following:

Transferred From	Transferred To	Amount	Purpose
General Fund	Other Governmental Funds	\$ 2,057,270	Supplement other funds
General Fund	Internal Service Funds	345,799	Supplement other funds
Capital Projects Fund	General Fund	100,000	Supplement other funds
Total		\$ 2,503,069	

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, 2011 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds Payable:					
General Obligation Bonds	\$ 67,395,732	\$ 2,515,000	\$ 8,290,000	\$ 61,620,732	\$ 5,460,000
Accreted Interest	2,305,070	264,991	--	2,570,061	--
Premium on Bonds	1,381,658	--	83,737	1,297,921	--
Total Bonds Payable	71,082,460	2,779,991	8,373,737	65,488,714	5,460,000
Note Payable	505,463	--	136,751	368,712	142,726
Capital Leases Payable	747,328	500,608	277,628	970,308	372,618
Compensated Absences *	1,723,040	2,526,991	1,927,092	2,322,939	1,886,006
Total governmental activities	\$ 74,058,291	\$ 5,807,590	\$ 10,715,208	\$ 69,150,673	\$ 7,861,350

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

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2011 are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 5,975,345	\$ 2,485,868	\$ 8,461,213
2013	6,063,764	2,329,926	8,393,690
2014	6,632,803	2,207,742	8,840,545
2015	3,414,283	2,083,100	5,497,383
2016	3,537,825	1,955,678	5,493,503
2017-2021	16,140,000	7,814,667	23,954,667
2022-2026	19,755,000	3,713,125	23,468,125
2027	4,580,000	114,500	4,694,500
Subtotals	66,099,020	22,704,606	88,803,626
Remaining accretion	(569,207)	--	(569,207)
Totals	\$ 65,529,813	\$ 22,704,606	\$ 88,234,419

The difference between the cumulative principal debt service requirements of \$66,099,020 and the amount reflected in the summary schedule above of \$65,529,813 relates to the remaining accretion of \$569,207 on the capital appreciation bonds.

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
2012	\$ 5,460,000	\$ 2,443,138	\$ 7,903,138
2013	5,630,000	2,308,640	7,938,640
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
2017-2021	16,140,000	7,814,667	23,954,667
2022-2026	19,755,000	3,713,125	23,468,125
2027	4,580,000	114,500	4,694,500
Subtotals	64,760,000	22,623,180	87,383,180
Remaining accretion	(569,207)	--	(569,207)
Totals	\$ 64,190,793	\$ 22,623,180	\$ 86,813,973

The difference between the cumulative principal debt service requirements of \$64,760,000 and the amount reflected in the summary schedule above of \$64,190,793 relates to the remaining accretion of \$569,207 on the capital appreciation bonds.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

A summary of changes in general obligation bonds and notes for the year ended August 31, 2011 is as follows:

	Amounts Outstanding 9/1/10	Issued	Interest Accretion	Retired	Amounts Outstanding 8/31/11
* Unlimited Tax Refunding Bonds, Series 1998 Interest Range 3.35% -5.00%	\$ 5,315,802	\$ --	\$ 264,991	\$ --	\$ 5,580,793
** Maintenance Tax Notes, Series 2003 Interest Range 1.80% -4.35%	1,135,000	--	--	1,135,000	--
** Maintenance Tax Notes, Series 2004 Interest Range 1.50% -3.80%	400,000	--	--	400,000	--
* Unlimited Tax Refunding Bonds, Series 2004 Interest Range 1.50% -3.80%	400,000	--	--	90,000	310,000
** Maintenance Tax Notes, Series 2005 Interest Range 2.35% -4.25%	1,525,000	--	--	1,525,000	--
* Unlimited Tax School Building Bonds, Series 2007 Interest Range 4.00% -5.00%	55,035,000	--	--	2,260,000	52,775,000
* Unlimited Tax Refunding Bonds, Series 2009 Interest 2.32%	5,890,000	--	--	2,880,000	3,010,000
** Maintenance Tax Refunding Bonds, Series 2011 Interest Range 1.90% -2.75%	--	2,515,000	--	--	2,515,000
Totals	\$ 69,700,802	\$ 2,515,000	\$ 264,991	\$ 8,290,000	\$ 64,190,793

* 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, 2011

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, 2011 are as follows:

Year Ending August 31:	Note Payable		Total
	Principal	Interest	Requirements
2012	\$ 142,726	\$ 13,128	\$ 155,854
2013	149,035	6,820	155,855
2014	76,951	976	77,927
Totals	\$ 368,712	\$ 20,924	\$ 389,636

5. Capital Leases

The Public Property Finance Act gives the District the authority to enter into leases for the acquisition of personal property. The District is obligated under certain leases accounted for as capital leases. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, 'Accounting for Leases', which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The leased assets are recorded under 'Property under capital lease' in the capital assets with a stated cost of \$1,217,497. The interest rates on the capital leases range from 2.09% to 3.63%. Future minimum lease payments under these leases are as follows:

Year Ending August 31:	Capital Leases		Total
	Principal	Interest	Requirements
2012	\$ 372,619	\$ 29,602	\$ 402,221
2013	284,729	14,466	299,195
2014	100,852	8,946	109,798
2015	104,283	5,515	109,798
2016	107,825	1,973	109,798
Totals	\$ 970,308	\$ 60,502	\$ 1,030,810

6. Compensated Absences

Vacation Leave

At August 31, 2011, the District had \$433,933 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, 2011, the accumulated sick leave liability was \$1,811,750.

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, 2011 was \$77,255.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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.

8. Refunding

During the year ended August 31, 2011, the District used the proceeds from the issuance of the Maintenance Tax Refunding Bonds, Series 2011 with a par value of \$2,515,000 with interest ranging from 1.90% to 2.75% to refund various other maintenance tax notes totalling \$2,515,000 with interest rates ranging from 3.35% to \$4.35%. The term of the notes varied through February 2015 and the refunding notes mature through February 2017.

As a result of the refunding, the District reduced its total debt service requirements by \$20,756, which resulted in an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$100,428.

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 downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2011, 2010, and 2009, and a state contribution rate of 6.644% for fiscal years 2011 and 2010 and 6.58% for fiscal year 2009. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period of September through December 2009 and increased to 6.644% for the period of January 2010 through August 2011. State contributions to TRS made on behalf of the District's employees for the years ending August 31, 2011, 2010 and 2009 were \$4,125,885, \$4,213,770 and \$4,163,334, respectively. The District paid additional state contributions for the years ending August 31, 2011, 2010 and 2009 in the amount of \$642,855, \$511,064 and \$736,433, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

H. Retiree Health Care Plan

1. 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 visiting the TRS web site at www.trs.state.tx.us, by writing to the Communications Department of the Teachers Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (800) 223-8778.

2. 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 school district contributions, respectively. The State of Texas and active school district employee contribution rates were 1.00% and 0.65% of school district payroll, respectively, with the school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010, and 2009. Per Texas Insurance Code, Chapter 1575, the school districts contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the school district. For the years ended August 31, 2011, 2010, and 2009, the State's contributions to TRS-Care were \$794,132, \$794,025, and \$722,657, respectively, the active member contributions were \$516,186, \$516,162, and \$502,227, respectively, and the District's contributions were \$436,773, \$436,714, and \$424,961, respectively, which equaled the required contributions for the year.

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, 2011, 2010, and 2009, the subsidy payments received by TRS-Care on-behalf of the District were \$186,969, \$200,321, and \$175,035, respectively.

I. Self-Insured Worker's Compensation Plan

The District maintains a self-insured worker's compensation plan. The District has third party insurance coverage for any losses in excess of \$350,000 per claim and a maximum of \$1,000,000 per claim. The District is responsible for claims up to \$350,000 per claim.

The estimated claims benefit obligation for the self-insured worker's compensation plan of \$692,000 at August 31, 2011 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, 2011.

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.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

As of August 31, 2011, the worker's compensation benefit obligation consisted of \$692,000 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, 2010		\$	1,211,063
Incurred claims:			
Provision for insured events for 2010-11	\$	386,000	
Provision for insured events for prior years		(467,835)	(81,835)
Payments:			
Claims attributed to insured events for 2010-11		157,000	
Claims attributed to insured events for prior years		280,228	437,228
Balance at August 31, 2011		\$	692,000

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, 2011.

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	\$ 1,523	\$ 1,378	\$ --	\$ 23,110	\$ 26,011
Burkburnett ISD	2,437	2,068	226	82,379	87,110
Clay-Jack Coop	2,133	1,930	--	39,370	43,433
Graham ISD	305	276	--	16,262	16,843
Greenbelt Coop	610	552	--	5,136	6,298
Haskell/Knox Coop	--	--	226	1,712	1,938
Montague County Coop	1,828	1,654	452	36,804	40,738
Vernon ISD	457	414	--	7,061	7,932
West Wichita County Coop	3,046	2,205	--	74,890	80,141
Wichita Falls ISD	10,053	7,997	1,361	298,695	318,106
Totals	\$ 22,392	\$ 18,474	\$ 2,265	\$ 585,419	\$ 628,550

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

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, 2011, the additions and deletions for CIS were as follows:

Additions		\$	275,717
Deletions:			
11 Instruction	\$	684	
21 Instructional Leadership		78,072	
31 Guidance, Counseling, & Evaluation Services		196,961	
Total deletions			275,717
Net Change		\$	<u> --</u>

M. Committed Fund Balance

At August 31, 2011, the District had committed fund balance for specific purposes in the following funds:

	General Fund	Capital Projects Fund	Other Governmental Funds	Totals
Construction	\$ --	\$ 531,496	\$ --	\$ 531,496
Self-insurance	100,000	--	--	100,000
Accumulated sick leave benefits obligations	1,811,750	--	--	1,811,750
Campus Activity Funds	--	--	529,636	529,636
Totals	<u>\$ 1,911,750</u>	<u>\$ 531,496</u>	<u>\$ 529,636</u>	<u>\$ 2,972,882</u>

Required Supplementary Information

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

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT G-1
Page 1 of 2

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	\$ 41,806,599	\$ 41,854,299	\$ 41,337,126	\$ (517,173)			
5800	51,811,063	52,372,063	52,095,448	(276,615)			
5900	2,035,000	2,599,064	2,669,079	70,015			
5020	95,652,662	96,825,426	96,101,653	(723,773)			
EXPENDITURES:							
Current:							
Instruction & Instructional Related Services:							
0011	50,868,480	52,296,538	51,508,272	788,266			
0012	1,461,521	1,410,648	1,395,606	15,042			
0013	992,015	853,200	770,730	82,470			
	53,322,016	54,560,386	53,674,608	885,778			
Instructional and School Leadership:							
0021	2,396,914	2,172,845	2,076,784	96,061			
0023	6,012,059	6,057,757	6,056,866	891			
	8,408,973	8,230,602	8,133,650	96,952			
Support Services - Student (Pupil):							
0031	4,376,345	4,408,028	4,380,314	27,714			
0032	286,502	259,891	229,088	30,803			
0033	1,248,372	1,264,284	1,255,923	8,361			
0034	2,503,016	2,403,000	2,395,718	7,282			
0035	--	49,336	46,521	2,815			
0036	4,352,462	4,406,825	4,378,341	28,484			
	12,766,697	12,791,364	12,685,905	105,459			
Administrative Support Services:							
0041	2,940,538	2,901,665	2,733,890	167,775			
	2,940,538	2,901,665	2,733,890	167,775			
Support Services - Nonstudent Based:							
0051	12,426,061	12,228,345	12,193,714	34,631			
0052	358,743	504,735	493,884	10,851			
0053	2,295,362	2,118,694	2,069,431	49,263			
	15,080,166	14,851,774	14,757,029	94,745			
Ancillary Services:							
0061	5,692	10,178	3,288	6,890			
	5,692	10,178	3,288	6,890			
Debt Service:							
0071	255,830	255,830	133,465	122,365			
0072	17,445	17,445	9,810	7,635			
	273,275	273,275	143,275	130,000			
Intergovernmental Charges:							
0093	23,742	183,742	174,497	9,245			
0099	565,000	545,000	526,764	18,236			
	588,742	728,742	701,261	27,481			
6030	93,386,099	94,347,986	92,832,906	1,515,080			

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	2,266,563	2,477,440	3,268,747	791,307
	Other Financing Sources (Uses):				
7912	Sale of Real or Personal Property	25,000	25,000	64,459	39,459
7915	Transfers In	--	--	100,000	100,000
7949	Other Resources	100,000	100,000	--	(100,000)
8911	Transfers Out	(2,391,563)	(2,684,183)	(2,403,069)	281,114
7080	Total Other Financing Sources and (Uses)	(2,266,563)	(2,559,183)	(2,238,610)	320,573
1200	Net Change in Fund Balance	--	(81,743)	1,030,137	1,111,880
0100	Fund Balance - Beginning	13,559,255	13,559,255	13,559,255	--
3000	Fund Balance - Ending	\$ 13,559,255	\$ 13,477,512	\$ 14,589,392	\$ 1,111,880

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2011

A. Basis of Budgeting

The Wichita Falls Independent School District's (District) budget for the General Fund is 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, Debt Service Fund and Food Service Fund. The annual budget is presented in the accompanying schedule for the General Fund. 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 budget for the General Fund was prepared and adopted through Board resolution before August 31, 2010. 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 decreases in budgeted revenues for state program revenues related to decreased state aid and budgeted expenditures for instruction were reduced by a like amount. Budgeted expenditures for capital outlay and other financing sources - proceeds from capital leases were both increased to allow for the acquisition of equipment through capital leases. The budget amounts reflected in the accompanying schedule represent final amended budget amounts as approved by the Board.

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, 2011

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 1,381,590	\$ 4,604	\$ 1,386,194
1120	Current Investments	476,273	19,028	495,301
1225	Taxes Receivable, Net	--	213,705	213,705
1240	Due from Other Governments	3,827,325	148,796	3,976,121
1260	Due from Other Funds	397,982	--	397,982
1290	Other Receivables	35,226	--	35,226
1300	Inventories	1,139,196	--	1,139,196
1000	Total Assets	\$ 7,257,592	\$ 386,133	\$ 7,643,725
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 262,217	\$ --	\$ 262,217
2150	Payroll Deductions & Withholdings	100	--	100
2160	Accrued Wages Payable	760,763	--	760,763
2170	Due to Other Funds	3,263,027	500	3,263,527
2180	Due to Other Governments	2,725	--	2,725
2300	Unearned Revenue	1,153,345	194,154	1,347,499
2000	Total Liabilities	5,442,177	194,654	5,636,831
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	500,288	--	500,288
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	785,491	--	785,491
3480	Retirement of Long-Term Debt	--	191,479	191,479
Committed Fund Balances:				
3545	Other Committed Fund Balance	529,636	--	529,636
3000	Total Fund Balances	1,815,415	191,479	2,006,894
4000	Total Liabilities and Fund Balances	\$ 7,257,592	\$ 386,133	\$ 7,643,725

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 3,562,869	\$ 6,209,944	\$ 9,772,813
5800 <i>State Program Revenues</i>	2,116,962	1,420,330	3,537,292
5900 <i>Federal Program Revenues</i>	17,972,970	--	17,972,970
5020 Total Revenues	<u>23,652,801</u>	<u>7,630,274</u>	<u>31,283,075</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	13,017,473	--	13,017,473
0012 <i>Instructional Resources and Media Services</i>	53,989	--	53,989
0013 <i>Curriculum and Staff Development</i>	1,086,601	--	1,086,601
0021 <i>Instructional Leadership</i>	951,143	--	951,143
0023 <i>School Leadership</i>	298,219	--	298,219
0031 <i>Guidance, Counseling, & Evaluation Services</i>	736,670	--	736,670
0032 <i>Social Work Services</i>	235,780	--	235,780
0033 <i>Health Services</i>	96,777	--	96,777
0034 <i>Student Transportation</i>	222,110	--	222,110
0035 <i>Food Service</i>	6,847,980	--	6,847,980
0036 <i>Cocurricular/Extracurricular Activities</i>	669,213	--	669,213
0041 <i>General Administration</i>	(14)	--	(14)
0051 <i>Plant Maintenance and Operations</i>	263,984	--	263,984
0052 <i>Security and Monitoring Services</i>	662	--	662
0061 <i>Community Services</i>	24,420	--	24,420
0071 <i>Principal on Long-term Debt</i>	--	5,775,000	5,775,000
0072 <i>Interest on Long-term Debt</i>	--	2,648,896	2,648,896
0073 <i>Bond Issuance Costs and Fees</i>	--	1,610	1,610
6030 Total Expenditures	<u>24,505,007</u>	<u>8,425,506</u>	<u>32,930,513</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>(852,206)</u>	<u>(795,232)</u>	<u>(1,647,438)</u>
Other Financing Sources and (Uses):			
7911 <i>Capital-Related Debt Issued (Regular Bonds)</i>	--	2,515,000	2,515,000
7915 <i>Transfers In</i>	1,412,356	644,914	2,057,270
8949 <i>Other Uses</i>	--	(2,515,000)	(2,515,000)
7080 Total Other Financing Sources and (Uses)	<u>1,412,356</u>	<u>644,914</u>	<u>2,057,270</u>
1200 Net Change in Fund Balances	<u>560,150</u>	<u>(150,318)</u>	<u>409,832</u>
0100 Fund Balances - Beginning	<u>1,255,265</u>	<u>341,797</u>	<u>1,597,062</u>
3000 Fund Balances - Ending	<u>\$ 1,815,415</u>	<u>\$ 191,479</u>	<u>\$ 2,006,894</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 90,497	\$ --	\$ 80,262	\$ --
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	500,966	834	513,391	--
1260	Due from Other Funds	2,040	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 593,503	\$ 834	\$ 593,653	\$ --
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 2,774	\$ --	\$ 569	\$ --
2150	Payroll Deductions & Withholdings	100	--	--	--
2160	Accrued Wages Payable	90,629	834	92,031	--
2170	Due to Other Funds	500,000	--	501,053	--
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	593,503	834	593,653	--
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	\$ 593,503	\$ 834	\$ 593,653	\$ --

213 ESEA Title I Pt B-Even St Family Literacy	215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
\$ (1,094)	\$ (18,274)	\$ 46,405	\$ 187,995	\$ 21,054
--	--	--	--	476,273
1,758	20,395	558,427	14,117	220,982
6	920	--	--	392,598
--	--	--	--	2,797
--	--	--	--	1,139,196
<u>\$ 670</u>	<u>\$ 3,041</u>	<u>\$ 604,832</u>	<u>\$ 202,112</u>	<u>\$ 2,252,900</u>
\$ 234	\$ --	\$ 3,744	\$ --	\$ 157,078
--	--	--	--	--
436	3,041	100,538	2,112	147,756
--	--	500,550	200,000	23,549
--	--	--	--	--
--	--	--	--	638,908
<u>670</u>	<u>3,041</u>	<u>604,832</u>	<u>202,112</u>	<u>967,291</u>
--	--	--	--	500,288
--	--	--	--	785,321
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,285,609</u>
<u>\$ 670</u>	<u>\$ 3,041</u>	<u>\$ 604,832</u>	<u>\$ 202,112</u>	<u>\$ 2,252,900</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Lang. Acquisition and Enhancement	
ASSETS:					
1110	Cash and Cash Equivalents	\$ (9,553)	\$ (112,648)	\$ --	\$ (10,459)
1120	Current Investments	--	--	--	--
1240	Due from Other Governments	12,053	139,671	--	10,459
1260	Due from Other Funds	--	2,284	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 2,500	\$ 29,307	\$ --	\$ --
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 16,965	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--	--
2160	Accrued Wages Payable	2,500	12,342	--	--
2170	Due to Other Funds	--	--	--	--
2180	Due to Other Governments	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	2,500	29,307	--	--
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	\$ 2,500	\$ 29,307	\$ --	\$ --

265 21st Century Community Learning Centers	272 MAC Program	276 Title I SIP Academy Grant	279 Enhancing Education through Tech-ARRA	280 Education for Homeless Children-ARRA
\$ 9,898	\$ 133,496	\$ --	\$ (1,281)	\$ (2,133)
--	--	--	--	--
97,005	--	--	1,278	2,792
107	--	--	3	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 107,010</u>	<u>\$ 133,496</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 659</u>
\$ 1,640	\$ --	\$ --	\$ --	\$ 659
--	--	--	--	--
5,370	--	--	--	--
100,000	--	--	--	--
--	--	--	--	--
--	133,496	--	--	--
<u>107,010</u>	<u>133,496</u>	<u>--</u>	<u>--</u>	<u>659</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ 107,010	\$ 133,496	\$ --	\$ --	\$ 659

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	283 IDEA - Part B Formula - ARRA	284 IDEA-B Part B Preschool ARRA	285 Title I Part A Improving Basic Pgms - ARRA	286 Title I SIP Academy Grant ARRA
ASSETS:				
1110 Cash and Cash Equivalents	\$ 6,104	\$ (2,138)	\$ 21,450	\$ 4,476
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	590,212	6,238	717,305	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 596,316</u>	<u>\$ 4,100</u>	<u>\$ 738,755</u>	<u>\$ 4,476</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 42,866	\$ --	\$ 2,429	\$ 1,694
2150 Payroll Deductions & Withholdings	--	--	--	--
2160 Accrued Wages Payable	52,194	4,100	35,769	--
2170 Due to Other Funds	501,256	--	700,557	57
2180 Due to Other Governments	--	--	--	2,725
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>596,316</u>	<u>4,100</u>	<u>738,755</u>	<u>4,476</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 596,316</u>	<u>\$ 4,100</u>	<u>\$ 738,755</u>	<u>\$ 4,476</u>

287 Head Start ARRA	288 Title I Part D Juv Detention ARRA	289 SLDS Classroom Link to ISDs	290 Education Jobs Fund	315 IDEA-B Discretionary
\$ 7,342	\$ (9,895)	\$ --	\$ --	\$ (8,396)
--	--	--	--	--
109,433	11,121	--	157,377	9,962
--	--	--	--	--
--	--	--	--	--
<u>\$ 116,775</u>	<u>\$ 1,226</u>	<u>\$ --</u>	<u>\$ 157,377</u>	<u>\$ 1,566</u>
\$ 2,320	\$ --	\$ --	\$ --	\$ 785
--	--	--	--	--
14,455	--	--	157,377	61
100,000	1,226	--	--	--
--	--	--	--	--
--	--	--	--	720
<u>116,775</u>	<u>1,226</u>	<u>--</u>	<u>157,377</u>	<u>1,566</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 116,775</u>	<u>\$ 1,226</u>	<u>\$ --</u>	<u>\$ 157,377</u>	<u>\$ 1,566</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	394 Life Skills Program	397 Advanced Placement Incentives
ASSETS:				
1110 Cash and Cash Equivalents	\$ (2,418)	\$ (117)	\$ (17,497)	\$ --
1120 Current Investments	--	--	--	--
1240 Due from Other Governments	2,418	117	17,497	--
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	\$ --	\$ --	\$ --	\$ --
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ --
2150 Payroll Deductions & Withholdings	--	--	--	--
2160 Accrued Wages Payable	--	--	--	--
2170 Due to Other Funds	--	--	--	--
2180 Due to Other Governments	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	--	--	--	--
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	--	--	--	--
4000 Total Liabilities and Fund Balances	\$ --	\$ --	\$ --	\$ --

404 Student Success Initiative	410 State Textbook Fund	411 Technology Allotment	415 Kindergarten and Prekindergarten Grants	429 State Funded Special Revenue Fund
\$ 19,977	\$ 315	\$ 21,142	\$ 8,174	\$ 6,365
--	--	--	--	--
97,870	--	12,821	--	826
--	--	--	--	--
--	--	--	--	--
<u>\$ 117,847</u>	<u>\$ 315</u>	<u>\$ 33,963</u>	<u>\$ 8,174</u>	<u>\$ 7,191</u>
\$ 17,847	\$ --	\$ 1,314	\$ 179	\$ --
--	--	--	--	--
--	--	--	--	--
100,000	--	--	7,995	--
--	--	--	--	--
--	315	32,649	--	7,191
<u>117,847</u>	<u>315</u>	<u>33,963</u>	<u>8,174</u>	<u>7,191</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>117,847</u>	<u>315</u>	<u>33,963</u>	<u>8,174</u>	<u>7,191</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds
ASSETS:		
1110	\$ 39,711	\$ 529,636
1120	--	--
1240	--	--
1260	--	--
1290	--	32,429
1300	--	--
1000	<u>\$ 39,711</u>	<u>\$ 562,065</u>
LIABILITIES:		
Current Liabilities:		
2110	\$ --	\$ 5,918
2150	--	--
2160	39,218	--
2170	273	26,511
2180	--	--
2300	--	--
2000	<u>39,491</u>	<u>32,429</u>
FUND BALANCES:		
Nonspendable Fund Balances:		
3410	--	--
Restricted Fund Balances:		
3450	220	--
Committed Fund Balances:		
3545	--	529,636
3000	<u>220</u>	<u>529,636</u>
4000	<u>\$ 39,711</u>	<u>\$ 562,065</u>

489 West Foundation	499 CIS-Local Special Revenue	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 230,637	\$ 112,557	\$ 1,381,590
--	--	476,273
--	--	3,827,325
24	--	397,982
--	--	35,226
--	--	1,139,196
<u>\$ 230,661</u>	<u>\$ 112,557</u>	<u>\$ 7,257,592</u>
\$ 3,202	\$ --	\$ 262,217
--	--	100
--	--	760,763
--	--	3,263,027
--	--	2,725
227,459	112,607	1,153,345
<u>230,661</u>	<u>112,607</u>	<u>5,442,177</u>
--	--	500,288
--	(50)	785,491
--	--	529,636
<u>--</u>	<u>(50)</u>	<u>1,815,415</u>
<u>\$ 230,661</u>	<u>\$ 112,557</u>	<u>\$ 7,257,592</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, 2011

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs	212 ESEA Title I, Part C Migrant Children
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	1,734,251	834	3,022,983	1,150
5020 Total Revenues	<u>1,734,251</u>	<u>834</u>	<u>3,022,983</u>	<u>1,150</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,098,291	--	2,707,261	1,150
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	5,680	--	204,244	--
0021 Instructional Leadership	41,298	--	63,707	--
0023 School Leadership	185,567	--	--	--
0031 Guidance, Counseling, & Evaluation Services	87,293	--	2,280	--
0032 Social Work Services	160,009	834	39,640	--
0033 Health Services	96,336	--	--	--
0034 Student Transportation	1,499	--	2,105	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	(14)	--	--	--
0051 Plant Maintenance and Operations	60,061	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	863	--	3,746	--
6030 Total Expenditures	<u>1,736,883</u>	<u>834</u>	<u>3,022,983</u>	<u>1,150</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	(2,632)	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	2,632	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>2,632</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

213 ESEA Title I Pt B-Even St Family Literacy	215 ESEA Title I Part A Capital Expenses	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
\$ --	\$ --	\$ --	\$ --	\$ 1,870,782
--	--	--	--	201,316
234,445	73,569	2,657,485	64,423	5,391,260
<u>234,445</u>	<u>73,569</u>	<u>2,657,485</u>	<u>64,423</u>	<u>7,463,358</u>
156,374	73,569	2,452,091	64,423	--
--	--	--	--	--
25,895	--	2,606	--	--
51,965	--	11,270	--	--
--	--	259	--	--
--	--	191,259	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	6,847,980
--	--	--	--	--
--	--	--	--	--
--	--	--	--	163,312
--	--	--	--	--
211	--	--	--	--
<u>234,445</u>	<u>73,569</u>	<u>2,657,485</u>	<u>64,423</u>	<u>7,011,292</u>
--	--	--	--	452,066
--	--	--	--	--
--	--	--	--	--
--	--	--	--	452,066
--	--	--	--	833,543
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,285,609</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, 2011

Data Control Codes	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Lang. Acquisition and Enhancement
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	185,233	748,951	2,382	68,317
5020 Total Revenues	<u>185,233</u>	<u>748,951</u>	<u>2,382</u>	<u>68,317</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	66,131	378,752	2,234	62,731
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	5,989	358,658	--	4,004
0021 <i>Instructional Leadership</i>	85,024	8,731	148	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	28,089	2,810	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0041 <i>General Administration</i>	--	--	--	--
0051 <i>Plant Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	1,582
6030 Total Expenditures	<u>185,233</u>	<u>748,951</u>	<u>2,382</u>	<u>68,317</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

265 21st Century Community Learning Centers	272 MAC Program	276 Title I SIP Academy Grant	279 Enhancing Education through Tech-ARRA	280 Education for Homeless Children-ARRA
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
433,498	--	1,123	17,157	11,858
<u>433,498</u>	<u>--</u>	<u>1,123</u>	<u>17,157</u>	<u>11,858</u>
182,012	--	--	10,014	7,857
--	--	--	--	--
--	--	--	7,073	1,559
62,977	--	--	--	2,226
--	--	1,123	--	--
184,143	--	--	--	--
--	--	--	--	216
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	70	--
--	--	--	--	--
4,366	--	--	--	--
<u>433,498</u>	<u>--</u>	<u>1,123</u>	<u>17,157</u>	<u>11,858</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, 2011

Data Control Codes	283 IDEA - Part B Formula - ARRA	284 IDEA-B Part B Preschool ARRA	285 Title I Part A Improving Basic Pgms - ARRA	286 Title I SIP Academy Grant ARRA
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	1,337,978	26,953	1,232,228	29,605
5020 Total Revenues	<u>1,337,978</u>	<u>26,953</u>	<u>1,232,228</u>	<u>29,605</u>
EXPENDITURES:				
Current:				
0011 Instruction	685,593	--	670,603	20,806
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	187,620	--	16,379	4,767
0021 Instructional Leadership	114,227	--	487,778	4,032
0023 School Leadership	--	--	5,894	--
0031 Guidance, Counseling, & Evaluation Services	191,730	26,953	110	--
0032 Social Work Services	--	--	10,538	--
0033 Health Services	--	--	931	--
0034 Student Transportation	158,808	--	25,681	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	662	--
0061 Community Services	--	--	13,652	--
6030 Total Expenditures	<u>1,337,978</u>	<u>26,953</u>	<u>1,232,228</u>	<u>29,605</u>
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	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

287 Head Start ARRA	288 Title I Part D Juv Detention ARRA	289 SLDS Classroom Link to ISDs	290 Education Jobs Fund	315 IDEA-B Discretionary
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
433,171	44,757	18,851	157,377	22,392
<u>433,171</u>	<u>44,757</u>	<u>18,851</u>	<u>157,377</u>	<u>22,392</u>
400,745	24,033	4,297	157,377	18,264
--	--	--	--	--
--	--	--	--	3,563
--	--	12,866	--	--
--	20,724	--	--	565
--	--	1,688	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
34,458	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>435,203</u>	<u>44,757</u>	<u>18,851</u>	<u>157,377</u>	<u>22,392</u>
(2,032)	--	--	--	--
2,032	--	--	--	--
<u>2,032</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, 2011

Data Control Codes	316 IDEA-B Deaf	317 IDEA-B Preschool Deaf	394 Life Skills Program	397 Advanced Placement Incentives
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	56,247	7,422
5900 Federal Program Revenues	18,474	2,265	--	--
5020 Total Revenues	<u>18,474</u>	<u>2,265</u>	<u>56,247</u>	<u>7,422</u>
EXPENDITURES:				
Current:				
0011 Instruction	18,474	2,265	21,013	3,822
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	1,217	3,600
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	34,017	--
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	<u>18,474</u>	<u>2,265</u>	<u>56,247</u>	<u>7,422</u>
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	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

404 Student Success Initiative	410 State Textbook Fund	411 Technology Allotment	415 Kindergarten and Prekindergarten Grants	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ --	\$ --
222,678	--	465,248	865,800	44,813
--	--	--	--	--
<u>222,678</u>	<u>--</u>	<u>465,248</u>	<u>865,800</u>	<u>44,813</u>
213,767	--	427,173	2,221,322	39,195
--	--	37,445	--	141
8,911	--	--	--	5,477
--	--	--	--	--
--	--	--	7,802	--
--	--	--	20,315	--
--	--	--	24,543	--
--	--	--	(490)	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	630	--	--
--	--	--	--	--
<u>222,678</u>	<u>--</u>	<u>465,248</u>	<u>2,273,492</u>	<u>44,813</u>
--	--	--	(1,407,692)	--
--	--	--	1,407,692	--
--	--	--	1,407,692	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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, 2011

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 341,997	\$ 1,101,679
5800 <i>State Program Revenues</i>	243,422	--
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>585,419</u>	<u>1,101,679</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	585,419	200,889
0012 <i>Instructional Resources and Media Services</i>	--	16,403
0013 <i>Curriculum and Staff Development</i>	--	62,253
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	76,285
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--
0032 <i>Social Work Services</i>	--	--
0033 <i>Health Services</i>	--	--
0034 <i>Student Transportation</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	632,312
0041 <i>General Administration</i>	--	--
0051 <i>Plant Maintenance and Operations</i>	--	5,453
0052 <i>Security and Monitoring Services</i>	--	--
0061 <i>Community Services</i>	--	--
6030 Total Expenditures	<u>585,419</u>	<u>993,595</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>--</u>	<u>108,084</u>
Other Financing Sources and (Uses):		
7915 <i>Transfers In</i>	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>108,084</u>
0100 Fund Balances - Beginning	<u>220</u>	<u>421,552</u>
3000 Fund Balances - Ending	<u>\$ 220</u>	<u>\$ 529,636</u>

489 West Foundation	499 CIS-Local Special Revenue	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 243,516	\$ 4,895	\$ 3,562,869
--	10,016	2,116,962
--	--	17,972,970
<u>243,516</u>	<u>14,911</u>	<u>23,652,801</u>
37,509	2,017	13,017,473
--	--	53,989
169,106	8,000	1,086,601
--	4,894	951,143
--	--	298,219
--	--	736,670
--	--	235,780
--	--	96,777
--	--	222,110
--	--	6,847,980
36,901	--	669,213
--	--	(14)
--	--	263,984
--	--	662
--	--	24,420
<u>243,516</u>	<u>14,911</u>	<u>24,505,007</u>
--	--	(852,206)
--	--	1,412,356
--	--	1,412,356
--	--	560,150
--	(50)	1,255,265
<u>\$ --</u>	<u>\$ (50)</u>	<u>\$ 1,815,415</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

AUGUST 31, 2011

Data Control Codes	751 Transportation Fund	752 Print Shop Fund
ASSETS:		
Current Assets:		
1110 Cash and Cash Equivalents	\$ 382,802	\$ (67,460)
1120 Investments	--	--
Receivables:		
1260 Due from Other Funds	--	4,339
1290 Other Receivables	717	261
1310 Inventories, at Cost	--	--
Total Current Assets	<u>383,519</u>	<u>(62,860)</u>
Noncurrent Assets:		
Capital Assets:		
1530 Furniture and Equipment	6,368,876	241,063
1550 Assets Purchased Under Capital Leases	842,380	375,116
1570 Accumulated Depreciation	(3,861,257)	(303,582)
Total Noncurrent Assets	<u>3,349,999</u>	<u>312,597</u>
1000 Total Assets	<u>3,733,518</u>	<u>249,737</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	91,934	4,575
2120 Bonds, Notes and Loans Payable	232,840	--
2130 Capital Leases Payable	19,098	125,015
2160 Accrued Wages Payable	--	699
2200 Accrued Expenditures/Expenses	--	--
Total Current Liabilities	<u>343,872</u>	<u>130,289</u>
Noncurrent Liabilities:		
2500 Bonds, Notes and Loans Payable	636,480	128,036
Total Noncurrent Liabilities	<u>636,480</u>	<u>128,036</u>
2000 Total Liabilities	<u>980,352</u>	<u>258,325</u>
NET ASSETS:		
3200 Investment in Capital Assets, Net of Related Debt	2,461,581	59,546
3900 Unrestricted Net Assets	291,585	(68,134)
3000 Total Net Assets	<u>\$ 2,753,166</u>	<u>\$ (8,588)</u>

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-1)
\$ 1,742,893	\$ (6)	\$ 2,058,229
248,674	--	248,674
5,562	--	9,901
--	--	978
--	6,500	6,500
<u>1,997,129</u>	<u>6,494</u>	<u>2,324,282</u>
--	--	6,609,939
--	--	1,217,496
--	--	(4,164,839)
--	--	3,662,596
<u>1,997,129</u>	<u>6,494</u>	<u>5,986,878</u>
225,105	--	321,614
--	--	232,840
--	--	144,113
374	--	1,073
469,000	--	469,000
<u>694,479</u>	<u>--</u>	<u>1,168,640</u>
--	--	764,516
--	--	764,516
<u>694,479</u>	<u>--</u>	<u>1,933,156</u>
--	--	2,521,127
1,302,650	6,494	1,532,595
<u>\$ 1,302,650</u>	<u>\$ 6,494</u>	<u>\$ 4,053,722</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	751 Transportation Fund	752 Print Shop Fund
OPERATING REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 3,280,922	\$ 162,667
5020 Total Revenues	<u>3,280,922</u>	<u>162,667</u>
OPERATING EXPENSES:		
6100 <i>Payroll Costs</i>	--	101,067
6200 <i>Professional and Contracted Services</i>	2,446,473	167,251
6300 <i>Supplies and Materials</i>	446,711	36,663
6400 <i>Other Operating Costs</i>	397,274	58,380
6500 <i>Debt Service</i>	20,342	7,634
6030 Total Expenses	<u>3,310,800</u>	<u>370,995</u>
Operating Income (Loss)	<u>(29,878)</u>	<u>(208,328)</u>
NON-OPERATING REVENUES (EXPENSES):		
7955 <i>Earnings from Temp. Deposits and Investments</i>	--	--
8030 Total Non-operating Revenues (Expenses)	<u>--</u>	<u>--</u>
Income (Loss) before Transfers	<u>(29,878)</u>	<u>(208,328)</u>
7915 <i>Transfers In</i>	137,179	208,620
1300 Change in Net Assets	<u>107,301</u>	<u>292</u>
0100 Total Net Assets - Beginning	2,645,865	(8,880)
3300 Total Net Assets - Ending	<u>\$ 2,753,166</u>	<u>\$ (8,588)</u>

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-2)
\$ 625,294	\$ 63,345	\$ 4,132,228
<u>625,294</u>	<u>63,345</u>	<u>4,132,228</u>
100,885	4,446	206,398
43,019	--	2,656,743
8,732	58,714	550,820
(19,833)	(16)	435,805
--	--	27,976
<u>132,803</u>	<u>63,144</u>	<u>3,877,742</u>
492,491	201	254,486
343	--	343
<u>343</u>	<u>--</u>	<u>343</u>
492,834	201	254,829
--	--	345,799
<u>492,834</u>	<u>201</u>	<u>600,628</u>
809,816	6,293	3,453,094
<u>\$ 1,302,650</u>	<u>\$ 6,494</u>	<u>\$ 4,053,722</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2011

	751 Transportation Fund	752 Print Shop Fund
Cash Flows from Operating Activities:		
Cash Receipts for Quasi-external Operating Transactions with Other Funds	\$ 3,956,588	\$ 170,882
Cash Payments to Employees for Services	--	(101,783)
Cash Payments to Suppliers for Goods and Services	(2,902,787)	(222,948)
Net Cash Provided (Used) by Operating Activities	<u>1,053,801</u>	<u>(153,849)</u>
Cash Flows from Non-capital Financing Activities:		
Transfers From Other Funds	<u>137,179</u>	<u>208,620</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets	(1,801,153)	--
Proceeds from Debt Issuance	500,608	--
Principal Paid	(158,849)	(122,065)
Net Cash Used for Capital and Related Financing Activities	<u>(1,459,394)</u>	<u>(122,065)</u>
Cash Flows from Investing Activities:		
Purchase of Investment Securities	--	--
Interest and Dividends on Investments	--	--
Net Cash Provided for Investing Activities	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(268,414)	(67,294)
Cash and Cash Equivalents at Beginning of Year	651,216	(166)
Cash and Cash Equivalents at End of Year	<u>\$ 382,802</u>	<u>\$ (67,460)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (29,878)	\$ (208,328)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	397,274	57,698
Change in Assets and Liabilities:		
Decrease (Increase) in Due from Other Funds	676,383	8,476
Decrease (Increase) in Other Receivables	(717)	(261)
Increase (Decrease) in Accounts Payable	10,739	1,574
Increase (Decrease) in Accrued Wages Payable	--	(716)
Increase (Decrease) in Due to Other Funds	--	(12,309)
Increase (Decrease) in Due to Other Governments	--	17
Increase (Decrease) in Accrued Expenses	--	--
Total Adjustments	<u>1,083,679</u>	<u>54,479</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,053,801</u>	<u>\$ (153,849)</u>

753 Insurance Fund	754 Computer Operations Fund	Total Internal Service Funds (See Exhibit D-3)
\$ 1,687,183	\$ 63,345	\$ 5,877,998
(100,877)	--	(202,660)
(568,696)	(63,311)	(3,757,742)
<u>1,017,610</u>	<u>34</u>	<u>1,917,596</u>
--	--	345,799
--	--	(1,801,153)
--	--	500,608
--	--	(280,914)
<u>--</u>	<u>--</u>	<u>(1,581,459)</u>
(343)	--	(343)
<u>343</u>	--	<u>343</u>
--	--	--
1,017,610	34	681,936
725,283	(40)	1,376,293
<u>\$ 1,742,893</u>	<u>\$ (6)</u>	<u>\$ 2,058,229</u>
\$ 492,491	\$ 201	\$ 254,486
--	--	454,972
1,061,889	--	1,746,748
--	--	(978)
(351,197)	(167)	(339,051)
8	--	(708)
--	--	(12,309)
--	--	17
(185,581)	--	(185,581)
<u>525,119</u>	<u>(167)</u>	<u>1,663,110</u>
<u>\$ 1,017,610</u>	<u>\$ 34</u>	<u>\$ 1,917,596</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AUGUST 31, 2011

Data Control Codes	864 Communities In Schools	865 Student Activity	Total Agency Funds (See Exhibit E-1)
ASSETS:			
1110 <i>Cash and Cash Equivalents</i>	\$ (59,230)	\$ 292,560	\$ 233,330
1240 <i>Due from Other Governments</i>	60,971	--	60,971
1260 <i>Due from Other Funds</i>	302	--	302
1290 <i>Other Receivables</i>	--	25,984	25,984
1000 Total Assets	<u>\$ 2,043</u>	<u>\$ 318,544</u>	<u>\$ 320,587</u>
LIABILITIES:			
Current Liabilities:			
2110 <i>Accounts Payable</i>	\$ 1,778	\$ 15,207	\$ 16,985
2160 <i>Accrued Wages Payable</i>	265	--	265
2170 <i>Due to Other Funds</i>	--	10,778	10,778
2190 <i>Due to Student Groups</i>	--	292,559	292,559
2000 Total Liabilities	<u>\$ 2,043</u>	<u>\$ 318,544</u>	<u>\$ 320,587</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, 2011

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance		Debt Service		
2002 and Prior Years	\$	Various	\$	Various	\$ Various
2003		1.50		.0636	2,995,884,369
2004		1.50		.0636	3,085,223,093
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 (School Year Under Audit)		1.04		.16	3,870,054,417
1000 Totals					

10 Beginning Balance 9/1/10	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/11
\$ 794,288	\$ --	\$ 29,844	\$ 2,172	\$ (20,368)	\$ 741,904
168,637	--	12,490	530	(1,220)	154,397
198,110	--	14,278	605	(1,630)	181,597
203,660	--	15,391	653	(1,853)	185,763
235,532	--	30,239	1,282	(2,220)	201,791
208,688	--	32,752	1,566	3,487	177,857
257,929	--	43,224	6,193	1,689	210,201
451,651	--	136,068	20,803	(5,993)	288,787
790,031	--	289,754	44,577	(45,732)	409,968
--	46,440,653	39,468,477	6,072,073	(173,141)	726,962
\$ 3,308,526	\$ 46,440,653	\$ 40,072,517	\$ 6,150,454	\$ (246,981)	\$ 3,279,227

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

*SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2012-2013
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011*

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	\$ --	\$ --	\$ 254,471	\$ 1,717,174	\$ 45,131	\$ 449,198	\$ 2,465,974
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	38,488	--	5,390	--	15,176	--	59,054
6212	Audit Services	--	--	--	53,250	--	--	53,250
6213	Tax Appraisal and Collection	--	570,598	--	--	--	--	570,598
621X	Other Prof. Services	1,000	--	2,173	2,816	--	--	5,989
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	5,000	--	--	5,000
6240	Contr. Maint. and Repair	--	--	--	--	31,165	--	31,165
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	--	--	2,133	2,133
6290	Miscellaneous Contr.	4,172	--	2,309	48,972	58	32,824	88,335
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	--	2,193	--	184	2,377
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	9,353	--	3,245	68,989	2,511	37,779	121,877
6410	Travel, Subsistence, Stipends	4,088	--	4,353	32,642	4,006	3,047	48,136
6420	Ins. and Bonding Costs	--	--	--	2,484	--	73,776	76,260
6430	Election Costs	--	--	--	--	--	--	--
6490	Miscellaneous Operating	8,368	--	3,573	23,715	1,005	31,412	68,073
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	151,173	151,173

Total \$ 65,469 \$ 570,598 \$ 275,514 \$ 1,957,235 \$ 99,052 \$ 781,526 \$ 3,749,394

Total Expenditures for General and Special Revenue Funds (9) \$ 123,968,870

LESS: Deductions of Unallowable Costs

	FISCAL YEAR	
Total Capital Outlay (6600)	(10)	\$ 793,935
Total Debt & Lease (6500)	(11)	\$ 143,275
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 12,307,409
Food (Function 35, 6341 and 6499)	(13)	\$ 2,518,288
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,957,235

Subtotal 17,720,142

Net Allowed Direct Cost \$ 106,248,728

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 146,107,493
Historical Cost of Buildings over 50 years old	(16)	2,726,450
Amount of Federal Money in Building Cost (Net of #16)	(17)	94,035
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	23,532,616
Historical Cost of Furniture & Equipment over 16 years old	(19)	3,023,293
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	3,475,918

(8) Note A - \$488,740 in Function 53 expenditures and \$526,764 in Function 99 expenditures are included in this report on administrative costs.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT J-3

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original		Final				
REVENUES:							
5700	<i>Local and Intermediate Sources</i>	\$ 2,013,050	\$ 2,007,550	\$ 1,870,782	\$ (136,768)		
5800	<i>State Program Revenues</i>	216,000	212,815	201,316	(11,499)		
5900	<i>Federal Program Revenues</i>	5,185,000	5,082,000	5,391,260	309,260		
5020	Total Revenues	<u>7,414,050</u>	<u>7,302,365</u>	<u>7,463,358</u>	<u>160,993</u>		
EXPENDITURES:							
Current:							
Support Services - Student (Pupil):							
0035	<i>Food Services</i>	7,338,600	7,155,300	6,847,980	307,320		
	Total Support Services - Student (Pupil)	<u>7,338,600</u>	<u>7,155,300</u>	<u>6,847,980</u>	<u>307,320</u>		
Support Services - Nonstudent Based:							
0051	<i>Plant Maintenance and Operations</i>	171,800	171,800	163,312	8,488		
	Total Support Services - Nonstudent Based	<u>171,800</u>	<u>171,800</u>	<u>163,312</u>	<u>8,488</u>		
6030	Total Expenditures	<u>7,510,400</u>	<u>7,327,100</u>	<u>7,011,292</u>	<u>315,808</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	(96,350)	(24,735)	452,066	476,801		
1200	Net Change in Fund Balance	<u>(96,350)</u>	<u>(24,735)</u>	<u>452,066</u>	<u>476,801</u>		
0100	Fund Balance - Beginning	833,543	833,543	833,543	--		
3000	Fund Balance - Ending	<u>\$ 737,193</u>	<u>\$ 808,808</u>	<u>\$ 1,285,609</u>	<u>\$ 476,801</u>		

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
5700	\$ 6,211,707	\$ 6,211,707	\$ 6,209,944	\$ (1,763)
5800	1,332,493	1,332,493	1,420,330	87,837
5020	<u>7,544,200</u>	<u>7,544,200</u>	<u>7,630,274</u>	<u>86,074</u>
EXPENDITURES:				
Debt Service:				
0071	5,775,000	5,775,000	5,775,000	--
0072	2,661,297	2,661,297	2,648,896	12,401
0073	10,000	10,000	1,610	8,390
	<u>8,446,297</u>	<u>8,446,297</u>	<u>8,425,506</u>	<u>20,791</u>
6030	<u>8,446,297</u>	<u>8,446,297</u>	<u>8,425,506</u>	<u>20,791</u>
1100				
1100	(902,097)	(902,097)	(795,232)	106,865
Other Financing Sources (Uses):				
7911	--	--	2,515,000	2,515,000
7915	657,314	657,314	644,914	(12,400)
8949	--	--	(2,515,000)	(2,515,000)
7080	<u>657,314</u>	<u>657,314</u>	<u>644,914</u>	<u>(12,400)</u>
1200	<u>(244,783)</u>	<u>(244,783)</u>	<u>(150,318)</u>	<u>94,465</u>
0100	341,797	341,797	341,797	--
3000	<u>\$ 97,014</u>	<u>\$ 97,014</u>	<u>\$ 191,479</u>	<u>\$ 94,465</u>



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

Members of the Board of Trustees:

We have audited 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, 2011, which collectively comprise the Wichita Falls Independent School District's basic financial statements and have issued our report thereon dated December 14, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wichita Falls Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wichita Falls Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Wichita Falls Independent School District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wichita Falls Independent School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Wichita Falls Independent School District in a separate letter dated December 14, 2011.

Wichita Falls Independent School District's responses to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 14, 2011



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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J. MARK FLEMING, CPA

Independent Auditor's Report

Report on Compliance with Requirements That Could Have a Direct and
Material Effect on each Major Program and on Internal Control Over Compliance
In Accordance With OMB Circular A-133

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

Members of the Board of Trustees:

Compliance

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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wichita Falls Independent School District's management. Our responsibility is to express an opinion on Wichita Falls Independent School District's compliance based on our audit.

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. Our audit does not provide a legal determination of Wichita Falls Independent School District's compliance with those requirements.

In our opinion, Wichita Falls Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

Internal Control Over Compliance

Management of Wichita Falls Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wichita Falls Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness

of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wichita Falls Independent School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

December 14, 2011

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

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? X Yes None Reported

Noncompliance material to financial statements noted? Yes X 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? Yes X 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? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A / 84.389	ESEA Title I Part A Cluster
84.027 / 84.173 / 84.391 / 84.392	Special Education Cluster
84.394	ARRA of 2009 Title XIV State Fiscal Stabilization Fund
84.410	Education Jobs Fund (ARRA)
93.600 / 93.708	Head Start Cluster

Dollar threshold used to distinguish between type A and type B programs: \$756,435

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, 2011

B. Financial Statement Findings

Finding 2011-01 - Significant Deficiency in Financial Reporting - Payroll

Criteria or Specified Requirement

Management is responsible for establishing and maintaining effective internal control over financial reporting under GAAP, in addition to controls for internal reporting, to ensure that the District's external financial statements are fairly presented in accordance with GAAP.

Condition and Effect

The District is in the process of converting to a new accounting software and has been for a few years. During the year ended August 31, 2010, the District implemented the payroll module of the new TEAMS system. Numerous day-to-day accounting issues were incurred throughout the previous year and into the current year ended August 31, 2011. Some of the issues included significant delays in posting payroll activity, preparing bank reconciliations, and requesting drawdowns for state and federal grants. Though significant improvements have been made in 2010-11, there are still system limitations, posting issues, and other day-to-day operational concerns.

Cause

The cause of the condition is the limitations of the TEAMS payroll system. It was not fully developed when the module was implemented by the District and is still a work in process.

Effect

As noted above, there are system limitations, posting issues, and other day-to-day operational concerns.

Recommendation

We understand the District will pursue implementing a different Finance and Human Resource system, which will include a payroll module. We concur since the issues noted with TEAMS appears to be an ongoing issue.

Views of Responsible Officials and Planned Corrective Actions

Refer to Corrective Action Plan prepared by District management.

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2011*

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
<u>Finding 2010-01 - Material Weakness in Financial Reporting - Material Audit Adjustment</u>		
During the prior year audit, a material audit adjustment was made to properly record the District's state revenues for the year ended August 31, 2010.	Implemented	
No material audit adjustments were required during the audit for the year ended August 31, 2011.		
<u>Finding 2010-02 - Significant Deficiency in Financial Reporting - Payroll</u>		
During the year ended August 31, 2010, the District implemented the payroll module of their new accounting system. However, the module was not fully completed which created significant delays in posting payroll activity, preparing bank reconciliations, and requesting drawdowns for state and federal grants. Additionally, standard payroll journal and reports do not exist within the system.	Ongoing	District management is currently considering an alternative to the current software.
The District continued to use the payroll system during the year ended August 31, 2011. Though improvements have been made, the District is still having ongoing day-to-day issues with the system.		
<u>Finding 2010-03 - Significant Deficiency in Financial Reporting - Food Service</u>		
In the prior year, the Food Service accountant did not report to the District's Finance Department. Consequently, there was limited supervision and review of the accountant's work, including preparation and posting of journal entries and budget amendments.	Implemented	
Though the Food Service accountant still does not report to the Finance Department, his journal entries and budget amendments are submitted to the Finance Department to be reviewed and approved before they are made. In doing so, the District has mitigated the significant deficiency noted in the prior year.		

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2011*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<u>Finding 2010-04 - Noncompliance - Overexpended Budget</u>		
For the year ended August 31, 2010, the District over-expended three of the functional categories in the General Fund.	Implemented	
There were no overexpended functional categories in any of the District's legally budgeted funds for the year ended August 31, 2011.		
<u>Finding 2010-05 - Time and Effort Documentation - Head Start</u>		
During the prior year audit, it was noted that the District's documentation for time and effort for some of the tested employees differed from what was recorded in the District's accounting records. This difference caused questioned costs of \$94,999.	Implemented	
The District immediately implemented procedures to ensure the time and effort documentation is compared to the amounts recorded and adjustments are made at least quarterly.		
Furthermore, the District worked closely with the Head Start pass-through entity, Region 9 Education Service Center, to ensure adequate reporting is made and the Service Center was satisfied with the changes made by the District. In doing so, the Service Center did not request any of the questioned costs to be refunded.		
<u>Finding 2010-06 - Allowable Costs - Title I Part A Cluster</u>		
Because of the issues with the payroll system in the prior year, some of the payroll accruals at August 31, 2010 were incorrectly computed, including those related to the Title I Cluster.	Implemented	
The accounting records were corrected and the claims for reimbursement were adjusted to reflect the correct accrued wages.		
No errors were noted with accrued wages at August 31, 2011.		

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2011

Finding 2011-01 - Significant Deficiency in Financial Reporting - Payroll

The District has worked for the past several years to implement a software program for its payroll accounting. Management is currently considering an alternative to the current software and a decision will be made regarding the system for the 2012-13 fiscal year.

Responsible Person: Ronald Kuehler, Chief Financial and Operations Officer

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT K-1
Page 1 of 3

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF THE TREASURY			
Direct Program:			
<i>ROTC (Instructional Reimbursement)</i>	21.XXX	243-905	\$ 266,773
Total U.S. Department of The Treasury			<u>266,773</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Region 9 Education Service Center:			
<i>Head Start</i>	(1) 93.600	06CH7009/09	394,379
<i>Head Start</i>	(1) 93.600	06CH7009/10	1,339,872
Total CFDA Number 93.600			<u>1,734,251</u>
<i>ARRA - Head Start Expansion Grant</i>	(1) 93.708	06SH7009.10	142,286
<i>ARRA - Head Start Expansion Grant</i>	(1) 93.708	06SH7009.11	290,885
Total CFDA Number 93.708			<u>433,171</u>
Total Passed Through Region 9 Education Service Center			<u>2,167,422</u>
Total U. S. Department of Health and Human Services			<u>2,167,422</u>
U. S. DEPARTMENT OF EDUCATION			
Direct Program:			
<i>Impact Aid - P.L. 81.874</i>	84.041	N/A	92,714
Passed Through Midwestern State University:			
<i>Begin Grant</i>	84.336	2009-2010	1,688
Passed Through Education Service Center Region 10:			
<i>McKinney-Veto Homeless Education - ARRA</i>	84.387	A09-044	12,015
<i>McKinney-Veto Homeless Education 2</i>	84.196A	MVP2-004	834
Total Passed Through Education Service Center Region 10			<u>12,849</u>
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs</i>	(2) 84.010A	1061010243905	(52,615)
<i>ESEA Title I Part A - Improving Basic Programs</i>	(2) 84.010A	1161010243905	2,959,797
<i>ESEA Title I Part A - Improving Basic Programs</i>	(2) 84.010A	1261010243905	161,532
<i>ESEA Title I - School Improvement Programs</i>	(2) 84.010A	1061010243905004	238,116
<i>ESEA Title I Part D, Subpart 2 - Delinquent Programs</i>	(2) 84.010A	11610103243905	71,628
<i>ESEA Title I Part D, Subpart 2 - Delinquent Programs</i>	(2) 84.010A	12610103243905	3,041
Total CFDA Number 84.010A			<u>3,381,499</u>
<i>ESEA Title I Part C - Migrant</i>	84.011A	11615001243905	1,168
<i>IDEA-B Formula</i>	(3) 84.027	116600012439056600	2,589,972
<i>IDEA-B Formula</i>	(3) 84.027	126600012439056600	107,497
<i>SSA IDEA-B Discretionary Deaf</i>	(3) 84.027	116600022439056673	22,392
<i>SSA IDEA-B Deaf</i>	(3) 84.027	116600012439056601	18,474
Total CFDA Number 84.027			<u>2,738,335</u>
<i>Vocational Education - Basic Grant</i>	84.048	11420006243905	173,180
<i>Vocational Education - Basic Grant</i>	84.048	12420006243905	12,053
Total CFDA Number 84.048			<u>185,233</u>
<i>IDEA-B Preschool</i>	(3) 84.173	116610012439056610	63,286

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT K-1
 Page 2 of 3

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>IDEA-B Preschool</i>	(3) 84.173	126610012439056610	2,112
<i>SSA IDEA-B Preschool Deaf</i>	(3) 84.173	116610012439056611	2,265
Total CFDA Number 84.173			<u>67,663</u>
<i>Title IV Part B - 21st Century Community Learning Centers</i>	84.287	106950127110027	206,927
<i>Title IV Part B - 21st Century Community Learning Centers</i>	84.287	116950127110027	9,702
<i>Title IV Part B - 21st Century Community Learning Centers</i>	84.287	106950137110060	212,681
<i>Title IV Part B - 21st Century Community Learning Centers</i>	84.287	116950137110060	9,880
Total CFDA Number 84.287			<u>439,190</u>
<i>Title II Part D Enhancing Education Through Technology</i>	84.318X	10630001243905	2,420
<i>ESEA Title III - LEP/Immigrant</i>	84.365A	11671001243905	69,387
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367A	11694501243905	731,117
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367A	1264501243905	29,108
Total CFDA Number 84.367A			<u>760,225</u>
<i>Summer School LEP</i>	84.369A	69550902	4,297
<i>Statewide Data Systems - SLDS</i>	84.372A	10635002243905	12,866
<i>Title I SIP Academy Grant</i>	84.377A	10610701243905004	1,140
<i>ARRA - Title II Part D Subpart 1-Enhancing Education ThruTech</i>	84.386A	10553001243905	17,426
<i>ARRA - ESEA, Title I, Part A - Improving Basic Programs</i>	(2) 84.389A	10551001243905	1,248,799
<i>ARRA - ESEA, Title I - School Improvement</i>	(2) 84.389A	10551004243905004	30,067
<i>ARRA - ESEA, Title D, Subpart 2 Juvenile Detention</i>	(2) 84.389A	10551003243905	45,447
Total CFDA Number 84.389A			<u>1,324,313</u>
<i>ARRA - IDEA-Part B Formula</i>	(3) 84.391A	10554001243905	1,358,024
<i>ARRA - IDEA-B Part B Preschool</i>	(3) 84.392A	10555001243905	26,953
<i>ARRA of 2009 Title XIV State Fiscal Stabilization Fund</i>	84.394A	11557001243905	6,734,307
<i>Education Jobs Fund - ARRA</i>	84.410A	S410A100044	157,377
Total Passed Through State Department of Education			<u>17,281,823</u>
Total U. S. Department of Education			<u>17,389,074</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Agriculture:			
<i>School Breakfast Program-Noncash</i>	(4) 10.553	243008A	133,549
<i>National School Lunch Program-Noncash</i>	(4) 10.555	243008A	361,077
Total Passed Through State Department of Agriculture			<u>494,626</u>
Passed Through State Department of Education:			
<i>School Breakfast Program-Cash</i>	(4) 10.553	7140901	1,315,712
<i>National School Lunch Program-Cash</i>	(4) 10.555	7130901	3,493,124
Total Passed Through State Department of Agriculture			<u>4,808,836</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2011

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Passed Through State Department of Human Services:			
<i>Summer Feeding Program</i>	(4) 10.559	TX-2431005SU	87,758
Total Passed Through State Department of Human Services			<u>87,758</u>
Total U. S. Department of Agriculture			<u>5,391,220</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>25,214,489</u>

- Clustered Programs:
(1) Head Start Cluster
(2) ESEA Title I Part A Cluster
(3) Special Education Cluster
(4) Food Service 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, 2011

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	\$	25,214,489
School Health and Related Services (not considered to be a federal award)		1,682,555
E-Rate Program (not considered to be a federal award)		<u>375,962</u>
Federal revenue per Exhibit C-2	\$	<u>27,273,006</u>

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2011**

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 2,570,061