



Annual Financial Report
For The Fiscal Year Ended
June 30, 2023

WICHITA FALLS INDEPENDENT SCHOOL DISTRICT

WICHITA FALLS, TEXAS

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Annual Financial Report

Wichita Falls Independent School District

Wichita Falls, Texas

For the Fiscal Year Ended June 30, 2023

**Prepared by
Wichita Falls ISD Finance Department**

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Wichita Falls Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2023
 Table of Contents

	Page	Exhibit
Certificate of Board	iii	
Financial Section		
Independent Auditor's Report	3	
Management's Discussion and Analysis	7	
Basic Financial Statements		
Government-Wide Statements:		
Statement of Net Position	16	A-1
Statement of Activities	17	B-1
Fund Financial Statements:		
Balance Sheet – Governmental Funds	18	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	20	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22	C-2
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	24	C-2R
Statement of Net Position – Proprietary Funds	25	D-1
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26	D-2
Statement of Cash Flows – Proprietary Funds	27	D-3
Statement of Fiduciary Net Position – Fiduciary Funds	28	E-1
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	29	E-2
Notes to the Financial Statements	31	
Required Supplementary Information		
Budgetary Comparison Schedule – General Fund	60	G-1
Budgetary Comparison Schedule – Child Nutrition Fund	62	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability – TRS	64	G-3
Schedule of the District's Contributions – TRS	66	G-4
Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas	68	G-5
Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan	70	G-6
Notes to the Required Supplementary Information	72	

Wichita Falls Independent School District
 Annual Financial Report
 For the Fiscal Year Ended June 30, 2023
 Table of Contents (Continued)

	Page	Exhibit
Other Supplementary Information		
Combining Statements		
Combining Balance Sheet – Nonmajor Governmental Funds	74	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	82	H-2
Combining Statement of Fiduciary Net Position – Custodial Funds	90	H-3
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	91	H-4
Required TEA Schedules		
Schedule of Delinquent Taxes Receivable	94	J-1
Budgetary Comparison Schedule - Debt Service Fund	96	J-2
Use of Funds Report - Select State Allotment	97	J-4
Overall Compliance and Internal Controls Section		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	101	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	103	
Schedule of Findings and Questioned Costs	106	
Corrective Action Plan	108	
Schedule of Expenditures of Federal Awards	110	K-1
Notes to Schedule of Expenditures of Federal Awards	112	

Certificate of Board

Wichita Falls Independent School District
Name of School District

Wichita
County

243-905
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the fiscal year ended June 30, 2023 at a meeting of the Board of Trustees of such school district on the 7th day of November, 2023.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Wichita Falls Independent School District
Wichita Falls, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Falls Independent School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The Board of Trustees
Wichita Falls Independent School District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Statements and Schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements and Schedules, and Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements and Schedules, and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2023

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Management's Discussion and Analysis

Our discussion and analysis of Wichita Falls Independent School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the District at the close of the most recent fiscal year by \$77.3 million (net position).
- During the year, the District expensed \$155.5 million, which was \$61.5 million less than the District's revenue of \$217.1 million. Of this, \$69.5 million was program revenue and \$147.6 million was general revenue.
- The fund balance of the General Fund was \$42.3 million, which was an increase of \$16.5 million. Unassigned fund balance of the general fund was \$40.6 million or 44 percent of the year's total general fund expenditures.
- The fund balance of the Child Nutrition Fund was \$7.2 million, which was an increase of \$2.2 million. The fund balance of the Capital Projects Fund was \$129.1 million, which was a decrease of \$113.6 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are composed of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District:

The first are government-wide financial statements, which provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.

The governmental fund financial statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund financial statements offer short-term and long-term financial information about the activities the District operates like businesses, such as self-insurance. The District has internal service funds reflected in the proprietary fund financial statements.

Fiduciary fund financial statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements. The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial health or position.

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

Most of the District's basic services are included in the governmental activities, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the reconciliations that explain the relationship (or differences) between them.

Proprietary Funds. Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The District's proprietary funds are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions.

Fiduciary Funds. The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budgetary comparison of the general fund and child nutrition fund and the TRS pension and OPEB schedules.

Financial Analysis of the District as a Whole

Net position. The District's overall net position increased between fiscal year 2022 and the fiscal year ended June 30, 2023 – a net position of \$77,258,422. (See Table A-1).

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

	Governmental Activities			
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Assets				
Current and other assets	\$ 227,451,185	\$ 318,461,219	\$ (91,010,034)	-29%
Capital assets, net	313,367,460	178,030,484	135,336,976	76%
Total assets	540,818,645	496,491,703	44,326,942	47%
Total deferred outflows of resources	30,175,326	20,376,885	9,798,441	48%
Liabilities				
Long-term debt	394,668,072	398,432,538	(3,764,466)	-1%
Other liabilities	51,343,685	50,254,630	1,089,055	2%
Total liabilities	446,011,757	448,687,168	(2,675,411)	1%
Total deferred inflows of resources	47,723,792	52,470,899	(4,747,107)	-9%
Net position				
Net investment in capital assets	85,617,079	66,756,012	18,861,067	28%
Restricted	10,384,918	5,979,744	4,405,174	74%
Unrestricted	(18,743,575)	(57,025,235)	38,281,660	-67%
Total net position	\$ 77,258,422	\$ 15,710,521	\$ 61,547,901	35%

Changes in net position. The District's total revenues were \$217.1 million, an increase of \$23.1 million. (See Table A-2.) General revenues increased due to tax collections from continued rising property values, despite a tax rate decrease, and increased investment earnings. Operating grants and contributions increased \$12.3 million due to ESSER funding received. Expenses decreased \$14.4 million in part to decreased expenditures in the Emergency Connectivity Fund program (noncash assistance) which was one time funding, decreased \$3.3 million. In addition, other expenses such as payroll also decreased in fiscal year 2023.

Governmental Activities. Table A-2 compares the District's operating and general revenues and functional expenses for both the prior year and the fiscal year ended June 30, 2023. Following the table, we provide explanations for the significant fluctuations between the two periods.

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

	Governmental Activities			
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Program revenues:				
Charges for services	\$ 2,300,996	\$ 1,705,656	\$ 595,340	35%
Operating grants and contributions	67,201,489	54,933,208	12,268,281	22%
General revenues:				
Property taxes	71,123,814	67,632,739	3,491,075	5%
Unrestricted operating grants (mostly state aid)	68,467,856	68,278,762	189,094	0%
Investment earnings	7,502,578	1,115,737	6,386,841	572%
Miscellaneous	465,861	284,776	181,085	64%
Total revenues	217,062,594	193,950,878	23,111,716	12%
Expenses:				
Instruction	87,247,003	95,054,151	(7,807,148)	-8%
Instructional resources and media services	1,555,915	1,697,792	(141,877)	-8%
Curriculum and staff development	1,587,057	2,266,997	(679,940)	-30%
Instructional leadership	3,304,066	3,551,939	(247,873)	-7%
School leadership	8,303,885	8,470,731	(166,846)	-2%
Guidance, counseling and evaluation services	6,735,186	9,165,398	(2,430,212)	-27%
Social work services	559,395	590,836	(31,441)	-5%
Health services	2,032,464	1,990,705	41,759	2%
Student transportation	3,279,445	2,945,214	334,231	11%
Food services	7,149,351	8,514,220	(1,364,869)	-16%
Extracurricular activities	4,008,407	4,017,734	(9,327)	0%
General administration	3,343,376	3,736,121	(392,745)	-11%
Facilities maintenance and operations	11,909,170	12,192,895	(283,725)	-2%
Security and monitoring services	1,063,301	965,851	97,450	10%
Data processing services	3,135,594	4,241,035	(1,105,441)	-26%
Community services	603,612	554,061	49,551	9%
Debt service	8,761,694	8,876,197	(114,503)	-1%
Bond issuance costs and fees	6,251	199,031	(192,780)	-97%
Payments for shared service arrangements	195,171	232,271	(37,100)	-16%
Payments related to juvenile justice programs	20,210	49,364	(29,154)	-59%
Other intergovernmental charges	714,140	645,966	68,174	11%
Total expenses	155,514,693	169,958,509	(14,443,816)	-8%
Change in net position	\$ 61,547,901	\$ 23,992,369	\$ 37,555,532	157%

Sources of Revenues for Fiscal Year 2023

Graph A-1

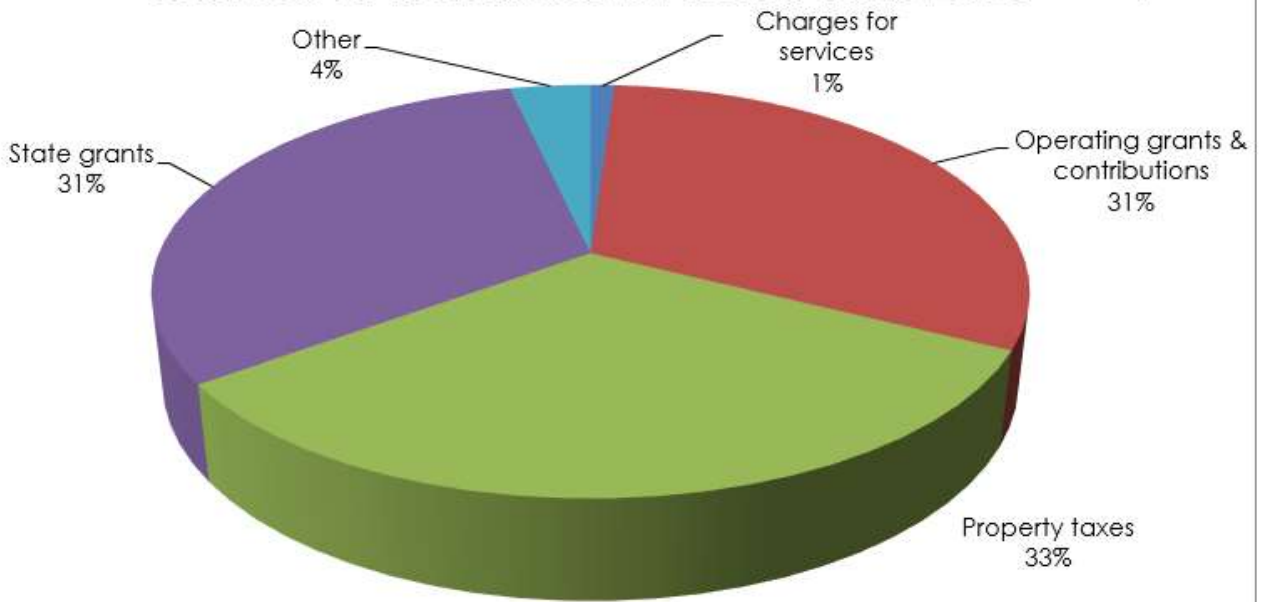


Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

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

	Total Cost of Services			
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Instruction	\$ 87,247,003	\$ 95,054,151	\$ (7,807,148)	-8.2%
School leadership	8,303,885	8,470,731	(166,846)	-2.0%
Guidance, counseling and evaluation services	6,735,186	9,165,398	(2,430,212)	-26.5%
Food services	7,149,351	8,514,220	(1,364,869)	-16.0%
Facilities maintenance and operations	11,909,170	12,192,895	(283,725)	-2.3%
	Net Cost of Services			
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
Instruction	\$ 47,172,447	\$ 66,564,445	\$ (19,391,998)	-29.1%
School leadership	5,096,150	6,085,372	(989,222)	-16.3%
Guidance, counseling and evaluation services	4,133,429	6,584,420	(2,450,991)	-37.2%
Food services	(1,084,966)	(2,426,880)	1,341,914	-55.3%
Facilities maintenance and operations	7,225,066	8,650,175	(1,425,109)	-16.5%

The cost of all governmental activities this year was \$155.5 million; however, the amount our taxpayers paid for these activities through property taxes was \$71.1 million. Some of the cost was paid by those who directly benefited from the programs, through charges for services - \$2.3 million, or by operating grants and contributions - \$67.2 million. The amount funded by the state was \$68.5 million in formula grants and state aid.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$186.0 million. Approximately \$40.3 million constitutes the unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been: 1) restricted for retirement of long-term debt or capital projects and 2) restricted, committed or assigned for other purposes, or nonspendable.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$40.6 million, while the total fund balance of all governmental funds was \$186.0 million.

The general fund reported an ending fund balance of \$42,274,255. The net change in fund balance resulted in an increase in the general fund balance from the prior year in the amount of \$16,497,015. The increase in fund balance reflection of drastically reducing expenditures and a reduction in force the board approved in Spring of 2022.

The child nutrition fund reported an ending fund balance of \$7,236,479, which represents an increase of \$2,196,643. This increase is due to maintaining the minimum price of meals while running an efficient food service program.

The debt service fund reported an ending fund balance of \$6,802,461, all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$1,961,942. The increase is due to increased property tax collections from rising property values. The revenue increase was offset by increased debt payments.

The capital projects fund reported an ending fund balance of \$129,094,250, which represents a decrease of \$113,636,765. This decrease is the direct result of the continued construction of two new high schools.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenues and appropriations. The amendments fall into the following categories:

- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations.
- Amendments throughout the year for unexpected occurrences.
- Amendments throughout the year for resignations and employment of new personnel.

After appropriations were amended as described above, actual revenues for the general fund were increased. TEA calculated the district's state funding based on estimated ADA of 12,000 when actual ADA for 2022-23 was 11,884.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$313.4 million (net of accumulated depreciation). This amount represents a net increase (including additions and deletions) of \$135.3 million or 76%. The investment in capital assets includes land, buildings and improvements, vehicles, equipment, and construction in progress.

Table A-4
Wichita Falls Independent School District's Capital Assets

	Governmental Activities			
	June 30, 2023	June 30, 2022	Increases (Decreases)	Percentage Change
Land	\$ 19,273,163	\$ 19,273,163	\$ -	0%
Bldgs and improvements	206,900,272	206,467,637	432,635	0%
Equipment	17,812,235	17,878,885	(66,650)	0%
Property under financed purchase	4,239,102	4,239,102	-	0%
Construction in progress	193,813,415	52,582,188	141,231,227	269%
Totals at historical cost	442,038,187	300,440,975	141,597,212	47%
Less accumulated depreciation	128,670,727	122,410,491	6,260,236	5%
Net capital assets	\$ 313,367,460	\$ 178,030,484	\$ 135,336,976	76%

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

Long-term Debt. At June 30, 2023 the District had \$339.4 million in long term debt – a decrease of 4.2% over last year – as shown in Table A-5. This decrease was due to the annual payment on bonds and final payment on financed purchases.

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

	Governmental Activities			
	June 30, 2023	June 30, 2022	Increase (Decrease)	Percentage Change
General obligation bonds	\$ 313,205,000	\$ 324,670,000	\$ (11,465,000)	-3.5%
Premium on bonds	21,833,993	23,666,840	(1,832,847)	-7.7%
Total bonds payable	335,038,993	348,336,840	(13,297,847)	-3.8%
Note payable	3,180,000	4,200,000	(1,020,000)	-24.3%
Financed purchase	-	468,675	(468,675)	-100.0%
Compensated absences	1,149,745	1,134,804	14,941	1.3%
Total long-term obligations	\$ 339,368,738	\$ 354,140,319	\$ (14,771,581)	-4.2%

Economic Factors and Next Year's Budgets and Tax Rates

The District's certified property values for 2023 reflect a 9% increase in property values, from the prior year. Senate Bill (SB) 2 provided for an increase in the homestead exemption to \$100,000 be brought to the voters and a compression to the maintenance and operations tax rate to provide tax relief.

The maintenance and operating tax rate of \$0.8715 is now compressed down to \$0.6674 allowing for \$0.04 additional pennies based off the 2023-24 Maintenance and Operations adopted rate as well as an extra \$0.01 for a unanimous approval of the board of trustees in adoption of the tax rate. The 2023-24 tax rate was set at \$0.7174. A total decrease of \$0.1541, under provisions of SB 2.

The District's 2023-24 refined average daily attendance was budgeted at 11,885.

The Administration is carefully monitoring future and outstanding debt, as well as fund balance, to maintain a tax rate not to exceed \$0.50 for debt service payments. The debt service tax rate was approved at \$0.424999 for the 2023-24 year.

The Board of Trustees adopted a 2023-2024 general fund budget reflecting revenues and transfers in of \$123,938,591 and expenditures and transfers out of \$123,938,591 resulting in a balanced budget. The district utilized the 2022-23 Teacher Pay Scale and gave staff a one-step increase.

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

Requests for Information

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

Basic Financial Statements

Wichita Falls Independent School District

Statement of Net Position

June 30, 2023

Exhibit A-1

1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
ASSETS		
1110	Cash and cash equivalents	\$ 47,185,212
1120	Current investments	152,257,897
1220	Property taxes receivables (net)	1,418,967
1240	Due from other governments	26,093,046
1290	Other receivables	105,611
1300	Inventories	384,194
1410	Prepaid items	6,258
	Capital assets:	
1510	Land	19,273,163
1520	Buildings and improvements, net	97,376,673
1530	Furniture and equipment, net	270,328
1550	Financed purchases, net	2,633,881
1580	Construction in progress	193,813,415
		<hr/>
1000	Total assets	540,818,645
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred charges from refunding bonds	693,464
1705	Deferred outflows of resources - pensions	19,001,359
1706	Deferred outflows of resources - OPEB	10,480,503
		<hr/>
1700	Total deferred outflows of resources	30,175,326
LIABILITIES		
2110	Accounts payable	19,390,041
2150	Payroll deductions and withholdings	2,506,275
2165	Accrued liabilities	10,836,151
2140	Interest payable	4,233,368
2180	Due to other governments	705,685
2300	Unearned revenue	385,482
	Noncurrent liabilities:	
2501	Due within one year	13,286,683
2502	Due in more than one year	326,082,055
2590	Claims and judgments	261,000
2540	Net pension liability (District's share)	42,264,080
2545	Net OPEB liability (District's share)	26,060,937
		<hr/>
2000	Total liabilities	446,011,757
DEFERRED INFLOWS OF RESOURCES		
2602	Deferred inflows of resources - leases	200,000
2605	Deferred inflows of resources - pensions	5,147,921
2606	Deferred inflows of resources - OPEB	42,375,871
		<hr/>
2600	Total deferred inflows of resources	47,723,792
NET POSITION		
3200	Net investment in capital assets	85,617,079
	Restricted for:	
3820	Retirement of long-term debt	3,088,949
3850	Grants	7,295,969
3900	Unrestricted	(18,743,575)
		<hr/>
3000	TOTAL NET POSITION	\$ 77,258,422

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

Wichita Falls Independent School District

Statement of Activities

For the Fiscal Year ended June 30, 2023

Exhibit B-1

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (expense) Revenue and Changes in Net Position 6
			3 Charges for Services	4 Operating Grants and Contributions	
PRIMARY GOVERNMENT					
	Governmental activities:				
11	Instruction	\$ 87,247,003	\$ 35,948	\$ 40,038,608	\$ (47,172,447)
12	Instructional resources and media services	1,555,915	-	601,039	(954,876)
13	Curriculum and staff development	1,587,057	-	613,069	(973,988)
21	Instructional leadership	3,304,066	-	1,276,338	(2,027,728)
23	School leadership	8,303,885	-	3,207,735	(5,096,150)
31	Guidance, counseling, and evaluation services	6,735,186	-	2,601,757	(4,133,429)
32	Social work services	559,395	-	216,091	(343,304)
33	Health services	2,032,464	-	785,127	(1,247,337)
34	Student transportation	3,279,445	-	1,266,827	(2,012,618)
35	Food services	7,149,351	1,433,792	6,800,525	1,084,966
36	Cocurricular/extracurricular activities	4,008,407	694,640	1,548,421	(1,765,346)
41	General administration	3,343,376	-	1,291,524	(2,051,852)
51	Facilities maintenance and operations	11,909,170	136,616	4,547,488	(7,225,066)
52	Security and monitoring services	1,063,301	-	410,746	(652,555)
53	Data processing services	3,135,594	-	1,211,259	(1,924,335)
61	Community services	603,612	-	233,171	(370,441)
72	Interest on long-term debt	8,761,694	-	551,764	(8,209,930)
73	Bond issuance costs and fees	6,251	-	-	(6,251)
93	Payments related to shared services arrangements	195,171	-	-	(195,171)
95	Payments related to juvenile justice programs	20,210	-	-	(20,210)
99	Other intergovernmental charges	714,140	-	-	(714,140)
TG	Total governmental activities	155,514,693	2,300,996	67,201,489	(86,012,208)
	TOTAL PRIMARY GOVERNMENT	<u>\$ 155,514,693</u>	<u>\$ 2,300,996</u>	<u>\$ 67,201,489</u>	(86,012,208)
	General revenues:				
MT	Property taxes, levied for general purposes				47,879,757
DT	Property taxes, levied for debt service				23,244,057
GC	Grants and contributions not restricted to specific programs				68,467,856
IE	Investment earnings				7,502,578
MI	Miscellaneous				465,861
TR	Total general revenues				147,560,109
CN	Change in net position				61,547,901
NB	Net position - beginning				15,710,521
NE	NET POSITION, ending				<u>\$ 77,258,422</u>

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

Wichita Falls Independent School District

Balance Sheet – Governmental Funds

June 30, 2023

Data Control Codes		10 General Fund	24 Child Nutrition Fund
ASSETS			
1110	Cash and cash equivalents	\$ 4,241,283	\$ 58,651
1120	Current investments	30,828,047	6,503,669
1220	Taxes receivable	1,643,939	-
1230	Allowance for uncollectible taxes (credit)	(760,473)	-
1240	Due from other governments	15,619,135	42,087
1260	Due from other funds	7,784,611	711,855
1290	Other receivables	98,663	6,948
1300	Inventories	375,321	-
1410	Prepays	6,258	-
1000	TOTAL ASSETS	\$ 59,836,784	\$ 7,323,210
LIABILITIES			
Current liabilities:			
2110	Accounts payable	\$ 54,051	\$ -
2150	Payroll deductions and withholdings	2,112,725	21,823
2160	Accrued wages payable	8,193,154	64,908
2170	Due to other funds	6,228,245	-
2180	Due to other governments	-	-
2300	Unearned revenue	24,489	-
2000	Total liabilities	16,612,664	86,731
DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue - property taxes	749,865	-
2602	Deferred inflow - leases	200,000	-
2600	Total deferred inflows of resources	949,865	-
FUND BALANCES			
Nonspendable fund balances:			
3410	Inventories	375,321	-
3430	Prepaid items	6,258	-
Restricted fund balances:			
3450	Federal/state funds grant restrictions	-	7,236,479
3470	Capital projects	-	-
3480	Retirement of long-term debt	-	-
Committed fund balance:			
3540	Self-insurance	100,000	-
3545	Other committed fund balance	1,149,745	-
3600	Unassigned	40,642,931	-
3000	Total fund balances	42,274,255	7,236,479
4000	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 59,836,784	\$ 7,323,210

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

Exhibit C-1

50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 618	\$ 41,537,899	\$ 1,319,043	\$ 47,157,494
7,466,922	106,875,453	-	151,674,091
601,234	-	-	2,245,173
(65,733)	-	-	(826,206)
23,877	-	10,407,947	26,093,046
-	-	150	8,496,616
-	-	-	105,611
-	-	8,873	384,194
-	-	-	6,258
<u>\$ 8,026,918</u>	<u>\$ 148,413,352</u>	<u>\$ 11,736,013</u>	<u>\$ 235,336,277</u>
\$ -	19,319,102	\$ 16,739	\$ 19,389,892
-	-	371,727	2,506,275
-	-	2,578,089	10,836,151
-	-	7,784,611	14,012,856
704,601	-	1,084	705,685
-	-	360,993	385,482
<u>704,601</u>	<u>19,319,102</u>	<u>11,113,243</u>	<u>47,836,341</u>
519,856	-	-	1,269,721
-	-	-	200,000
<u>519,856</u>	<u>-</u>	<u>-</u>	<u>1,469,721</u>
-	-	-	375,321
-	-	-	6,258
-	-	59,490	7,295,969
-	129,094,250	-	129,094,250
6,802,461	-	-	6,802,461
-	-	-	100,000
-	-	904,547	2,054,292
-	-	(341,267)	40,301,664
<u>6,802,461</u>	<u>129,094,250</u>	<u>622,770</u>	<u>186,030,215</u>
<u>\$ 8,026,918</u>	<u>\$ 148,413,352</u>	<u>\$ 11,736,013</u>	<u>\$ 235,336,277</u>

Wichita Falls Independent School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position
 June 30, 2023

Exhibit C-1R

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS, balance sheet	\$ 186,030,215
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources; therefore are not reported in the governmental fund financial statements.	442,038,187
Accumulated depreciation has not been included in the governmental fund financial statements.	(128,670,727)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:	
Bonds and notes payable	\$ (316,385,000)
Compensated absences	(1,149,745)
	(317,534,745)
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.	(4,233,368)
Premiums on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.	(21,833,993)
In the governmental fund financial statements, refunding losses are expensed when incurred, whereas in the government-wide financial statements they are capitalized, net of amortization.	693,464
Revenue reported as a deferred inflow of resources in the governmental fund financial statements is recorded as revenue in the government-wide financial statements.	1,269,721
Internal service funds are used by management to charge the costs of various services to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	5,866,615
The District's net pension liability and related deferred outflows and inflows related to its proportionate share of the state Teacher Retirement System (TRS) pension are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:	
Net pension liability	\$ (42,264,080)
Deferred outflows - pension related items	19,001,359
Deferred inflows - pension related items	(5,147,921)
	(28,410,642)
The District's net OPEB liability and related deferred outflows and inflows related to its proportionate share of TRS-Care are not due and payable in the current period and are, therefore, not reported in the governmental funds financial statements. These items consist of:	
Net OPEB liability	\$ (26,060,937)
Deferred outflows - OPEB related items	10,480,503
Deferred inflows - OPEB related items	(42,375,871)
	(57,956,305)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES, statement of net position	\$ 77,258,422

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

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Wichita Falls Independent School District
Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2023

Data Control Codes		10 General Fund	24 Child Nutrition Fund
REVENUES			
5700	Local and intermediate sources	\$ 50,610,424	\$ 1,900,556
5800	State program revenues	73,520,994	51,754
5900	Federal program revenues	6,097,761	7,466,406
5020	Total revenues	130,229,179	9,418,716
EXPENDITURES			
Current:			
0011	Instruction	54,610,590	-
0012	Instructional resources and media services	931,757	-
0013	Curriculum and staff development	509,540	-
0021	Instructional leadership	1,791,173	-
0023	School leadership	6,507,432	-
0031	Guidance, counseling, and evaluation services	2,876,403	-
0032	Social work services	347,034	-
0033	Health services	1,223,362	-
0034	Student transportation	3,046,592	-
0035	Food services	-	6,879,800
0036	Cocurricular/extracurricular activities	3,439,269	-
0041	General administration	2,522,069	-
0051	Facilities maintenance and operations	10,742,796	-
0052	Security and monitoring services	865,398	-
0053	Data processing services	2,466,314	-
0061	Community services	13,236	-
Debt service:			
0071	Principal on long-term debt	1,099,579	-
0072	Interest on long-term debt	84,482	-
0073	Bond issuance costs and fees	-	-
Capital outlay:			
0081	Facilities maintenance and operations	-	-
Intergovernmental charges:			
0093	Payments to shared service arrangements	104,107	-
0095	Payments related to juvenile justice alternative education program	20,210	-
0099	Other intergovernmental charges	714,140	-
6030	Total expenditures	93,915,483	6,879,800
1100	Excess (deficiency) of revenues over (under) expenditures	36,313,696	2,538,916
OTHER FINANCING SOURCES (USES)			
7912	Sale of real or personal property	15,543	503
7915	Transfers in	342,776	-
8911	Transfers out	(20,175,000)	(342,776)
7080	Total other financing sources and (uses)	(19,816,681)	(342,273)
1200	Net change in fund balances	16,497,015	2,196,643
0100	Fund balances, beginning, July 1	25,777,240	5,039,836
3000	FUND BALANCES, ending, June 30	\$ 42,274,255	\$ 7,236,479

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

50	60	Other	98
Debt Service Fund	Capital Projects Fund	Governmental Funds	Total Governmental Funds
\$ 23,404,273	\$ 7,419,463	\$ 935,444	\$ 84,270,160
551,764	-	1,053,968	75,178,480
-	-	37,738,980	51,303,147
<u>23,956,037</u>	<u>7,419,463</u>	<u>39,728,392</u>	<u>210,751,787</u>
-	-	27,492,866	82,103,456
-	-	531,163	1,462,920
-	-	1,001,453	1,510,993
-	-	1,321,239	3,112,412
-	-	1,249,666	7,757,098
-	-	3,450,508	6,326,911
-	-	175,477	522,511
-	-	687,231	1,910,593
-	-	92,166	3,138,758
-	-	-	6,879,800
-	-	331,486	3,770,755
-	-	1,076,884	3,598,953
-	-	709,075	11,451,871
-	-	295,502	1,160,900
-	-	486,578	2,952,892
-	-	564,184	577,420
11,465,000	-	-	12,564,579
10,522,845	-	-	10,607,327
6,250	-	-	6,250
-	141,231,228	-	141,231,228
-	-	91,064	195,171
-	-	-	20,210
-	-	-	714,140
<u>21,994,095</u>	<u>141,231,228</u>	<u>39,556,542</u>	<u>303,577,148</u>
1,961,942	(133,811,765)	171,850	(92,825,361)
-	-	-	16,046
-	20,175,000	-	20,517,776
-	-	-	(20,517,776)
-	20,175,000	-	16,046
1,961,942	(113,636,765)	171,850	(92,809,315)
4,840,519	242,731,015	450,920	278,839,530
<u>\$ 6,802,461</u>	<u>\$ 129,094,250</u>	<u>\$ 622,770</u>	<u>\$ 186,030,215</u>

Wichita Falls Independent School District

Exhibit C-2R

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the Fiscal Year Ended June 30, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (92,809,315)	
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	141,734,266	
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	(137,054)	
Depreciation is not recognized as an expenditure in the governmental fund financial statements since it does not use current financial resources. Current year depreciation is:	(6,260,236)	
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:	12,485,000	
Financed Purchase payments are expenditures in the governmental fund financial statements, but are reported as reductions of long-term debt in the government-wide financial statements.	468,675	
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:	186,151	
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:	(14,941)	
Bond premiums are expended when incurred in the governmental fund financial statements, but capitalized and amortized over the maturity of the debt for government-wide financial statements. Current year bond premium amortization is:	1,832,847	
Amortization of deferred losses on refundings is only reported in the government-wide financial statements. Current year amortization is:	(173,365)	
Revenue from property taxes is deferred in the governmental fund financial statements until it is considered available to finance current year expenditures, but is recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide financial statements.	(40,919)	
Internal service funds are used by management to charge the costs of various services to the individual funds. The change in net position of the internal service funds is reported in the governmental activities.	576,528	
The net change in the net pension liability, deferred outflows and deferred inflows is reported in the statement of activities but does not provide or require the use of current financial resources and is not reported as revenues or expenditures in the governmental funds. The net change consists of:		
Deferred outflows increase	\$ 9,024,574	
Deferred inflows decrease	15,880,229	
Net pension liability increase	<u>(25,474,197)</u>	(569,394)
The net change in the net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not provide or require the use of current financial resources and is not reported as revenues or expenditures in the governmental funds. The net change consists of:		
Deferred outflows increase	\$ 947,232	
Deferred inflows increase	(11,158,122)	
Net OPEB liability decrease	<u>14,480,548</u>	<u>4,269,658</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 61,547,901

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

Wichita Falls Independent School District
Statement of Net Position – Proprietary Funds
June 30, 2023

Exhibit D-1

<u>Data Control Codes</u>		<u>Internal Service</u>
		<u>Insurance Fund</u>
	ASSETS	
	Current assets:	
1110	Cash and cash equivalents	\$ 27,718
1120	Investments	583,806
	Receivables:	
1260	Due from other funds	5,516,240
	Total current assets	<u>6,127,764</u>
1000	Total assets	6,127,764
	LIABILITIES	
	Noncurrent liabilities:	
2590	Claims and judgments	<u>261,000</u>
	Total noncurrent liabilities	<u>261,000</u>
2000	Total liabilities	261,149
	NET POSITION	
3900	Unrestricted	<u>5,866,615</u>
3000	TOTAL NET POSITION	<u>\$ 5,866,615</u>

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

Wichita Falls Independent School District
Statement of Revenues, Expenses, and Changes
in Fund Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2023

Exhibit D-2

<u>Data Control Codes</u>		<u>Internal Service Insurance Fund</u>
OPERATING REVENUES		
5700	Total local and intermediate sources	\$ 973,287
5020	Total operating revenues	973,287
OPERATING EXPENSES		
6100	Payroll costs	90,314
6200	Professional and contracted services	1,029
6300	Supplies and materials	2,361
6400	Other operating costs	324,378
6030	Total operating expenses	418,082
	Operating income	555,205
NONOPERATING REVENUES		
7955	Earnings from temporary deposits and investments	21,323
8030	Total non-operating revenues	21,323
1300	Change in net position	576,528
0100	Net position, beginning, September 1	5,290,087
3300	TOTAL NET POSITION, ending, June 30	<u>\$ 5,866,615</u>

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

Wichita Falls Independent School District
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2023

Exhibit D-3

	<u>Internal Service</u>
	<u>Insurance</u>
	<u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts for quasi-external operating transactions with others	\$ 391,289
Cash payments to employees for services	(90,314)
Cash payments to other suppliers for goods and services	(300,858)
	<hr/>
Net cash provided by operating activities	117
Cash Flows from Investing Activities:	
Purchase of investments	(21,323)
Interest and dividends on investments	21,323
	<hr/>
Net cash provided by investing activities	-
	<hr/>
Net increase in cash and cash equivalents	117
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 27,601
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 27,718</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH	
CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 555,205
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(581,998)
Decrease in prepaids	12,761
Decrease in accounts payable	149
Increase in claims liability	14,000
	<hr/>
NET CASHED PROVIDED BY OPERATING ACTIVITIES	<hr/> <u>\$ 117</u>

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

Wichita Falls Independent School District
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2023

Exhibit E-1

Data Control Codes		Custodial Funds
	ASSETS	
1110	Cash and cash equivalents	\$ 860,051
1290	Other receivables	98,196
		<hr/>
1000	TOTAL ASSETS	958,247
	LIABILITIES	
2110	Accounts payable	3,278
		<hr/>
2000	TOTAL LIABILITIES	3,278
	NET POSITION	
3000	Restricted for other purposes	954,969
		<hr/>
	TOTAL NET POSITION	<u>\$ 954,969</u>

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

Wichita Falls Independent School DistrictStatement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2023**Exhibit E-2**

	Custodial Funds
ADDITIONS	
Gifts and bequests	\$ 246,978
Miscellaneous revenue from student groups	319,336
	<hr/>
Total additions	566,314
 DEDUCTIONS	
Scholarship awards	165,000
Dues and fees	332,289
	<hr/>
Total deductions	497,289
Change in net position	69,025
 NET POSITION:	
Restricted for students and other organizations	
Net position, beginning	885,944
	<hr/>
NET POSITION, ending	\$ 954,969

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

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Wichita Falls Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

Wichita Falls Independent School District

Notes to the Financial Statements

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

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

Wichita Falls Independent School District

Notes to the Financial Statements

Fund Accounting

The District reports the following major governmental funds:

The General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Child Nutrition Fund

This fund accounts for the child nutrition program's transactions. The child nutrition fund is considered a special revenue fund because it meets the following criteria: 1) user fees are charged to supplement the national school lunch program (NSLP), 2) the general fund subsidizes the child nutrition program for all expenditures in excess of NSLP, and 3) the District does not consider the child nutrition program completely self-supporting. Child nutrition fund balances are used exclusively for child nutrition program purposes.

Debt Service Fund

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

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 the capital projects funds.

Additionally, the District reports the following fund types:

Governmental Funds

Special Revenue Funds

The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Fund

Internal Service Funds

This fund is used to account for revenues and expenses related to services provided to parties inside the District. This fund facilitates the distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "governmental activities" column of the government-wide financial statements.

Fiduciary Funds

Custodial Funds

The District accounts for resources held for others in a custodial capacity in custodial funds. The District's custodial funds include the student activity fund, as well as the Ryan Scholarship Fund and Renton Aviation Fund. The funds are used to account for assets held by the District as a custodian for student and other organizations.

Wichita Falls Independent School District

Notes to the Financial Statements

Financial Statement Amounts

Cash and Cash Equivalents

For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments

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

Inventory and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors, if any, reflect costs applicable to future accounting periods and are recorded as prepaid items.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which they were imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the general and debt service funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.

The tax rates assessed for the year ended June 30, 2023 to finance general fund operations and the payment of principal and interest on general obligation debt were \$0.8715 and \$0.4250 per \$100 valuation, respectively, for a total of \$1.2965 per \$100 valuation.

Capital Assets

Capital assets, which include land, construction in progress, buildings, furniture, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Wichita Falls Independent School District

Notes to the Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

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

Long-term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains or losses on refunding are deferred and amortized over the lesser of the remaining life of the old debt or the life of the new debt using the straight line method and are presented as deferred inflows/outflows in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. School Board Policy contains a provision to compensate all employees in the District for accrued leave days upon retirement. This policy allows any employee who retires from the District through the Teacher Retirement System of Texas (TRS) to receive, following termination of employment, a lump sum payment for accrued leave days.

School Board Policy also contains a provision to compensate all twelve month employees for accrued local and state leave days upon a resignation from the District up to a maximum of 90 days.

Fund Balances and Net Position

Government-Wide Financial Statements

Net position on the statement of net position includes the following:

Net investment in capital assets -- the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, net of premiums and discounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for debt service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the bond covenants.

Wichita Falls Independent School District

Notes to the Financial Statements

Restricted for federal and state grants -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture or other federal and state agencies.

Unrestricted -- the difference between the assets and liabilities that is not reported in net position invested in capital assets, net of related debt, restricted for federal and state grants, net position restricted for food service or net position restricted for debt service.

Governmental Fund Financial Statements

The District classifies governmental fund balances as follows:

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories and prepaid items.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. At June 30, 2023, the Board has committed fund balances as follows:

	General Fund	Other Governmental Funds	Totals
Self-insurance	\$ 100,000	\$ -	\$ 100,000
Accumulated sick leave benefits obligations	1,149,745	-	1,149,745
Campus Activity Funds	-	904,547	904,547
Totals	\$ 1,249,745	\$ 904,547	\$ 2,154,292

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Fund balance can be assigned by the District's Board, the Superintendent, or the Assistant Superintendent of Finance and Human Resources. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The order of spending is to first use committed fund balance, then assigned fund balance, and last of all, unassigned fund balance. Restricted fund balance will be used before the unrestricted portion.

Wichita Falls Independent School District

Notes to the Financial Statements

Interfund Activities

Interfund activity results from loans, service provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "transfer" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "internal balances" line on the government-wide statement of net position.

Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the Resource Guide. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

Account Code Reporting

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the state auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Resource Guide*. Mandatory codes are utilized in the form provided in that section.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of June 30, 2023 will change.

Pensions

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

Other Postemployment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Wichita Falls Independent School District

Notes to the Financial Statements

Note 2. Cash, Cash Equivalents and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. For the fiscal year ended June 30, 2023, the District invested in TexPool and TexasTERM, Certificates of Deposit, and through Hilltop Securities.

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

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

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

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

TexasTERM Local Government Investment Pool (TexasTERM) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (PFIA). TexasTERM offers a series of professionally managed portfolios that are available to municipalities, counties, school districts, special districts and other governmental entities in the State of Texas. An Advisory Board is responsible for the overall management of TexasTERM. With respect to TexasTERM, the Advisory Board's responsibilities include the formulation and implementation of its investment and operating policies. TexasTERM complies with statutory investment restrictions for Texas local governments as provided in the PFIA. The Investment Advisor and Administrator for TexasTERM is PFM Asset Management LLC. Weighted average maturity for TexasTERM is 26 days.

Wichita Falls Independent School District

Notes to the Financial Statements

The District is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. Weighted average maturity for TexPool is 25 days.

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 47,185,212
Investments	152,257,897
Fiduciary funds:	
Cash and cash equivalents	<u>860,051</u>
Total cash and investments	<u>\$ 200,303,160</u>
Cash on hand	\$ 5,355
Deposits with financial institutions	48,039,908
Investments	<u>152,257,897</u>
Total cash and investments	<u>\$ 200,303,160</u>

Credit Risk

For the fiscal year ended June 30, 2023, the District invested in TexasTERM and Texpool Investment Pool. The TexasTERM portfolio is a fixed rate, fixed term portfolio option rated AAAM by Standard & Poor's rating agency. TexPool is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of the investments. The District monitors interest rate risk and at year end, was not exposed to interest rate risk.

Wichita Falls Independent School District

Notes to the Financial Statements

Concentration of Credit Risk

The District's investment policy dictates that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2023, the District's bank balance of \$12,132,604, including fiduciary activity, was not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent and in the District's name. The District's cash deposits as of and during the year ended June 30, 2023 were covered by the FDIC and pledged securities.

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

- a. Depository: American National Bank.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$17,807,872
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$16,218,303 and occurred on January 24, 2023.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the investments are insured or registered, or securities held by the District or its agent in the District's name.

Note 3. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

Payable Fund	Receivable Fund	Amount	Primary Purpose
General Fund	Child nutrition fund	\$ 711,855	Short-term borrowing
Nonmajor Governmental Funds	General Fund	7,784,611	Short-term borrowing
General Fund	Internal service fund	5,516,240	Short-term borrowing
General Fund	Nonmajor governmental funds	150	Short-term borrowing
		\$ 14,012,856	

All amounts due are scheduled to be repaid within one year.

Wichita Falls Independent School District

Notes to the Financial Statements

The detail transfer schedule for the year ended June 30, 2023 includes the following:

Transferred From	Transferred To	Amount	Purpose
Child Nutrition Fund	General Fund	342,776	Supplement other funds
General Fund	Capital projects fund	20,175,000	Supplement other funds
		<u>\$ 20,517,776</u>	

Note 4. Capital Asset Activity

Capital asset activity for the District for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,273,163	\$ -	\$ -	\$ 19,273,163
Construction in progress	52,582,188	141,231,227	-	193,813,415
Total capital assets not being depreciated	71,855,351	141,231,227	-	213,086,578
Capital assets being depreciated:				
Buildings and improvements	206,467,637	432,635	-	206,900,272
Furniture and equipment	17,878,885	70,404	(137,054)	17,812,235
Financed purchases	4,239,102	-	-	4,239,102
Total capital assets being depreciated	228,585,624	503,039	(137,054)	228,951,609
Less accumulated depreciation for:				
Buildings and improvements	104,154,614	5,368,985	-	109,523,599
Furniture and equipment	16,835,106	706,801	-	17,541,907
Financed purchases	1,420,771	184,450	-	1,605,221
Total accumulated depreciation	122,410,491	6,260,236	-	128,670,727
Total capital assets being depreciated, net	106,175,133	(5,757,197)	(137,054)	100,280,882
Governmental activities capital assets, net	<u>\$ 178,030,484</u>	<u>\$ 135,474,030</u>	<u>\$ (137,054)</u>	<u>\$ 313,367,460</u>

Wichita Falls Independent School District

Notes to the Financial Statements

Depreciation expense was charged to governmental functions as follows:

Governmental Function	Depreciation
Instruction	\$ 3,656,940
Instructional resources and media services	61,889
Curriculum and staff development	67,727
Instructional leadership	139,507
School leadership	347,102
Guidance, counseling and evaluation services	283,588
Social work services	23,420
Health services	85,638
Student transportation	140,687
Food services	308,378
Co-curricular/ Extracurricular activities	160,392
General administration	252,972
Plant maintenance and operations	521,725
Security and monitoring services	52,034
Data processing services	132,356
Community services	25,881
Total depreciation expense	\$ 6,260,236

Note 5. Long-term Debt

Long-term obligation activity

Long-term obligation activities during the fiscal year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 324,670,000	\$ -	\$ (11,465,000)	\$ 313,205,000	\$ 11,915,000
Bond premium (discount)	23,666,840	-	(1,832,847)	21,833,993	-
Total bonds payable	348,336,840	-	(13,297,847)	335,038,993	11,915,000
Note payable	4,200,000	-	(1,020,000)	3,180,000	1,040,000
Financed purchases	468,675	-	(468,675)	-	-
Compensated absences	1,134,804	1,833,089	(1,818,148)	1,149,745	331,683
Net pension liability	16,789,883	28,796,165	(3,321,968)	42,264,080	-
Net OPEB liability	40,541,485	2,507,905	(16,988,453)	26,060,937	-
Total long-term liabilities	\$ 411,471,687	\$ 33,137,159	\$ (36,915,091)	\$ 407,693,755	\$ 13,286,683

The District issues unlimited tax bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. Unlimited tax bonds are direct obligations and pledge the full faith and credit of the District. Bonded indebtedness of the District is reflected in the statement of net position. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

Wichita Falls Independent School District

Notes to the Financial Statements

Unlimited tax bonds and the maintenance tax note outstanding as of June 30, 2023 are as follows:

Purpose and Lawful Authority	Interest Rate	Amount	Amounts Outstanding 7/1/2022	Issued	Retired	Amounts Outstanding 6/30/2023
Unlimited Tax Refunding Bonds, Series 2015	2.125% to 5.00%	\$ 35,350,000	\$ 19,465,000	\$ -	\$ 3,540,000	\$ 15,925,000
Unlimited Tax School Building Bonds, Series 2015A	1.00% to 5.00%	53,645,000	39,670,000	-	2,305,000	37,365,000
Unlimited Tax School Building Bonds, Series 2021	1.625% to 4.00%	257,245,000	252,955,000	-	5,385,000	247,570,000
Unlimited Tax School Building Bonds, Series 2021A	2.125% to 5.00%	12,685,000	12,580,000	-	235,000	12,345,000
Maintenance Tax Notes, Series 2016	2.00%	9,000,000	4,200,000	-	1,020,000	3,180,000
			<u>\$ 328,870,000</u>	<u>\$ -</u>	<u>\$ 12,485,000</u>	<u>\$ 316,385,000</u>

Debt service requirements are as follows:

Years Ending June 30,	Principal Requirements	Interest Requirements	Total Requirements
2024	\$ 12,955,000	\$ 10,160,076	\$ 23,115,076
2025	13,525,000	9,598,983	23,123,983
2026	14,095,000	9,012,183	23,107,183
2027	13,510,000	8,452,933	21,962,933
2028	9,625,000	7,979,483	17,604,483
2029 - 2033	54,490,000	33,611,877	88,101,877
2034 - 2038	51,230,000	24,422,575	75,652,575
2039 - 2043	50,300,000	17,000,001	67,300,001
2044 - 2048	58,115,000	9,175,808	67,290,808
2049 - 2052	38,540,000	1,840,444	40,380,444
	<u>\$ 316,385,000</u>	<u>\$ 131,254,363</u>	<u>\$ 447,639,363</u>

There are a number of limitations and restrictions contained in the unlimited tax school building and refunding bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2023.

Wichita Falls Independent School District

Notes to the Financial Statements

Note 6. Financed Purchases

The District is obligated under certain leases that meet the criteria to be accounted for as Financed Purchases. The leased assets have a stated cost of \$4,239,102 and the interest rates range from 1.49% to 1.91%. Those leases were paid off in fiscal year 2023.

Note 7. Revenue from Local and Intermediate Sources

During the fiscal year ended June 30, 2023, the District received revenues from local and intermediate sources consisting of the following:

	General Fund	Child Nutrition Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Property taxes-current	\$ 46,718,449	\$ -	\$ 22,782,950	\$ -	\$ -	\$ 69,501,399
Property taxes-delinquent	704,023	-	230,981	-	-	935,004
Penalties, interest, and other	554,567	-	173,763	-	-	728,330
Investment earnings	1,760,581	231,793	216,579	5,293,625	-	7,502,578
Rent	136,616	-	-	-	-	136,616
Food service income	-	1,668,763	-	-	-	1,668,763
Gifts and bequest	150,000	-	-	2,125,734	154,399	2,430,133
Campus activity	-	-	-	-	358,020	358,020
Cocurricular/extracurricular activities	322,557	-	-	-	-	322,557
Other	263,631	-	-	104	423,025	686,760
Total local revenue	\$ 50,610,424	\$ 1,900,556	\$ 23,404,273	\$ 7,419,463	\$ 935,444	\$ 84,270,160

Note 8. Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/about-publications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Wichita Falls Independent School District

Notes to the Financial Statements

Benefits Provided

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
Employers (District)	8.00%	7.75%

The contribution amounts for the District's fiscal year 2023 are as follows:

2023 District contributions	\$	4,225,867
2023 Member contributions		7,004,461
2023 NECE on-behalf contributions (State)		5,444,378

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act.

Wichita Falls Independent School District

Notes to the Financial Statements

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

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

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.

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

On June 30, 2023 the District reported a liability of \$42,264,080 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the collective net pension liability	\$ 42,264,080
State's proportionate share that is associated with District	<u>69,266,656</u>
Total	<u>\$ 111,530,736</u>

The net pension liability was measured as of August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the District's proportion of the collective net pension liability was 0.0071191% which was an increase of 0.0052613% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$11,416,368 and revenue of \$5,444,378 for support provided by the State.

Wichita Falls Independent School District

Notes to the Financial Statements

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 612,826	\$ 921,437
Changes in actuarial assumptions	7,875,174	1,962,713
Difference between projected and actual investment earnings	4,175,556	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,651,655	2,263,771
Contributions paid to TRS subsequent to the measurement date	3,686,148	-
Total	<u>\$ 19,001,359</u>	<u>\$ 5,147,921</u>

\$3,686,148 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense (Income)
2024	\$ 2,476,809
2025	1,036,037
2026	582,382
2027	5,172,517
2028	899,545
Thereafter	-
Total	<u>\$ 10,167,290</u>

Wichita Falls Independent School District

Notes to the Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.00%
Long-term expected rate of return	7.00%
Municipal bond rate as of August 2022	3.91%. Source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc postemployment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

Wichita Falls Independent School District

Notes to the Financial Statements

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	18.00%	4.60%	1.12%
Non-U.S. developed	13.00%	4.90%	0.90%
Emerging markets	9.00%	5.40%	0.75%
Private equity*	14.00%	7.70%	1.55%
Stable value:			
Government bonds	16.00%	1.00%	0.22%
Absolute return*	-	3.70%	-
Stable value hedge funds	5.00%	3.40%	0.18%
Real return:			
Real estate	15.00%	4.10%	0.94%
Energy, natural resources and infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk parity:			
Risk parity	8.00%	4.60%	0.43%
Asset allocation leverage:			
Cash	2.00%	3.00%	0.01%
Asset allocation leverage	-6.00%	3.60%	-0.05%
Inflation expectation			2.70%
Volatility drag****			-0.91%
Total	100.00%		8.21%

* Absolute return includes credit sensitive investments.

** Target allocations are based on the FY 2022 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 8/31/2022).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Wichita Falls Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 65,746,884	\$ 42,264,080	\$ 23,230,165

Change of Assumptions Since the Prior Measurement Date

New assumptions were adopted in conjunction with an actuarial experience study since the prior measurement date that affected measurement of the total pension liability during the measurement period. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change of Benefit Terms Since the Prior Measurement Date

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

Note 9. Defined Other Postemployment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. The Board may adopt rules, plans, procedures and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

Wichita Falls Independent School District

Notes to the Financial Statements

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates

	Medicare	Non-medicare
Retiree or surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2023	2022
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2023 are as follows:

2023 District contributions	\$ 998,409
2023 Member contributions	569,112
2023 NECE on-behalf contributions (state)	1,090,487

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$437,510, \$305,482 and \$462,504 in 2023, 2022, and 2021, respectively, for on-behalf payments for Medicare Part D.

Wichita Falls Independent School District

Notes to the Financial Statements

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19 related health care costs during fiscal year 2022.

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

On June 30, 2023, the District reported a liability of \$26,060,937 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District are as follows:

District's proportionate share of the net OPEB liability	\$ 26,060,937
State's proportionate share of the net OPEB liability associated with the District	<u>31,790,248</u>
	<u>\$ 57,851,185</u>

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2021 rolled forward to August 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.1050993% which was an increase of 0.0037419% from its proportion measured as of August 31, 2021.

For the fiscal year ended June 30, 2023, the District recognized net OPEB revenue of \$7,782,542 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$1,090,487 was recognized for support provided by the State.

On June 30, 2023, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 1,448,896	\$ 21,711,099
Changes of assumptions	3,969,597	18,105,588
Net difference between projected and actual earnings on investments	77,629	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	4,131,410	2,559,184
District contributions after measurement date	<u>852,971</u>	<u>-</u>
	<u>\$ 10,480,503</u>	<u>\$ 42,375,871</u>

Wichita Falls Independent School District

Notes to the Financial Statements

\$852,971 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	OPEB Expense (Income)
2024	\$ (6,243,358)
2025	(6,243,076)
2026	(5,137,927)
2027	(3,641,737)
2028	(4,033,379)
Thereafter	(7,448,862)
	<u>\$ (32,748,339)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2021. Update procedures were used to roll forward the total OPEB liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 8 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

Wichita Falls Independent School District

Notes to the Financial Statements

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

Actuarial cost method	Individual entry age normal
Single discount rate	3.91%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability at August 31, 2022. This was an increase of 1.96% in the discount rate since the August 31, 2021 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of August 31, 2022.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.91%) in measuring the net OPEB liability.

Sensitivity of the Net OPEB Liability
to the Single Discount Rate Assumptions

1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
<hr/>	<hr/>	<hr/>
\$ 30,727,911	\$ 26,060,937	\$ 22,280,088

Wichita Falls Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

Sensitivity of the Net OPEB Liability to
the Healthcare Cost Trend Rate Assumption

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
\$ 21,474,329	\$ 26,060,937	\$ 32,006,883

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.
- Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

Note 10. Facilities Use Agreement

During fiscal year 2022, the District entered into a 10-year agreement with another entity for the use of one of the District's stadiums for the total amount of \$250,000. This agreement fell under GASB Statement No. 87, Leases. The District received the payment of \$250,000 at the start of the agreement in July 2021 and recorded a deferred inflow of resources for leases. This deferred inflow of resources will be amortized and recognized over the 10-year period. As of June 30, 2023, the remaining deferred inflow of resources for leases is \$200,000.

Note 11. Risk Management

Self-insured Worker's Compensation Plan

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

Wichita Falls Independent School District

Notes to the Financial Statements

As of June 30, 2023, the worker's compensation benefit obligation consisted of \$261,000 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:

	2023	2022
Claims payable, beginning of year	\$ 247,000	\$ 393,000
Claims incurred	211,000	71,000
Claim payments	(198,000)	(223,000)
Excess coverage	1,000	6,000
Claims payable, end of year	\$ 261,000	\$ 247,000

Other Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2023, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 12. Commitments and Contingencies

The District is a party to various legal actions, none of which are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments that exceed bond issue stated interest rates. There is a complicated formula based on a five year history, therefore the exact amount of liability, if any, is not known until five years from the bond issuance date. There was no rebate liability as of June 30, 2023.

The District is in the construction phase of the two new high schools, with remaining construction commitments of approximately \$52,086,311 (East site) and \$48,397,703 (West site) at June 30, 2023.

Wichita Falls Independent School District

Notes to the Financial Statements

Note 13. Shared Service Arrangement

The District is the fiscal agent for a Shared Service Arrangement which provides a regional day school for the deaf to member districts. All services are provided by the District as a fiscal agent. The member districts provide funds to the fiscal agent for operations. According to TEA guidance, the District has accounted for the fiscal agent activities of the SSA in special revenue funds 315, 316, 317, and 435 and such activities have been accounted for using Module 3 in the SSA section of TEA's Resource Guide. These expenditures of the SSA are summarized as follows:

Member Districts	#315	#435	Totals
Big Four Special Education Coop	\$ 3,521	\$ 26,825	\$ 30,346
Burkburnett ISD	5,868	44,502	50,370
Clay-Jack Coop	7,628	53,486	61,114
Graham ISD	587	13,494	14,081
Greenbelt Coop	1,174	9,202	10,376
Montague County Coop	5,281	41,315	46,596
Vernon ISD	2,347	40,443	42,790
West Wichita County Coop	5,868	34,938	40,806
Wichita Falls ISD	19,948	209,529	229,477
Totals	\$ 52,222	\$ 473,734	\$ 525,956

Note 14. Nonmonetary Transactions

During the fiscal year ended June 30, 2023, the District received textbooks purchased by the State of Texas for the benefit of the District for a purchase price of \$239,175. The district receives the textbooks as part of state funding for textbook allotment. The textbooks have been recorded in the amount of \$239,175 in a special revenue fund as both state revenues and expenditures, which represents the amount of consideration given by the State of Texas.

Note 15. Recent Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022* (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases were implemented in the District's fiscal year 2022 financial statements in conjunction with GASB 87. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the District's fiscal year 2023 financial statements in conjunction with GASB 94 and GASB 96. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

Wichita Falls Independent School District

Notes to the Financial Statements

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the District's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

Required Supplementary Information

Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund
 For the Fiscal Year Ended June 30, 2023

Exhibit G-1
 Page 1 of 2

Data Control Codes		1 Budgeted Amounts		3	Variance With Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local and intermediate sources	\$ 48,600,776	\$ 48,600,776	\$ 50,610,424	\$ 2,009,648
5800	State program revenues	62,817,597	69,892,741	73,520,994	3,628,253
5900	Federal program revenues	3,240,670	3,240,670	6,097,761	2,857,091
5020	Total revenues	114,659,043	121,734,187	130,229,179	8,494,992
EXPENDITURES					
Current:					
Instruction & instructional related services:					
0011	Instruction	71,971,934	72,817,521	54,610,590	18,206,931
0012	Instructional resources and media services	1,499,537	1,500,087	931,757	568,330
0013	Curriculum and staff development	873,241	862,863	509,540	353,323
	Total instruction & inst. related services	74,344,712	75,180,471	56,051,887	19,128,584
Instructional and school leadership:					
0021	Instructional leadership	2,080,448	2,031,429	1,791,173	240,256
0023	School leadership	7,621,518	7,633,889	6,507,432	1,126,457
	Total instructional & school leadership	9,701,966	9,665,318	8,298,605	1,366,713
Support services - student (pupil) :					
0031	Guidance, counseling, and evaluation services	4,030,168	4,034,700	2,876,403	1,158,297
0032	Social work services	439,046	439,080	347,034	92,046
0033	Health services	1,950,690	1,951,222	1,223,362	727,860
0034	Student transportation	3,286,300	4,407,800	3,046,592	1,361,208
0036	Cocurricular/extracurricular activities	3,695,639	4,183,828	3,439,269	744,559
	Total support services - student (pupil)	13,401,843	15,016,630	10,932,660	4,083,970
Administration support services:					
0041	General administration	3,655,990	3,469,454	2,522,069	947,385
	Total administrative support service	3,655,990	3,469,454	2,522,069	947,385
Support services:					
0051	Facilities maintenance and operations	12,019,407	12,448,202	10,742,796	1,705,406
0052	Security and monitoring services	881,538	893,931	865,398	28,533
0053	Data processing services	3,162,179	3,397,787	2,466,314	931,473
	Total support services - nonstudent based	16,063,124	16,739,920	14,074,508	2,665,412
Ancillary services:					
0061	Community services	12,150	14,957	13,236	1,721
	Total ancillary services	12,150	14,957	13,236	1,721
Debt service:					
0071	Principal on long-term debt	1,099,580	1,099,580	1,099,579	1
0072	Interest on long-term debt	84,482	84,482	84,482	-
	Total debt services	1,184,062	1,184,062	1,184,061	1
Capital outlay:					
0081	Capital outlay	-	-	-	-
	Total capital outlay	-	-	-	-
Intergovernmental charges:					
0093	Payments to fiscal agent/member dist. - SSA	100,000	110,024	104,107	5,917
0095	Payments related to juvenile justice alternative education program	40,000	40,000	20,210	19,790
0099	Other intergovernmental charges	706,046	714,146	714,140	6
	Total intergovernmental charges	846,046	864,170	838,457	25,713
6030	Total expenditures	119,209,893	122,134,982	93,915,483	28,219,499

Wichita Falls Independent School District
 Budgetary Comparison Schedule – General Fund – Continued
 For the Fiscal Year Ended June 30, 2023

Exhibit G-1
 Page 2 of 2

<u>Data Control Codes</u>		Budgeted Amounts		3 <u>Actual</u>	Variance With Final Budget Positive (Negative)
		<u>1</u> <u>Original</u>	<u>2</u> <u>Final</u>		
1100	Excess (deficiency) of revenues over (under) expenditures	(4,550,850)	(400,795)	36,313,696	36,714,491
	OTHER FINANCING SOURCES (USES)				
7912	Sale of real or personal property	30,000	30,000	15,543	(14,457)
7915	Transfers in	342,776	342,776	342,776	-
8911	Transfers out	(175,000)	(175,000)	(20,175,000)	(20,000,000)
7080	Total other financing sources (uses)	197,776	197,776	(19,816,681)	(20,014,457)
1200	Net change in fund balance	(4,353,074)	(203,019)	16,497,015	16,700,034
0100	Fund balances, beginning	25,777,240	25,777,240	25,777,240	-
3000	FUND BALANCES, ending	<u>\$ 21,424,166</u>	<u>\$ 25,574,221</u>	<u>\$ 42,274,255</u>	<u>\$ 16,700,034</u>

The Notes to the Required Supplementary Information are an integral part of this statement.

Wichita Falls Independent School District
 Budgetary Comparison Schedule – Child Nutrition Fund
 For the Fiscal Year Ended June 30, 2023

Exhibit G-2

Data Control Codes	1 Budgeted Amounts		3	Variance With Final Budget Positive (Negative)	
	Original	Final	Actual		
REVENUES					
5700	Total local and intermediate sources	\$ 830,901	\$ 830,901	\$ 1,900,556	\$ 1,069,655
5800	State program revenues	36,000	36,000	51,754	15,754
5900	Federal program revenues	6,636,918	6,636,918	7,466,406	829,488
5020	Total revenues	7,503,819	7,503,819	9,418,716	1,914,897
EXPENDITURES					
0035	Food service	6,933,443	6,933,443	6,879,800	53,643
6030	Total expenditures	6,933,443	6,933,443	6,879,800	53,643
1100	Excess of revenues over expenditures	570,376	570,376	2,538,916	1,968,540
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	-	-	503	503
8911	Transfers out	(342,776)	(342,776)	(342,776)	-
6030	Total other financing sources (uses)	(342,776)	(342,776)	(342,273)	503
1200	Net change in fund balances	227,600	227,600	2,196,643	1,969,043
0100	Fund balance, beginning	5,039,836	5,039,836	5,039,836	-
3000	FUND BALANCE, ending	\$ 5,267,436	\$ 5,267,436	\$ 7,236,479	\$ 1,969,043

The Notes to the Required Supplementary Information are an integral part of this statement.

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Wichita Falls Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability - TRS For the Last Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.0711907%	0.0659294%	0.0670845%
District's proportionate share of net pension liability	\$ 42,264,080	\$ 16,789,883	\$ 35,929,105
State's proportionate share of the net pension liability associated with the District	<u>69,266,656</u>	<u>34,282,912</u>	<u>71,626,487</u>
TOTAL	<u>\$ 111,530,736</u>	<u>\$ 51,072,795</u>	<u>\$ 107,555,592</u>
District's covered payroll	\$ 95,661,100	\$ 95,606,273	\$ 93,632,822
District's proportionate share of the net pension liability as a percentage of its covered payroll	44.18%	17.56%	38.37%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31, of the prior year.

* Ten years of data is not available.

Exhibit G-3

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0646314%	0.0769752%	0.0787869%	0.0736353%	0.0768421%	0.0469081%
\$ 33,597,439	\$ 42,369,006	\$ 25,191,798	\$ 27,825,674	\$ 27,162,660	\$ 12,529,802
<u>64,367,245</u>	<u>64,754,864</u>	<u>39,446,573</u>	<u>48,749,401</u>	<u>46,921,674</u>	<u>41,778,062</u>
<u>\$ 97,964,684</u>	<u>\$ 107,123,870</u>	<u>\$ 64,638,371</u>	<u>\$ 76,575,075</u>	<u>\$ 74,084,334</u>	<u>\$ 54,307,864</u>
\$ 81,962,063	\$ 82,044,781	\$ 81,886,153	\$ 78,562,967	\$ 77,683,359	\$ 74,925,429
40.99%	51.64%	30.76%	35.42%	34.97%	16.72%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Wichita Falls Independent School District

Schedule of the District's Contributions - TRS

For the Last Nine Fiscal Years***

	<u>2023 *</u>	<u>2022 *</u>	<u>2021 *</u>
Contractually required contribution	\$ 4,225,867	\$ 3,268,521	\$ 2,763,780
Contribution in relation to the contractually required contribution	<u>(4,225,867)</u>	<u>(3,268,521)</u>	<u>(2,763,780)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 87,555,768	\$ 96,047,196	\$ 95,308,623
Contributions as a percentage of covered payroll	4.83%	3.40%	2.90%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2021 - August 31, 2022.

* The amounts presented for the period was determined as of the District's fiscal period ended June 30.

** The amounts presented for the fiscal years was determined as of the District's fiscal year ended August 31.

Ten years of data is not available.

Exhibit G-4

<u>2020 *</u>	<u>2019 *</u>	<u>2018 **</u>	<u>2017 **</u>	<u>2016 **</u>	<u>2015 **</u>
\$ 2,706,170	\$ 1,897,605	\$ 2,559,998	\$ 2,687,750	\$ 2,445,845	\$ 2,258,375
<u>(2,706,170)</u>	<u>(1,897,605)</u>	<u>(2,559,998)</u>	<u>(2,687,750)</u>	<u>(2,445,845)</u>	<u>(2,258,375)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 91,626,695	\$ 68,352,841	\$ 82,044,781	\$ 81,886,153	\$ 78,562,967	\$ 77,683,359
2.95%	2.78%	3.12%	3.28%	3.11%	2.91%

Wichita Falls Independent School District

Schedule of the District's Proportionate Share of the Net OPEB
Liability of a Cost-Sharing Multiple-Employer OPEB Plan
Teacher Retirement System of Texas
Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability	0.1088412%	0.1050993%	0.1073316%
District's proportionate share of net OPEB liability	\$ 26,060,937	\$ 40,541,485	\$ 40,801,580
State's proportionate share of the net OPEB liability associated with the District	<u>31,790,248</u>	<u>54,316,555</u>	<u>54,827,544</u>
TOTAL	<u>\$ 57,851,185</u>	<u>\$ 94,858,040</u>	<u>\$ 95,629,124</u>
District's covered payroll	\$ 95,661,100	\$ 95,606,273	\$ 93,632,822
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	27.24%	42.40%	43.58%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31, of the prior year.

* Ten years of data is not available.

<u>2020</u>	<u>2019</u>	<u>2018</u>
0.1022262%	0.1056270%	0.1067345%
\$ 48,344,019	\$ 52,740,505	\$ 46,414,842
<u>64,238,388</u>	<u>66,948,830</u>	<u>60,491,454</u>
<u>\$ 112,582,407</u>	<u>\$ 119,689,335</u>	<u>\$ 106,906,296</u>
\$ 81,962,063	\$ 82,044,781	\$ 81,886,153
58.98%	64.28%	56.68%
2.66%	1.57%	0.91%

Wichita Falls Independent School District
 Schedule of the District's Contributions to the
 Teacher Retirement System of Texas OPEB Plan
 Last Six Fiscal Years***

	<u>2023 *</u>	<u>2022 *</u>	<u>2021 *</u>
Contractually required contribution	\$ 998,409	\$ 889,948	\$ 817,581
Contribution in relation to the contractually required contribution	<u>(998,409)</u>	<u>(889,948)</u>	<u>(817,581)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 87,555,768	\$ 96,047,196	\$ 95,308,623
Contributions as a percentage of covered payroll	1.14%	0.93%	0.86%

* The amounts presented for the fiscal period was determined as of the District's fiscal period ended June 30.

** The amounts presented for the fiscal year were determined as of the District's fiscal year ended August 31.

*** Ten years of data is not available.

<u>2020 *</u>	<u>2019 *</u>	<u>2018 **</u>
\$ 799,787	\$ 607,232	\$ 729,149
<u>(799,787)</u>	<u>(607,232)</u>	<u>(729,149)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 91,626,695	\$ 68,352,841	\$ 82,044,781
0.87%	0.89%	0.89%

Wichita Falls Independent School District
Notes to the Required Supplementary Information

Note 1. Budgetary Data

A. Budgetary Information

The official budget was prepared for adoption for the general, child nutrition, and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1.
2. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
3. Prior to July 1, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the functional level by personnel responsible for the organizational financial reporting.

Combining Statements and Schedules

Wichita Falls Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Data Control Codes		205	206	211
		Head Start	ESEA Title X Part C Homeless	ESEA Title I Improving Basic Programs
ASSETS				
1110	Cash and cash equivalents	\$ 3,239	\$ 3,847	\$ 3,232
1240	Due from other governments	856,095	2,923	599,312
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1000	TOTAL ASSETS	859,334	6,770	602,544
LIABILITIES				
Current liabilities:				
2110	Accounts payable	-	-	15,353
2150	Payroll deductions & withholdings	41,206	228	31,387
2160	Accrued wages payable	280,067	1,961	283,245
2170	Due to other funds	538,005	4,581	272,013
2180	Due to other governments	-	-	546
2300	Unearned revenue	-	-	-
2000	Total liabilities	859,278	6,770	602,544
FUND BALANCES				
Restricted:				
3450	Federal/state funds grant restrictions	56	-	-
Committed:				
3545	Other committed fund balance	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	56	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 859,334</u>	<u>\$ 6,770</u>	<u>\$ 602,544</u>

213	215	224	225	226	244	255
ESEA Title I Part B - Even St. Family Literacy	ESEA Title I Part A Capital Expenses	IDEA-B Formula	IDEA-B Preschool Grant	IDEA-B High Cost	Career and Tech Basic Grant	ESEA Title II Training & Recruiting
\$ 1,215	\$ 17,812	\$ -	\$ -	\$ -	\$ 459	\$ -
19,757	25,873	992,024	18,295	1,722	20,478	83,237
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,972	43,685	992,024	18,295	1,722	20,937	83,237
-	-	-	-	-	-	-
454	2,070	27,181	1,257	-	-	3,610
5,956	13,464	224,265	13,065	-	-	29,597
14,562	28,151	740,578	3,973	1,722	20,517	50,030
-	-	-	-	-	420	-
-	-	-	-	-	-	-
20,972	43,685	992,024	18,295	1,722	20,937	83,237
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 20,972	\$ 43,685	\$ 992,024	\$ 18,295	\$ 1,722	\$ 20,937	\$ 83,237

Wichita Falls Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds – Continued
June 30, 2023

		263	272	279
Data Control Codes		Title III Part A Language	MAC Program	ESSER III - TCLAS
ASSETS				
1110	Cash and cash equivalents	\$ 352	\$ -	\$ -
1240	Due from other governments	190	-	21,295
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1000	Total assets	542	-	21,295
LIABILITIES				
Current liabilities				
2110	Accounts payable	-	780	-
2150	Payroll deductions & withholdings	-	(740)	32
2160	Accrued wages payable	-	-	125
2170	Due to other funds	424	(20,877)	21,138
2180	Due to other governments	118	-	-
2300	Unearned revenue	-	20,837	-
2000	Total liabilities	542	-	21,295
FUND BALANCES				
Restricted:				
3450	Federal/state funds grant restrictions	-	-	-
Committed:				
3545	Other committed fund balance	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances	-	-	-
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 542	\$ -	\$ 21,295

281	282	284	285	287/291	288	289
ESSER II	ESSER III	IDEA - Part B, Formula - ARP	IDEA - Part B, Preschool - ARP	Department of Defense Grant	HIPPY Grant	Summer School
\$ -	\$ -	\$ -	\$ -	\$ 210	\$ 686	\$ 20,717
2,228,826	4,372,446	430,288	9,640	107,079	110,934	57,316
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,228,826	4,372,446	430,288	9,640	107,289	111,620	78,033
-	-	-	-	-	555	-
141,939	107,592	(967)	(90)	1,110	4,309	996
(118,611)	1,734,854	-	-	9,667	38,355	7,220
2,205,498	2,530,000	431,255	9,730	96,512	68,298	69,817
-	-	-	-	-	-	-
-	-	-	-	-	103	-
2,228,826	4,372,446	430,288	9,640	107,289	111,620	78,033
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,228,826</u>	<u>\$ 4,372,446</u>	<u>\$ 430,288</u>	<u>\$ 9,640</u>	<u>\$ 107,289</u>	<u>\$ 111,620</u>	<u>\$ 78,033</u>

Wichita Falls Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds – Continued
June 30, 2023

		315	316	397
Data Control Codes		IDEA-B Discretionary	IDEA-B Deaf	Advanced Placement Incentives
ASSETS				
1110	Cash and cash equivalents	\$ 267	\$ 190	\$ 813
1240	Due from other governments	3,137	-	-
1260	Due from other funds	-	-	-
1300	Inventories	-	-	-
1000 TOTAL ASSETS		3,404	190	813
LIABILITIES				
Current liabilities				
2110	Accounts payable	-	-	-
2150	Payroll deductions & withholdings	-	-	-
2160	Accrued wages payable	-	-	-
2170	Due to other funds	3,404	-	-
2180	Due to other governments	-	-	-
2300	Unearned revenue	-	-	-
2000 Total liabilities		3,404	-	-
FUND BALANCES				
Restricted:				
3450	Federal/state funds grant restrictions	-	190	813
Committed:				
3545	Other committed fund balance	-	-	-
3600	Unassigned	-	-	-
3000 Total fund balances		-	190	813
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,404	\$ 190	\$ 813

410	415	427	429	435	461	480
State Textbook Fund	Kindergarten and Pre-K Grant	HOPES Grant	State Funded Special Revenue Fund	Regional Day School for the Deaf	Campus Activity Funds	No Kid Hungry Grant
\$ 74,483	\$ -	\$ 13,846	\$ -	\$ -	\$ 904,781	\$ 11,136
-	50	44,425	128,808	273,797	-	-
-	-	-	-	-	150	-
-	-	-	-	-	-	-
74,483	50	58,271	128,808	273,797	904,931	11,136
-	-	-	-	-	39	-
-	-	2,085	-	8,068	-	-
-	-	8,211	-	46,648	-	-
-	2,653	25,378	122,306	544,598	345	-
-	-	-	-	-	-	-
42,059	-	-	19,649	-	-	11,136
42,059	2,653	35,674	141,955	599,314	384	11,136
32,424	-	22,597	-	-	-	-
-	-	-	-	-	904,547	-
-	(2,603)	-	(13,147)	(325,517)	-	-
32,424	(2,603)	22,597	(13,147)	(325,517)	904,547	-
\$ 74,483	\$ 50	\$ 58,271	\$ 128,808	\$ 273,797	\$ 904,931	\$ 11,136

Wichita Falls Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds – Continued
June 30, 2023

Data Control Codes		489	499	Total Nonmajor Governmental Funds
		West Foundation	Local Special Revenue	
ASSETS				
1110	Cash and cash equivalents	\$ 231,574	\$ 30,184	\$ 1,319,043
1240	Due from other governments	-	-	10,407,947
1260	Due from other funds	-	-	150
1300	Inventories	8,873	-	8,873
1000	TOTAL ASSETS	240,447	30,184	11,736,013
LIABILITIES				
Current liabilities				
2110	Accounts payable	12	-	16,739
2150	Payroll deductions & withholdings	-	-	371,727
2160	Accrued wages payable	-	-	2,578,089
2170	Due to other funds	-	-	7,784,611
2180	Due to other governments	-	-	1,084
2300	Unearned revenue	237,209	30,000	360,993
2000	Total liabilities	237,221	30,000	11,113,243
FUND BALANCES				
Restricted:				
3450	Federal/state funds grant restrictions	3,226	184	59,490
Committed:				
3545	Other committed fund balance	-	-	904,547
3600	Unassigned	-	-	(341,267)
3000	Total fund balances	3,226	184	622,770
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 240,447</u>	<u>\$ 30,184</u>	<u>\$ 11,736,013</u>

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Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds
 For the Fiscal Year Ended June 30, 2023

		205	206	211
Data Control Codes		Head Start	ESEA Title X Part C Homeless	ESEA Title I Improving Basic Programs
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	2,907,487	23,872	3,635,828
5020	Total revenues	2,907,487	23,872	3,635,828
EXPENDITURES				
Current:				
0011	Instruction	2,536,575	8,144	2,998,208
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	21,537	-	146,325
0021	Instructional leadership	-	-	298,649
0023	School leadership	131,919	-	11,793
0031	Guidance, counseling, and evaluation services	68,812	-	-
0032	Social work services	59,541	15,728	43,189
0033	Health services	21,739	-	2,827
0034	Student transportation	50,701	-	41,465
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	55,437
0051	Facilities maintenance and operations	16,427	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	180	-	37,935
Intergovernmental:				
0093	Payments to shared service arrangements	-	-	-
6030	Total expenditures	2,907,431	23,872	3,635,828
1100	Excess (deficiency) of revenues over (under) expenditures	56	-	-
1200	Net change in fund balances	56	-	-
0100	Fund balances, beginning	-	-	-
3000	FUND BALANCES, ending	\$ 56	\$ -	\$ -

213	215	224	225	226	244	255
ESEA Title I Part B - Even St. Family Literacy	ESEA Title I Part A Capital Expenses	IDEA-B Formula	IDEA-B Preschool Grant	IDEA-B High Cost	Career and Tech Basic Grant	ESEA Title II Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
102,032	117,884	3,250,690	120,539	-	201,337	552,082
102,032	117,884	3,250,690	120,539	-	201,337	552,082
91,680	115,545	998,981	120,435	-	55,322	330,530
-	-	-	-	-	-	-
371	-	174,775	-	-	1,202	188,236
-	-	-	-	-	144,813	5,000
9,981	-	-	-	-	-	-
-	-	2,076,934	104	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,339	-	-	-	-	28,316
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
102,032	117,884	3,250,690	120,539	-	201,337	552,082
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds – Continued
 For the Fiscal Year Ended June 30, 2023

		263	272	279
Data Control Codes		Title III Part A Language	MAC Program	ESSER III - TCLAS
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	89,382	254,501	236,207
5020	Total revenues	89,382	254,501	236,207
EXPENDITURES				
Current:				
0011	Instruction	81,391	8,437	110,448
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	300	6,395	1,275
0021	Instructional leadership	-	135,054	124,484
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	11,139	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	2,339	2,412	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	5,352	-	-
Intergovernmental:				
0093	Payments to shared service arrangements	-	91,064	-
6030	Total expenditures	89,382	254,501	236,207
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	FUND BALANCES, ending	\$ -	\$ -	\$ -

281	282	284	285	287/291	288	289
ESSER II	ESSER III	IDEA - Part B, Formula - ARP	IDEA - Part B, Preschool - ARP	Department of Defense Grant	HIPPY Grant	Summer School
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
10,194,897	14,388,972	521,141	33,749	204,355	372,134	479,669
10,194,897	14,388,972	521,141	33,749	204,355	372,134	479,669
4,521,639	14,030,313	495,659	29,999	117,132	-	62,270
455,984	-	-	-	-	-	-
98,835	309,311	-	-	7,199	-	2,671
197,200	-	-	-	80,024	-	200
1,049,714	6,060	-	-	-	-	-
920,562	-	25,482	3,750	-	-	165,935
57,019	-	-	-	-	-	-
660,659	2,006	-	-	-	-	-
-	-	-	-	-	-	-
111,892	226	-	-	-	-	-
983,357	-	-	-	-	-	2,339
692,514	-	-	-	-	-	-
-	-	-	-	-	-	246,254
445,522	41,056	-	-	-	-	-
-	-	-	-	-	372,134	-
-	-	-	-	-	-	-
10,194,897	14,388,972	521,141	33,749	204,355	372,134	479,669
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
 In Fund Balance – Nonmajor Governmental Funds – Continued
 For the Fiscal Year Ended June 30, 2023

		315	316	397
Data Control Codes		IDEA-B Discretionary	IDEA-B Deaf	Advanced Placement Incentives
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	52,222	-	-
5020	Total revenues	52,222	-	-
EXPENDITURES				
Current:				
0011	Instruction	8,557	-	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	3,022	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	38,823	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	1,820	-	-
Intergovernmental:				
0093	Payments to shared service arrangements	-	-	-
6030	Total expenditures	52,222	-	-
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	190	813
3000	FUND BALANCES, ending	\$ -	\$ 190	\$ 813

410	415	427	429	435	461	480
State Textbook Fund	Kindergarten and Pre-K Grant	HOPES Grant	State Funded Special Revenue Fund	Regional Day School for the Deaf	Campus Activity Funds	No Kid Hungry Grant
\$ -	\$ -	\$ -	\$ -	\$ 423,025	\$ 358,020	\$ -
239,175	-	147,373	468,918	198,502	-	-
-	-	-	-	-	-	-
239,175	-	147,373	468,918	621,527	358,020	-
238,831	-	-	16,468	403,531	32,708	-
-	-	-	-	-	75,025	-
-	-	-	-	-	-	-
-	-	-	335,815	-	-	-
-	-	-	-	-	40,199	-
-	-	-	68,764	70,203	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	192,049	-
345	-	-	-	-	-	-
-	-	-	-	-	134	-
-	-	-	49,248	-	-	-
-	-	-	-	-	-	-
-	-	146,763	-	-	-	-
-	-	-	-	-	-	-
239,176	-	146,763	470,295	473,734	340,115	-
(1)	-	610	(1,377)	147,793	17,905	-
(1)	-	610	(1,377)	147,793	17,905	-
32,425	(2,603)	21,987	(11,770)	(473,310)	886,642	-
\$ 32,424	\$ (2,603)	\$ 22,597	\$ (13,147)	\$ (325,517)	\$ 904,547	\$ -

Wichita Falls Independent School District

Combining Statement of Revenues, Expenditures and Changes
In Fund Balance – Nonmajor Governmental Funds – Continued
For the Fiscal Year Ended June 30, 2023

Data Control Codes		489	499	Total Nonmajor Governmental Funds
		West Foundation	Local Special Revenue	
REVENUES				
5700	Local and intermediate sources	\$ 124,399	\$ 30,000	\$ 935,444
5800	State program revenues	-	-	1,053,968
5900	Federal program revenues	-	-	37,738,980
5020	Total revenues	124,399	30,000	39,728,392
EXPENDITURES				
Current:				
0011	Instruction	50,247	29,816	27,492,866
0012	Instructional resources and media services	154	-	531,163
0013	Curriculum and staff development	39,999	-	1,001,453
0021	Instructional leadership	-	-	1,321,239
0023	School leadership	-	-	1,249,666
0031	Guidance, counseling, and evaluation services	-	-	3,450,508
0032	Social work services	-	-	175,477
0033	Health services	-	-	687,231
0034	Student transportation	-	-	92,166
0036	Cocurricular/extracurricular activities	27,319	-	331,486
0041	General administration	-	-	1,076,884
0051	Facilities maintenance and operations	-	-	709,075
0052	Security and monitoring services	-	-	295,502
0053	Data processing services	-	-	486,578
0061	Community services	-	-	564,184
Intergovernmental:				
0093	Payments to shared service arrangements	-	-	91,064
6030	Total expenditures	117,719	29,816	39,556,542
1100	Excess (deficiency) of revenues over (under) expenditures	6,680	184	171,850
1200	Net change in fund balances	6,680	184	171,850
0100	Fund balances, beginning	(3,454)	-	450,920
3000	FUND BALANCES, ending	\$ 3,226	\$ 184	\$ 622,770

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Wichita Falls Independent School District
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

Exhibit H-3

Data Control Codes		828 Ryan Scholarship Fund	829 Renton Aviation Fund	865 Student Activity Fund	Total Custodial Funds
	ASSETS				
1110	Cash and cash equivalents	\$ 665,544	\$ 3,000	\$ 191,507	\$ 860,051
1290	Other receivables	-	-	98,196	98,196
1000	TOTAL ASSETS	\$ 665,544	\$ 3,000	\$ 289,703	\$ 958,247
	LIABILITIES:				
2190	Accounts payable	\$ -	\$ -	3,278	\$ 3,278
2000	Total liabilities	-	-	3,278	3,278
	NET POSITION				
3800	Restricted for other purposes	665,544	3,000	286,425	954,969
3000	TOTAL NET POSITION	\$ 665,544	\$ 3,000	\$ 286,425	\$ 954,969

Wichita Falls Independent School District**Exhibit H-4**

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Fiscal Year Ended June 30, 2023

	828 Ryan Scholarship Fund	829 Renton Aviation Fund	865 Student Activity Fund	Total Custodial Funds
ADDITIONS				
Gifts and bequests	\$ 246,978	\$ -	\$ -	\$ 246,978
Miscellaneous revenue from student groups	-	-	319,336	319,336
Total additions	246,978	-	319,336	566,314
DEDUCTIONS				
Scholarship awards	165,000	-	-	165,000
Dues and fees	-	-	332,289	332,289
Total deductions	165,000	-	332,289	497,289
Changes in net position	81,978	-	(12,953)	69,025
NET POSITION:				
Net position, beginning	583,566	3,000	299,378	885,944
NET POSITION, end of year	<u>\$ 665,544</u>	<u>\$ 3,000</u>	<u>\$ 286,425</u>	<u>\$ 954,969</u>

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Required TEA Schedules

Wichita Falls Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended June 30, 2023

Last Ten Years Ended June 30,	1		2		3
	Tax Rates				Net Assessed/Appraised Value For School Tax Purposes
	Maintenance		Debt Service		
2014 and prior years	\$	Various	\$	Various	Various
2015		1.04		0.095	4,123,975,683
2016		1.04		0.190	4,257,991,182
2017		1.04		0.190	4,335,535,584
2018		1.04		0.190	4,429,361,935
2019		1.04		0.180	4,556,179,129
2020		0.97		0.180	4,766,677,223
2021		0.9664		0.180	4,952,215,675
2022		0.9401		0.425	5,285,038,473
2023		0.8715		0.425	5,814,464,019
1000 TOTALS					
8000 TOTALS					Taxes refunded

Exhibit J-1

10	20	31	32	40	50
Beginning	Current	Maintenance	Debt Service	Entire	Ending
Balance	Year's	Maintenance	Debt Service	Year's	Balance
7/1/2022	Total Levy	Collections	Collections	Adjustments	6/30/2023
\$ 392,425	\$ -	\$ 27,321	\$ 4,334	\$ (13,870)	\$ 346,900
92,395	-	3,923	358	(491)	87,623
129,725	-	4,052	740	(528)	124,405
214,087	-	8,145	1,488	(608)	203,846
207,786	-	12,458	2,276	(841)	192,211
88,648	-	33,033	5,717	(982)	48,916
(466,431)	-	52,037	9,656	(372)	(528,496)
322,048	-	67,935	12,653	(42,983)	198,477
1,305,409	-	394,401	178,301	(445,224)	287,483
-	71,735,424	46,822,292	22,833,590	(795,734)	1,283,808
<u>\$ 2,286,092</u>	<u>\$ 71,735,424</u>	<u>\$ 47,425,597</u>	<u>\$ 23,049,113</u>	<u>\$ (1,301,633)</u>	<u>\$ 2,245,173</u>
		\$ 691,502			

Wichita Falls Independent School District
 Budgetary Comparison Schedule – Debt Service Fund
 For the Fiscal Year Ended June 30, 2023

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 21,756,640	\$ 21,756,640	\$ 23,404,273	\$ 1,647,633
5800	State program revenues	-	-	551,764	551,764
5020	Total revenues	21,756,640	21,756,640	23,956,037	2,199,397
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	11,465,000	11,465,000	11,465,000	-
0072	Interest on long-term debt	10,522,847	10,522,847	10,522,845	2
0073	Bond issuance costs and fees	8,000	8,000	6,250	1,750
	Total debt service	21,995,847	21,995,847	21,994,095	1,752
6030	Total expenditures	21,995,847	21,995,847	21,994,095	1,752
	Net change in fund balance	(239,207)	(239,207)	1,961,942	2,197,645
0100	Fund balances, beginning	4,840,519	4,840,519	4,840,519	-
3000	FUND BALANCES, ending	\$ 4,601,312	\$ 4,601,312	\$ 6,802,461	\$ 2,197,645

<u>Data Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 14,111,790
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 2,329,909
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 799,451
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 444,706

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Overall Compliance and Internal Controls Section

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Board of Trustees
Wichita Falls Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Falls Independent School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2023-01.

The Board of Trustees
Wichita Falls Independent School District

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2023

**Independent Auditor's Report on Compliance for Each Major
Federal Program and Report on Internal Control over Compliance in
Accordance with the Uniform Guidance**

To the Board of Trustees
Wichita Falls Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wichita Falls Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The Board of Trustees
Wichita Falls Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2023

Wichita Falls Independent School District

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to financial statements noted	<u> X </u> Yes	<u> </u> No

Major Programs

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered a material weakness?	<u> </u> Yes	<u> X </u> None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that were required to be reported in accordance with section 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

- 84.010A – ESEA Title I
- 84.425D – COVID-19 CRRSA ESSER II
- 84.425U – COVID-19 ARP ESSER III & COVID-19 TCLAS ESSER IIII

The dollar threshold used to distinguish between Type A and Type B programs:	<u>\$1,379,032</u>	
Auditee qualified as a low-risk auditee?	<u> X </u> Yes	<u> </u> No

Wichita Falls Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2023

Section 2. Findings Relating To the Financial Statements

Finding 2023-01

Criteria

The District failed to monitor the expenditure of its state compensatory education (SCE) allotment from the Texas Education Agency (TEA).

Condition

The District failed to spend 55% of the compensatory education TEA allotment.

Effect

The District did not meet the 55% criteria by \$5,431,575.

Cause

The reduction in force that took place in Spring 2022 involved staff that were supplemental that were paid from specific allotment codes and/or federal grants. Many positions, such as, paraprofessionals, at-risk coordinators, and instructional coaches were eliminated and were paid from general fund allotment SCE.

Recommendation

The District should continually monitor spending as required by TEA to ensure that all allotments are expended during the year.

Section 3. Findings and Questioned Costs

None

Section 4. Prior Year Findings and Questioned Costs

None



**WICHITA FALLS
INDEPENDENT
SCHOOL DISTRICT**

1104 Broad Street
Wichita Falls, Texas 76307
940.235.1015
FAX 940.235.4312

Corrective Action Plan

Finding 2023-01

Type of Finding – Noncompliance material to the Financial Statements

Corrective Action Plan

The District will continually monitor spending as required by TEA to ensure that all allotments are expended during the year.

Person(s) Responsible

Leah Horton, CFO

Anticipated Completion Date

June 30, 2024

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Wichita Falls Independent School District

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Region IX Education Service Center:			
Head Start	93.600	06CH7009/21	\$ 638,000
Head Start	93.600	06CH011086	2,048,172
COVID-19 Head Start	93.600	06CH7009/COVID	221,315
Total Passed Through Region IX Education Service Center			2,907,487
Passed Through North Texas Area United Way:			
Maternal, Infant, and Early Childhood Home Visiting Program	93.505	529-14-0109-00001	405,952
Passed Through Texas Health and Human Services Commission:			
Medicaid Administrative Claiming Program - MAC	93.778	529-08-0177-00005	254,501
Total U.S. Department of Health and Human Services			3,567,940
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Impact Aid - P.L.	84.041	N/A	192,293
Passed Through Region 10:			
Texas McKinney-Vento Program 2	84.196A	14-007	2,514
Texas McKinney-Vento Program 2	84.196A	236400057110083	22,539
Total Assistance Listing # 84.196A			25,053
Passed Through State Department of Education:			
ESEA Title I Part A - Improving Basic Programs	84.010A	22610101243905	611,408
ESEA Title I Part A - Improving Basic Programs	84.010A	236101010243905	3,202,513
ESEA Title I - School Improvement Program	84.010A	22610141243905	4,866
ESEA Title I - School Improvement Program	84.010A	23610141243905	97,166
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	22610103243905	9,959
ESEA Title I Part D, Subpart 2 - Delinquent Programs	84.010A	23610103243905	113,439
Total Assistance Listing # 84.048A			4,039,351
Special Education Cluster:			
IDEA-B Formula	84.027A	236600012439056000	3,109,889
IDEA-B Formula	84.027A	226600012439056600	286,860
IDEA-B Formula - ARP	84.027A	2253500224390555000	521,141
SSA IDEA-B Discretionary Deaf	84.027A	236600112439056673	39,264
SSA IDEA-B Discretionary Deaf	84.027A	226600112439056673	12,958
IDEA-B Preschool	84.173A	236610012439056610	99,876
IDEA-B Preschool	84.173A	226610012439056610	20,663
IDEA-B Preschool - ARP	84.173A	225360022439055360	33,749
Total Special Education Cluster			4,124,400
Vocational Education - Basic Grant			
Vocational Education - Basic Grant	84.048A	21420006243905	200,134
Vocational Education - Basic Grant	84.048A	22420006243905	11,193
Total Assistance Listing # 84.048A			211,327
ESEA Title III-LEP			
ESEA Title III-LEP	84.365A	21671001243905	395
ESEA Title III-LEP	84.365A	22671001243905	93,422
Total Assistance Listing # 84.365A			93,817
ESEA Title II, Part A - Teacher & Principal Training & Recruiting			
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	20694501243905	490,927
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	22694501243905	87,335
Total Assistance Listing # 84.367A			578,262
ESEA Title IV Part A - Subpart 1			
ESEA Title IV Part A - Subpart 1	84.424A	20610103243905	215,859
ESEA Title IV Part A - Subpart 1	84.424A	22680101243905	28,893
Total Assistance Listing # 84.424A			244,752
COVID-19 ARP ESSER III			
COVID-19 CRRSA ESSER II	84.425D	21521001243905	10,194,897
COVID-19 TCLAS ESSER III	84.425U	21528042243905	236,207
Total Assistance Listing # 84.425D/U			24,820,076
Total Passed Through State Department of Education			34,111,985
Total U.S. Department of Education			34,329,331

Exhibit K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through State Department of Agriculture:			
Food Distribution - SBP - Noncash Assistance	10.553	806780706	11,988
Food Distribution - NSLP - Noncash Assistance	10.555	806780706	30,350
Total Passed Through State Department of Agriculture			42,338
Passed Through State Department of Education:			
School Breakfast Program	10.553	7140901	1,888,296
National School Lunch Program	10.555	7130901	4,780,763
Total Passed Through State Department of Education			6,669,059
Passed Through State Department of Human Services:			
Summer Feeding Program	10.559	TX-2431005SU	83,178
Total Passed Through State Department of Human Services			83,178
Total Child Nutrition Cluster			6,794,575
Passed Through State Department of Agriculture:			
Supply Chain Assistance (SCA)	10.558	01138	399,283
Pandemic Electronic Benefit Transfer (P-EBT)	10.558	01138	5,950
Child and Adult Care Food Program (SCA)	10.558	01138	266,598
Total Passed Through State Department of Agriculture			671,831
Total U.S. Department of Agriculture			7,466,406
U. S. DEPARTMENT OF JUSTICE			
Direct programs:			
COPS Office School Violence Prevention Program	16.710	2020SVWX0027	246,254
Total U.S. Department of Justice			246,254
U.S. DEPARTMENT OF DEFENSE			
Direct programs:			
ROTC (Instructional Reimbursement)	12.000	243-905	153,444
Military-Connected Academic and Support Programs	12.556	HE12541510030	155,417
Military-Connected Academic and Support Programs	12.556	HE12542210016	48,494
Military-Connected Academic and Support Programs	12.556	HE12541710010	444
Total U.S. Department of Defense			357,799
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 45,967,730

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Wichita Falls Independent School District

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Basis of Presentation

The modified accrual basis of accounting is used for the governmental funds. Accordingly, the schedule of expenditures of federal awards was prepared under this basis of accounting, which requires that revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The following table reconciles total expenditures per the schedule of expenditures of federal awards (Exhibit K-1) to the federal program revenues per Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$	45,967,730
E-Rate program		28,623
SHARS revenue		<u>5,306,794</u>
Total federal program revenues per Exhibit C-2	\$	<u>51,303,147</u>

Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate.

Wichita Falls Independent School District

Schedule of Required Responses to Selected

School FIRST Indicators (Unaudited)

For the Fiscal Year Ended June 30, 2023

Data Control Codes		Response
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end:	\$ -