

Wylie Independent School District
Comprehensive Annual Financial Report (CAFR)
Fiscal Year Ended June 30, 2012



Wylie Independent School District
Educational Service Center
951 South Ballard Avenue
P O Box 490
Wylie, Texas 75098-0490
www.wylieisd.net

Wylie Independent School District

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

FISCAL YEAR ENDED
JUNE 30, 2012

Prepared by:
Wylie ISD — Finance Division
Michele Trongaard — Interim Chief Financial Officer
Jeff Robinson — District Accountant



WYLIE INDEPENDENT SCHOOL DISTRICT
951 South Ballard Avenue
P.O. Box 490
Wylie, Collin County, Texas 75098-0490
www.wylieisd.net



WYLIE ISD
Vision:

UNIFIED FOR EXCELLENCE

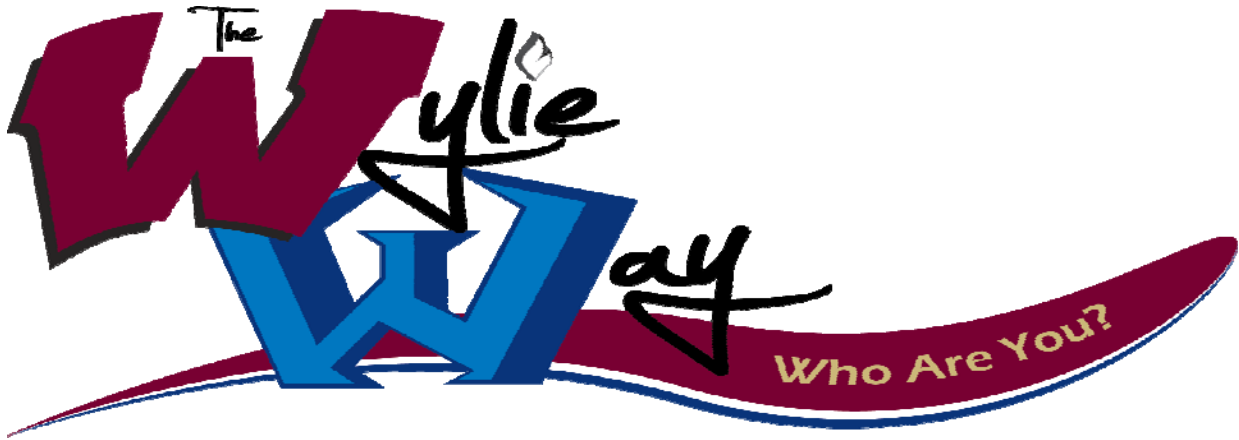
THE MISSION OF WYLIE ISD IS TO SUSTAIN A CULTURE OF HIGH EXPECTATIONS WHILE VALUING UNITY, RELATIONSHIPS, AND TRUST.

We Believe

- Character and community values are essential to building responsible citizens
- High expectations and accountability should be expected from all students and staff
- Exemplary employees make an exemplary difference
- As Wylie ISD grows, we will sustain our level of excellence in all operations
- Wylie ISD graduates must be challenged and equipped to succeed in the 21st Century

Strategic Goals

- Instill community and ethical values in our students
- Ensure academic achievement for every student through tight family partnerships, curriculum, and programs
- Attract, retain, and value a quality staff
- Manage growth in a way that provides
 - Functional equity
 - Financial responsibility
 - Assurance for all student needs
- Prepare students for a successful life beyond high school



The Wylie Way

A movement in our schools that fosters ethical, responsible and caring young people through an emphasis on the values of our Wylie ISD community

Built on the foundations of:

- Relationships
- Wylie Essentials of Behavior
- Preparing for Prosperity with College & Career Awareness/Readiness
- Caring, Giving, and Service Learning
- Celebrating

The Wylie Way must be GROUNDED in relationships first. For year one implementation (2012-13) the entire year will be built around this idea. Although elements of each foundation will happen through some district, campus, and classroom level activities, RELATIONSHIPS will be the focus and the non-negotiable. Relationships will be woven throughout the year consistently while the other tenets will be highlighted at specific times.

The full, multi-year process of implementation will include teams of key faculty and staff for each of the foundations. Activities and events will occur at the district, campus, and classroom level. While some activities and events will happen in all areas next year, there are elements that will be implemented with a 'pilot' approach for full implementation to occur over the course of the next three years. In addition, key community members will be involved in helping to foster and support the tenets of the Wylie Way in their local organizations and businesses.

The umbrella of the Wylie Way will encompass a comprehensive socio-emotional development plan including a plethora of elements such as character, mentoring, strengths, and planning for the future.

Wylie Independent School District
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Certificate of Board



Wylie Independent School District Collin 043-914
Name of School District County County-District Number

We, the undersigned, certify that the attached financial report of the Wylie Independent School District was reviewed and (check one) approved _____ disapproved for the year ended June 30, 2012, at the meeting of the Board of Trustees of such school district on the 15th of October, 2012.



Signature of Board Secretary



Signature of Board President

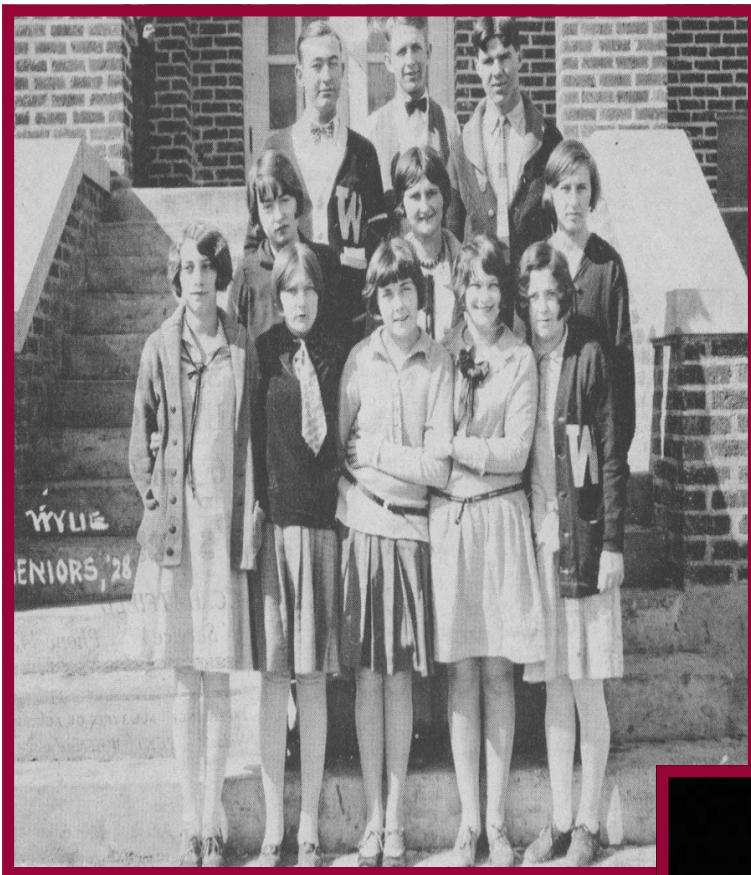
If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):

(Attach list as necessary)

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Wylie Independent School District

Introductory Section



HONORING THE PAST

























CELEBRATING THE PRESENT
Wylie High School meets
Wylie East High School



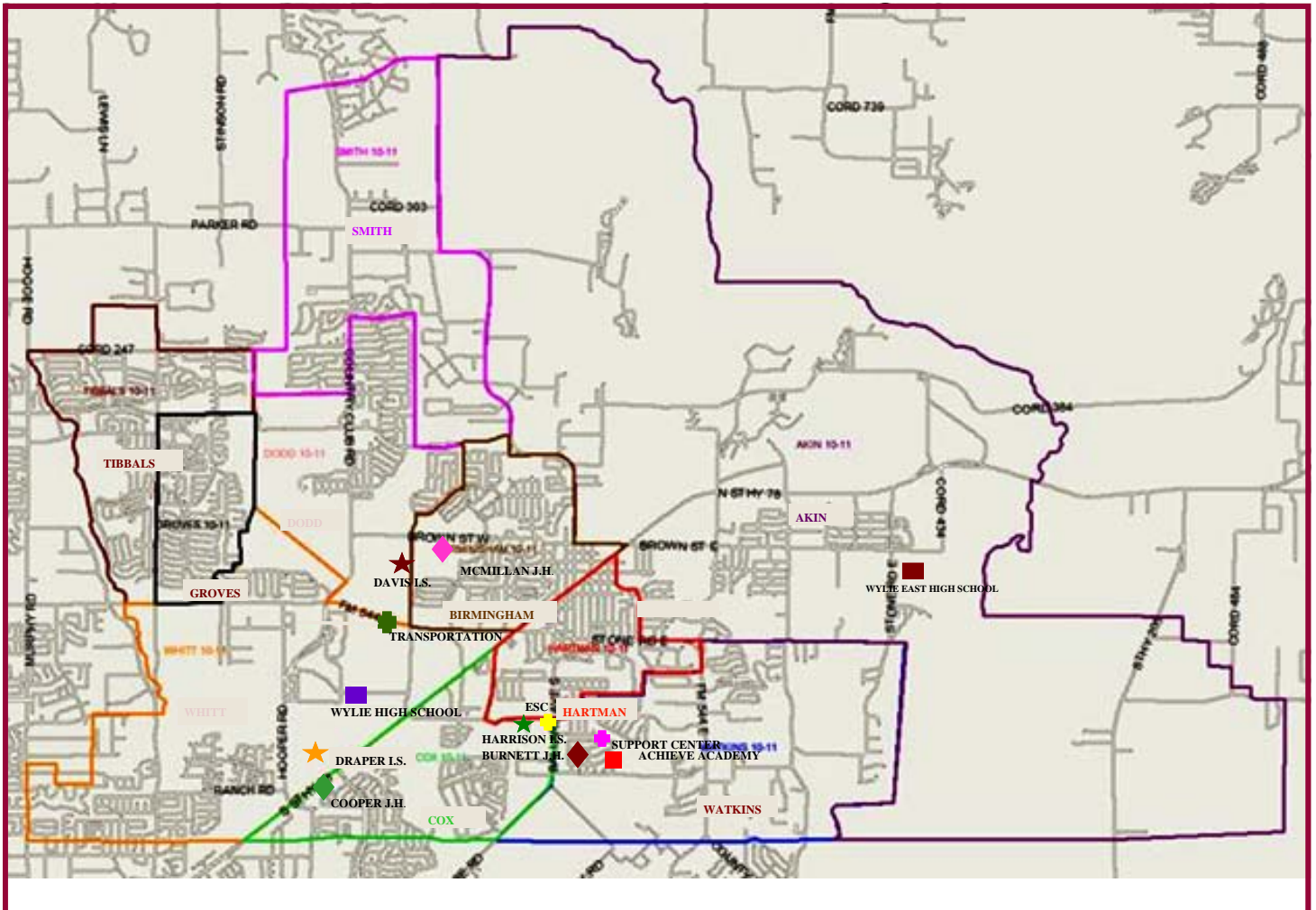
Wylie ISD District Boundaries

Wylie Independent School District
2011-2012 Boundaries

- | | | | |
|-----------------------|---|----------------------------|---|
| Akin Elementary |  | Burnett Junior High |  |
| Birmingham Elementary |  | Cooper Junior High |  |
| Cox Elementary |  | McMillan Junior High |  |
| Dodd Elementary |  | Wylie East High School |  |
| Groves Elementary |  | Wylie High School |  |
| Hartman Elementary |  | Achieve Academy |  |
| Smith Elementary |  | Educational Service Center |  |
| Tibbals Elementary |  | Transportation Facility |  |
| Watkins Elementary |  | Service Center |  |
| Whitt Elementary |  | | |
| Davis Intermediate |  | | |
| Draper Intermediate |  | | |
| Harrison Intermediate |  | | |

Mailing Address
P.O. Box 490, Wylie, TX 75098
Educational Service Center
951 S. Ballard St.
Wylie, TX 75098
Telephone
(972)429-3000
Web Address
www.wylieisd.net

Questions concerning school attendance boundaries should be directed to the Wylie ISD Public Information Officer at 951 S. Ballard St., Wylie, TX 75098 (972-429-3000).



Wylie Independent School District

Board of Trustees



Stacie Gooch, President
Place #7
Term Expires 2012
Realtor– Ebby Halliday



Lance Goff, Vice-President
Place #4
Term Expires 2012
Asst. Vice President
Philadelphia Insurance



Barbara Goss-Secretary
Place #3
Term Expires– 2012
Account Manager
HRRsmart



Mitch Herzog, Member
Place # 2
Term expires 2014
Commercial Real Estate



Heather Leggett-Member
Place #5
Term Expires 2014
Teacher/Stay-At-Home



Joe Stooksberry-Member
Place #6
Term Expires 2014
Accounting Mgr-
Firetrol Protection
Systems Inc



Tom Westhora, Member
Place number 1
Term expires 2014
Vice Pres. Of Sales and
Marketing -
OneGuard Home Warranties

Administrative Officials

Administrator	Position	Length of Service
Dr. David Vinson, Ph.D	Superintendent	Hire Date 6/6/2011
Dr. Jeannie Stone, Ph.D	Assistant Superintendent for Curriculum and Instruction	Hire Date 8/8/2011
Mr. Scott Winn	Assistant Superintendent for Human Resources and Student Services	Hire Date 7/1/2000
Ms. Michele Trongaard, CPA	Interim Chief Financial Officer	Hire Date 10/7/2003
Mr. Donald Pool	Interim Executive Director of Operations	Hire Date 4/9/2009



Consultants & Advisors

Auditors

Edgin, Parkman, Fleming & Fleming, PC, 4110 Kell Blvd, Second Floor, Wichita Falls, TX 76309

Bond Counsel

McCall, Parkhurst & Horton, L.L.P., 717 North Harwood, Suite 900, Dallas, TX 75201

Financial Advisor

Southwest Securities, Inc., 1201 Elm Street, Suite 3500, Dallas, TX 75270

General Counsel

Walsh, Anderson, Brown, Schulz & Aldredge, PC, 6300 LaCalma, Suite 200, Austin, TX 78752

Depository Bank

Inwood National Bank, 200 S. Highway 78, Wylie, TX 75098

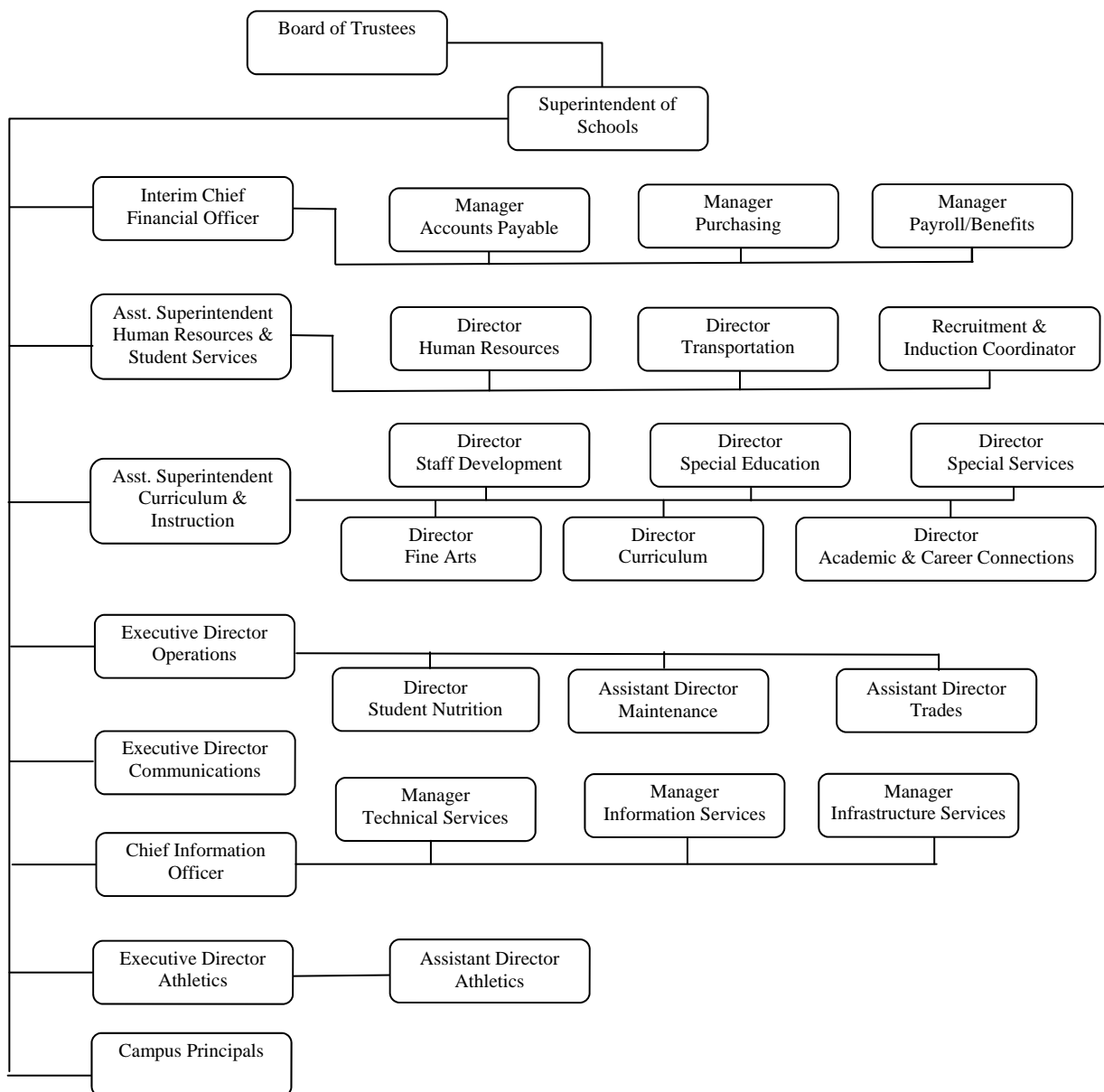
Architects

PBK Architects, 14001 North Dallas Parkway, Suite 400, Dallas, TX 75240

The District’s organizational hierarchy begins with the “Team of Eight” which consists of seven elected Board of Trustees and the Superintendent. The Superintendent is the chief executive officer and is responsible for the day-to-day management of the District. The Superintendent’s Leadership Team Consists of the Finance, Human Resource and Student Services, Curriculum and Instruction, Technology, Community Relations, Operations and Campus Principals. Each of these divisions specialize in providing leadership and services for their relevant functions.

The purpose of the entire organizational structure is to support student instruction taking place at each campus. Campus leadership reports directly to the superintendent and is comprised of a principal and at least one assistant principal.

Wylie ISD Organizational Structure





Wylie Independent School District

David Vinson, Ed.D.
Superintendent

Michele Trongaard, CPA
Interim Chief Financial Officer

October 15, 2012

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

To the Board of Trustees and Citizens of the Wylie Independent School District:

The Comprehensive Annual Financial Report (CAFR) of the Wylie Independent School District (“WISD” or the “District”) for fiscal year ended June 30, 2012, is hereby submitted. The report includes the unqualified opinion of our independent auditors, Edgin, Parkman, Fleming, and Fleming, P.C. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the WISD. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included. The CAFR for the year ended June 30, 2012 is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board (“GASB”) in their Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June, 1999. The CAFR also adheres to guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and the Association of School Business Officials International (ASBO).

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). MD&A is intended to give the reader an easy-to-understand overview of the school district’s financial position and results of operations for the year. This letter of transmittal is designed to complement the MD&A and should read in conjunction with it. The District’s MD&A can be found on page 33 of the Financial Section.

The CAFR is presented in four sections: introductory, financial, statistical, and federal awards. The introductory section presents an overview of the District, its leadership hierarchy, this transmittal letter, an economic condition and outlook, and highlights major initiatives and accomplishments. The financial section includes the report from the independent auditors, management’s discussion and analysis of the financial report, and all government-wide financial reports. Also included in this section is any required supplementary information.

The statistical section presents selected financial, demographic, economic, and operating information. The federal awards section provides a schedule of federal award expenditures, prior years and current year audit findings, and the auditor's report on compliance.

The remainder of this transmittal highlights the governance structure, the mission, the accomplishments and initiatives, the economic conditions and outlook, and the financial activities of the District.

This report includes all funds of the WISD. The District is a public school system that provides full-day kindergarten through twelfth grade educational opportunities for all school residents within its geographic boundaries. All activities over which the WISD Board of Trustees exercises authority and/or oversight responsibilities are included.

Governing Body

Each of the seven members of the Board of Trustees serves, without compensation, a four-year term of office. On a rotating basis, three or four places are filled during biennium elections held the second Tuesday in November. Vacancies may be filled by appointment until the next election.

Candidates must be qualified voters of the District. In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent, and oversees the operations of the District and its schools.

Regular Board meetings are generally scheduled the third Monday of the month and are held in the District's Educational Service Center. Special meetings and study sessions are scheduled, as needed, and announced in compliance with public notice requirements. The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in school board elections.

Besides general board business, Trustees are charged with numerous statutory functions including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, organizing the board, and electing board officers. The Board solicits and evaluates community input and support concerning school policies and regularly meets with a variety of citizen groups to receive input on topics of public interest. Decisions of the board are based on a majority vote of the quorum present.

The Board is also responsible for setting the tax rate, setting salary schedules, acting as the board of appeals in personnel and student matters, confirming recommendations of textbook adoptions, and adopting and amending the annual budget.

General Information

In the 1890's, the town of Wylie was served by a small school with a limited budget primarily provided by the parents and students. Ovid Birmingham noticed the problem and prompted the establishment of Wylie Independent School District in 1901-02. Limits were set up that all citizens in that area would pay taxes to uphold the District. The Birmingham family provided money to build a proper high school. Since then, the Birmingham family has established various Land Trusts to fund areas of curriculum for the District as well as scholarships for sixteen students of each graduating class.

Much has changed since the creation of the Wylie Independent School District. During most of its existence, WISD was a rural farming community growing cotton, wheat, and corn. The student population doubled between 2000 to 2005 with an average annual growth of nearly 15% from 2002 thru 2007. The pace of enrollment growth is slowing with the decline in residential construction, and growing at a more moderate rate of 2.91% for fiscal year 2011-2012. A schedule listing the last ten years enrollment can be found on Page 116, Exhibit S-20 in the Statistical Section of this report. Growth in the number of students means growth in special sub-population groups such as bilingual or special education students. Enrollment provides the basis for staffing, however, the Average Daily Attendance (ADA) is the basis for computing state aid. The correlation between the two is very important. Meeting the many needs of the educational system with limited resources is a challenge that can never satisfy all needs. During the 2011-2012 fiscal year WISD has made every effort to demonstrate reasonable and prudent progress in an effort to satisfy the needs of students, families, and members of the community. It is our goal to provide all students a world-class academic education which will prepare them to lead successful and productive lives while still being good stewards of taxpayer money.

WISD is a fast growing public school system serving 12,913 students at the end of school year 2011-2012 in UIL Class 4A. The District is made up of nineteen (19) campuses that include two high schools, three junior high schools, three intermediate schools, ten (10) elementary schools, and the Achieve Academy (grades K-12) for disciplinary and non-disciplinary student referrals.

The district covers 41 square miles in Southeastern Collin County and maintains additional administration, transportation, and operations facilities to serve families in the City of Wylie, as well as surrounding communities of Lavon, Lucas, Murphy, Sachse, and St. Paul.

District Goals

Strategic planning serves to assure the long range success of the District. As part of continuous improvement, the Board of Trustees and Administration have worked together to review the District's mission and goals, as per the Wylie Independent School District Board Policy BQ (LOCAL).

“The Board shall approve and periodically review the District's mission and goals to improve student performance. The mission, goals, and the approved District and campus objectives shall be mutually supportive and shall support the state goals and objectives under Education Code, Chapter 4.”

Goals are defined as broad based descriptions of desired future accomplishments. Objectives flow from goals and are measurable descriptions of what is to be accomplished. Annually, the District will revise and develop objectives which serve to accomplish District goals. WISD's strategic goals were revised during the 2011-2012 year and they are listed below:

- Instill community and ethical values in our students
- Ensure academic achievement for every student through tight family partnerships, curriculum, and programs
- Attract, retain, and value quality staff
- Manage growth in a way that provides
 - Functional equity
 - Financial responsibility
 - Assurance for all student needs
- Prepare students for a successful life beyond high school

District Mission Statement

“The Mission of Wylie Independent School District is to sustain a culture of high expectations while valuing unity, relationships, and trust.”

The District believes that each student deserves our best efforts every day. Our mission emphasizes the importance of our work and partnerships with our parents and community. In WISD, we are also guided by the four cornerstones—goal driven, data driven, collaboration, and high expectations. An important aspect of the financial structure is to ensure that the dollars spent translate into intended results. Results can be measured by objective student achievements and major student accomplishments. Throughout this document accomplishments exemplify WISD's steps toward excellence in attaining district goals. Opportunities exist for students to excel both academically and in extra-curricular activities. Staff members range from the superintendent to the bus driver.

District Beliefs

In WISD, our core beliefs drive our work with our students, our work with each other, and our work with our citizens and community. Through collaboration of board members and staff members WISD has defined District beliefs during the 2011-2012 year as stated below:

- Character and community values are essential to building responsible citizens
- High expectations and accountability should be expected from all students and staff
- Exemplary employees make an exemplary difference
- As WISD grows, we will sustain our level of excellence in all operations
- WISD graduates must be challenged and equipped to succeed in the 21st Century

Enrollment Growth

WISD continues to respond to the enrollment growth needs of the District. According to the District's demographer, School District Strategies, using the New Home Method (Moderate) Wylie ISD's enrollment should peak at 17,000 students. At that point the District will be built-out within its 41 square miles and will no longer be subject to the heavy growth of new houses which typically brings new students. It will depend on rates of development to determine when Wylie ISD will reach peak enrollment. Previous district demographic reports have also substantiated this predicted enrollment number.

WISD enrollment has experienced significant increases over the past several years: 2002-2003 thirteen percent growth, 2003-2004—seventeen percent growth, 2004-2005—seventeen percent growth, 2005-2006—fifteen percent growth, 2006-2007—twelve percent growth, 2007-2008—six percent growth, and 2008-2009—seven percent growth. Total PK-12 enrollments in WISD rose from 3,820 in 1997 to 12,913 at the end of the fiscal year for 2011-2012. Beginning in 2003, annual enrollment increases ranged from 1,000 to 1,200 students until 2007, which showed a slight decline of over 900 students. Since 2007, increases in enrollment remain stable at an average of 474 students per year.

The WISD staff has become stabilized over the last several years. Any additional needed staff is essential to provide the necessary educational services ranging from teachers to bus drivers. The District expects to see a slight growth in staff over the next year with the addition of the first senior class in 2011-2012 at Wylie East High School.



First Graduating Class at
Wylie East High School

2011-2012 Statistics

Student Demographics

51.1% - Male 48.9% - Female

55.0% - Caucasian

21.1% - Hispanic

13.5% - African American

7.4% - Asian/Pacific Islander

3.0% - Native American/Other

Student Enrollment (End of Year)

12,913

Staffing Ratios

Teaching Staff 15.6

Total Staff 7.9



Academic Assessment

WISD believes that assessment provides information necessary to improve student learning over time. Assessing student performance is an integral part of the instructional process because it allows educators to make informed decisions, set priorities, allocate resources, and be accountable to students, parents, and the community. It is also a method by which state and federal education authorities determine the district's progress and effectiveness.

The TAKS test is a state-mandated assessment used to determine how well students have mastered the Texas Essential Knowledge and Skills (TEKS), which is the state curriculum in Reading, Math, Writing, Science, and Social Studies. Since TAKS is being replaced by STAAR only grade 10 and 11 students were required to take the TAKS test in 2011-12 and it will only be administered to students in grade 11 during the 2012-13 school year.

	READ-ING		MATH		WRIT-ING		SOC. ST.		SCI-ENCE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
All Students	94%	94%	90%	91%	95%	95%	96%	95%	89%	89%
African Am.	91%	93%	84%	87%	93%	94%	93%	94%	82%	80%
Hispanic	91%	90%	88%	88%	95%	94%	94%	94%	85%	85%
White	95%	96%	92%	92%	95%	95%	97%	96%	91%	91%
Econ. Disadv.	89%	90%	84%	86%	93%	93%	92%	91%	81%	81%

2011–2012 Statistics

District April 2012 TAKS Results								
	English Language Arts		Math		Social Studies		Science	
	Met Standard	Commended Performance	Met Standard	Commended Performance	Met Standard	Commended Performance	Met Standard	Commended Performance
Gr 10	95%	20%	74%	21%	95%	41%	79%	20%
Gr 11	96%	29%	95%	42%	100%	67%	96%	31%

State of Texas Assessment of Academic Readiness

The STAAR test replaced the Texas Assessment of Knowledge and Skills for grades 3-9 starting in the 2011-2012 school year. In 2012-13, students in grade 10 will take STAAR as well. The phase in of STAAR will be complete in 2013-14 when it is administered to students in the 11th grade for the first time. The state-mandated assessment includes assessments for students in grades 3-12, and will focus on readiness for success in subsequent grades and courses and, ultimately, for college and career. The STAAR will be more rigorous than previous state tests. STAAR graduation requirements applied to students entering ninth grade starting in the 2011-2012 school year. To graduate, a student must attain a cumulative score on each of the assessments taken in each content area: English, math, science, and social studies. Besides meeting the cumulative score requirement, students on the Recommended High School Program must score Level II Satisfactory on the Algebra II and English III assessments.

District Spring 2012 STAAR—End of Course Exams Results for Grade 9					
Level	English 1 Reading	English 1 Writing	Algebra 1	Biology	World Geography
II—Satisfactory	72%	67%	69%	79%	74%
III—Advanced	11%	4%	21%	15%	15%

State Assessment System

Wylie ISD students have performed well on standardized tests in the past and are expected to do well on the STAAR/TAKS exam this spring. For those students who do not meet the state standards on the STAAR, in school tutoring programs, and if necessary, summer school programs are already planned to help students pass the required STAAR EOC assessments.

Wylie Independent School District



Elementary campuses include grades Pre-K thru 4th grade. The academic programs include art, computer literacy, development/readiness activities, health, language arts, math, music, physical education, reading, science, social studies, and spelling. In addition to regular classroom offerings, the following programs are available at all campuses to meet the needs of every student: WINGS (Gifted/Talented), Alphabet Phonics, Content Mastery (CMC), special education resource and speech therapy.

Intermediate campuses include grades 5 and 6. Students are required to take courses in English, Math, History, and Science. In addition, students take music, physical education, health and art. Students in grade 6 may choose band or choir as a fine arts option. Students must demonstrate proficiency in keyboarding through a placement exam or one semester of keyboarding.

Junior High campuses include grades 7 and 8. Students are required to take courses in English, Math, History, and Science. Seventh grade electives include art, athletics, band, choir, computer applications, computer telecommunications, keyboarding, physical education, speech, theatre arts, and yearbook. Additional electives open to eighth graders include: career investigation, leadership, literary exploration, PALS (Peer Assistance and Leadership) peer helpers, and Spanish.

WISD has two traditional high schools and one alternative high school. Wylie High School serves grades 9-12. The 2011-2012 school year is the first year that Wylie East High School serves the 12th grade to become a four year comprehensive high school. The Choice High School (an alternative school) currently serves students in grades 11 and 12 who desire a different high school experience. Students at the Choice School complete the same graduation requirements and the same curriculum as do students at the comprehensive traditional high schools. The structure of the school day and the instructional delivery is individualized for each student.

Students at the two traditional high schools utilize a seven period schedule. Advanced opportunities include the Humanities program for students in the Gifted/Talented program as well as Pre-Advanced Placement and Advanced Placement courses. Special Education programs are individualized and based on student needs and eligibility.

Historically high school students have continued to score well on the Scholastic Aptitude Test (SAT) and the American College Test (ACT). The SAT reasoning test is the nation's most widely used admissions test among colleges and universities. It tests student's knowledge of subjects necessary for college success: reading, writing, and mathematics. It is typically taken by juniors and seniors. It tells how well they use the skills and knowledge they have attained in and outside of the classroom. The ACT test assesses a high school students' general educational development and their ability to complete college-level work. The multiple-choice test covers four skill areas: English, Mathematics, Reading, and Science. The Writing test is optional. Historical results are shown in the following tables:



SAT Historical Data 2007-2011

SAT Year	Critical Reading			Math			Writing		
	Nat'l	State	District	Nat'l	State	District	Nat'l	State	District
2011	497	479	485	514	502	517	489	465	460
2010	501	484	489	516	505	511	492	473	468
2009	501	486	494	515	506	519	493	475	476
2008	502	488	496	515	505	511	494	480	480
2007	502	492	487	515	507	507	494	482	475

ACT Historical Data 2007-2011

ACT Year	Reading			Science			English			Math		
	Nat'l	State	District	Nat'l	State	District	Nat'l	State	District	Nat'l	State	District
2011	21.3	20.7	23.1	20.9	20.8	23.1	20.6	19.6	22.0	21.1	21.5	23.8
2010	21.3	20.8	21.9	20.9	20.9	22.1	20.5	19.7	20.8	21.0	21.4	22.4
2009	21.4	20.9	22.4	20.9	20.6	22.3	20.6	19.9	21.8	21.0	21.3	22.8
2008	21.4	20.9	22.0	20.8	20.5	21.8	20.6	19.8	21.1	21.0	21.2	22.2
2007	21.5	20.6	21.3	21.0	20.4	21.5	20.7	19.5	20.1	21.0	20.8	21.2

Year	Composite Scores		
	Nat'l	State	District
2011	21.1	20.8	23.1
2010	21.0	20.8	22.0
2009	21.1	20.8	22.4
2008	21.1	20.7	21.9
2007	21.2	20.5	21.1

Technology: Power Up for Learning

Technology is an essential learning tool in Wylie ISD. Using network and multimedia technologies, students at all grade levels use electronic resources for exploring their world.

Students have ample access to computers. Every classroom is directly wired to the Internet and all teachers have laptop or desktop computers for e-mail, Internet access and grade management.

Wylie ISD's approach is to first teach students how to use technology as a tool. Teachers then integrate the use of that technology into assignments and classroom projects. First grade students, for example, would first learn how to navigate the Internet and prepare information for sharing with others. These skills would then enable them to complete a simple research project. Students in junior high and high school may also enroll in specific technology classes to learn advanced skills.

The District is continually updating all of its teacher and student workstations. Wylie ISD continues to seek new and innovative technology resources for both students and teachers so "powering up" to learn is the norm.

The 2012-2013 school year will mark the second year in which all WISD students bring their own internet enabled devices to school. This includes laptops, netbooks, smartphones, iPod Touches and any device that meets minimum system requirements. Students who choose to bring their own device will have access to a guest wireless network; similar to the current hotel models you may experience when you travel or when you visit a Starbucks or McDonalds. The Internet will be filtered the same as if the student was using a district owned computer. The use of the technology in the classroom will be at the teacher's discretion and ultimately the student will be responsible for any applications and support needed for their device. To support the implementation of the **MyWyFi** program the district issues accounts in [Google Apps for Education](#) for students and staff.

The goals for the **MyWyFi** program are simple - to better engage and prepare our students for the 21st century. We also hope that through the program we are more equipped to support a true any-time, anywhere teaching and learning environment.

Parent Access is a web-based program that Wylie ISD provides to enhance parent and school communication at all campuses. The program, Parent Access, allows parents to access, via the web, pertinent information about their child's attendance, discipline, health records, documents, and grades. It allows parents to place funds in an electronic account for daily lunches as well as pay other fees. All that is needed to gain access is the Internet and an email address.

Parents can choose to receive alert messages via email when their child's attendance, grades or assignments need attention. Upon receiving the alert, they are able to refer to the web site to view the reason for the specific alert and then direct follow-up communication to their child's school.

Parents may report student absences via this system. Parent Access is available to parents of all students through a registration process and short tutorial. This service can be initiated at any campus.

6th Grade Project Based Learning

The components of a 21st Century education are changing. Where a notebook and pen were the tools needed for generations before, today's student must be equipped with search engines, software and laptop computers. Where lectures and passive learning was the norm, today's student must be able to access and actively search the web for information and evaluate its usefulness and credibility. This 21st century education paradigm forces our delivery methods to change.

All three intermediate campuses have implemented a Project Based Learning (PBL) to gauge the academic value of a larger PBL initiative. The program is geared for a group of 6th grade intermediate students who will use the PBL instruction style for math, science, English/Language Arts and social studies classes. They use the computers at home to complete homework, do research, and complete assigned projects. Data is collected using Aware, our data disaggregation program at the beginning, middle and end of year. Student grades are monitored through the Skyward grade book system.

21st Century skills needed by our students include:

- problem-solving and critical thinking
- collaboration through cooperative learning
- generating and testing hypotheses
- effective written and oral communication
- accessing and analyzing information from research
- setting goals and objectives
- taking initiative
- showing curiosity and imagination

6th Grade Project Based Learning (Cont.)

These skills can be enhanced by the addition of a personal wireless laptop computer to use throughout the school day. Students are invited to bring their own wireless enabled devices or access a campus owned machine, if needed. Through the use of online instructional resources in the four core academic areas, coupled with professional development for their teacher to design technology-enhanced learning activities, this Pilot Program has the potential to assist our students in acquiring 21st century academic skills to make them productive, technology literate, employable citizens in the future.

Some of the anticipated intended outcomes of this program include: continued improvement of instruction, increased student achievement, an effort to better reflect both society and the workforce, and to better prepare students for their college and work careers. We also hope to create an engaging environment where students can experience greater involvement and responsibility for their learning. Other projected outcomes are:

- Decrease in absence rates
- Increase in real world, project based learning
- Increased communication between students, teachers and parents
- Increase in overall student satisfaction with school and engagement levels

Technology Immersion Committee

A Technology Immersion Committee was formed to develop a strategic technology plan that will:

- Establish a long-term technology vision
- Assess the current state of technology, budgets, curriculum integration, and professional development
- Identify current and future technology goals
- Include a professional development plan to support goals
- Outline and prioritize key technology initiatives and strategies
- Identify capital needs
- Investigate new and emerging technologies
- Provide ongoing refinement of plan

This committee has been in discussions since May of 2012. Completion of a visioning day with students, community members, staff and administrators will lead to paving the way for establishing the vision, goals, and objectives of this plan. The plan will be presented to the Board of Trustees in December 2012 with implementation starting in the summer before the 2013-2014 school year.

District Staff

The staff, likewise, is recognized as outstanding educators and professionals by their peers in Texas and throughout the nation. WISD's Elementary Teacher of the Year, Julie Vaughn, was named Education Service Center Region 10's Elementary Teacher of the Year. Professional learning has always been at the foundational belief for teachers and staff in WISD. As the District seeks to improve student academic performance, staff have used the Professional Learning Community to improve. WISD initiated a Teacher Leader Academy for teachers who aspire to lead other teachers. The Teacher Leader Academy candidates complete an application and go through a selection process before participating in the yearlong professional learning experience. Teachers and District staff work and learn together using the latest educational as well as global research.

Achieving Curriculum Excellence (ACE Academy) is the purpose of the WISD Professional Growth Program, which cultivates a supportive environment of professional growth opportunities which will maximize student achievement. The ACE Academy has three levels of achievement: Bronze, Silver, and Gold.

Professional learning communities are the expectation in WISD. The commitment to continuous learning is evident in our commitment to providing all students with a high common floor with no ceiling (or limits) in terms of their learning. We know that profound learning goes far beyond the results identified through the testing system and a restrictive "one size fits all" instructional approach might make an average school good but it will not produce a great school. This fact, along with the changing needs of our students "digital natives: and the demand for a graduate that is considered "ready" for post-secondary opportunities are compelling reasons to reposition our focus on the work we provide for our students.

In Wylie ISD, our core beliefs drive our work with our students, our work with each other, and our work with our citizens and community.

We Believe

- ◆ *Character and community values are essential to building responsible citizens*
- ◆ *High expectations and accountability should be expected from all students and staff*
- ◆ *Exemplary employees make an exemplary difference*
- ◆ *As Wylie ISD grows, we will sustain our level of excellence in all operations*
- ◆ *Wylie ISD graduates must be challenged and equipped to succeed in the 21st Century*

Financial Information

Controls

An internal control structure has been designed, managed and maintained by the District. It is in place to ensure the District's assets are protected from loss, theft, and misuse, and to ensure that accurate accounting data is compiled in the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Management believes the internal controls adequately meet the above objectives.

Cash Management

Cash temporarily idle during the year is invested with Lone Star Investment Pool, and LOGIC (Local Government Investment Coop). The District recognizes that it forgoes a certain amount of yield by operating with such a conservative investment philosophy. Although changes in Texas law allow investments in a broader range of investment vehicles, the District has determined that safety and simplicity outweigh the benefits of alternative investments. The District's investment earnings have continued to decline over the past two fiscal years due to low interest rates. The District tries to maximize investment earnings while maintaining the goal of safety and liquidity. The Birmingham Scholarship Funds are invested with J.P. Morgan.

Cash balances are monitored daily to minimize local depository bank balances by only transferring into the accounts the sums of funds necessary to cover disbursements anticipated each day. Collateral on secured investments is held by a third party, Texas Independent Bank.

Constitutionally, the Texas Legislature is required to meet in regular session every two years to enact legislation and set a two year state budget. Revenue estimates are determined by the State Comptroller.

In 2006, the Supreme Court rendered a decision on the lower court's ruling that the existing school funding situation in Texas is unconstitutional in regard to the \$1.50 Maintenance and Operations tax rate. The court established a deadline of June, 2006 in which the Legislature had to restore meaningful local discretion to school districts or the State funding system to school districts would cease to operate. During June, 2006 the Legislature took action and met the deadline imposed by the Texas Supreme Court. House Bill 1 (HB1) was enacted by the third special session of the 79th Legislature with its primary focus on property tax relief. Some additional financial capacity was available during the 2006-2007 year. Traditionally, rising property values would have helped public school systems to raise additional funds, but the state removed that option under House Bill 1.

The passing of the 80th regular session resulted in WISD seeking voter approval of additional funding in a successful tax ratification election held on November 4, 2008. WISD requested an increase in the Maintenance and Operations tax rate from \$1.04 to \$1.17. The election was passed by the voters of WISD. Public support continues to be strong.

In the 81st, 2009 legislative session, House Bill 3646 (HB3646) passed which increased state funding for public schools by modifying the State's Foundation School Program (FSP) formulas. The bill guarantees each school a minimum annual increase of \$120 per student in Weighted Average Daily Attendance. In addition to HB3646, state lawmakers appropriated State Fiscal Stabilization Funds (SFSF) which amounts to less than 3% of a local education agency's (LEA) total state and local FSP funding. All money awarded through these formulas (including SFSF) must be spent in accordance with state and federal requirements, which include a pay raise for classroom teachers, full-time, librarians, counselors, nurses, and speech pathologists.

Public school funding dominated the state's budget debate during the 82nd Texas Legislature. Ultimately, by the end of the special session, lawmakers passed a school finance plan that saw a modest increase in overall funding but underfunding the existing Foundation School Program formulas by \$4 billion. This reduction translated to an approximate decrease in state and local funding by \$5.7 million in the 2011-2012 school year. The District expects this number to be slightly higher in 2012-2013.

Key State Funding Components

The result of Senate bill (SB1), 82nd Legislative Session, affected two formula adjustments that reduced the Foundation School Program entitlements by approximately \$2 billion per year. These changes include a regular program adjustment factor (RPAF), which reduces regular program funds and “new target revenue”. The RPAF is set at 92.39% for the upcoming school year 2011-2012. In the 2012-2013 school year, most of the reductions will be in the target revenue formula. Additionally, in that year the “hold harmless” funding will be reduced by 7.65%. SB1 also provides that the target revenue system be repealed effective September 1, 2016, and states the intention of the legislature to reduce funding delivered by the mechanism each fiscal year between 2014 and 2018.

- *Compressed Maintenance and Operations Tax Rate—\$1.00*
- *Local Option Tax Rate—\$0.17*
- *High School Allotment—\$275 per Grades 9-12 ADA*
- *Basic Allotment—\$4,765*
- *Target Revenue per WADA—\$5,324*
- *Equalized Wealth Level—\$476,500*
- *A guaranteed yield to \$59.97 per penny of tax effort on the first 6 cents of local option*
- *A guaranteed yield to \$31.95 per penny of tax effort on the last 11 cents of local option (\$33.95 for districts with \$1.17 in 2011-12)*

WISD’s tax rate for 2010-2011 increased from \$1.59 to \$1.64. Formerly, the District had been at the maximum \$1.50 tax cap for 2004-2005 and 2005-2006 before decreasing to \$1.37 in 2006-2007 compressed by HB1 (3rd Called Special Legislative Session , 79th Session). The State Legislature compressed the Maintenance and Operations tax rate to \$1.00 in 2007-2008. In 2008-2009, the M&O rate became \$1.17 which includes the four cent local option and an additional \$0.13 cents as a result from voters approval November, 2008. For 2011-2012, the M&O rate remained the same at \$1.17.

The tax rate is comprised of two component rates each having separate purposes and state laws governing them—Maintenance and Operations (M&O) and Debt Service (I&S) rate. The M&O rate supports the major operational and educational programs of the District for such expenses as staff salaries and benefits, utilities, supplies, equipment, and many other costs. The Debt Service tax rate supports the repayment of debt authorized by district voters. The total amount of debt payable each budget year less any applicable state aid is divided by the taxable property values to determine the rate. The maximum Debt Service rate is \$0.50. WISD’s 2011-2012 Debt Service tax rate is \$0.47. WISD’s largest top ten taxpayers make up only 3.94% of the total taxable value. The lack of dependence on a single employer or business segment means that the loss of even a large business will not

have a significant negative impact on the education of children, or imperil the future payment of obligations.

The General Fund is commonly referred to as the “Operating Fund” or “Local Maintenance Fund”. State aid and local tax revenue make up the majority of revenues received by this fund. The General Fund revenue for 2011-2012 totaled \$91,022,906 (all sources) which was an increase of \$1.4M over 2010-2011. District revenues per student are capped to avoid property tax creep. The need for increased funding results from keeping WISD salaries competitive, rising utility costs, additional fuel needs, costs of supplies, as well as funding new mandates. With the successful tax ratification election, held in November, 2008, the District is able to maintain a balanced budget.

The passage of the American Recovery and Reinvestment Act of 2009 (ARRA) and House Bill 3646 (HB3646) will impact future funding for WISD. Fund Balance levels are a sign of fiscal health. For 2011-2012 the fund balance for the general fund increased by \$5.3 over the 2010-11 year.

With the ARRA and HB3646 funds ending in 2011-2012 states will be burdened with the increased funding still mandated under the state aid formula. Knowing this, the District will be diligent in taking appropriate action for future funding. For additional information about the financial status of the District, readers should refer to the Management’s Discussion and Analysis beginning on page 33 in the Financial Section of this report.

The District’s budgeting process is more than just funding the next fiscal year’s operations. The Board of Trustees and District administration anticipate major budget concerns two to four years in the future.

1. State funding changes from HB1, ARRA (SFSF), and HB3646 will significantly impact future revenue projections.
2. The continuation of development, renovations, and additions, as needed due to enrollment growth.
3. Salary and benefit cost will continue to escalate due to competition for staff between neighboring school districts.
4. The District enrollment growth will require new staff increases both for direct instructional positions and support positions.

Economic Condition and Outlook

Wylie, Texas is a unique blend of new edge urban mixed with traditional rural located in Southeastern Collin County, 24 miles northeast of metropolitan Dallas and its cultural, educational, and recreational amenities. Popular recreational attractions include water sports at Lake Lavon and the “South Fork Ranch” of the “Dallas” television series. In just a few years, Collin County has grown into a destination county for individuals, families, and corporations alike. Major employers of Wylie are North Texas Municipal Water District (Regional Water District), Sanden International (Automotive A/C Compressors), Extruders (Aluminum extrusion) and Wal-Mart (Retailer). Therefore, it is no surprise that the county continues to grow at one of the nation’s fastest rates since it is a great quality of life with a business/technology friendly environment. Many residents of Wylie commute to Dallas, Plano, Garland, and Richardson to work.

According to the 2010 Census, Wylie ranked as the number 10th fastest growing incorporated city in the United States with a population of over 10,000 in the 2000 census. The official population count from the 2010 census stood at 41,427 which is approximately 173.8% increase over the 2000 official count of 15,132. The estimated population as of June 30, 2012 is 42,804. A large contribution factor to this growth were the relatively short commute to larger developed city areas such as Dallas, Ft. Worth, Plano, and Irving, and numerous commercial and road construction projects over the last decade to facilitate more business and additional residents.

At the end of June 2012, national unemployment was at about 8.2%. Texas was 1.2% percentage points lower than the national average at 7.0%. Wylie's unemployment rate was even lower than the state being estimated at 6.7%.

Wylie is not immune to the national downturn in the housing market. The Collin County Central Appraisal District lists the average home price in Wylie at \$153,765. This represents an increase of .37% from the CCCAD's certified value of \$153,201 from 2010-2011.

As the national and state economy continues to recover, so has the local economy.

According to the Claritas report prepared for the Wylie Economic Development Center, Wylie's median income is \$30,847 which is less than 1% lower than the previous year of \$30,983.

According to Sam Satterwhite, the Director of the Wylie Economic Development Corporation, in "Connection" magazine "Over the past ten years, Wylie has successfully attracted 1.7 million square feet in new industrial and commercial development, valued in excess of \$262 million and creating more than 2,600 new employment opportunities in the Wylie community. From the extrusion of aluminum to circuit board design and development, the Wylie Economic Development Corporation aggressively pursued new investments".

Major Initiatives

The Athletic Department was the beneficiary of a stadium turf and track replacement project at Wylie East High School. Also, Shaffer Stadium, Cooper stadium, and McMillan stadium track's were replaced with state of the art tracks. Wylie Stadium had two, four ton split system HVAC units installed. At Burnett Junior High, a new bus loop was created to increase safety and to facilitate the drop off and pick up of students. Security camera systems were installed at Akin elementary, Birmingham elementary, Harrison intermediate and Hartman elementary.

Independent Audit

The Texas Education Agency requires an annual audit of all public schools. This audit must be an organization-wide basis and include all fund types that are the accounting responsibility of the District. The audit is performed by an independent certified public accounting

firm selected by the District's Board of Trustees. The auditor's report has been included in the Financial Section of this report beginning on Page 31.

Accomplishments and Awards

An important aspect of any budget is to ensure that dollars spent translate into intended results. Results can be measured by objective student achievements and major district accomplishments. The accomplishments listed in this section exemplify WISD's steps toward excellence in attaining its District goals and objectives.

- ◆ GFOA Certificate of Achievement—The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Wylie Independent School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2011. In order to be awarded a Certificate Of Achievement, a government must publish an easily readable and efficiently organized Comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

- ◆ ASBO Certificate of Excellence— The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Wylie Independent School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011.

This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

The Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting are prestigious national awards recognizing conformance with the highest standards for its preparation of a state and local government financial report. Management believes that the current year's comprehensive annual report meets the program's requirements and will be submitted for review to determine award eligibility.

- ◆ The Texas Comptroller's office is required to conduct an annual rating of every school district to identify those districts that are producing high achievement while maintaining cost effective operations. The Financial Allocation Study for Texas (FAST) report scores districts on a scale of 1-5. In the 2011 FAST ratings, the District received four and an half stars.

- ◆ In 1999, the 76th Texas Legislature approved legislation requiring the Commissioner of Education in consultation with the Comptroller of Public Accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. WISD received an “Superior Standard” Achievement rating for the 2010-2011 fiscal year. The rating system was implemented in the 2002-2003 fiscal year. Over the nine years since its inception, the District has achieved nine “Superior” ratings.

- ◆ In March 2012 the District earned its third consecutive GOLD Leadership Circle Award signifying dedication to:

Opening its books to the public

Providing clear, consistent pictures of spending

Sharing information in a user-friendly format that lets taxpayers drill down for more information



The Texas Comptroller Leadership Circle program was launched by The Texas Leadership Circle program was launched by the Comptrollers of Public accounts in December, 2009. The program recognizes local governments across Texas that are striving to meet high standards of financial transparency.

- The 2011-2012 Budget Document received two awards: The Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) of the United States and Canada and the Meritorious Budget Award for excellence from the Association of School Business Officials (ASBO) International. The District received the ASBO award for the fourth consecutive year. And the GFOA award for the third consecutive year.



- The Wylie Education Foundation awarded the District over \$63,029 during the 2011-2012 school year. The foundation has supported classroom projects through grant awards totaling \$438,378 since its conception in 2003-2004.

Wylie Independent School District



Think College Thursday.

Acknowledgements



In closing, without the leadership and support of the Board of Trustees and the dedicated service of the entire staff of the Finance Division, preparation of this report in a timely manner would not have been possible.

Respectfully,

A handwritten signature in black ink, appearing to read 'David Vinson', written over a horizontal line.

David Vinson, Ed., D.
Wylie ISD Superintendent

A handwritten signature in black ink, appearing to read 'Michele Trongaard', written over a horizontal line.

Michele Trongaard, CPA
Wylie ISD Interim Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Jeffery L. Robinson', written over a horizontal line.

Jeffery L. Robinson
District Accountant



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Accounting Department
Wylie Independent School District, Texas



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date March 9, 2012

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wylie Independent School
District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Wylie Independent School District



For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

upon recommendation of the Association's Panel of Review
which has judged that the Report substantially conforms
to principles and standards of ASBO's Certificate of Excellence

A handwritten signature in cursive script, reading 'Bill Nsee'.

President

A handwritten signature in cursive script, reading 'John D. Muesel'.

Executive Director

JSSCO

Wylie Independent School District



Financial Section





EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

4110 KELL BLVD., SECOND FLOOR ▪ P.O. BOX 750
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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA, CFE
A. PAUL FLEMING, CPA
J. MARK FLEMING, CPA

Independent Auditor's Report on Financial Statements

Board of Trustees
Wylie Independent School District
951 South Ballard Street
Wylie, Texas 75098

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wylie Independent School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District as of June 30, 2012, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2012, on our consideration of Wylie Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wylie Independent School District's financial statements as a whole. The introductory section, other supplementary information, required Texas Education Agency schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The other supplementary information, required Texas Education Agency schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC
Edgin, Parkman, Fleming & Fleming, PC

October 5, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

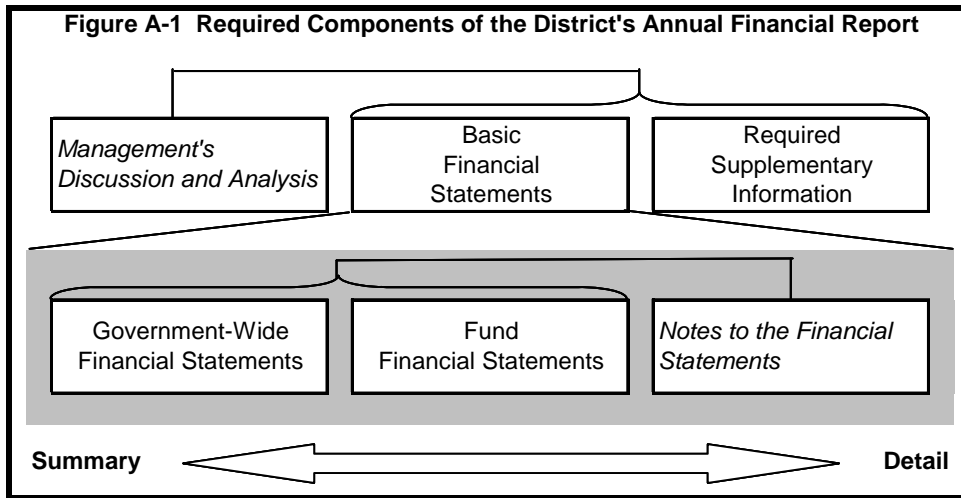
This section of Wylie Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent period by \$27.9 million (net assets). The deficit in net assets reflects the extent to which a government has elected to defer to future periods the payment of expenditures, and the required accounting treatment of accreted interest. The District has sold Capital Appreciation Bonds in order to comply with Texas statutory and IRS limits. The accreted interest on these bonds must be reported as an addition to bonds payable each year in accordance with Generally Accepted Accounting Principles. The District would not have a deficit in net assets if not for the accounting treatment of accreted interest.
- Capital Appreciation Bonds outstanding necessitated the accreted interest accrual of \$73.6 million in the Government-Wide Financial Statement, thus reducing the net asset value of the District.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$45.4 million. The General Fund represents approximately 47 percent of this total amount which is \$21.4 million. \$21.2 million which is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds.



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

The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.

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

Proprietary fund statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as food service.

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

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

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

Figure A-2 Major Features of the District's Government-wide and Fund Financial Statements			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Fiduciary Funds
<i>Scope</i>		The activities of the District that are not proprietary or fiduciary	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statements</i>	* Statement of net assets * Statement of activities	* Balance Sheet * Statement of revenues, expenditures & changes in fund balances	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net assets* and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base. The government-wide financial statements of the District are divided into three categories:

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

The District has no *business-type activities* and no *component units* for which it is financially accountable.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants. The District has three kinds of funds:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

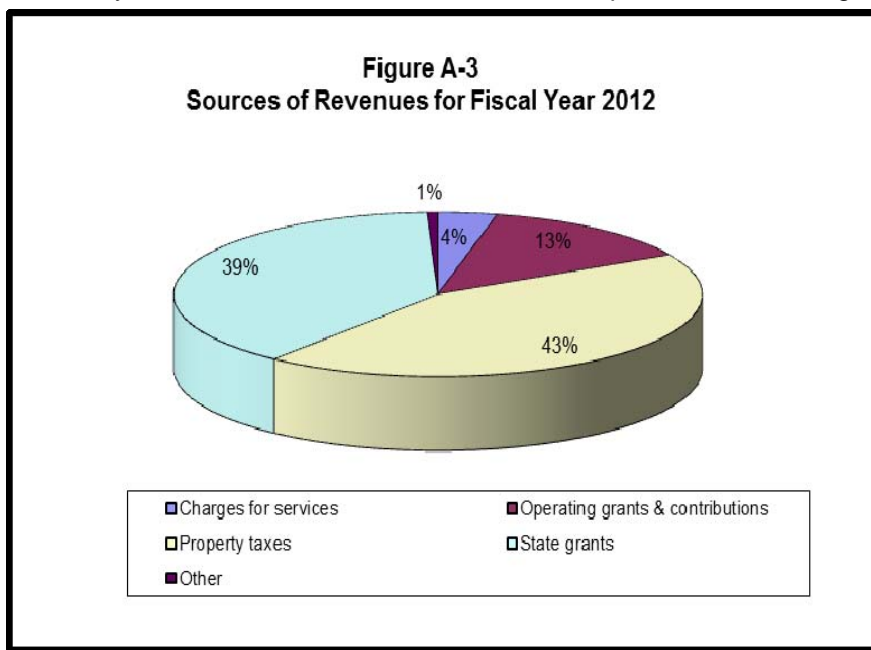
Net assets. The District's overall deficit in net assets decreased between fiscal years 2011 and 2012 - decreasing by 12% to approximately (\$27.9) million. (See Table A-1).

Table A-1
The District's Net Assets
(in millions of dollars)

	<u>2011</u>	<u>2012</u>	<u>Total % Change</u>
Current and other assets	\$ 65.9	\$ 60.5	-8.2%
Capital assets, net	238.8	236.6	-0.9%
Total Assets	<u>304.7</u>	<u>297.1</u>	-2.5%
Current liabilities	18.1	12.4	-31.5%
Long term liabilities	308.4	312.6	1.4%
Total Liabilities	<u>326.5</u>	<u>325.0</u>	-0.5%
Net assets invested in capital assets net of related debt	(2.6)	2.9	-211.5%
Restricted	28.6	23.0	-19.6%
Unrestricted	(57.7)	(53.8)	-6.8%
Total Net Assets	<u>\$ (31.7)</u>	<u>\$ (27.9)</u>	-12.0%

Unrestricted net assets showed a \$53.8 million deficit at the end of this year. This deficit does not mean that the District does not have significant resources available to pay its bills next year. Rather, it is the result of having *long-term* commitments that are more than currently available resources.

Changes in net assets. The District's total revenues remained at \$122.1 million. (See Table A-2.) A significant portion, 43% of the District's revenue comes from property taxes. (See Figure A-3.) 39% comes from state allocations, and most of the rest is from federal and state grants. The total cost of all programs and services decreased by 4.5% to \$118.3 million. The District's expenses cover a range of services.



Governmental Activities

Revenues for the District's governmental activities remained the same, while total expenses decreased 4.5 percent. The District's total net assets increased \$3.8 million.

	<u>2011</u>	<u>2012</u>	<u>Total % Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 4.1	\$ 4.4	7.3%
Operating grants & contributions	18.9	16.4	-13.2%
General revenues:			
Property taxes	51.9	53.2	2.5%
State grants	46.3	47.3	2.2%
Other	<u>0.9</u>	<u>0.8</u>	-11.1%
Total Revenues	<u>122.1</u>	<u>122.1</u>	0.0%
Expenses			
Instruction	62.8	61.1	-2.7%
Instructional resources & media services	1.5	1.4	-6.7%
Curriculum & staff development	2.6	2.3	-11.5%
Instructional leadership	0.8	0.9	12.5%
School leadership	5.9	5.8	-1.7%
Guidance, counseling & evaluation services	2.8	2.7	-3.6%
Social work services	-	0.0	
Health services	1.5	1.2	-20.0%
Student transportation	3.6	3.9	8.3%
Food services	5.3	5.2	-1.9%
Co-curricular & extracurricular activities	4.3	4.7	9.3%
General administration	3.0	2.9	-3.3%
Plant maintenance & operations	10.8	10.3	-4.6%
Security and monitoring services	0.2	0.2	0.0%
Data processing services	2.3	1.6	-30.4%
Community Services	-	0.0	
Debt service - interest on long term debt	15.3	13.5	-11.8%
Bond issuance costs and fees	0.1	0.2	100.0%
Facilities acquisition & construction	0.7	0.0	-95.7%
Other intergovernmental charges	<u>0.3</u>	<u>0.3</u>	n/a
Total Expenses	<u>123.8</u>	<u>118.3</u>	-4.5%
Decrease in Net Assets	(1.7)	3.8	-325.3%
Beginning Net Assets	<u>(30.0)</u>	<u>(31.7)</u>	5.7%
Ending Net Assets	<u>\$ (31.7)</u>	<u>\$ (27.9)</u>	-12.1%

State grants and property taxes increased in 2011-2012 due to increased student enrollment and an increase in property values. On November 4, 2008, the taxpayers of the District approved a Tax Ratification Election allowing the District to increase the maintenance and operations tax rate to \$1.17. The increased maintenance and operations tax rate allows the District to maximize State aid.

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.

The cost of all *governmental* activities this year was \$118.3 million. However, the amount that our taxpayers paid for these activities through property taxes was only \$53.2 million.

Some of the cost was paid by those who directly benefited from the programs (\$4.4 million), or by grants and contributions (\$16.4 million).

	Total Cost of Services			Net Cost of Services		
	<u>2011</u>	<u>2012</u>	<u>% Change</u>	<u>2011</u>	<u>2012</u>	<u>% Change</u>
Instruction	\$ 62.8	\$ 61.1	-2.7%	\$ 51.3	\$ 52.6	2.5%
School leadership	5.9	5.8	-1.7%	5.5	5.5	0.0%
Guidance & counseling	2.8	2.7	-3.6%	2.2	2.1	-4.5%
Student transportation	3.6	3.8	5.6%	3.3	3.4	3.0%
Food services	5.3	5.2	-1.9%	0.4	0.4	0.0%
General administration	3.0	2.9	-3.3%	2.8	2.8	0.0%
Plant maintenance & operations	10.8	10.3	-4.6%	10.3	9.5	-7.8%

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, bond covenants, and segregation for particular purposes.

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 balances of \$45.4 million. The General Fund accounts for \$21.4 million, approximately 47 percent of this total amount. Of this \$21.4 million, \$21.35 million constitutes *unassigned* fund balance, and the remaining \$0.5 million is *non-spendable* and *restricted* fund balance. The remainder of fund balance is *non-spendable, restricted, and committed* to indicate that it is not available for new spending because it has already been committed to 1) retirement of long-term debt - \$17.1 million, 2) other miscellaneous designation - \$7.0 million.

The General Fund is the primary operations fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21.35 million.

The unassigned fund balance of the District's General Fund was increased by \$5.3 million during the current fiscal year. This was primarily due to a planned budgeted increase to fund balance and District's pro-activeness knowing the decrease in state funding. This increase will help offset the loss in state funding from the American Recovery and Reinvestment Act of 2009.

The Debt Service Fund has a total fund balance of \$17.1 million, all of which is restricted for the payment of debt service. The decrease in fund balance during the period in the Debt Service Fund was \$1.4 million. This amount is part of the August 2012 bond payment. An estimated \$1.4 million will be added back to fund balance in 2012-2013.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. This fund includes outlays financed from general obligation bond proceeds. There was a change of \$5.3 million in the Capital Projects Fund balance due to the fact that the District is almost finished spending funds from the 2009 bond issue, and began spending the funds from the May 2012 bond issue.

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 approved shortly after the beginning of the new fiscal year for amounts reserved and designated in the prior year.
- Amendments throughout the year to revise estimates for local and state revenue based on the latest information on student attendance and tax collections.
- Amendments throughout the year for transfers to and from other funds and federal indirect cost calculations.
- Amendments throughout the year for unexpected occurrences.
- Amendments throughout the year for resignations and employment of new personnel.
- Amendments throughout the year for sale of bonds and related expenditures.

After appropriations were amended as described above, actual revenues for the General Fund were \$470,581 below the final budgeted amounts. Actual expenditures were \$2,266,637 below final budget amounts. The major portion of this positive variance in expenditures resulted from lower than projected payroll costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012, amount to \$236.6 million (net of accumulated depreciation). This amount represents a decrease (including additions and deletions) of \$2.1 million or 0.9 percent.

The investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress.

Table A-4
District's Capital Assets
(in millions of dollars)

	<u>2011</u>	<u>2012</u>	<u>Total % Change</u>
Land	\$ 9.4	\$ 9.4	0.0%
Buildings and improvements	276.5	286.4	3.6%
Furniture and equipment	12.5	13.1	4.8%
Construction in progress	5.7	2.0	
Totals at historical cost	<u>304.1</u>	<u>310.9</u>	2.2%
Less accumulated depreciation for:			
Buildings and improvements	59.3	67.1	13.2%
Furniture and equipment	6.1	7.2	18.0%
Total accumulated depreciation	<u>65.4</u>	<u>74.3</u>	13.6%
Net capital assets	<u>\$ 238.7</u>	<u>\$ 236.6</u>	-0.9%

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

Long-Term Debt

At year-end the District had \$311.4 million in bonds payable – a decrease of 1.7 percent over last year – as shown in Table A-5.

Table A-5
District's Long Term Debt
(in millions of dollars)

	<u>2011</u>	<u>2012</u>	<u>Total % Change</u>
Bonds payable			
General obligation bonds	\$ 248.3	\$ 233.6	-5.9%
Less deferred amount on refunding	(0.5)	(1.5)	200.0%
Premium on issuance of bonds	2.7	5.6	107.4%
Accreted interest	66.4	73.7	11.0%
	<u>316.9</u>	<u>311.4</u>	-1.7%
Other liabilities			
Capital leases	1.0	0.8	-20.0%
Compensated absences	0.4	0.4	0.0%
	<u>1.4</u>	<u>1.2</u>	-14.3%
Total	<u>\$ 318.3</u>	<u>\$ 312.6</u>	-1.8%

The "AAA" long term rating of the District's Texas bonds reflects the Texas Permanent School guarantee. The District has an underlying bond rating of 'AA3' from Moody's. The District's 'AA3' rating reflects: 1) strong and growing DFW Metroplex and Collin County area economy, 2) strong administrative management, and 3) excellent financial performance. Additional information on the District's long-term debt can be found in Note E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the Dallas area for June 2012 was 7.4 percent while the state and national rates were 7 and 8.2 percent, respectively. The city of Wylie's unemployment was estimated at 6.7%.

During the 2010 Census the U.S. Census Bureau indicated that Collin County's percentage of growth between 2000 and 2010 was 59.1 percent. Collin County was rated as the thirteenth fastest growing county in the United States. Collin County residents have a median household income that is nearly twice the Texas average. The growth continues and the District has been challenged to develop a rapid construction program to accommodate the needs of the children in the District.

The District's student attendance rate has been consistent at 96 percent the past three years.

The District's enrollment has experienced significant increases: 2003-04 – seventeen percent growth, 2004-05 – seventeen percent growth, 2005-06 – fifteen percent growth, 2006-07 – twelve percent growth, 2007-08 – six percent growth, 2008-09 – seven percent growth, 2009-10 – six percent, 2010-11 – four percent, and 2011-12 – three percent.

The District's tax rate for the 2011-12 school year was \$1.64 per \$100 with \$1.17 for Maintenance and Operations and \$0.47 for the Debt Service Fund. The District's approved tax rate for the 2012-13 year is \$1.64 per \$100 with \$1.17 designated for Maintenance and Operations and \$0.47 for the Debt Service Fund. The District held a successful tax ratification election in November 2008. Voter approval is required to increase the Maintenance and Operations tax rate above \$1.04 per \$100. The maximum tax rate allowable by state law for Maintenance and Operations is \$1.17.

The District has appropriated revenues in the 2012-13 General Fund budget of \$93.1 million and expenditures of \$92.8. The 2012-13 budget is .3 million less than the original 2011-12 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Wylie Independent School District



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Government-Wide Financial Statements

WYLIE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 JUNE 30, 2012

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 3,274,002
1120	<i>Current Investments</i>	46,789,709
1225	<i>Property Taxes Receivable, Net</i>	979,089
1240	<i>Due from Other Governments</i>	6,285,120
1290	<i>Other Receivables</i>	101,943
1300	<i>Inventories</i>	61,192
1420	<i>Capital Bond and Other Debt Issuance Costs, Net</i>	2,697,727
1490	<i>Other Current Assets</i>	298,300
	Capital Assets:	
1510	<i>Land</i>	9,383,818
1520	<i>Buildings and Improvements, Net</i>	219,312,406
1530	<i>Furniture and Equipment, Net</i>	5,196,853
1550	<i>Furniture and Equipment under Capital Lease, Net</i>	733,191
1580	<i>Construction in Progress</i>	1,999,767
1000	Total Assets	<u>297,113,117</u>
LIABILITIES:		
2110	<i>Accounts Payable</i>	2,109,645
2140	<i>Accrued Interest</i>	1,049,018
2150	<i>Payroll Deductions & Withholdings</i>	554,419
2160	<i>Accrued Wages</i>	8,005,001
2180	<i>Due to Other Governments</i>	380,873
2200	<i>Accrued Expenses</i>	13,140
2300	<i>Unearned Revenue</i>	304,350
	Noncurrent Liabilities:	
2501	<i>Due within One Year</i>	13,944,202
2502	<i>Due in More Than One Year</i>	298,645,693
2000	Total Liabilities	<u>325,006,341</u>
NET ASSETS:		
3200	<i>Invested in Capital Assets, Net of Related Debt</i>	2,937,147
	Restricted for:	
3850	<i>Federal/State Grant Restrictions</i>	1,555,004
3870	<i>Capital Acquisitions & Contractual Obligations</i>	4,804,004
3880	<i>Retirement of Long-Term Debt</i>	16,296,668
3890	<i>Other</i>	352,296
3900	<i>Unrestricted</i>	(53,838,343)
3000	Total Net Assets	<u>\$ (27,893,224)</u>

The accompanying notes are an integral part of this statement.

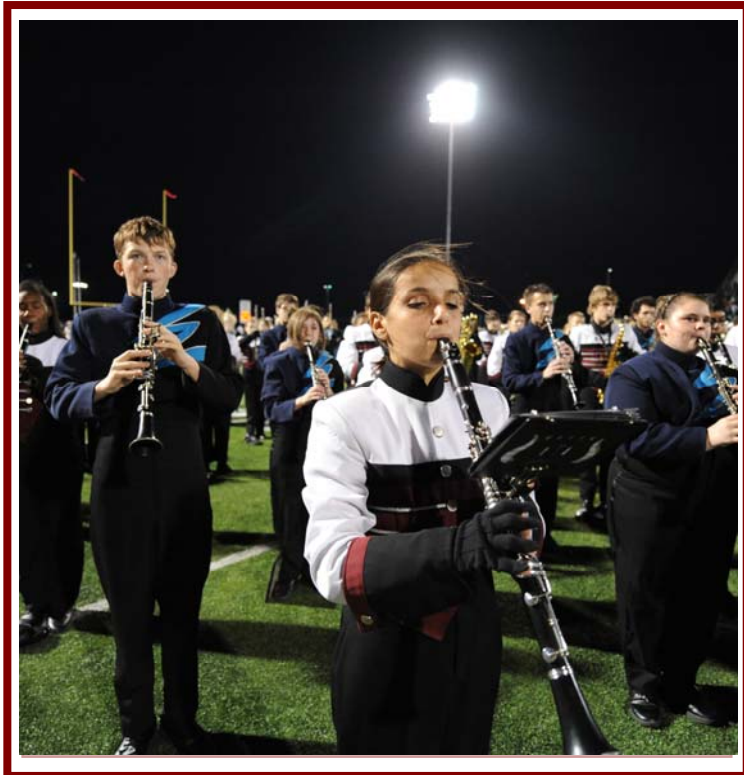
WYLIE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

EXHIBIT B-1

Data Control Codes	1	3	4	6 Net (Expense) Revenue and Changes in Net Assets			
					Program Revenues		
					Expenses	Charges for Services	Operating Grants and Contributions
<i>Governmental Activities:</i>							
11	Instruction	\$ 61,089,271	\$ 678,509	\$ 7,766,316	\$ (52,644,446)		
12	Instructional Resources and Media Services	1,418,783	92,767	50,048	(1,275,968)		
13	Curriculum and Staff Development	2,272,774	73,632	301,428	(1,897,714)		
21	Instructional Leadership	877,739	--	52,316	(825,423)		
23	School Leadership	5,826,328	15,362	279,882	(5,531,084)		
31	Guidance, Counseling, & Evaluation Services	2,664,494	62,415	483,263	(2,118,816)		
32	Social Work Services	18,208	--	18,208	--		
33	Health Services	1,223,780	--	57,849	(1,165,931)		
34	Student Transportation	3,845,976	--	435,761	(3,410,215)		
35	Food Services	5,239,072	2,669,121	2,181,224	(388,727)		
36	Cocurricular/Extracurricular Activities	4,716,408	760,362	95,710	(3,860,336)		
41	General Administration	2,917,483	--	120,914	(2,796,569)		
51	Plant Maintenance and Operations	10,255,583	27,082	710,340	(9,518,161)		
52	Security and Monitoring Services	246,111	3,684	5,702	(236,725)		
53	Data Processing Services	1,642,557	--	57,218	(1,585,339)		
61	Community Services	23,345	103	9,609	(13,633)		
72	Interest on Long-term Debt	13,459,159	--	3,732,701	(9,726,458)		
73	Bond Issuance Costs and Fees	161,804	--	--	(161,804)		
95	Payments to JJAEPs	36,702	--	--	(36,702)		
99	Other Intergovernmental Charges	329,294	--	--	(329,294)		
TG	Total Governmental Activities	\$ 118,264,871	\$ 4,383,037	\$ 16,358,489	(97,523,345)		
<i>General Revenues:</i>							
MT	Property Taxes, Levied for General Purposes				38,022,303		
DT	Property Taxes, Levied for Debt Service				15,233,365		
IE	Investment Earnings				94,796		
GC	Grants and Contributions Not Restricted to Specific Programs				47,307,870		
MI	Miscellaneous				725,725		
TR	Total General Revenues				101,384,059		
CN	Change in Net Assets				3,860,714		
NB	Net Assets - Beginning				(31,753,938)		
NE	Net Assets - Ending				\$ (27,893,224)		

The accompanying notes are an integral part of this statement.

Wylie Independent School District



Governmental Funds Financial Statements

WYLIE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110	\$ 2,724,027	\$ 9,104	\$ 540,871	\$ 3,274,002
1120	17,600,629	21,572,237	7,616,843	46,789,709
1225	715,030	264,059	--	979,089
1240	5,297,791	--	987,329	6,285,120
1260	4,812,639	--	--	4,812,639
1290	101,943	--	--	101,943
1300	17,022	--	44,170	61,192
1490	206,399	--	91,901	298,300
1000	<u>\$ 31,475,480</u>	<u>\$ 21,845,400</u>	<u>\$ 9,281,114</u>	<u>\$ 62,601,994</u>
LIABILITIES:				
Current Liabilities:				
2110	\$ 1,504,565	\$ --	\$ 605,080	\$ 2,109,645
2150	498,637	--	55,782	554,419
2160	7,360,088	--	644,913	8,005,001
2170	--	4,171,600	641,039	4,812,639
2180	2	328,114	52,757	380,873
2200	--	--	13,140	13,140
2300	745,840	264,059	273,540	1,283,439
2000	<u>10,109,132</u>	<u>4,763,773</u>	<u>2,286,251</u>	<u>17,159,156</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	17,022	--	44,170	61,192
Restricted Fund Balances:				
3450	--	--	1,555,004	1,555,004
3470	--	--	4,804,004	4,804,004
3480	--	17,081,627	--	17,081,627
3490	116,634	--	235,662	352,296
Committed Fund Balances:				
3545	--	--	356,023	356,023
3600	21,232,692	--	--	21,232,692
3000	<u>21,366,348</u>	<u>17,081,627</u>	<u>6,994,863</u>	<u>45,442,838</u>
4000	<u>\$ 31,475,480</u>	<u>\$ 21,845,400</u>	<u>\$ 9,281,114</u>	<u>\$ 62,601,994</u>

The accompanying notes are an integral part of this statement.

WYLIE INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2012*

Total fund balances - governmental funds balance sheet		\$	45,442,838
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the governmental fund financial statements.			310,958,870
Accumulated depreciation has not been included in the governmental fund financial statements.			(74,332,835)
Long-term debt and other contractual liabilities have not been included in the governmental fund financial statements:			
Bonds payable	\$	233,578,094	
Premiums and accreted interest for capital appreciation bonds		73,647,094	
Capital leases payable		772,846	
Compensated absences		449,909	
			(308,447,943)
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.			(1,049,018)
In the governmental fund financial statements, various items are expensed when incurred, whereas in the government-wide financial statements they are capitalized, net of amortization:			
Bond issuance costs		2,697,727	
Deferred refunding costs		1,492,053	
			4,189,780
Premiums and discounts on the issuance of current interest bonds are capitalized, net of amortization, on the government-wide financial statements.			(5,634,005)
Revenue reported as unearned revenue in the governmental fund financial statements are recorded as revenue in the government-wide financial statements.			979,089
Net assets of governmental activities - statement of net assets		\$	<u>(27,893,224)</u>

The accompanying notes are an integral part of this statement.

WYLIE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 39,326,300	\$ 15,229,669	\$ 4,160,842	\$ 58,716,811
5800 <i>State Program Revenues</i>	51,229,545	3,732,701	1,410,048	56,372,294
5900 <i>Federal Program Revenues</i>	418,694	--	6,503,483	6,922,177
5020 <i>Total Revenues</i>	<u>90,974,539</u>	<u>18,962,370</u>	<u>12,074,373</u>	<u>122,011,282</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	51,170,778	--	5,285,125	56,455,903
0012 <i>Instructional Resources and Media Services</i>	994,411	--	90,735	1,085,146
0013 <i>Curriculum and Staff Development</i>	1,980,919	--	285,722	2,266,641
0021 <i>Instructional Leadership</i>	861,363	--	16,376	877,739
0023 <i>School Leadership</i>	5,570,004	--	13,939	5,583,943
0031 <i>Guidance, Counseling, & Evaluation Services</i>	2,162,534	--	442,712	2,605,246
0032 <i>Social Work Services</i>	--	--	18,208	18,208
0033 <i>Health Services</i>	1,117,142	--	1,154	1,118,296
0034 <i>Student Transportation</i>	3,477,099	--	297,049	3,774,148
0035 <i>Food Service</i>	--	--	4,415,908	4,415,908
0036 <i>Cocurricular/Extracurricular Activities</i>	2,578,756	--	291,110	2,869,866
0041 <i>General Administration</i>	2,707,880	--	--	2,707,880
0051 <i>Plant Maintenance and Operations</i>	9,634,965	--	421,475	10,056,440
0052 <i>Security and Monitoring Services</i>	242,492	--	3,484	245,976
0053 <i>Data Processing Services</i>	1,657,013	--	--	1,657,013
0061 <i>Community Services</i>	13,905	--	9,440	23,345
0071 <i>Principal on Long-term Debt</i>	282,556	13,410,000	2,586	13,695,142
0072 <i>Interest on Long-term Debt</i>	77,977	4,641,739	862	4,720,578
0073 <i>Bond Issuance Costs and Fees</i>	--	3,224	(24,626)	(21,402)
0081 <i>Capital Outlay</i>	760,865	--	5,595,440	6,356,305
0095 <i>Payments to Juvenile Justice Alternative Education Programs</i>	36,702	--	--	36,702
0099 <i>Other Intergovernmental Charges</i>	329,294	--	--	329,294
6030 <i>Total Expenditures</i>	<u>85,656,655</u>	<u>18,054,963</u>	<u>17,166,699</u>	<u>120,878,317</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>5,317,884</u>	<u>907,407</u>	<u>(5,092,326)</u>	<u>1,132,965</u>
Other Financing Sources and (Uses):				
7911 <i>Issuance of Refunding Bonds</i>	--	68,985,000	--	68,985,000
7912 <i>Sale of Real or Personal Property</i>	28,728	--	2,041	30,769
7913 <i>Capital Related Debt Issued - Capital Leases</i>	19,639	--	--	19,639
7916 <i>Premium on Issuance of Refunding Bonds</i>	--	3,932,124	--	3,932,124
8949 <i>Payment to Escrow Agent for Bond Refunding</i>	--	(75,257,081)	--	(75,257,081)
7080 <i>Total Other Financing Sources and (Uses)</i>	<u>48,367</u>	<u>(2,339,957)</u>	<u>2,041</u>	<u>(2,289,549)</u>
1200 <i>Net Change in Fund Balances</i>	<u>5,366,251</u>	<u>(1,432,550)</u>	<u>(5,090,285)</u>	<u>(1,156,584)</u>
0100 <i>Fund Balances - Beginning</i>	16,000,097	18,514,177	12,085,148	46,599,422
3000 <i>Fund Balances - Ending</i>	<u>\$ 21,366,348</u>	<u>\$ 17,081,627</u>	<u>\$ 6,994,863</u>	<u>\$ 45,442,838</u>

The accompanying notes are an integral part of this statement.

WYLIE INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds \$ (1,156,584)

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

Current year capital outlays are expenditures in the governmental fund financial statements, but are shown as increases in capital assets in the government-wide financial statements. 7,074,135

Depreciation is not recognized as an expenditure in the governmental fund financial statements since it does not use current financial resources. Current year depreciation expense is: (9,218,107)

The disposal of capital assets is not recognized in the governmental fund financial statements. However, the net book value of the capital assets disposed of in the current year is: (2,143)

The issuance of long-term debt provides current financial resources to governmental funds. However, the issuance increases long-term liabilities in the Statement of Net Assets. The District acquired assets under capital leases totaling: (19,639)

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: 13,695,142

Accretion on capital appreciation bonds is not reflected in the governmental fund financial statements, but is reflected as an increase in accreted interest in the government-wide financial statements. The current year accretion is: (9,731,748)

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: 857,338

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: (15,937)

During the year, the District advance refunded portions of outstanding bond issues. Underwriter costs associated with this transaction are capitalized in the government-wide statements. Also, the difference between the escrow deposit and the outstanding principal balance is recognized on the government-wide statements.

Capitalized underwriter costs	\$ 645,122	
Deficiency of gross proceeds relative to refunded debt	<u>1,662,106</u>	2,307,228

Amortization of debt issuance costs is only reported in the government-wide financial statements. Current year amortization is: (183,206)

Amortization of deferred gain on refunding is only reported in the government-wide financial statements. Current year amortization is: (54,583)

Amortization of the premium of current interest bonds is only reported in the government-wide financial statements. Current year amortization is: 223,144

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. 85,674

Change in net assets of governmental activities - statement of activities \$ 3,860,714

The accompanying notes are an integral part of this statement.

Wylie Independent School District



Fiduciary Funds Financial Statements

WYLIE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012

Data Control Codes	Private-Purpose Trust Funds	Agency Funds
		Student Activity
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 129,541
1800 <i>Restricted Assets</i>	2,229,558	--
1000 Total Assets	<u>2,229,558</u>	<u>129,541</u>
LIABILITIES:		
Current Liabilities:		
2110 <i>Accounts Payable</i>	--	112
2180 <i>Due to Other Governments</i>	--	379
2190 <i>Due to Student Groups</i>	--	129,050
2400 <i>Payable from Restricted Assets</i>	321,906	--
2000 Total Liabilities	<u>321,906</u>	<u>129,541</u>
NET ASSETS		
3800 <i>Held in Trust</i>	1,907,652	--
3000 Total Net Assets	<u>\$ 1,907,652</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

WYLIE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Private-Purpose Trust Funds
Additions:	
Investment Income	\$ 101,347
Contributions	21,955
Net Decrease in Fair Value of Investments	(70,205)
Total Additions	<u>53,097</u>
Deductions:	
Scholarship Awards	131,102
Administrative Expenses	14,534
Total Deductions	<u>145,636</u>
Change in Net Assets	(92,539)
Net Assets-Beginning of the Year	2,000,191
Net Assets-End of the Year	<u>\$ 1,907,652</u>

The accompanying notes are an integral part of this statement.

Wylie Independent School District



Notes to the Financial Statements

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No. 39, and there are no component units included within the reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

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

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

In addition, the District reports the following fund types:

Governmental Funds:

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

Special Revenue Funds: The District accounts for activities funded with restricted or committed revenues in special revenue funds. Most federal and some state grant programs are accounted for in these funds, as well as the District's campus activity funds.

Fiduciary Funds:

Private-Purpose Trust Funds: The District accounts for donations for which the donor stipulated that both the principal and income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Funds include the General Scholarship, Heather Smith Scholarship, Joe Stone Memorial Scholarship, Shaun Hepler Scholarship, Pearl Birmingham Scholarship, Vocational Ag Scholarship, and RC Dodd Scholarship Funds.

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

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

3. Financial Statement Amounts

a. Property Taxes

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

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

At June 30, 2012, net property taxes receivable is calculated as follows:

Gross property taxes receivable	\$ 1,363,431
Allowance for uncollectible taxes	(384,342)
Net property taxes receivable	<u>\$ 979,089</u>

b. Investments

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

c. Inventories and Prepaid Items

Supplies and materials are recorded as expenditures when requisitioned. Inventory is stated at cost using the first-in, first-out method. Inventory in the General Fund consists of expendable parts and supplies. Inventory in the Other Governmental Funds consists primarily of food service commodities.

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

d. Capital Assets

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Building Improvements	6-20
Vehicles	5-10
Computer Equipment	7-15
Other Equipment	5-15

e. **Receivable and Payable Balances**

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

There are no significant receivables, except for delinquent taxes receivable, which are not scheduled for collection within one year of year end. Of the \$1,363,431 outstanding at June 30, 2012, it is expected that the District will collect approximately \$700,000 during the upcoming year.

f. **Compensated Absences**

It is the District's policy to permit some employees to accumulate earned but unused sick pay benefits. School Board Policy contains a provision to compensate employees with more than 10 years of service in the District for accrued leave days upon retirement. This policy allows any employee who retires from the District through the Teacher Retirement System of Texas to receive, following termination of employment, a lump sum payment for accrued leave days.

School Board Policy also contains a provision to compensate employees with five or more years of service in the District for accrued local leave days upon resignation from the District.

g. **Interfund Activity**

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

h. **Use of Estimates**

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

The amount of Foundation revenues a school district earns from the state each year is based on estimated data until final values for each of the factors in the formula become known, which is typically well into the subsequent fiscal year. It is reasonably possible that actual Foundation revenues for the year ended June 30, 2012 will differ from those reported in the accompanying financial statements, although management does not expect them to be materially different.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

i. Data Control Codes

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

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

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

The District's Board of Trustees has formally adopted a minimum fund balance policy that states that the District shall maintain at a minimum, where possible, unassigned fund balance in the General Fund equal to two and one-half months of average General Fund expenditures.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

4. New Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 61 to amend GASB Statements 14 and 34. The statement is effective for fiscal years beginning on or after June 15, 2012 and modifies certain requirements for inclusion of component units in the financial reporting entity. The statement also amends the criteria for reporting component units as if they were part of the primary government (blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. Management is currently evaluating relationships of the District with various organizations and the impact of applying this statement is not known at this time.

In July 2011, the GASB issued GASB Statement No. 63 to provide a new statement of net position to report all assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position (which is the net residual amount of the other elements). The Statement is effective for periods beginning after December 15, 2011 and requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. The Statement also amends certain provisions of GASB Statement 34 and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. The GASB also issued GASB Statement No. 65 in April 2012 (effective for periods beginning after December 15, 2012) to limit the recognition of deferred outflows and deferred inflows of resources to those instances specifically identified in authoritative GASB pronouncements. Together these statements will affect the District's reporting of its governmental activities on the government-wide statements as of and for the year ended June 30, 2013, although the impact of applying the statements is not known at this time.

B. Deposits and Investments

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

1. Cash Deposits:

At June 30, 2012, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,274,002 and the bank balance was \$3,762,864. The District's cash deposits at June 30, 2012 and during the year ended June 30, 2012, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

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

The District's investments at June 30, 2012 are shown below.

<u>Investment or Investment Type</u>	<u>Weighted Average Maturity (Months)</u>	<u>Fair Value</u>
Held in governmental funds:		
Lone Star Investment Pool	1	\$ 46,436,245
LOGIC Investment Pool	1	353,464
		<u>46,789,709</u>
Held in private-purpose trust funds:		
Stocks / Mutual Funds	N/A	<u>2,097,378</u>
Total investments		<u>\$ 48,887,087</u>

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At June 30, 2012, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
Lone Star Investment Pool	N/A	Not Rated
LOGIC Investment Pool	N/A	AAA

b. Custodial Credit Risk

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

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

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Public Funds Investment Pools

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

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

C. **Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 9,383,818	\$ --	\$ --	\$ 9,383,818
Construction in progress	5,679,080	6,462,711	10,142,024	1,999,767
Total capital assets not being depreciated	<u>15,062,898</u>	<u>6,462,711</u>	<u>10,142,024</u>	<u>11,383,585</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	276,493,517	9,941,278	--	286,434,795
Furniture and equipment	11,173,371	792,531	237,605	11,728,297
Furniture and equipment under capital lease	1,392,554	19,639	--	1,412,193
Total capital assets being depreciated	<u>289,059,442</u>	<u>10,753,448</u>	<u>237,605</u>	<u>299,575,285</u>
Less accumulated depreciation for:				
Buildings and improvements	59,258,524	7,863,865	--	67,122,389
Furniture and equipment	5,696,111	1,070,795	235,462	6,531,444
Furniture and equipment under capital lease	395,555	283,447	--	679,002
Total accumulated depreciation	<u>65,350,190</u>	<u>9,218,107</u>	<u>235,462</u>	<u>74,332,835</u>
Total capital assets being depreciated, net	<u>223,709,252</u>	<u>1,535,341</u>	<u>2,143</u>	<u>225,242,450</u>
Governmental activities capital assets, net	<u>\$ 238,772,150</u>	<u>\$ 7,998,052</u>	<u>\$ 10,144,167</u>	<u>\$ 236,626,035</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Depreciation was charged to functions as follows:

Instruction	\$ 4,728,547
Instructional Resources and Media Services	333,637
Curriculum and Staff Development	6,133
School Leadership	242,385
Guidance, Counseling, & Evaluation Services	59,248
Health Services	105,484
Student Transportation	626,550
Food Services	823,164
Extracurricular Activities	1,854,947
General Administration	209,603
Plant Maintenance and Operations	124,442
Security and Monitoring Services	135
Data Processing Services	103,832
	<u>\$ 9,218,107</u>

D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2012, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 4,171,600	Short-term loan
General Fund	Other Governmental Funds	641,039	Short-term loan
	Total	<u>\$ 4,812,639</u>	

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

E. Long-Term Obligations

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2012, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds Payable:					
General Obligation Bonds	\$ 248,281,197	\$ 68,985,000	\$ 83,688,103	\$ 233,578,094	\$ 10,873,215
Accreted Interest	66,397,240	9,731,748	2,481,894	73,647,094	2,791,785
Premium on Bonds	2,739,959	3,117,190	223,144	5,634,005	--
Deferred Loss on Refunding	(509,611)	(1,851,959)	(869,517)	(1,492,053)	--
Total Bonds Payable	<u>316,908,785</u>	<u>79,981,979</u>	<u>85,523,624</u>	<u>311,367,140</u>	<u>13,665,000</u>
Capital Leases Payable	1,005,620	19,639	252,413	772,846	272,412
Compensated absences *	433,972	43,221	27,284	449,909	6,790
Total governmental activities	<u>\$ 318,348,377</u>	<u>\$ 80,044,839</u>	<u>\$ 85,803,321</u>	<u>\$ 312,589,895</u>	<u>\$ 13,944,202</u>

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

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

2. Debt Service Requirements

Debt service requirements on long-term debt, excluding amortization of bond premium and deferred loss on refunding and compensated absences, at June 30, 2012, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 11,145,627	\$ 7,199,848	\$ 18,345,475
2014	11,058,258	8,387,031	19,445,289
2015	9,347,608	11,392,810	20,740,418
2016	9,431,885	12,081,360	21,513,245
2017	11,960,128	11,231,505	23,191,633
2018-2022	60,663,798	62,228,773	122,892,571
2023-2027	53,791,012	70,409,955	124,200,967
2028-2032	36,588,707	42,742,836	79,331,543
2033-2037	23,794,307	30,665,839	54,460,146
2038-2041	6,569,610	23,835,392	30,405,002
Totals	\$ 234,350,940	\$ 280,175,349	\$ 514,526,289

Accreted interest of \$73,647,094 is included in the interest column.

3. General Obligation Bonds

A summary of changes in general obligation bonds for the year ended June 30, 2012 is as follows:

	Amounts Outstanding 7/1/11	Issued	Retired	Amounts Outstanding 6/30/12	Interest Accretion 6/30/12
Unlimited Tax School Building and Refunding Bonds, Series 1994 Original Issue of \$27,805,000 Interest 4.00% - 7.00%	\$ 8,570,000	\$ --	\$ 8,570,000	\$ --	\$ --
Unlimited Tax School Building and Refunding Bonds, Series 1998 Original Issue of \$15,288,389 Interest 3.95% - 4.88%	3,923,388	--	--	3,923,388	14,477,912
Unlimited Tax School Building and Refunding Bonds, Series 1999 Original Issue of \$14,117,970 Interest 3.60% - 5.50%	649,365	--	649,365	--	--
Unlimited Tax School Building and Refunding Bonds, Series 2001 Original Issue of \$35,397,236 Interest 4.05% - 5.76%	22,601,590	--	1,938,000	20,663,590	18,875,860
Unlimited Tax School Building Bonds, Series 2002 Original Issue of \$10,900,000 Interest 4.40% - 6.00%	250,000	--	250,000	--	--

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

Unlimited Tax School Refunding Bonds, Series 2002 Original Issue of \$196,261 Interest 3.31% - 4.38%	20,182	--	20,182	--	--
Unlimited Tax School Building and Refunding Bonds, Series 2003 Original Issue of \$29,121,683 Interest 4.45% - 5.25%	29,121,683	--	28,540,000	581,683	3,586,425
Unlimited Tax School Building Bonds, Series 2004 Original Issue of \$29,900,000 Interest 2.00% - 5.25%	27,000,000	--	700,000	26,300,000	--
Unlimited Tax School Building Bonds, Series 2005 Original Issue of \$70,995,526 Interest 3.00% - 5.16%	64,610,526	--	3,775,000	60,835,526	19,952,617
Unlimited Tax School Building Bonds, Series 2006 Original Issue of \$25,827,277 Interest 3.86% - 5.13%	24,378,692	--	908,226	23,470,466	2,847,069
Unlimited Tax School Building Bonds, Series 2007 Original Issue of \$20,749,994 Interest 4.00% - 5.03%	19,744,994	--	745,000	18,999,994	3,857,852
Unlimited Tax Refunding Bonds, Series 2008 Original Issue of \$6,069,975 Interest 2.80% - 3.52%	4,695,789	--	1,293,700	3,402,089	1,573,241
Unlimited Tax School Building Bonds, Series 2010 Original Issue of \$24,939,988 Interest 2.80% - 3.52%	24,939,988	--	143,630	24,796,358	3,490,010
Unlimited Tax Refunding Bonds, Series 2010 Original Issue of \$17,775,000 Interest 2.00% - 5.00%	17,775,000	--	--	17,775,000	4,986,108
Unlimited Tax Refunding Bonds, Series 2012A Original Issue of \$36,155,000 Interest 8.00%	--	36,155,000	36,155,000	--	--
Unlimited Tax Refunding Bonds, Series 2012B Original Issue of \$32,830,000 Interest 2.00% - 4.00%	--	32,830,000	--	32,830,000	--
	<u>\$ 248,281,197</u>	<u>\$ 68,985,000</u>	<u>\$ 83,688,103</u>	<u>\$ 233,578,094</u>	<u>\$ 73,647,094</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2013	\$ 10,873,215	\$ 7,145,460	\$ 18,018,675
2014	10,769,235	8,354,478	19,123,713
2015	9,142,348	11,383,028	20,525,376
2016	9,427,336	12,078,578	21,505,914
2017	11,958,526	11,230,237	23,188,763
2018-2022	60,663,798	62,228,773	122,892,571
2023-2027	53,791,012	70,409,955	124,200,967
2028-2032	36,588,707	42,742,836	79,331,543
2033-2037	23,794,307	30,665,839	54,460,146
2038-2041	6,569,610	23,835,392	30,405,002
Totals	\$ 233,578,094	\$ 280,074,576	\$ 513,652,670

Limitations and Restrictions

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

Arbitrage Regulations

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The United States Treasury requires payments for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2012, this liability was calculated to be \$13,140 as reflected in accrued expenditures of the other governmental funds on the balance sheet - governmental funds.

4. Advance Refundings of Debt

The District defeased certain general obligation bonds in the current year by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. The District issued the following refunding bonds during the current fiscal year:

Unlimited Tax Refunding Bonds, Series 2012A

On February 16, 2012, the District issued unlimited tax refunding bonds of \$36,155,000 (par value) with an interest rate of 8.00%. The debt was issued to refund unlimited tax school building and refunding bonds with interest rates ranging from 4.00% to 7.00% and a par value of \$36,605,000. The refunding was issued as a put to be refunded within months of issuance by the Unlimited Tax Refunding Bonds, Series 2012B as discussed below.

Unlimited Tax Refunding Bonds, Series 2012B

On April 10, 2012, the District issued unlimited tax refunding bonds of \$32,830,000 (par value) with interest rates ranging from 2.00% to 4.00%. The debt was issued to refund the Unlimited Tax Refunding Bonds, Series 2012A discussed above with a par value of \$36,155,000. Together, the Series 2012A and 2012B refunding bonds decreased the District's total debt service requirements by \$14,836,332 and resulted in an economic loss (difference between the present value of the debt service payments of the old and new debt) of \$841,154.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2012, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

<u>Bond Issue</u>	<u>Amount</u>
Unlimited Tax School Building and Refunding Bonds, Series 1994	\$ 19,650,000
Unlimited Tax School Building and Refunding Bonds, Series 1998	3,575,000
Unlimited Tax School Building and Refunding Bonds, Series 1999	22,334,987
Unlimited Tax School Building Bonds, Series 2002	8,950,000
Unlimited Tax School Building and Refunding Bonds, Series 2003	28,540,000
Unlimited Tax School Building Bonds, Series 2004	450,000
Total	<u>\$ 83,499,987</u>

5. Capital Leases

Commitments under capitalized lease agreements for furniture and equipment provide for minimum future lease payments as of June 30, 2012, as follows:

<u>Year Ending June 30:</u>	
2013	\$ 326,800
2014	321,576
2015	215,042
2016	7,331
2017	2,870
Total Minimum Rentals	<u>873,619</u>
Less Imputed Interest	<u>(100,773)</u>
Capital Lease Payable	<u>\$ 772,846</u>

F. Other Restrictions of Fund Balance

Amounts reported as other restrictions of fund balance at June 30, 2012 on the balance sheet - governmental funds consist of the following:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Local Grants	\$ 116,634	\$ --	\$ 116,634
Course Enhancement	--	235,662	235,662
	<u>\$ 116,634</u>	<u>\$ 235,662</u>	<u>\$ 352,296</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the District purchased commercial insurance to cover general 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.

H. Pension Plan

1. Plan Description

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

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2012, 2011 and 2010, and a state contribution rate of 6.0% for fiscal year 2012 and 6.644% for fiscal years 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employee's salaries that exceed the statutory minimum. State contributions to TRS made on behalf of the District's employees and reflected as revenues and expenditures in the accompanying financial statements for the years ending June 30, 2012, 2011 and 2010 were \$3,958,810, \$4,231,701 and \$3,699,082, respectively. The District paid additional state contributions for the years ending June 30, 2012, 2011 and 2010 in the amount of \$815,202, \$931,991 and \$853,592, respectively, on portion of the employees' salaries that exceeded the statutory minimum.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

I. Retiree Health Care Plan

1. Plan Description

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

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2012, 2011 and 2010. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2012, 2011, and 2010, the State's contributions to TRS-Care were \$678,960, \$688,218, and \$662,863, respectively, the active member contributions were \$441,324, \$447,342, and \$430,861, respectively, and the District's contributions were \$373,428, \$378,520, and \$364,575, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2012, 2011, and 2010, the subsidy payments received by TRS-Care on behalf of the District were \$150,538, \$163,180, and \$161,326, respectively.

J. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

2. Contractual Commitments

As of June 30, 2012, the District was party to several uncompleted contracts for renovation and construction projects in progress at that date. The projects in progress are summarized as follows:

Project	Total Contract Sum	Portion Completed - 6/30/12	Remaining Commitment
Wylie East High School Projects	\$ 1,950,544	\$ 201,502	\$ 1,749,042
Akin Elementary Projects	1,266,027	596,125	669,902
Burnett Junior High Bus Loop	318,520	--	318,520
	<u>\$ 3,535,091</u>	<u>\$ 797,627</u>	<u>\$ 2,737,464</u>

It is anticipated that all of the above projects will be completed and paid for from the Capital Projects Fund in fiscal year 2013.

K. Subsequent Events

On September 13, 2012, the District issued Unlimited Tax School Building and Refunding Bonds, Series 2012C with a par value of \$45,485,470 bearing interest at rates ranging from 1.90% to 5.00% on scheduled maturities through August 15, 2033. The proceeds from the issuance were used to provide \$21,125,000 for additions and renovations to the Wylie East High School and Wylie High School campuses and to refund certain maturities of Unlimited Tax School Building Bonds, Series 2004 with par values totaling \$26,050,000.

Wylie Independent School District



**Budgetary Comparison Reporting
Required Supplementary Information**

WYLIE INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT G-1
Page 1 of 2

Data Control Codes	1		2		3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual	
	Original	Final				
REVENUES:						
5700	<i>Local and Intermediate Sources</i>	\$ 37,779,691	\$ 39,235,570	\$ 39,326,300	\$ 90,730	
5800	<i>State Program Revenues</i>	49,435,638	51,846,923	51,229,545	(617,378)	
5900	<i>Federal Program Revenues</i>	295,000	362,627	418,694	56,067	
5020	Total Revenues	<u>87,510,329</u>	<u>91,445,120</u>	<u>90,974,539</u>	<u>(470,581)</u>	
EXPENDITURES:						
Current:						
Instruction & Instructional Related Services:						
0011	<i>Instruction</i>	52,920,907	52,018,756	51,170,778	847,978	
0012	<i>Instructional Resources and Media Services</i>	1,025,739	1,010,280	994,411	15,869	
0013	<i>Curriculum and Staff Development</i>	2,015,620	2,058,163	1,980,919	77,244	
	Total Instruction & Instr. Related Services	<u>55,962,266</u>	<u>55,087,199</u>	<u>54,146,108</u>	<u>941,091</u>	
Instructional and School Leadership:						
0021	<i>Instructional Leadership</i>	893,561	883,280	861,363	21,917	
0023	<i>School Leadership</i>	5,684,234	5,655,055	5,570,004	85,051	
	Total Instructional & School Leadership	<u>6,577,795</u>	<u>6,538,335</u>	<u>6,431,367</u>	<u>106,968</u>	
Support Services - Student (Pupil):						
0031	<i>Guidance, Counseling and Evaluation Services</i>	2,357,691	2,251,368	2,162,534	88,834	
0033	<i>Health Services</i>	1,133,944	1,140,023	1,117,142	22,881	
0034	<i>Student (Pupil) Transportation</i>	3,417,784	3,553,788	3,477,099	76,689	
0036	<i>Cocurricular/Extracurricular Activities</i>	2,698,492	2,633,318	2,578,756	54,562	
	Total Support Services - Student (Pupil)	<u>9,607,911</u>	<u>9,578,497</u>	<u>9,335,531</u>	<u>242,966</u>	
Administrative Support Services:						
0041	<i>General Administration</i>	2,704,415	2,776,678	2,707,880	68,798	
	Total Administrative Support Services	<u>2,704,415</u>	<u>2,776,678</u>	<u>2,707,880</u>	<u>68,798</u>	
Support Services - Nonstudent Based:						
0051	<i>Plant Maintenance and Operations</i>	10,432,741	10,150,926	9,634,965	515,961	
0052	<i>Security and Monitoring Services</i>	255,075	264,860	242,492	22,368	
0053	<i>Data Processing Services</i>	1,556,925	1,690,205	1,657,013	33,192	
	Total Support Services - Nonstudent Based	<u>12,244,741</u>	<u>12,105,991</u>	<u>11,534,470</u>	<u>571,521</u>	
Ancillary Services:						
0061	<i>Community Services</i>	7,100	25,075	13,905	11,170	
	Total Ancillary Services	<u>7,100</u>	<u>25,075</u>	<u>13,905</u>	<u>11,170</u>	
Debt Service:						
0071	<i>Principal on Long-Term Debt</i>	28,200	361,861	282,556	79,305	
0072	<i>Interest on Long-Term Debt</i>	--	3,689	77,977	(74,288)	
	Total Debt Service	<u>28,200</u>	<u>365,550</u>	<u>360,533</u>	<u>5,017</u>	
Capital Outlay:						
0081	<i>Capital Outlay</i>	1,000	1,069,673	760,865	308,808	
	Total Capital Outlay	<u>1,000</u>	<u>1,069,673</u>	<u>760,865</u>	<u>308,808</u>	

WYLIE INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT G-1
 Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<i>Intergovernmental Charges:</i>				
0095	<i>Payments to Juvenile Justice Alternative</i>			
0095	<i>Education Programs</i>			
	25,000	37,000	36,702	298
0099	<i>Other Intergovernmental Charges</i>			
	351,901	339,294	329,294	10,000
	376,901	376,294	365,996	10,298
6030	Total Expenditures			
	87,510,329	87,923,292	85,656,655	2,266,637
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures			
	--	3,521,828	5,317,884	1,796,056
<i>Other Financing Sources (Uses):</i>				
7912	<i>Sale of Real or Personal Property</i>			
	--	28,728	28,728	--
7913	<i>Proceeds from Capital Leases</i>			
	--	19,639	19,639	--
7080	Total Other Financing Sources and (Uses)			
	--	48,367	48,367	--
1200	Net Change in Fund Balance			
	--	3,570,195	5,366,251	1,796,056
0100	Fund Balance - Beginning			
	16,000,097	16,000,097	16,000,097	--
3000	Fund Balance - Ending			
	\$ 16,000,097	\$ 19,570,292	\$ 21,366,348	\$ 1,796,056

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

A. Basis of Budgeting

The Wylie Independent School District's (District) budget for the General Fund is prepared and presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

B. Budget Process

1. Budgeting

Annual budgets are legally adopted for the General Fund, Debt Service Fund and Food Service Fund. The annual budget is presented in the accompanying schedule for the General Fund. The following procedures are used in establishing the budgetary data reflected in that schedule:

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

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

The official budget for the General Fund was prepared and adopted through Board resolution before June 30, 2011. The administration performs budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Texas Education Agency. Total expenditures may exceed total appropriations, as amended, by fund as long as those expenditures are certified as being available by the budget officer to the Board. The final amended budget for the General Fund reflected increases in budgeted revenues for local and state program revenues of \$1,455,879 and \$2,411,285, respectively, related to increased property tax revenues and increased state aid above original estimates. Budgeted expenditures were increased by a significantly lesser amount, resulting in a final budgeted increase in fund balance totaling \$3,521,828. The budget amounts reflected in the accompanying schedule represent final amended budget amounts as approved by the Board.

2. Encumbrances

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

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Wylie Independent School District



Other Supplementary Information
Non-Major Governmental Funds

WYLIE INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2012

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 539,650	\$ 1,221	\$ 540,871
1120	Current Investments	2,170,025	5,446,818	7,616,843
1240	Due from Other Governments	987,329	--	987,329
1260	Due from Other Funds	--	--	--
1300	Inventories	44,170	--	44,170
1490	Other Current Assets	--	91,901	91,901
1000	Total Assets	\$ 3,741,174	\$ 5,539,940	\$ 9,281,114
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 30,243	\$ 574,837	\$ 605,080
2150	Payroll Deductions & Withholdings	55,782	--	55,782
2160	Accrued Wages Payable	644,913	--	644,913
2170	Due to Other Funds	493,080	147,959	641,039
2180	Due to Other Governments	52,757	--	52,757
2200	Accrued Expenditures	--	13,140	13,140
2300	Deferred Revenue	273,540	--	273,540
2000	Total Liabilities	1,550,315	735,936	2,286,251
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	44,170	--	44,170
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	1,555,004	--	1,555,004
3470	Capital Acquisitions & Contractual Obligations	--	4,804,004	4,804,004
3490	Other Restrictions of Fund Balance	235,662	--	235,662
Committed Fund Balances:				
3545	Other Committed Fund Balance	356,023	--	356,023
3000	Total Fund Balances	2,190,859	4,804,004	6,994,863
4000	Total Liabilities and Fund Balances	\$ 3,741,174	\$ 5,539,940	\$ 9,281,114

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ 4,153,070	\$ 7,772	\$ 4,160,842
5800 <i>State Program Revenues</i>	1,410,048	--	1,410,048
5900 <i>Federal Program Revenues</i>	6,503,483	--	6,503,483
5020 Total Revenues	<u>12,066,601</u>	<u>7,772</u>	<u>12,074,373</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	5,285,125	--	5,285,125
0012 <i>Instructional Resources and Media Services</i>	90,735	--	90,735
0013 <i>Curriculum and Staff Development</i>	285,722	--	285,722
0021 <i>Instructional Leadership</i>	16,376	--	16,376
0023 <i>School Leadership</i>	13,939	--	13,939
0031 <i>Guidance, Counseling, & Evaluation Services</i>	442,712	--	442,712
0032 <i>Social Work Services</i>	18,208	--	18,208
0033 <i>Health Services</i>	1,154	--	1,154
0034 <i>Student Transportation</i>	297,049	--	297,049
0035 <i>Food Service</i>	4,415,908	--	4,415,908
0036 <i>Cocurricular/Extracurricular Activities</i>	291,110	--	291,110
0051 <i>Plant Maintenance and Operations</i>	421,475	--	421,475
0052 <i>Security and Monitoring Services</i>	3,484	--	3,484
0061 <i>Community Services</i>	9,440	--	9,440
0071 <i>Principal on Long-term Debt</i>	2,586	--	2,586
0072 <i>Interest on Long-term Debt</i>	862	--	862
0073 <i>Bond Issuance Costs and Fees</i>	--	(24,626)	(24,626)
0081 <i>Capital Outlay</i>	233,480	5,361,960	5,595,440
6030 Total Expenditures	<u>11,829,365</u>	<u>5,337,334</u>	<u>17,166,699</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>237,236</u>	<u>(5,329,562)</u>	<u>(5,092,326)</u>
Other Financing Sources and (Uses):			
7912 <i>Sale of Real or Personal Property</i>	2,041	--	2,041
7080 Total Other Financing Sources and (Uses)	<u>2,041</u>	<u>--</u>	<u>2,041</u>
1200 Net Change in Fund Balances	<u>239,277</u>	<u>(5,329,562)</u>	<u>(5,090,285)</u>
0100 Fund Balances - Beginning	1,951,582	10,133,566	12,085,148
3000 Fund Balances - Ending	<u>\$ 2,190,859</u>	<u>\$ 4,804,004</u>	<u>\$ 6,994,863</u>

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Wylie Independent School District



Other Supplementary Information
Non-Major Special Revenue Funds

WYLIE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

Data Control Codes	205 Head Start	206 ESEA Title III Subtitle B Homeless	209 Energy Conservation For Buildings	211 ESEA Title I Improving Basic Programs
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --	\$ --	\$ --
1120 <i>Current Investments</i>	--	--	--	--
1240 <i>Due from Other Governments</i>	22,549	2,717	233,480	53,474
1300 <i>Inventories</i>	--	--	--	--
1000 Total Assets	\$ 22,549	\$ 2,717	\$ 233,480	\$ 53,474
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 193	\$ --	\$ --	\$ 3,962
2150 <i>Payroll Deductions & Withholdings</i>	711	--	--	1,022
2160 <i>Accrued Wages Payable</i>	5,525	--	--	22,883
2170 <i>Due to Other Funds</i>	16,120	2,717	233,480	25,607
2180 <i>Due to Other Governments</i>	--	--	--	--
2300 <i>Deferred Revenue</i>	--	--	--	--
2000 Total Liabilities	22,549	2,717	233,480	53,474
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 <i>Inventories</i>	--	--	--	--
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	--	--
3490 <i>Other Restrictions of Fund Balance</i>	--	--	--	--
Committed Fund Balances:				
3545 <i>Other Committed Fund Balance</i>	--	--	--	--
3000 Total Fund Balances	--	--	--	--
4000 Total Liabilities and Fund Balances	\$ 22,549	\$ 2,717	\$ 233,480	\$ 53,474

224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 15,028	\$ --	\$ --
--	--	1,816,561	--	--
341,090	3,925	--	8,565	9,315
--	--	44,170	--	--
<u>\$ 341,090</u>	<u>\$ 3,925</u>	<u>\$ 1,875,759</u>	<u>\$ 8,565</u>	<u>\$ 9,315</u>
\$ 15,256	\$ 88	\$ 3,163	\$ --	\$ 587
7,297	65	24,966	--	--
151,609	2,493	201,739	--	--
166,928	1,279	2,547	8,565	8,728
--	--	--	--	--
--	--	44,170	--	--
<u>341,090</u>	<u>3,925</u>	<u>276,585</u>	<u>8,565</u>	<u>9,315</u>
--	--	44,170	--	--
--	--	1,555,004	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>1,599,174</u>	<u>--</u>	<u>--</u>
<u>\$ 341,090</u>	<u>\$ 3,925</u>	<u>\$ 1,875,759</u>	<u>\$ 8,565</u>	<u>\$ 9,315</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

Data Control Codes	263 English Language Acquisition and Enhancement	287 Education Jobs Fund	392 Non-Education Community Support	
ASSETS:				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1120	Current Investments	--	--	--
1240	Due from Other Governments	42,531	269,399	284
1300	Inventories	--	--	--
1000	Total Assets	\$ 42,531	\$ 269,399	\$ 284
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 485	\$ 1,688	\$ --
2150	Payroll Deductions & Withholdings	806	20,915	--
2160	Accrued Wages Payable	13,868	246,796	--
2170	Due to Other Funds	27,372	--	284
2180	Due to Other Governments	--	--	--
2300	Deferred Revenue	--	--	--
2000	Total Liabilities	42,531	269,399	284
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	--	--	--
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--
Committed Fund Balances:				
3545	Other Committed Fund Balance	--	--	--
3000	Total Fund Balances	--	--	--
4000	Total Liabilities and Fund Balances	\$ 42,531	\$ 269,399	\$ 284

397 Advanced Placement Incentives	410 State Textbook Fund	411 Technology Allotment	429 Read to Succeed	461 Campus Activity Funds
\$ 8,657	\$ 479	\$ 51,831	\$ 55	\$ 357,021
--	--	--	--	--
--	--	--	--	--
<u>\$ 8,657</u>	<u>\$ 479</u>	<u>\$ 51,831</u>	<u>\$ 55</u>	<u>\$ 357,021</u>
\$ --	\$ --	\$ --	\$ --	\$ 72
--	--	--	--	--
--	--	--	--	--
--	--	51,831	--	926
8,657	479	--	55	--
<u>8,657</u>	<u>479</u>	<u>51,831</u>	<u>55</u>	<u>998</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	356,023
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>356,023</u>
<u>\$ 8,657</u>	<u>\$ 479</u>	<u>\$ 51,831</u>	<u>\$ 55</u>	<u>\$ 357,021</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

EXHIBIT H-3
 Page 3 of 3

Data Control Codes	498 Education Foundation Grants	499 Birmingham Projects Clearing	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 4,749	\$ 101,830	\$ 539,650
1120	Current Investments	--	353,464	2,170,025
1240	Due from Other Governments	--	--	987,329
1300	Inventories	--	--	44,170
1000	Total Assets	\$ 4,749	\$ 455,294	\$ 3,741,174
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 4,749	\$ --	\$ 30,243
2150	Payroll Deductions & Withholdings	--	--	55,782
2160	Accrued Wages Payable	--	--	644,913
2170	Due to Other Funds	--	(547)	493,080
2180	Due to Other Governments	--	--	52,757
2300	Deferred Revenue	--	220,179	273,540
2000	Total Liabilities	4,749	219,632	1,550,315
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	--	--	44,170
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	1,555,004
3490	Other Restrictions of Fund Balance	--	235,662	235,662
Committed Fund Balances:				
3545	Other Committed Fund Balance	--	--	356,023
3000	Total Fund Balances	--	235,662	2,190,859
4000	Total Liabilities and Fund Balances	\$ 4,749	\$ 455,294	\$ 3,741,174

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	205 Head Start	206 ESEA Title III Subtitle B Homeless	209 Energy Conservation For Buildings	211 ESEA Title I Improving Basic Programs
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	46,993	16,112	233,480	375,181
5020 <i>Total Revenues</i>	<u>46,993</u>	<u>16,112</u>	<u>233,480</u>	<u>375,181</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	46,827	--	--	359,062
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	--	--	--	10,705
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	16,112	--	2,096
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Plant Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	166	--	--	3,318
0071 <i>Principal on Long-term Debt</i>	--	--	--	--
0072 <i>Interest on Long-term Debt</i>	--	--	--	--
0081 <i>Capital Outlay</i>	--	--	233,480	--
6030 <i>Total Expenditures</i>	<u>46,993</u>	<u>16,112</u>	<u>233,480</u>	<u>375,181</u>
1100 <i>Excess (Deficiency) of Revenues Over (Under)</i>	--	--	--	--
1100 <i>Expenditures</i>	--	--	--	--
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	--	--	--	--
7080 <i>Total Other Financing Sources and (Uses)</i>	--	--	--	--
1200 <i>Net Change in Fund Balances</i>	--	--	--	--
0100 <i>Fund Balances - Beginning</i>	--	--	--	--
3000 <i>Fund Balances - Ending</i>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

222 National and Community Service Trust	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program	244 Vo Ed Basic Grant
\$ --	\$ --	\$ --	\$ 2,671,194	\$ --
--	--	--	103,461	--
280	1,628,742	21,360	2,077,763	49,751
<u>280</u>	<u>1,628,742</u>	<u>21,360</u>	<u>4,852,418</u>	<u>49,751</u>
280	1,202,421	18,586	--	49,281
--	--	--	--	--
--	26,543	2,333	--	450
--	15,465	--	--	--
--	--	--	--	--
--	383,195	441	--	20
--	--	--	--	--
--	1,118	--	--	--
--	--	--	--	--
--	--	--	4,415,908	--
--	--	--	--	--
--	--	--	257,896	--
--	--	--	--	--
--	--	--	--	--
--	--	--	2,586	--
--	--	--	862	--
--	--	--	--	--
<u>280</u>	<u>1,628,742</u>	<u>21,360</u>	<u>4,677,252</u>	<u>49,751</u>
--	--	--	175,166	--
--	--	--	--	--
--	--	--	2,041	--
--	--	--	2,041	--
--	--	--	177,207	--
--	--	--	1,421,967	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,599,174</u>	<u>\$ --</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	255 ESEA Title II Training & Recruiting	263 English Language Acquisition and Enhancement	283 IDEA - Part B Formula - ARRA	284 IDEA - Part B Preschool ARRA
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	111,391	150,119	4,396	181
5020 Total Revenues	<u>111,391</u>	<u>150,119</u>	<u>4,396</u>	<u>181</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	--	134,935	4,396	181
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	111,391	8,698	--	--
0021 <i>Instructional Leadership</i>	--	911	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Plant Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	5,575	--	--
0071 <i>Principal on Long-term Debt</i>	--	--	--	--
0072 <i>Interest on Long-term Debt</i>	--	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
6030 Total Expenditures	<u>111,391</u>	<u>150,119</u>	<u>4,396</u>	<u>181</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

285 ESEA Title 1 Part A Improving Basic Programs - ARRA	287 Education Jobs Fund	392 Non-Educational Community-Based Support	394 Life Skills Program	397 Advanced Placement Incentives
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	284	7,366	5,708
1,345	1,786,389	--	--	--
<u>1,345</u>	<u>1,786,389</u>	<u>284</u>	<u>7,366</u>	<u>5,708</u>
1,345	1,353,673	--	7,366	225
--	--	--	--	--
--	--	--	--	5,483
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	297,049	--	--	--
--	--	--	--	--
--	135,667	--	--	--
--	--	--	--	--
--	--	284	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,345</u>	<u>1,786,389</u>	<u>284</u>	<u>7,366</u>	<u>5,708</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	404 Student Success Initiative	410 State Textbook Fund	415 Kindergarten and Prekindergarten Grants	425 Beginning Teacher Mentoring
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	9,829	1,272,555	293	13,848
5900 <i>Federal Program Revenues</i>	--	--	--	--
5020 Total Revenues	<u>9,829</u>	<u>1,272,555</u>	<u>293</u>	<u>13,848</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	6,635	1,272,555	293	--
0012 <i>Instructional Resources and Media Services</i>	--	--	--	--
0013 <i>Curriculum and Staff Development</i>	3,194	--	--	13,848
0021 <i>Instructional Leadership</i>	--	--	--	--
0023 <i>School Leadership</i>	--	--	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--	--	--
0032 <i>Social Work Services</i>	--	--	--	--
0033 <i>Health Services</i>	--	--	--	--
0034 <i>Student Transportation</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--	--
0051 <i>Plant Maintenance and Operations</i>	--	--	--	--
0052 <i>Security and Monitoring Services</i>	--	--	--	--
0061 <i>Community Services</i>	--	--	--	--
0071 <i>Principal on Long-term Debt</i>	--	--	--	--
0072 <i>Interest on Long-term Debt</i>	--	--	--	--
0081 <i>Capital Outlay</i>	--	--	--	--
6030 Total Expenditures	<u>9,829</u>	<u>1,272,555</u>	<u>293</u>	<u>13,848</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7912 <i>Sale of Real or Personal Property</i>	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

429 Read to Succeed	461 Campus Activity Funds	481 Advanced Technology	482 Media Technology & CAD	483 Applied Computer Technology
\$ --	\$ 1,108,211	\$ 26,136	\$ 30,074	\$ 886
(3,296)	--	--	--	--
--	--	--	--	--
<u>(3,296)</u>	<u>1,108,211</u>	<u>26,136</u>	<u>30,074</u>	<u>886</u>
(2,800)	496,727	23,521	26,208	886
18	87,720	--	--	--
--	69,626	2,615	3,866	--
--	--	--	--	--
(587)	14,526	--	--	--
37	59,019	--	--	--
--	--	--	--	--
36	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	291,110	--	--	--
--	25,609	--	--	--
--	3,484	--	--	--
--	97	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(3,296)</u>	<u>1,047,918</u>	<u>26,136</u>	<u>30,074</u>	<u>886</u>
--	60,293	--	--	--
--	--	--	--	--
--	--	--	--	--
--	60,293	--	--	--
--	295,730	--	--	--
<u>\$ --</u>	<u>\$ 356,023</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	484 Health Science Technology	485 Construction Technology	486 Media Technology	487 Welding Technology
REVENUES:				
5700 Local and Intermediate Sources	\$ 20,434	\$ 36,188	\$ 56,339	\$ 15,396
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>20,434</u>	<u>36,188</u>	<u>56,339</u>	<u>15,396</u>
EXPENDITURES:				
Current:				
0011 Instruction	20,434	34,727	54,778	15,396
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	1,461	1,561	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
0071 Principal on Long-term Debt	--	--	--	--
0072 Interest on Long-term Debt	--	--	--	--
0081 Capital Outlay	--	--	--	--
6030 Total Expenditures	<u>20,434</u>	<u>36,188</u>	<u>56,339</u>	<u>15,396</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7912 Sale of Real or Personal Property	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

488 Child Management	489 Advanced Chemistry	491 Culinary Arts, Food Production	492 Family & Consumer Science	493 Ag. Science
\$ 2,569	\$ 28,692	\$ 15,982	\$ 12,500	\$ 26,909
--	--	--	--	--
--	--	--	--	--
<u>2,569</u>	<u>28,692</u>	<u>15,982</u>	<u>12,500</u>	<u>26,909</u>
2,569	23,512	15,040	12,275	22,877
--	--	--	--	--
--	5,180	942	225	4,032
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>2,569</u>	<u>28,692</u>	<u>15,982</u>	<u>12,500</u>	<u>26,909</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Data Control Codes	495 Leadership Management	496 Advanced US History
REVENUES:		
5700 <i>Local and Intermediate Sources</i>	\$ 648	\$ 31,345
5800 <i>State Program Revenues</i>	--	--
5900 <i>Federal Program Revenues</i>	--	--
5020 Total Revenues	<u>648</u>	<u>31,345</u>
EXPENDITURES:		
Current:		
0011 <i>Instruction</i>	344	23,280
0012 <i>Instructional Resources and Media Services</i>	--	--
0013 <i>Curriculum and Staff Development</i>	304	8,065
0021 <i>Instructional Leadership</i>	--	--
0023 <i>School Leadership</i>	--	--
0031 <i>Guidance, Counseling, & Evaluation Services</i>	--	--
0032 <i>Social Work Services</i>	--	--
0033 <i>Health Services</i>	--	--
0034 <i>Student Transportation</i>	--	--
0035 <i>Food Service</i>	--	--
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--
0051 <i>Plant Maintenance and Operations</i>	--	--
0052 <i>Security and Monitoring Services</i>	--	--
0061 <i>Community Services</i>	--	--
0071 <i>Principal on Long-term Debt</i>	--	--
0072 <i>Interest on Long-term Debt</i>	--	--
0081 <i>Capital Outlay</i>	--	--
6030 Total Expenditures	<u>648</u>	<u>31,345</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	--	--
Other Financing Sources and (Uses):		
7912 <i>Sale of Real or Personal Property</i>	--	--
7080 Total Other Financing Sources and (Uses)	--	--
1200 Net Change in Fund Balances	--	--
0100 Fund Balances - Beginning	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>

EXHIBIT H-4

Page 5 of 5

498 Education Foundation Grants	499 Birmingham Projects Clearing	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ 67,790	\$ 1,777	\$ 4,153,070
--	--	1,410,048
--	--	6,503,483
<u>67,790</u>	<u>1,777</u>	<u>12,066,601</u>
57,290	--	5,285,125
2,997	--	90,735
5,200	--	285,722
--	--	16,376
--	--	13,939
--	--	442,712
--	--	18,208
--	--	1,154
--	--	297,049
--	--	4,415,908
--	--	291,110
2,303	--	421,475
--	--	3,484
--	--	9,440
--	--	2,586
--	--	862
--	--	233,480
<u>67,790</u>	<u>--</u>	<u>11,829,365</u>
--	<u>1,777</u>	<u>237,236</u>
--	--	2,041
--	--	<u>2,041</u>
--	<u>1,777</u>	<u>239,277</u>
--	233,885	1,951,582
<u>\$ --</u>	<u>\$ 235,662</u>	<u>\$ 2,190,859</u>

Wylie Independent School District



Other Supplementary Information
Fiduciary Funds

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2012

Data Control Codes	815 RC Dodd Scholarship	816 General Scholarship Fund
ASSETS:		
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ --
1800 <i>Restricted Assets</i>	8	41,047
1000 <i>Total Assets</i>	<u>8</u>	<u>41,047</u>
LIABILITIES:		
2400 <i>Payable from Restricted Assets</i>	--	11,343
2000 <i>Total Liabilities</i>	<u>--</u>	<u>11,343</u>
NET ASSETS		
3800 <i>Held in Trust</i>	8	29,704
3000 <i>Total Net Assets</i>	<u>\$ 8</u>	<u>\$ 29,704</u>

EXHIBIT H-5

818 Joe Stone Memorial Scholarship	821 Pearl Birmingham Scholarship	822 Vocational Ag Scholarship	Total Private- Purpose Trust Funds (See Exhibit E-1)
\$ --	\$ --	\$ --	\$ --
<u>5,007</u>	<u>2,100,955</u>	<u>82,541</u>	<u>2,229,558</u>
<u>5,007</u>	<u>2,100,955</u>	<u>82,541</u>	<u>2,229,558</u>
<u>5,000</u>	<u>296,500</u>	<u>9,063</u>	<u>321,906</u>
<u>5,000</u>	<u>296,500</u>	<u>9,063</u>	<u>321,906</u>
<u>7</u>	<u>1,804,455</u>	<u>73,478</u>	<u>1,907,652</u>
<u>\$ 7</u>	<u>\$ 1,804,455</u>	<u>\$ 73,478</u>	<u>\$ 1,907,652</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 ALL PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	815 RC Dodd Scholarship	816 General Scholarship Fund	818 Joe Stone Memorial Scholarship
Additions:			
Investment Income	\$ --	\$ 318	\$ 6
Contributions	--	19,955	2,000
Net Decrease in Fair Value of Investments	--	--	--
Total Additions	<u>--</u>	<u>20,273</u>	<u>2,006</u>
Deductions:			
Scholarship Awards	--	19,242	2,000
Administrative Expenses	--	--	--
Total Deductions	<u>--</u>	<u>19,242</u>	<u>2,000</u>
Change in Net Assets	<u>--</u>	<u>1,031</u>	<u>6</u>
Net Assets-Beginning of the Year	8	28,673	1
Net Assets-End of the Year	<u>\$ 8</u>	<u>\$ 29,704</u>	<u>\$ 7</u>

EXHIBIT H-6

821 Pearl Birmingham Scholarship	822 Vocational Ag Scholarship	Total Private-Purpose Trust Funds (See Exhibit E-2)
\$ 98,464	\$ 2,559	\$ 101,347
--	--	21,955
(70,205)	--	(70,205)
<u>28,259</u>	<u>2,559</u>	<u>53,097</u>
109,860	--	131,102
14,534	--	14,534
<u>124,394</u>	<u>--</u>	<u>145,636</u>
(96,135)	2,559	(92,539)
1,900,590	70,919	2,000,191
<u>\$ 1,804,455</u>	<u>\$ 73,478</u>	<u>\$ 1,907,652</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
STUDENT ACTIVITY FUND
YEAR ENDED JUNE 30, 2012

EXHIBIT H-7

Data Control Codes	97 Balance July 1, 2011	5030 Additions	6050 Deductions	98 Balance June 30, 2012
ASSETS				
1110 <i>Cash & Temporary Investments</i>	\$ 236,470	\$ 416,344	\$ 523,273	\$ 129,541
1290 <i>Other Receivables</i>	1,674	--	1,674	--
1000 Total Assets	\$ 238,144	\$ 416,344	\$ 524,947	\$ 129,541
LIABILITIES				
2110 <i>Accounts Payable</i>	\$ 1,117	\$ 112	\$ 1,117	\$ 112
2170 <i>Due to Other Funds</i>	1,674	--	1,674	--
2180 <i>Due to Other Governments</i>	251	9,653	9,525	379
2190 <i>Due to Student Groups</i>	235,102	404,905	510,957	129,050
2000 Total Liabilities	\$ 238,144	\$ 414,670	\$ 523,273	\$ 129,541

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Wylie Independent School District



**Other Supplementary Information
Required Texas Education Agency Schedules**

WYLIE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2012

Year Ended June 30	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2003 and Prior Years	\$	Various	\$	Various	\$	Various
2004		1.47		.25		1,565,409,699
2005		1.50		.30		1,853,700,906
2006		1.50		.3117		2,138,004,258
2007		1.37		.3325		2,470,214,311
2008		1.04		.35		2,829,087,410
2009		1.17		.34		3,102,559,801
2010		1.17		.42		3,084,000,060
2011		1.17		.47		3,132,399,613
2012 (School Year Under Audit)		1.17		.47		3,193,229,451
1000 Totals						

EXHIBIT J-1

10 Beginning Balance 7/1/11	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/12
\$ 115,843	\$ --	\$ 6,953	\$ 878	\$ (12,030)	\$ 95,982
43,698	--	11,862	2,017	12,140	41,959
45,991	--	13,897	2,779	14,741	44,056
60,273	--	18,111	3,828	16,004	54,338
72,503	--	25,509	6,191	27,899	68,702
70,015	--	18,195	6,123	16,306	62,003
125,840	--	28,919	8,404	16,493	105,010
206,132	--	98,533	35,371	20,008	92,236
565,284	--	304,665	122,387	23,668	161,900
--	52,368,963	37,177,201	14,939,535	385,018	637,245
<u>\$ 1,305,579</u>	<u>\$ 52,368,963</u>	<u>\$ 37,703,845</u>	<u>\$ 15,127,513</u>	<u>\$ 520,247</u>	<u>\$ 1,363,431</u>

WYLIE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2013-2014
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

FUNCTION 41 - GENERAL ADMINISTRATION

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 415,072	\$ 1,657,924	\$ 52,291	\$ --	\$ 2,125,287
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	--	--	54,825	--	--	--	54,825
6212	Audit Services	--	--	--	45,715	--	--	45,715
6213	Tax Appraisal and Collection	--	362,469	--	--	--	--	362,469
621X	Other Prof. Services	--	--	--	2,800	--	--	2,800
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	21,074	2,217	--	--	23,291
6240	Contr. Maint. and Repair	--	--	--	--	104,121	--	104,121
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	1,138	25,369	--	--	26,507
6290	Miscellaneous Contr.	5,000	--	83,361	53,868	--	--	142,229
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	4,798	846	--	--	5,644
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	--	--	10,584	93,887	--	--	104,471
6410	Travel, Subsistence, Stipends	10,583	--	7,484	21,949	--	--	40,016
6420	Ins. and Bonding Costs	--	--	--	562	--	--	562
6430	Election Costs	12,839	--	--	--	--	--	12,839
6490	Miscellaneous Operating	19,702	--	49,232	38,172	--	--	107,106
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 48,124 \$ 362,469 \$ 647,568 \$ 1,943,309 \$ 156,412 \$ -- \$ 3,157,882

Total Expenditures for General and Special Revenue Funds (9) \$ 97,486,020

LESS: Deductions of Unallowable Costs

	FISCAL YEAR	
Total Capital Outlay (6600)	(10)	\$ 1,795,007
Total Debt & Lease (6500)	(11)	363,981
Plant Maintenance (Function 51, 6100-6400)	(12)	10,046,509
Food (Function 35, 6341 and 6499)	(13)	1,824,856
Stipends (6413)	(14)	--
Column 4 (above) - Total Indirect Cost		1,943,309

Subtotal 15,973,662

Net Allowed Direct Cost \$ 81,512,358

	CUMULATIVE	
Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 286,434,795
Historical Cost of Buildings over 50 years old	(16)	--
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	11,728,297
Historical Cost of Furniture & Equipment over 16 years old	(19)	194,036
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	1,186,124

(8) Note A - \$104,121 in Function 53 expenditures and \$345,881 in Function 99 expenditures are included in this report on administrative costs.

WYLIE INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT J-3

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original		Final				
REVENUES:							
5700	<i>Local and Intermediate Sources</i>	\$ 2,920,947	\$ 2,740,837	\$ 2,671,194	\$ (69,643)		
5800	<i>State Program Revenues</i>	120,339	103,625	103,461	(164)		
5900	<i>Federal Program Revenues</i>	1,717,360	2,030,552	2,077,763	47,211		
5020	Total Revenues	<u>4,758,646</u>	<u>4,875,014</u>	<u>4,852,418</u>	<u>(22,596)</u>		
EXPENDITURES:							
Current:							
Support Services - Student (Pupil):							
0035	<i>Food Services</i>	4,758,646	4,549,893	4,415,908	133,985		
	Total Support Services - Student (Pupil)	<u>4,758,646</u>	<u>4,549,893</u>	<u>4,415,908</u>	<u>133,985</u>		
Support Services - Nonstudent Based:							
0051	<i>Plant Maintenance and Operations</i>	--	257,896	257,896	--		
	Total Support Services - Nonstudent Based	<u>--</u>	<u>257,896</u>	<u>257,896</u>	<u>--</u>		
Debt Service:							
0071	<i>Principal on Long-Term Debt</i>	--	2,586	2,586	--		
0072	<i>Interest on Long-Term Debt</i>	--	862	862	--		
	Total Debt Service	<u>--</u>	<u>3,448</u>	<u>3,448</u>	<u>--</u>		
6030	Total Expenditures	<u>4,758,646</u>	<u>4,811,237</u>	<u>4,677,252</u>	<u>133,985</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	--	63,777	175,166	111,389		
Other Financing Sources (Uses):							
7912	<i>Sale of Real or Personal Property</i>	--	2,042	2,041	(1)		
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>2,042</u>	<u>2,041</u>	<u>(1)</u>		
1200	Net Change in Fund Balance	<u>--</u>	<u>65,819</u>	<u>177,207</u>	<u>111,388</u>		
0100	Fund Balance - Beginning	1,421,967	1,421,967	1,421,967	--		
3000	Fund Balance - Ending	<u>\$ 1,421,967</u>	<u>\$ 1,487,786</u>	<u>\$ 1,599,174</u>	<u>\$ 111,388</u>		

WYLIE INDEPENDENT SCHOOL DISTRICT

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT J-4

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			Actual	
	Original	Final			
REVENUES:					
5700	Local and Intermediate Sources	\$ 14,665,566	\$ 15,255,513	\$ 15,229,669	\$ (25,844)
5800	State Program Revenues	4,140,362	3,925,326	3,732,701	(192,625)
5020	Total Revenues	<u>18,805,928</u>	<u>19,180,839</u>	<u>18,962,370</u>	<u>(218,469)</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	13,880,965	13,410,000	13,410,000	--
0072	Interest on Long-Term Debt	5,635,425	4,641,739	4,641,739	--
0073	Bond Issuance Costs and Fees	15,000	3,224	3,224	--
	Total Debt Service	<u>19,531,390</u>	<u>18,054,963</u>	<u>18,054,963</u>	<u>--</u>
6030	Total Expenditures	<u>19,531,390</u>	<u>18,054,963</u>	<u>18,054,963</u>	<u>--</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(725,462)</u>	<u>1,125,876</u>	<u>907,407</u>	<u>(218,469)</u>
Other Financing Sources (Uses):					
7911	Capital-Related Debt Issued (Regular Bonds)	--	68,985,000	68,985,000	--
7916	Premium or Discount on Issuance of Bonds	--	3,932,124	3,932,124	--
8949	Other Uses	--	(75,257,081)	(75,257,081)	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>(2,339,957)</u>	<u>(2,339,957)</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>(725,462)</u>	<u>(1,214,081)</u>	<u>(1,432,550)</u>	<u>(218,469)</u>
0100	Fund Balance - Beginning	18,514,177	18,514,177	18,514,177	--
3000	Fund Balance - Ending	<u>\$ 17,788,715</u>	<u>\$ 17,300,096</u>	<u>\$ 17,081,627</u>	<u>\$ (218,469)</u>

Wylie Independent School District



Statistical Section



STATISTIAL SECTION

This part of the Wylie Independent School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS	PAGE
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Financial Trends	97
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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity	104
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These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity	108
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These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information	112
--------------------------------------	-----

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information	114
-----------------------	-----

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-1

**NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> ¹	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u> ²	<u>2012</u>
Governmental Activities										
<i>Invested in Capital, Net of Related Debt Restricted:</i>	\$ 5,516,847	\$ 3,208,011	\$ 5,797,854	\$ 4,666,606	\$ 5,070,354	\$ (2,854,548)	\$ (3,263,964)	\$ (2,414,087)	\$ (2,611,452)	2,937,147
Federal/State Funds Grant Restrictions	160,794	280,205	310,553	449,181	676,181	507,004	662,900	1,059,812	1,339,544	1,555,004
Capital Acquisitions and Contractual Obligations	19,791,367	29,850,528	80,436,545	76,404,065	21,427,711	19,873,306	17,050,731	27,898,809	10,133,563	4,804,004
Retirement of Long Term Debt	-	-	473,461	6,424,231	8,400,469	10,947,606	11,782,739	15,324,937	16,843,549	16,296,668
Other	511,418	417,253	470,663	-	-	452,516	450,181	501,793	272,815	352,296
Unrestricted	<u>(35,757,163)</u>	<u>(46,885,710)</u>	<u>(102,259,735)</u>	<u>(98,333,946)</u>	<u>(44,859,552)</u>	<u>(53,796,775)</u>	<u>(56,008,114)</u>	<u>(72,383,426)</u>	<u>(57,731,957)</u>	<u>(53,838,343)</u>
Total Primary Government Net Assets	<u>\$ (9,776,737)</u>	<u>\$ (13,129,713)</u>	<u>\$ (14,770,659)</u>	<u>\$ (10,389,863)</u>	<u>\$ (9,284,837)</u>	<u>\$ (24,870,891)</u>	<u>\$ (29,325,527)</u>	<u>\$ (30,012,162)</u>	<u>\$ (31,753,938)</u>	<u>\$ (27,893,224)</u>

Source: The Statement of Net Assets for the Wylie Independent School District (Exhibit A-1)

Notes:

¹ Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30.

² District Adopted GASB 54 reporting requirements at the end of the fiscal year.

WYLIE INDEPENDENT SCHOOL DISTRICT

GOVERNMENT-WIDE EXPENSES, PROGRAM REVENUES, AND CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS* (UNAUDITED)

	Fiscal Year									
	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
11 Instructional	\$ 25,003,844	\$ 27,913,142	\$ 32,822,489	\$ 35,480,523	\$ 43,183,736	\$ 49,983,234	\$ 54,331,700	\$ 57,823,619	\$ 62,811,033	\$ 61,089,271
12 Instructional Resources and Media Services	571,629	590,592	749,783	718,149	1,055,586	1,268,181	1,440,154	1,431,538	1,485,778	1,418,783
13 Curriculum and Staff Development	621,859	784,973	1,053,547	1,280,749	1,652,868	1,833,388	1,890,612	2,258,911	2,588,312	2,272,774
21 Instructional Leadership	833,170	771,841	726,524	755,357	274,499	251,058	613,965	777,417	843,771	877,739
23 School Leadership	1,994,442	2,398,666	2,979,096	2,939,950	3,976,932	4,860,162	5,324,248	5,439,451	5,883,778	5,826,328
31 Guidance, Counseling, & Evaluation Services	1,990,259	1,999,827	2,163,603	2,040,790	2,048,256	2,315,271	2,383,520	2,578,323	2,788,303	2,664,494
32 Social Work Services	-	19,239	19,014	12,149	54,797	75,700	69,531	16,919	9,159	18,208
33 Health Services	364,026	414,391	560,427	624,828	670,662	982,729	1,142,194	1,158,213	1,505,569	1,223,780
34 Student Transportation	1,590,928	1,745,020	1,812,130	2,101,562	3,001,862	3,480,154	3,250,421	3,241,441	3,576,960	3,845,976
35 Food Services	1,999,360	2,315,380	2,986,684	2,803,858	3,949,839	4,786,766	4,853,705	4,950,115	5,251,375	5,239,072
36 Cocurricular/Extracurricular Activities	1,221,600	1,686,225	2,395,293	1,581,050	3,046,993	3,806,168	4,119,897	4,667,961	4,285,409	4,716,408
41 General Administration	1,577,143	1,817,826	2,139,283	2,095,764	2,669,082	2,853,093	2,720,227	2,758,461	2,954,112	2,917,483
51 Plant Maintenance and Operations	4,627,159	5,298,148	6,008,465	6,563,397	7,757,388	9,958,801	10,397,713	10,377,326	10,737,178	10,255,583
52 Security and Monitoring Services	71,711	111,415	111,023	135,847	164,409	196,948	199,348	228,738	248,434	246,111
53 Data Processing Services	1,434,162	1,292,005	1,415,392	1,485,510	2,077,582	1,594,999	1,686,679	1,654,755	2,268,094	1,642,557
61 Community Services	127,584	139,237	130,054	56,388	6,887	10,665	2,169	11,490	16,466	23,345
71 Debt Service - Principal on Long-term Debt	-	-	-	385,154	-	-	-	-	-	-
72 Debt Service - Interest on Long-term Debt	6,269,287	6,814,914	8,456,838	9,657,402	12,478,244	14,416,451	13,846,678	14,233,719	15,342,310	13,459,159
73 Debt Service - Bond Issuance Cost & Fees	2,619	2,190	2,790	11,510	84,333	308,428	132,968	147,172	117,186	161,804
81 Facilities Acquisition and Construction	742,580	1,326,121	1,075,872	77,785	1,902,948	3,819,787	284,623	402,226	742,959	-
93 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-	430,982	-	-	-	-	-
95 Payments to JAEPS	31,534	82,518	22,169	96,339	-	-	-	31,021	10,465	36,701
99 Other Intergovernmental Charges	-	-	-	-	-	-	281,323	308,444	330,059	329,294
Total Primary Government Program Expenses	51,074,896	57,523,670	67,630,476	70,904,061	90,487,885	106,801,983	108,971,675	114,497,260	123,796,710	118,264,870
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction	991,945	461,072	412,585	376,773	396,608	305,748	404,442	448,073	568,205	678,509
Instructional Resources and Media Services	43,476	60,358	-	-	-	75,895	107,466	118,199	99,719	92,767
Curriculum and Staff Development	-	-	-	152	-	5,343	29,639	63,565	57,924	73,632
Instructional Leadership	241,957	177,385	166,228	139,030	-	-	-	-	-	-
School Leadership	-	-	-	-	-	70,359	76,081	10,799	7,940	15,362
Guidance, Counseling, & Evaluation Services	378,057	219,123	256,249	193,340	-	18,750	26,130	36,877	25,966	62,415
Health Services	-	-	213	165	-	-	-	-	-	-
Student Transportation	15,122	-	-	-	-	-	319	-	-	-
Food Services	1,329,648	1,597,570	1,799,305	1,869,248	2,361,920	2,447,802	2,592,716	2,674,570	2,677,559	2,669,121
Cocurricular/Extracurricular Activities	171,906	231,592	282,532	283,555	327,297	386,720	586,614	516,632	645,961	760,362
General Administration	75,611	104,344	70,606	52,862	-	-	-	-	-	-
Plant Maintenance and Operations	203,949	200,663	237,387	169,121	147,839	-	-	2,302	6,695	27,082
Security and Monitoring Services	-	-	828	549	-	-	-	1,442	513	3,684
Community Services	70,113	85,262	84,485	7,410	60	59	-	-	6,342	103
Facilities Acquisition and Construction	-	114,779	-	9,311	-	-	10,678	-	-	-
Operating grants and contribution	6,112,199	6,384,461	6,745,902	11,524,757	11,263,083	12,204,342	12,815,624	17,725,571	18,909,907	16,358,489
Total Primary Government Program Revenues	9,633,983	9,636,609	10,056,320	14,626,273	14,496,807	15,515,018	16,649,390	21,598,349	23,006,731	20,741,526
Net (Expense)/Revenue										
Total Primary Government Expenses	\$ (41,440,913)	\$ (47,887,061)	\$ (57,574,156)	\$ (56,277,788)	\$ (75,991,078)	\$ (91,286,965)	\$ (92,322,285)	\$ (92,898,911)	\$ (100,789,979)	\$ (97,523,344)

Source: The Statement of Activities for the Wylie Independent School District (Exhibit B-1)

Notes:
¹ Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30
² Amounts were not available prior to the GASB 34 Requirements in 2002

WYLLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-3

GENERAL REVENUES AND TOTAL
CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS (UNAUDITED)

	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Total Primary Government Expenses	\$ (41,440,913)	\$ (47,887,061)	\$ (57,574,156)	\$ (56,277,788)	\$ (75,991,078)	\$ (91,286,965)	\$ (92,322,285)	\$ (92,898,911)	\$ (100,789,979)	\$ (97,523,344)
General Revenues										
Governmental Activities										
Taxes										
Levied for General Purposes	18,779,360	23,066,084	27,920,632	32,018,425	33,954,587	29,659,739	36,375,993	36,660,229	37,024,283	38,022,303
Levied for Debt Service	2,362,151	3,852,852	5,561,150	6,637,735	8,186,591	9,963,706	10,574,024	13,155,879	14,842,543	15,233,365
State Aid - Formula Grants	-	-	-	-	-	-	-	-	-	-
Grants and Contributions (Unrestricted)	14,527,509	16,928,413	18,164,776	18,171,959	29,673,724	35,804,773	39,756,086	41,859,299	46,320,707	47,307,870
Investment Earnings	374,808	238,570	3,331,276	3,239,866	4,190,886	2,461,111	637,867	126,553	136,431	94,796
Miscellaneous Local and Intermediate Revenue	588,754	448,166	955,376	741,972	1,038,155	580,155	514,010	312,587	724,239	725,724
Special Item:										
Gain (Loss) on Sale of Capital Assets	-	-	-	(150,373)	51,161	4,968	9,669	-	-	-
Total General Revenues and Special Item	36,632,582	44,534,085	55,933,210	60,659,584	77,095,104	78,474,452	87,867,649	92,114,547	99,048,203	101,384,058
Change in Net Assets										
Total Primary Government	\$ (4,808,331)	\$ (3,352,976)	\$ (1,640,946)	\$ 4,381,796	\$ 1,104,026	\$ (12,812,513)	\$ (4,454,636)	\$ (784,364)	\$ (1,741,776)	\$ 3,860,714

Source: The Statement of Activities for the Wylie Independent School District (Exhibit B-1)

Notes:

¹ Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30

WYLLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-4

FUND BALANCES-GOVERNMENTAL FUNDS (MODIFIED ACCRUAL BASIS)
LAST TEN FISCAL YEARS (UNAUDITED)

	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011 ²	2012
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,791	\$ 18,110	\$ 20,269	\$ -	\$ -
Unreserved	3,011,506	4,142,330	6,255,615	10,693,245	14,606,982	9,224,233	11,674,547	13,636,735	-	-
Non-Spendable- Inventories	-	-	-	-	-	-	-	-	31,914	17,022
Restricted: Other	-	-	-	-	-	-	-	-	38,929	116,634
Unassigned	-	-	-	-	-	-	-	-	15,929,254	21,232,692
Total General Fund	\$ 3,011,506	\$ 4,142,330	\$ 6,255,615	\$ 10,693,245	\$ 14,606,982	\$ 9,240,024	\$ 11,692,657	\$ 13,657,004	\$ 16,000,097	\$ 21,366,348
All Other Governmental Funds										
Reserved										
Food Services	160,794	280,205	306,388	449,181	676,181	507,004	662,900	1,059,812	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	894,426	767,307	1,003,881	8,743,663	11,162,604	13,100,992	13,521,849	16,979,457	-	-
Capital Projects Fund	19,791,367	29,850,528	80,436,545	76,404,065	21,427,711	19,873,306	17,050,731	27,898,809	-	-
Other Governmental Funds	511,418	417,253	474,828	592,911	391,567	493,808	467,111	551,463	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	82,423	44,170
Restricted	-	-	-	-	-	-	-	-	-	-
Federal/State Funds Restrictions	-	-	-	-	-	-	-	-	1,339,544	1,555,004
Capital Acquisitions &	-	-	-	-	-	-	-	-	-	-
Contractual Obligations	-	-	-	-	-	-	-	-	10,133,563	4,804,004
Retirement of Long-Term Debt	-	-	-	-	-	-	-	-	18,514,177	17,081,627
Other Restrictions of Fund Balance	-	-	-	-	-	-	-	-	272,815	235,662
Committed	-	-	-	-	-	-	-	-	-	-
Campus Activities	-	-	-	-	-	-	-	-	295,729	356,023
Total All Other Governmental Funds	\$ 21,358,005	\$ 31,315,293	\$ 82,221,642	\$ 86,189,820	\$ 33,658,063	\$ 33,975,110	\$ 31,702,591	\$ 46,489,541	\$ 30,638,251	\$ 24,076,490

Source: The Balance Sheet of Governmental Funds for the Wylie Independent School District (Exhibit C-1)

Notes:

¹ Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following are July 1 through June 30

² District adopted GASB 54 reporting requirements at the end of the fiscal year

Exhibit S-5

WYLLIE INDEPENDENT SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES*
 LAST TEN FISCAL YEARS² (UNAUDITED)

	Fiscal Year										
	2003	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	
Federal Sources:											
General Fund Federal Grants	\$ 159,758	\$ 200,473	\$ 308,832	\$ 270,051	\$ 356,801	\$ 199,541	\$ 209,723	\$ 461,129	\$ 497,770	\$ 418,694	
Food Service Fund/Student Nutrition	468,654	636,531	826,252	965,331	1,212,338	1,449,884	1,591,889	1,868,623	2,022,926	2,077,763	
Special Revenue Funds/Other Governmental Funds	2,438,614	2,601,602	2,792,410	3,352,108	1,793,725	1,898,925	2,220,297	6,738,548	7,194,664	4,425,720	
Total Federal Sources	3,067,026	3,438,606	3,927,494	4,587,490	3,362,864	3,548,350	4,021,909	9,068,300	9,715,360	6,922,177	
State Sources:											
State Education Finance Program Revenues	14,100,280	16,802,939	19,817,396	19,675,833	31,648,350	39,111,042	43,384,981	45,703,323	50,631,586	51,229,545	
Food Service Fund/Student Nutrition	45,389	59,047	72,044	88,676	96,722	107,152	106,035	110,346	112,329	103,460	
Debt Service Fund	-	1,648,509	2,374,812	3,696,243	4,142,971	3,388,886	3,009,693	3,540,622	3,516,189	3,732,701	
State Grants & Other Special Revenue	3,175,797	908,076	1,028,869	1,045,394	1,538,981	1,276,090	1,586,137	811,890	854,676	1,306,588	
Total State Sources	17,321,466	19,418,571	23,293,121	24,506,146	37,427,024	43,883,170	48,086,846	50,166,181	55,114,780	56,372,294	
Local Sources:											
Property Taxes	21,086,913	26,359,970	33,181,162	37,795,268	41,733,320	39,526,273	46,598,404	49,503,241	51,673,968	52,841,167	
Capital Acquisition Fund	-	-	-	-	-	-	-	-	-	-	
Athletic Activities	171,906	231,592	282,532	283,555	327,297	308,011	439,763	341,586	388,510	435,029	
Interest Earnings	-	247,568	956,465	3,239,865	4,190,886	2,461,111	637,863	126,553	134,486	92,723	
Food Service Fund/Student Nutrition	1,331,842	1,597,845	1,813,736	1,872,690	2,362,566	2,447,802	2,592,716	2,676,174	2,679,506	2,671,194	
Other Local Sources	3,404,280	3,348,462	2,766,236	2,580,811	2,091,181	2,132,580	2,172,852	2,068,887	2,556,755	2,676,698	
Total Local Sources	25,994,941	31,785,437	39,000,131	45,772,189	50,705,250	46,875,777	52,441,598	54,716,441	57,433,225	58,716,811	
Total Revenues	\$ 46,383,433	\$ 54,642,614	\$ 66,220,746	\$ 74,865,825	\$ 91,495,138	\$ 94,307,297	\$ 104,550,353	\$ 113,950,922	\$ 122,263,365	\$ 122,011,282	

Source: The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds for the Wylie Independent School District (Exhibit C-2)

Notes:

¹ Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30

WYILE INDEPENDENT SCHOOL DISTRICT

Exhibit S-6

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO ¹
 LAST TEN FISCAL YEARS (UNAUDITED)
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING- AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year									
	2003	2004	2005	2006 ²	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
11 Instruction	23,589,721	26,293,391	31,197,440	32,878,390	40,600,572	46,617,890	50,570,961	54,610,666	58,891,746	56,455,903
12 Instructional Resources and Media Services	517,569	529,354	596,940	669,867	855,021	978,238	1,122,635	1,111,537	1,145,262	1,085,146
13 Curriculum and Staff Development	621,859	784,973	1,053,547	1,198,396	1,648,462	1,825,159	1,884,370	2,250,731	2,582,497	2,256,641
Total Function 10	24,729,149	27,607,718	32,847,927	34,746,653	43,104,055	49,421,287	53,577,966	57,972,934	62,619,505	59,807,690
21 Instructional Leadership	833,170	771,841	726,524	731,811	274,499	251,058	613,965	777,417	843,771	877,739
23 School Leadership	1,835,730	2,200,539	2,816,184	2,719,164	3,747,532	4,588,197	5,067,769	5,176,361	5,641,008	5,583,943
Total Function 20	2,668,900	2,972,380	3,542,708	3,450,975	4,022,031	4,839,255	5,681,734	5,953,778	6,484,779	6,461,682
31 Guidance, Counseling, & Evaluation Services	1,945,567	1,944,804	2,137,490	1,968,649	2,013,791	2,264,734	2,327,590	2,541,250	2,759,962	2,605,246
32 Social Work Services	-	19,239	19,014	12,149	54,797	75,700	69,531	16,919	9,159	18,208
33 Health Services	364,026	414,391	512,800	578,130	607,134	895,328	1,040,692	1,056,398	1,122,926	1,118,296
34 Student Transportation	1,643,512	1,817,074	1,992,995	2,077,400	3,705,195	3,702,169	3,126,887	4,106,296	4,019,357	3,774,148
35 Food Services	1,913,477	2,206,450	2,708,307	2,820,186	3,483,254	4,155,144	4,165,624	4,222,042	4,498,828	4,415,908
36 Cocurricular/Extracurricular Activities	1,077,586	1,261,531	1,477,452	1,489,498	1,921,166	2,275,684	2,405,719	2,949,134	3,204,570	2,869,866
Total Function 30	6,944,168	7,663,489	8,848,058	8,946,012	11,785,337	13,368,759	13,136,043	14,892,039	15,614,802	14,801,672
41 General Administration	1,542,648	1,793,155	2,085,854	1,936,728	2,547,302	2,626,135	2,503,205	2,547,647	2,742,844	2,707,880
Total Function 40	1,542,648	1,793,155	2,085,854	1,936,728	2,547,302	2,626,135	2,503,205	2,547,647	2,742,844	2,707,880
51 Plant Maintenance and Operations	4,615,586	5,261,233	6,008,833	6,123,183	7,698,402	9,935,177	10,275,786	10,354,009	10,654,107	10,056,440
52 Security and Monitoring Services	70,548	110,252	109,860	125,506	163,246	195,729	199,348	228,603	248,299	245,976
53 Data Processing Services	1,424,209	1,256,087	1,472,365	1,449,273	2,082,620	1,562,789	1,645,266	1,591,378	1,733,130	1,657,013
Total Function 50	6,110,343	6,627,552	7,591,058	7,697,962	9,944,268	11,693,695	12,120,400	12,173,990	12,635,536	11,959,429
61 Community Services	127,584	139,237	130,054	56,387	6,887	10,665	2,169	11,490,000	16,466,000	23,345,000
Total Function 60	127,584	139,237	130,054	56,387	6,887	10,665	2,169	11,490,000	16,466,000	23,345,000
71 Debt Service	905,612	1,250,451	2,225,275	185,203	3,977,155	4,987,007	6,481,993	6,846,438,000	9,869,673,000	13,695,142,000
72 Debt Service - Interest on Long-term Debt ³	3,455,425	4,608,621	5,812,539	2,837,686	6,557,104	7,101,788	7,120,033	7,241,654,000	7,370,030,000	4,720,578,000
73 Debt Service - Bond Issuance Cost & Fees	394,584	2,190	2,790	11,510	3,549	515,113	249,226	383,541,000	(49,614,000)	(21,402,000)
Total Function 70	4,755,621	5,861,262	8,040,604	3,034,399	10,537,808	12,603,908	13,851,252	14,471,633	17,190,089	18,394,318
81 Facilities Acquisition and Construction	25,666,473	21,417,545	22,898,169	33,237,976	57,955,061	21,608,241	3,480,412	15,436,333,000	18,256,604,000	6,356,305,000
Total Function 80	25,666,473	21,417,545	22,898,169	33,237,976	57,955,061	21,608,241	3,480,412	15,436,333	18,256,604	6,356,305
93 Other Intergovernmental Charges	31,533	82,518	22,169	96,339	430,982	-	-	-	-	-
95 Payments to Juvenile Justice Alternative	-	-	-	-	-	-	-	31,021,000	10,465,000	36,701,000
99 Other Intergovernmental Charges	-	-	-	-	-	-	-	308,444,000	330,059,000	329,294,000
Total Function 90	31,533	82,518	22,169	96,339	430,982	-	-	339,465	340,524	365,995
Total Expenditures	\$ 72,576,419	\$ 74,164,856	\$ 86,006,601	\$ 93,203,431	\$ 140,333,731	\$ 116,171,945	\$ 104,634,504	\$ 123,799,309	\$ 135,901,149	\$ 120,878,316
Debt Service as a Percentage of Non-Capital Expenditures	10.1%	11.1%	12.7%	5.1%	12.8%	13.3%	13.7%	13.4%	14.7%	16.2%

Source: The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds for the Wylie Independent School District (Exhibit C-2)

Notes:

¹ Includes General, Student Nutrition, Debt Service, Capital Projects, Expendable Trust Funds, and Special Revenue Funds.

² Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30

WYLLIE INDEPENDENT SCHOOL DISTRICT

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006*</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Excess of revenues over (under) expenditures	\$ (25,956,433)	\$ (19,522,242)	\$ (19,785,855)	\$ (18,337,606)	\$ (48,838,593)	\$ (21,864,648)	\$ (84,151)	\$ (9,848,387)	\$ (13,637,784)	\$ 1,132,966
Other Financing Sources (Uses)										
General long-term debt issued	22,015,883	29,900,000	70,995,526	25,827,277	-	20,749,994	6,069,975	24,940,127	-	-
General long-term debt refunding	7,105,800	-	-	-	-	-	-	-	17,775,000	68,985,000
Premium or discount on issuance on bonds	2,308,790	170,951	1,351,103	250,714	-	301,165	1,392,127	379,124	6,243,697	3,932,124
Capital Related Debt Issued- Capital Leases	150,457	208,226	121,945	663,387	109,412	348,490	-	1,260,854	49,780	19,639
Sale of real or personal property	350,175	1,512	53,068	2,036	111,161	12,544	19,569	17,467	36,180	30,769
Transfers In	69,868	-	-	-	-	-	-	500,000	-	-
Other Resources	7,153	-	283,847	-	-	-	-	2,112	-	-
Fund 437 (Collin Co Special Ed Coop)	-	-	-	-	-	-	-	-	-	-
Transfers Out	(69,868)	-	-	-	-	-	-	(500,000)	-	-
Payments to escrow agents	(8,640,691)	-	-	-	-	-	-	-	(24,014,014)	(75,257,081)
Other Uses	-	-	-	-	-	-	(7,217,405)	-	-	-
Total other financing sources (uses)	23,297,567	30,280,689	72,805,489	26,743,414	220,573	21,412,193	264,266	26,599,684	90,643	(2,289,549)
Net change in fund balances	<u>\$ (2,658,866)</u>	<u>\$ 10,758,447</u>	<u>\$ 53,019,634</u>	<u>\$ 8,405,808</u>	<u>\$ (48,618,020)</u>	<u>\$ (452,455)</u>	<u>\$ 180,115</u>	<u>\$ 16,751,297</u>	<u>\$ (13,547,141)</u>	<u>\$ (1,156,583)</u>

Source: Statement of Revenues, Expenditures, and Change in Fund Balances Governmental Funds for the Wylie Independent School District (Exhibit C-2)

Notes:

*Fiscal Year 2006 represents a ten month transitional year for the period of September 1 through June 30. Years proceeding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-8

**APPRAISED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)**

ACTUAL VALUE¹

Fiscal Year	Residential or Real Property	Personal Property	Less: Exemptions ³	Total Estimated Taxable Value	Total Direct Tax Rate ²
2003	1,424,113,860	157,148,259	276,097,473	1,305,164,646	1.6100
2004	1,717,381,376	155,895,229	307,866,906	1,565,409,699	1.7200
2005	2,073,505,164	159,904,870	368,320,626	1,865,089,408	1.8000
2006	2,365,876,671	178,972,616	406,845,029	2,138,004,258	1.8170
2007	2,706,489,755	197,334,523	433,180,150	2,470,644,128	1.7025
2008	3,076,227,604	210,797,106	457,937,541	2,829,087,169	1.3900
2009	3,340,925,079	220,493,713	486,389,437	3,075,029,355	1.5100
2010	3,373,482,861	227,462,007	516,944,804	3,084,000,064	1.5900
2011	3,493,439,773	204,365,196	565,405,356	3,132,399,613	1.6400
2012	3,533,550,496	225,362,551	565,683,596	3,193,229,451	1.6400

Source: Collin County Central Tax Assessor - Tax Roll Summary

Notes:

● Collin County Tax Assessor Collector performs tax collection activities for the Wylie Independent School District

● Total estimated taxable value adjusted to match audit schedules

¹ Represents total appraised value before exemptions.

² Per \$100 of assessed value

³ Includes Ag Productivity Loss, Homestead Cap, and Total Exemptions

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-9

PROPERTY TAX RATES AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED)

Wylie Independent School District Direct Rates Overlapping Rates¹

Fiscal Year	Maintenance and Operations	Debt Service	Total	County of Collin ²	Collin County Community College	City of Murphy	City of Sachse	City of Lucas	Seis Lagos Utility District	City of Wylie
2003	1.430000	0.180000	1.610000	0.250000	0.091946	0.420000	0.575397	0.372507	0.471608	0.715000
2004	1.470000	0.250000	1.720000	0.250000	0.091932	0.430400	0.560056	0.372507	0.442940	0.705000
2005	1.500000	0.300000	1.800000	0.250000	0.090646	0.468320	0.558321	0.376600	0.406200	0.695000
2006	1.500000	0.317000	1.817000	0.250000	0.089422	0.468300	0.558319	0.376600	0.419500	0.695000
2007	1.370000	0.332500	1.702500	0.245000	0.087683	0.468300	0.553408	0.375000	0.450300	0.706780
2008	1.040000	0.350000	1.390000	0.245000	0.086984	0.468300	0.553408	0.375000	0.428919	0.733250
2009	1.170000	0.340000	1.510000	0.242500	0.086493	0.518300	0.610000	0.374177	0.443439	0.898900
2010	1.170000	0.420000	1.590000	0.242500	0.086300	0.538405	0.705819	0.374177	0.449183	0.898900
2011	1.170000	0.470000	1.640000	0.240000	0.086300	0.565000	0.705819	0.374177	0.448255	0.898900
2012	1.170000	0.470000	1.640000	0.240000	0.086300	0.565000	0.770819	0.374177	0.460371	0.898900

Source: Collin County Central Appraisal District- Tax Rate and Exemption Report by Year - 2012

Rates are per \$100 of assessed value

Notes:

¹ Includes levies for operating and debt service costs.

² Includes Collin County and Collin County Hospital District

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-10

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2012			2003		
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank
Oncor Electric Delivery Company	\$25,754,286	0.81%	1	\$12,484,640	0.96%	2
Sanden International	\$22,640,388	0.71%	2		0.00%	
Woodbridge Dallas Association LLC	\$22,000,000		3			
Woodbridge Crossing LP	\$19,209,984		4			
Target Corporation	\$15,095,723	0.47%	5		0.00%	
Sanden International (USA) Inc	\$14,952,726	0.47%	6	\$84,726,880	6.49%	1
GTE Southwest Inc	\$12,730,590	0.40%	7		0.00%	
Wal-Mart Real Est Business Tr	\$12,675,502	0.40%	8		0.00%	
Woodbridge Villas LLC	\$11,255,831	0.35%	9		0.00%	
Cascades Apartments LTD	\$10,800,000	0.34%	10		0.00%	
CMH Parks Inc.	-			\$11,882,415	0.91%	3
Verizon Southwest Co.	-			\$10,010,471	0.77%	4
Holland Hitch of TX Inc	-			\$8,723,477	0.67%	5
Windough (DE) LP	-			\$8,450,943	0.65%	6
Birmingham Land Ltd.	-			\$6,663,522	0.51%	7
CEF Lease Residual Holdings Manufacturing	-			\$6,603,268	0.51%	8
Carlisle Coatings & Water Proof Manufacturing	-			\$6,383,223	0.49%	9
Lumberman's Investment Real Estate Developer	-			\$6,024,034	0.46%	10
	\$167,115,030	3.94%		\$161,952,873	12.41%	

Notes:

Total Net Taxable Assessed Value - WISD \$ 3,193,229,451 \$ 1,305,164,604

Source: Collin County Central Appraisal District- 2011 Top Taxpayer Listing
Texas Municipal Report (May 8, 2003) report - Principal Taxpayer Report- 2003 Listing
For Total Net Taxable Values see Schedule S-8

WYLIE INDEPENDENT SCHOOL DISTRICT

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year Ending	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years and Cumulative Adjustments (Net)	Total Collections and Cumulative Adjustments to Date ²		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As a Percentage of Tax Levy
		Amount	Percentage of Levy		Amount	Percentage of Levy		
2003	20,794,789	20,307,123	97.65%	423,079	20,730,202	99.69%	487,666	2.35%
2004	26,925,047	26,446,480	98.22%	402,968	26,849,448	99.72%	478,567	1.78%
2005	33,366,616	32,420,041	97.16%	586,581	33,006,622	98.92%	555,195	1.66%
2006 ¹	38,847,537	37,025,354	95.31%	375,568	37,400,922	96.28%	1,155,471	2.97%
2007	42,055,399	39,925,114	94.93%	1,537,411	41,462,525	98.59%	1,158,593	2.75%
2008	39,324,315	38,305,713	97.41%	1,194,992	39,500,705	100.45%	920,414	2.34%
2009	46,848,653	45,415,621	96.94%	917,486	46,333,107	98.90%	854,364	1.82%
2010	50,313,816	48,249,028	95.90%	858,269	49,107,297	97.60%	786,573	1.56%
2011	51,371,354	51,234,576	99.73%	595,781	51,830,357	100.89%	565,284	1.10%
2012	52,368,963	52,116,736	99.52%	980,799	53,097,535	101.39%	637,245	1.22%

Source: Schedule of Delinquent Taxes Receivable

Notes:

* Collin County Tax Office collects the District tax revenues

¹Fiscal Period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30.

²Total cash collections are net of interest, penalties, and other judgements

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-12

**OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	General Obligation Bonds	Contractual Obligations	Capital Financing Agreements	Total Primary Government	Percentage of Personal Income ¹	Total Outstanding Debt Per Capita ¹	Per Student Enrolled	Enrollment Numbers
2003	109,534,050		376,626	109,910,676	0.018%	5,148	18,934	5,805
2004	138,371,436		397,015	138,768,451	0.018%	5,307	20,492	6,772
2005	207,387,369		273,279	207,660,648	0.023%	6,968	26,303	7,895
2006 ²	233,214,645		714,104	233,928,749	0.022%	7,089	25,729	9,092
2007	229,400,804		660,202	230,061,006	0.020%	6,499	22,853	10,067
2008	245,438,558		756,847	246,195,405	0.020%	6,654	23,043	10,684
2009	239,223,563		469,196	239,692,759	0.022%	6,258	21,120	11,349
2010	257,609,796		1,212,788	258,822,584	0.022%	6,636	21,623	11,970
2011	317,342,757		1,005,620	318,348,377	0.027%	8,163	25,368	12,549
2012	311,817,049		772,846	312,589,895	0.026%	8,015	24,207	12,913

Source: District Records

Notes:

* Details of the District's outstanding debt can be found in the Notes to the Financial Statements

¹See Exhibit S-16 for personal income and population data source information

²Fiscal Year 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30

WYLIE INDEPENDENT SCHOOL DISTRICT

EXHIBIT S-13

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012 (UNAUDITED)**

Governmental Unit	Debt Outstanding	As Of	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Collin County	\$ 379,573,287	4/1/2012	4.53%	\$ 17,118,755
Collin County Community College District	39,724,842	12/31/2011	4.36%	1,732,003
City of Lucas	7,063,240 *	9/30/2010	1.24%	87,584
City of Murphy	34,773,017	1/31/2012	26.27%	9,134,872
City of Parker	3,542,491	1/31/2011	0.07%	2,480
City of Sachse	38,700,866	1/31/2011	34.53%	13,363,409
Seis Lagos Utility District	579,000	3/31/2012	33.72%	195,239
City of Wylie	99,653,933	9/30/2011	95.63%	95,299,056

Total Net Overlapping Debt

\$ 136,933,398

Wylie ISD

\$ 298,645,693

Total Direct and Overlapping Debt

\$ 435,579,091

Total Direct and Overlapping Debt % A.V.

11.61%

Total Direct and Overlapping Debt per Capita

\$ 6,867

* Gross Debt

Source: Municipal Advisory Council of Texas - Texas Municipal Report 12/31/2011

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-14

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2012

The Texas Education Code (TEC) authorizes the District to issue negotiable coupon bonds to construct, acquire, or equip school buildings, to purchase necessary sites; and to acquire or refinance property financed under a contract entered into under the Public Property Finance Act. The District is further authorized to levy and assess annual ad valorem taxes sufficient to pay the principal and interest on bonds as they become due. Local policy gives the superintendent or designee management oversight responsibility for the debt service operation of the District. In this capacity, the superintendent recommends all proposed bond sales to the board for its approval. All bond elections are held in accordance with statutory requirements, and bonds are sold, as authorized by the qualified voters of the District, on a competitive basis under the directions of a fiscal agent selected by the board.

Texas statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 10% of the assessed valuation is used.

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	130,516,465	156,540,970	186,508,941	213,800,426	247,064,413	282,908,717	310,225,980	308,400,006	313,239,961	319,322,945
Total net debt applicable to limit	108,639,624	137,604,129	206,383,488	224,470,982	218,238,200	232,337,566	225,701,714	240,630,339	301,390,707	295,508,268
Legal debt margin	21,876,841	18,936,841	(19,874,547)	(10,670,556)	28,826,213	50,571,151	84,524,266	67,769,667	11,849,254	23,814,677

Total net debt applicable to the limit of a percentage of debt limit	83.24%	87.90%	110.66%	104.99%	88.33%	82.12%	72.75%	78.03%	96.22%	92.54%
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Source: Calculation from taxable assessed valuation, total bonded debt and debt service reservation data.

Wylie ISD Notes to the Financial Statements

WYLIE INDEPENDENT SCHOOL DISTRICT

**RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Population ¹	Assessed Value	Gross Bonded Debt ²	Less Debt Service Funds ³	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2003	21,350	1,305,164,646	109,534,050	894,426	108,639,624	8.32%	5,089
2004	26,150	1,565,409,699	138,371,436	767,307	137,604,129	8.79%	5,262
2005	29,800	1,865,089,408	207,387,369	1,003,881	206,383,488	11.07%	6,926
2006 ⁴	33,000	2,138,044,258	233,214,645	8,743,663	224,470,982	10.50%	6,802
2007	35,400	2,470,644,128	229,400,804	11,162,604	218,238,200	8.83%	6,165
2008	37,000	2,829,087,169	245,438,558	13,100,992	232,337,566	8.21%	6,279
2009	38,300	3,075,029,355	239,223,563	13,521,849	225,701,714	7.34%	5,893
2010	39,000	3,084,000,064	257,609,796	16,979,457	240,630,339	7.80%	6,170
2011	41,427	3,132,399,613	318,348,377	18,514,177	299,834,200	9.57%	7,238
2012	42,804	3,193,229,451	312,589,895	18,962,370	293,627,525	9.20%	6,860

Source: Collin County Central Appraisal District and the District records

² Source- Details of the District's outstanding debt can be found in the Notes to the financial statements.

³ Source- Wylie Independent School District Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-2)

Notes:

¹See Exhibit S-16 for population data (only the City of Wylie population is represented)

⁴Fiscal period 2006 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2006 are September 1 through August 31 and years following 2006 are July 1 through June 30.

Assessed Value (Schedule of Delinquent Taxes Receivable)

WYLIE INDEPENDENT SCHOOL DISTRICT

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS (UNAUDITED)**

Period Ending	Population¹	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)²	Unemployment Rate
2003	21,350	596,753,850	27,951	6.9%
2004	26,150	750,923,400	28,716	5.2%
2005	29,800	886,192,400	29,738	4.3%
2006	33,000	1,039,863,000	31,511	4.5%
2007	35,400	1,126,180,200	31,813	3.6%
2008	38,360	1,257,095,560	32,771	5.2%
2009	38,300	1,305,340,600	34,082	8.0%
2010	39,000	1,190,826,000	30,534	8.6%
2011	41,427	1,283,532,741	30,983	7.9%
2012	42,804	1,320,374,988	30,847	6.7%

Source:

¹ City of Wylie Website

²Period Ending 2003 thru 2008 -Population and Per Capita Personal Income

City of Wylie Comprehensive Annual Financial Report -Wylie, Texas

²Period Ending 2011 and 2012- Claritas Report prepared for the Wylie Economic Development
2011 report prepared May 16, 2011

Wylie Economic Development Center (www.tracer2.com)

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-17

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Employer	2012 Fiscal Year			2003 Fiscal Year		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Wylie Independent School District	1,623	1	20.33%	853	2	15.22%
North Texas Municipal Water District	506	2	6.34%	1,100	1	19.63%
Sanden	401	3	5.02%	260	4	4.64%
Wal-Mart	380	4	4.76%	400	3	7.14%
City of Wylie	300	5	3.76%			
Extruders	280	6	3.51%	120	6	2.14%
Target	223	7	2.79%			
Holland USA	156	8	1.95%			
Global Innovation	148	9	1.85%			
Garnet Hill Rehab & Skilled Nursing	132	10	1.65%	150	5	2.68%
Ascend Custom Extrusion				100	7	0.00%
Founders Plaza						1.78%
Albertson's						0.00%
	<u>4,149</u>		<u>51.96%</u>	<u>2,983</u>		<u>53.24%</u>
Estimated Employment	7,985			5,603		

Source: *Wylie Economic Development Unit

*Texas Municipal Reports dated December 31, 2011 and May 8, 2003

2003 estimate based on change on population estimate. Population estimate increased by 8.93%, so it was assumed that the employment increased by the same percentage
2012 estimate based on change on population estimate. Population estimate increased by 5.86%, so it was assumed that the employment increased by the same percentage

WYLIE INDEPENDENT SCHOOL DISTRICT

FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

	2003 ²	2004 ³	2005 ⁴	2006	2007	2008	2009	2010	2011	2012	Change '03-'12
Teachers	476	511	592	599	664	756	778	807	847	826	74%
Professional Support											
Supervisors	2										
Counselor	16	18	18	22	24	24	24	24	25	25	
Department Head											
Educational Diagnostician	13	8	8	9	8	9	8	9	9	8	
Librarian	3	6	7	7	7	7	7	7	8	7	
Therapist	17	11	2	1	1	1	1	1	1	0	
School Nurse	12	13	18	18	18	18	18	19	19	20	
Psychologist/Assoc. Psychologist	4	1	2	2	2	2	2	2	2	3	
Occupational Therapist				1	1	1	1	1	1	1	
Speech Therapist				4	4	4	4	10	10	9	
Other Support Staff	25	37									
Other Campus Professional Personnel				1	1	1	1	1	1	2	
Teacher Facilitator				16	15	14	16	16	15	15	
Work-Based Learning Site Coordinator				1	1	1	1	1	1	1	
Other Non-Campus Professional Personnel				24	29	26	26	26	31	33	
Total Professional Support	92	94	105	108	114	114	127	127	127	125	
Campus Administration											
Principal	13	14	17	17	18	18	18	18	19	19	
Assistant Principal	15	19	22	23	23	23	24	24	24	24	
Athletic Director				1			3	3	3	2	
Total Campus Administration	28	33	39	41	44	44	46	46	45	45	
Central Administration											
Superintendent	1	1	1	1	1	1	1	1	1	1	
Assistant Superintendent	2	3	3	3	3	3	3	3	3	3	
Business Manager				1	1	1	1	1	1	1	
Instructional Officer				7	10	12	12	12	12	13	
Athletic Director					1						
Administrative/Instructional Officers	15	11			2						
Director of Personnel/Human Resource											
Total Central Administration	18	15	12	19	18	18	18	18	18	19	
Total Administrators	38	48	56	48	60	62	64	64	64	64	73%
Educational Aides											
Educational Aides	118	130	138	138	152	148	148	148	165	154	
Total Educational Aides	118	130	138	138	152	148	148	148	165	154	
Total Teacher Aides and Secretaries	145	153	184								
Auxiliary Staff											
Auxiliary Staff	194	225	267	305	360	418	440	447	468	454	134%
Total All Full-Time Equivalent Employees	853	937	1,099	1,161	1,297	1,469	1,539	1,578	1,671	1,623	90%

Note: A standard full-time instructional employee of the District is employed for 190 school days.
Detailed information is not available from 2002-2005

Source:
¹Official Statement Unlimited Tax School Building and Refunding Bonds, Series 2002
²Official Statement Unlimited Tax School Building and Refunding Bonds, Series 2003
³Official Statement Unlimited Tax School Building and Refunding Bonds, Series 2004
⁴Official Statement Unlimited Tax School Building and Refunding Bonds, Series 2005

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-19

**TEACHER BASE SALARIES
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Minimum Salary	Maximum Salary¹	District Teacher Average Salary	Statewide Average Salary
2003	34,000	48,598		
2004	34,500	49,598		
2005	35,500	50,263		
2006	36,000	50,824	40,149	41,743
2007	38,500	53,324	42,925	44,897
2008	40,000	54,494	44,151	46,178
2009	43,000	56,872	44,731	47,158
2010	44,000	59,766	47,983	48,263
2011	45,500	61,070	49,213	48,639
2012	45,400	61,070	49,287	48,375

Minimum and Maximum District Salaries based on Bachelors Degree

¹Maximum Salary is based on 30+ Years Experience

Sources: Wylie ISD- Professional Salary Schedules
Texas Education Agency (Standard Reports)

WYLIE INDEPENDENT SCHOOL DISTRICT

Exhibit S-20

**OPERATING STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures ¹	Cost per Pupil	Percentage Change	Teaching Staff ²	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals ³
2003	5,805	35,281,679	6,078	8.34%	476	12.2	14.3%
2004	6,772	40,163,424	5,931	-2.42%	511	13.3	16.3%
2005	7,895	47,001,602	5,953	0.37%	592	13.3	19.2%
2006	9,092	48,857,140	5,374	-9.73%	599	15.2	22.9%
2007	10,067	64,236,539	6,381	18.74%	664	15.2	24.1%
2008	10,684	74,632,672	6,985	9.47%	756	14.1	25.3%
2009	11,349	78,753,678	6,939	-0.66%	778	14.6	24.8%
2010	11,970	82,689,175	6,908	-0.45%	807	14.8	29.2%
2011	12,549	87,290,842	6,956	0.69%	847	14.8	30.0%
2012	12,913	85,656,654	6,633	-4.64%	826	15.6	30.2%

Source: District Records

¹ Operating Expenditures- Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds (Exhibit C-2)

² See Exhibit S-18 for Teaching Staff

³ Wylie Independent School District Student Nutrition Department Records
Number of Students Receiving Free or Reduced Lunches

WYLLIE INDEPENDENT SCHOOL DISTRICT

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-21

Fiscal Year

	Year of Original Construction	Campus Size (Acres)	Square Feet for Other Educational Facilities and Other Buildings										
			2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Elementary Schools													
R.F. Hartman Elementary	1963	8	65,473	65,473	65,473	65,473	65,473	65,473	65,473	65,473	65,473	66,277	67,081
Square Feet			500	600	600	600	600	600	600	600	600	600	700
Maximum Capacity			499	513	463	500	550	567	549	546	575	575	560
Enrollment													
T.F. Birmingham Elementary	1985	15	71,130	71,130	71,130	71,130	71,130	71,130	71,130	71,130	71,130	71,814	72,498
Square Feet			600	700	700	700	700	700	700	700	700	700	700
Maximum Capacity			542	670	671	714	722	601	583	595	565	565	530
Enrollment													
P.M. Akin Elementary	1988	7	65,084	65,084	76,106	76,106	76,106	76,106	76,106	76,109	76,109	76,793	77,313
Square Feet			600	600	600	600	600	600	600	600	600	600	700
Maximum Capacity			505	565	537	524	553	578	569	564	562	562	518
Enrollment													
R.C. Dodd Elementary	1999	11	69,294	69,294	69,294	69,294	69,294	69,294	69,294	69,294	69,294	69,294	69,294
Square Feet			700	700	700	700	700	700	700	700	700	700	700
Maximum Capacity			651	588	694	695	735	554	579	573	601	601	581
Enrollment													
R.V. Groves Elementary	2002	10	69,546	69,546	69,546	69,546	69,546	69,546	69,546	69,546	69,546	69,546	69,546
Square Feet			700	700	700	700	700	700	700	700	700	700	700
Maximum Capacity			497	638	730	589	619	663	660	665	604	604	605
Enrollment													
Cheri L Cox Elementary	2004	10	76,580	76,580	76,580	76,580	76,580	76,580	76,580	76,580	76,580	76,580	76,580
Square Feet			700	700	700	700	700	700	700	700	700	700	700
Maximum Capacity				446	592	688	644	428	454	454	575	575	590
Enrollment													
Harry and Retha Tibbals Elementary	2005	10	71,289	71,289	71,289	71,289	71,289	71,289	71,289	71,289	71,289	71,289	71,289
Square Feet			700	700	700	700	700	700	700	700	700	700	700
Maximum Capacity				489	665	681	611	677	677	677	561	561	577
Enrollment													
Rita Smith Elementary	2007	17	71,172	71,172	71,172	71,172	71,172	71,172	71,172	71,172	71,172	71,172	71,172
Square Feet													
Maximum Capacity													
Enrollment													
Don Whitt Elementary	2008	11	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231
Square Feet													
Maximum Capacity													
Enrollment													
Wally Watkins Elementary	2010	13	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,231	71,289
Square Feet													
Maximum Capacity													
Enrollment													
Total Elementary Schools													
Square Feet			340,527	340,527	428,129	499,418	499,418	499,418	499,418	570,590	641,824	641,824	717,293
Maximum Capacity			3,100	3,300	4,000	4,700	4,700	4,700	4,700	5,400	6,100	6,800	7,000
Enrollment			2,694	2,974	3,541	4,103	4,532	4,875	4,875	5,144	5,401	5,576	5,597

WYLLIE INDEPENDENT SCHOOL DISTRICT

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-21

Fiscal Year

	Year of Original Construction	Campus Size (Acres)	Square Feet for Other Educational Facilities and Other Buildings	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Intermediate Schools													
Ab Harrison Intermediate	1967	36		69,850	69,850	69,850	69,850	69,850	69,850	69,850	69,850	72,860	72,860
Square Feet				800	800	800	800	800	800	800	800	800	800
Maximum Capacity				798	490	533	548	557	528	587	651	634	610
Enrollment													
Bill Davis Intermediate	2004	21				89,758	89,758	89,758	89,758	89,758	89,758	89,758	89,758
Square Feet						800	800	800	800	800	800	800	800
Maximum Capacity						763	834	583	601	608	596	667	708
Enrollment													
Al Draper Intermediate	2007	16							81,892	81,892	81,892	81,892	81,892
Square Feet									800	800	800	800	800
Maximum Capacity									490	561	652	662	697
Enrollment													
Total Intermediate Schools													
Square Feet				69,850	69,850	159,608	159,608	159,608	241,500	241,500	241,500	244,510	244,510
Maximum Capacity				800	800	1,600	1,600	1,600	2,400	2,400	2,400	2,400	2,400
Enrollment				798	490	1,296	1,382	1,140	1,619	1,756	1,899	1,963	2,015
Junior High Schools													
Grady Burnett Jr. High	1975	26		103,511	103,511	103,511	103,511	103,511	103,511	103,511	103,511	115,233	115,233
Square Feet				800	800	800	800	800	800	800	800	800	800
Maximum Capacity				885	773	540	596	617	568	566	606	652	662
Enrollment													
Frank McMillan Jr. High	2003	32				115,430	115,430	115,430	115,430	115,430	115,430	115,430	115,430
Square Feet						800	800	800	800	800	800	800	800
Maximum Capacity						912	676	691	544	604	612	613	633
Enrollment													
Raymond Cooper Jr. High	2006	25							104,045	104,045	104,045	104,045	104,045
Square Feet									800	800	800	800	800
Maximum Capacity									633	426	472	552	621
Enrollment													
Total Junior High Schools													
Square Feet				103,511	218,941	218,941	218,941	322,986	322,986	322,986	322,986	334,708	334,708
Maximum Capacity				800	1,600	1,600	1,600	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment				885	1,685	1,216	1,400	1,941	1,538	1,642	1,770	1,886	1,940

WYLIE INDEPENDENT SCHOOL DISTRICT

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year

	Year of Original Construction	Campus Size (Acres)	Square Feet for Other Educational Facilities and Other Buildings	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
High Schools													
Wylie High School													
Square Feet	1996	113		257,492	257,492	257,492	302,963	302,963	302,963	302,963	302,963	302,963	302,963
Maximum Capacity				1,600	1,800	2,000	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment				1,428	1,623	1,842	2,207	2,442	1,850	2,042	2,197	1,956	1,738
Wylie East High School													
Square Feet	2007	64							267,178	267,178	267,178	267,178	280,912
Maximum Capacity									2,400	2,400	2,400	2,400	2,400
Enrollment									788	749	695	1,153	1,579
Total High Schools													
Square Feet				257,492	257,492	257,492	302,963	302,963	570,141	570,141	570,141	570,141	583,875
Maximum Capacity				1,600	1,800	2,000	2,400	2,400	4,800	4,800	4,800	4,800	4,800
Enrollment				1,428	1,623	1,842	2,207	2,442	2,638	2,791	2,892	3,109	3,317

Other Educational Facilities

Achieve Academy													
Square Feet			25,000										
Maximum Capacity													
Enrollment													
Vocational Building- Wylie High School													
Square Feet	1999	Included with Wylie High School	27,450										
Other Information included with Wylie High School													
Other Portable Buildings													
Square Feet (5 Portable Buildings)			4,608										

Other Buildings

Vocational Building- Burnett Jr High													
Square Feet	1975		6,840										
Maximum Capacity	1990		27,289										
Enrollment	1987		6,695										
Educational Service Center (Administration Building)													
Square Feet	2007		31,327										
Maximum Capacity	2006		45,088										
Enrollment	2002	10	9,380										

Athletic Facilities

Field House- Wylie High School- Wylie ISD Stadium													
Square Feet	2002		17,421										
Maximum Capacity	2001		42,289										
Enrollment	1975		8,479										

Other Sites Owned by District

Kreymer Site													
Square Feet		10											
Maximum Capacity		11											
Enrollment		49											
Third High School Site													
Square Feet		64											

Source - District Construction Records

Wylie Independent School District



Federal Awards Section





EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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A. PAUL FLEMING, CPA
J. MARK FLEMING, CPA

Independent Auditor's Report

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

Board of Trustees
Wylie Independent School District
951 South Ballard Street
Wylie, Texas 75098

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District as of and for the year ended June 30, 2012, which collectively comprise the Wylie Independent School District's basic financial statements and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Wylie Independent School District in a separate letter dated October 5, 2012.

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

Respectfully submitted,

Edgin, Parkman, Fleming & Fleming, PC

Edgin, Parkman, Fleming & Fleming, PC

October 5, 2012



EDGIN, PARKMAN, FLEMING & FLEMING, PC

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Independent Auditor's Report

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

Board of Trustees
Wylie Independent School District
951 South Ballard Street
Wylie, Texas 75098

Members of the Board of Trustees:

Compliance

We have audited Wylie Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wylie Independent School District's major federal programs for the year ended June 30, 2012. Wylie Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wylie Independent School District's management. Our responsibility is to express an opinion on Wylie Independent School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wylie Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wylie Independent School District's compliance with those requirements.

In our opinion, Wylie Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as finding 2012-1.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2012-1 to be a significant deficiency.

Wylie Independent School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Wylie Independent School District's responses and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,



Edgin, Parkman, Fleming & Fleming, PC

October 5, 2012

WYLIE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

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

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

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
State Energy Program (Cool Schools Grant)	81.041
ARRA - Education Jobs Fund	84.410

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

WYLIE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

Finding 2012-1

Type - Instance of Noncompliance / Significant Deficiency in Internal Control
Federal Program(s) - Child Nutrition Cluster
CFDA Number(s) - 10.553, 10.555, 10.559
Federal Agency - U.S. Department of Agriculture
Compliance Area - Special Tests and Provisions

Criteria

By November 15th of each school year, the District must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals on October 1st and make any necessary changes to student eligibility status based on the verification. Because the District's non-response rate for the preceding school year's verification was less than 20%, it should have used the standard, or error-prone, sampling method where the lesser of 3% or 3,000 of the approved applications on file as of October 1 are selected from error-prone applications, defined as applications showing household incomes within \$100 monthly or \$1,200 annually of the income eligibility guidelines for free and reduced meals.

Condition Found

Although the District verified the correct number of applications and made the appropriate eligibility status changes in accordance with the guidelines above, it failed to use the standard, or error-prone, method for sampling applications.

Questioned Cost

This is a procedural finding with no associated questioned cost.

Cause

The District's food service management selected the wrong sampling method in the District's software when performing the verification.

Effect

The District selected its eligibility verification sample from the population of all approved applications instead of those meeting the definition of error-prone, as defined above.

Recommendation

We recommend that the District's food service management consider the prior year non-response rate when selecting a sampling method for the annual eligibility verification and ensure the appropriate method is selected in its software.

WYLIE INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
<u>Finding 2011-1:</u> In the prior year the District failed to expend at least 60% of the career and technology education program allotment received from the Texas Education Agency (TEA). It was recommended that management monitor its expenditures to ensure that the allotment is adequately spent in future years.	Implemented	

WYLIE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

The District offers the following corrective action plan for the current year finding:

Finding 2012-1

The District's student nutrition management and staff will more carefully consider and select the sampling method for the 2012-2013 free and reduced meal eligibility verification process, including using the error-prone method if considered appropriate.

Responsible Official: Theresa Johnson, Director of Student Nutrition

WYLIE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through North Central Texas Council of Governments:			
<i>North Texas Clean School Bus Program</i>	66.036	N/A	\$ 57,449
Total U. S. Environmental Protection Agency			<u>57,449</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Education Service Center, Region 10:			
<i>Head Start</i>	93.600	06CH0391-21	2,997
<i>Head Start</i>	93.600	06CH0391-22	43,996
Total CFDA Number 93.600			<u>46,993</u>
Total Passed Through Education Service Center, Region 10			<u>46,993</u>
Total U. S. Department of Health and Human Services			<u>46,993</u>
U. S. DEPARTMENT OF ENERGY			
Passed Through State Energy Conservation Office:			
<i>State Energy Program (Cool Schools Grant)</i>	81.041	CS 1150	233,480
Total Passed Through State Energy Conservation Office			<u>233,480</u>
Total U. S. Department of Energy			<u>233,480</u>
U. S. DEPARTMENT OF EDUCATION			
Direct Program:			
<i>Impact Aid - P.L. 81.874</i>	84.041	N/A	73,251
Passed Through State Department of Education:			
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010A	11610101043914	1,910
<i>ESEA Title I Part A - Improving Basic Programs *</i>	84.010A	12610101043914	373,271
Total CFDA Number 84.010A			<u>375,181</u>
<i>IDEA-B Formula #</i>	84.027	11660001043914600	69,201
<i>IDEA-B Formula #</i>	84.027	12660001043914600	1,559,541
Total CFDA Number 84.027			<u>1,628,742</u>
<i>Career and Technical - Basic Grant</i>	84.048A	12420006043914	49,751
<i>IDEA-B Preschool #</i>	84.173	11661001043914600	175
<i>IDEA-B Preschool #</i>	84.173	12661001043914600	21,185
Total CFDA Number 84.173			<u>21,360</u>
<i>Summer School LEP</i>	84.369	69551102	8,879
<i>ARRA - IDEA-Part B Formula #</i>	84.391	10554001043914	4,396
<i>ARRA - IDEA Part B, Preschool #</i>	84.392	10555001043914	181
<i>ARRA - Education Jobs Fund</i>	84.410	11550101043914	1,786,389
Total Passed Through State Department of Education			<u>3,874,879</u>
Passed Through Education Service Center, Region 10:			
<i>ESEA Title X Part C - Education for Homeless Children and Youth</i>	84.196	114600017110001	5,243
<i>ESEA Title X Part C - Education for Homeless Children and Youth</i>	84.196	124600017110001	10,869
Total CFDA Number 84.196			<u>16,112</u>
<i>Title III Part A English Language Acquisition and Enhancement</i>	84.365A	11671001057950	408
<i>Title III Part A English Language Acquisition and Enhancement</i>	84.365A	12671001057950	149,711
Total CFDA Number 84.365A			<u>150,119</u>

WYLIE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

EXHIBIT K-1
 Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>ESEA Title II Part A - Teacher & Principal Training & Recruiting</i>	84.367A	12694501057950	111,391
<i>ARRA - ESEA, Title I, Part A - Improving Basic Programs *</i>	84.389	S010A090043	1,345
Total Passed Through Education Service Center, Region 10			<u>278,967</u>
Total U. S. Department of Education			<u>4,227,097</u>
U. S. DEPARTMENT OF DEFENSE			
Direct Program:			
<i>Selective Reserve Educational Assistance</i>	12.069	N/A	142,844
Total U. S. Department of Defense			<u>142,844</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of Agriculture:			
<i>Summer Food Service Program ^</i>	10.559	N/A	8,845
Passed Through State Department of Education:			
<i>School Breakfast Program ^</i>	10.553	71401201	165,134
<i>National School Lunch Program ^</i>	10.555	71301201	1,647,898
<i>National School Lunch Program - Noncash Commodities ^</i>	10.555	043005A	255,886
Total CFDA Number 10.555			<u>1,903,784</u>
Total Passed Through State Department of Education			<u>2,068,918</u>
Total U. S. Department of Agriculture			<u>2,077,763</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed Through Education Service Center, Region 10:			
<i>National & Community Service Trust Act - Learn & Serve</i>	94.004	10KSWTX001	280
Total Passed Through Education Service Center, Region 10			<u>280</u>
Total Corporation for National and Community Service			<u>280</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>6,785,906</u>

Clustered programs under OMB Circular A-133 Compliance Supplement:

- * - Title I, Part A Cluster
- # - Special Education Cluster
- ^ - Child Nutrition Cluster

The accompanying notes are an integral part of this schedule.

WYLIE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Basis of Presentation

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

Reconciliation

Amount of federal revenues per Exhibit C-2	\$	6,922,177
Less Medicaid reimbursements not considered to be federal awards for inclusion on the Schedule of Expenditures of Federal Awards		<u>136,271</u>
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$	<u>6,785,906</u>

WYLIE INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2012*

<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$ 73,647,094

Wylie Independent School District

