



Financial Statements
August 31, 2020

Wylie Independent School District

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Certificate of the Board

Wylie Independent School District
Name of School District

Taylor
County

221-912
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and approved ✓ disapproved _____ for the year ended August 31, 2020, at a meeting of the Board of Trustees of such school district on the 11th day of January, 2021.



Signature of Board Secretary



Signature of Board President



Independent Auditor's Report

To the Board of Trustees
Wylie Independent School District
Abilene, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District (the District) as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan schedules and OPEB plan schedules on pages 5 through 13 and 54 through 60 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The combining nonmajor fund financial statements and the TEA required schedules 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, the TEA required 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the TEA required schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
December 18, 2020

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 August 31, 2020.

FUND STATEMENT FINANCIAL HIGHLIGHTS

- The District's total combined governmental fund balances were \$13,777,184.
- During the year, the District's expenditures were \$1,232,735 less than the \$48.8 million generated in taxes, state funding and other revenues for governmental funds.
- The total expenditures of the District's programs decreased approximately 31.1% over the prior year.
- The general fund reported an increase in fund balance this year of \$1,047,036.
- The resources available for appropriation were \$794,917 more than the final budgeted revenues for the general fund and expenditures were \$1,386,811 less than the final budget, mainly in facilities acquisition and construction.

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 other supplementary information that presents combining statements for nonmajor governmental funds and other TEA required schedules.

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 include the internal service fund, which accounts for the District's self-insurance plan. The activity of the internal service fund is included within the governmental activities in the government-wide financial statements.
 - 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 notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplementary information. The Texas Education Agency also requires certain schedules be included as other supplementary information. The following summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the District's Government-wide and Fund Financial Statements				
Type of Statement	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's accounts
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues expenditures & changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic measurement focus	Modified accrual accounting and current measurement focus	Accrual accounting and economic measurement focus	Accrual accounting and economic measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or 60 days Thereafter, no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of in flow/out flow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during year or 60 days after the end of year, expenditures when goods or services have been received and payment is due during the year or 60 days thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year regardless of when cash is received or paid

Government-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base

The government-wide financial statements of the District include:

- Governmental activities – All 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, state aid, and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law or by bond covenants.
- The Board of Trustees established 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 one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on a subsequent page that explains the relationship (or differences) between them.
- Proprietary funds – The District uses a proprietary fund to track the revenues and expenses related to their worker's compensation self-insurance program in an internal service fund. The various functions within the District are charged for their share of the insurance, which is then transferred to the internal service fund. The internal service fund pays all expenses of the self-insurance program from the charges received from the District's functions. The activity in the self-insurance fund is reported in the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows of the proprietary fund.
- Fiduciary funds- The District is the trustee, or fiduciary, for certain funds. 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 agency funds and are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE – GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net position – The District's combined net position was \$41,245,592 at August 31, 2020.

The District's Net Position

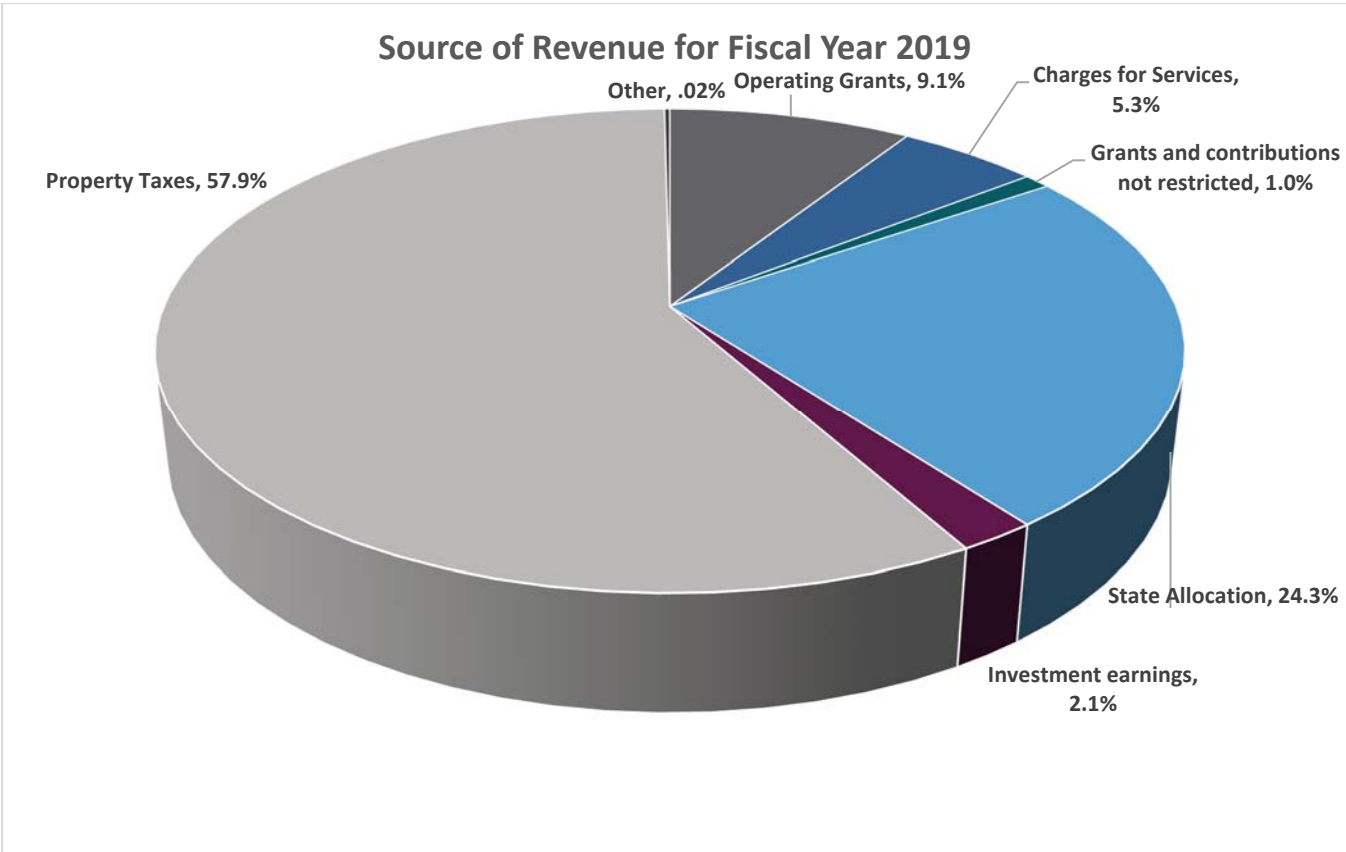
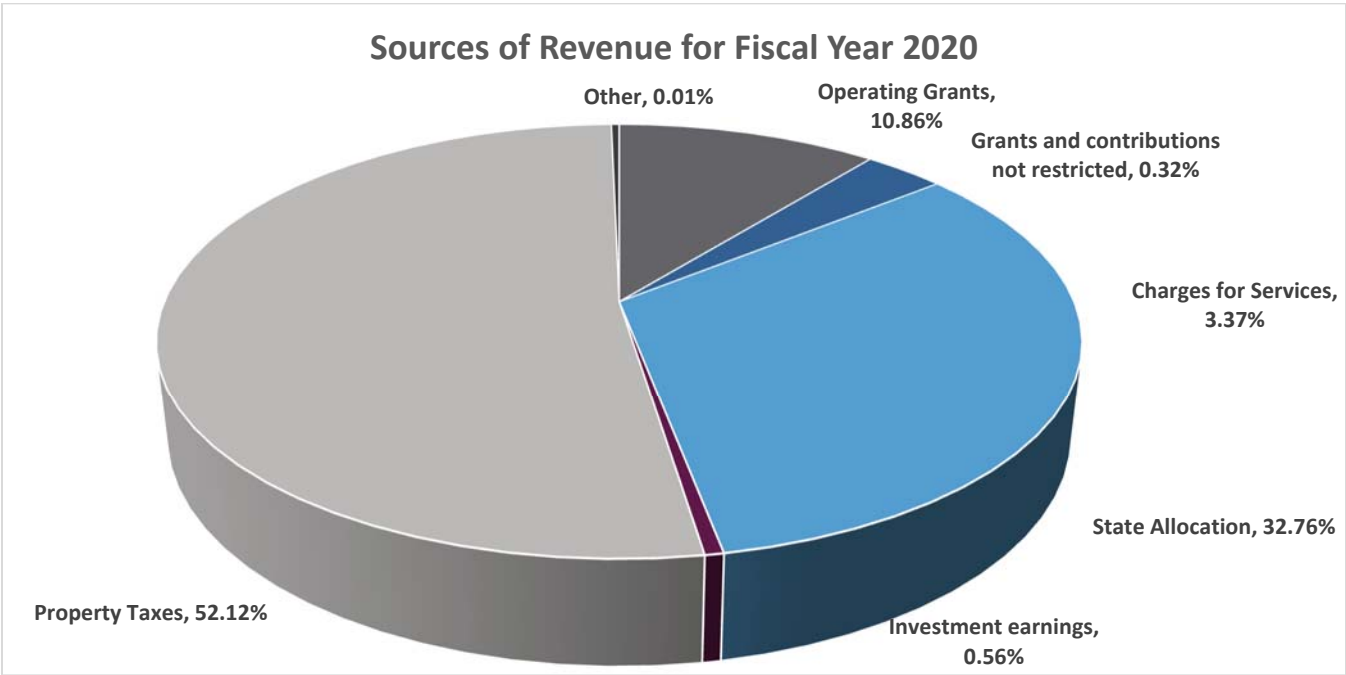
	Governmental Activities	
	2020	2019
Current Assets	\$ 16,431,506	\$ 18,124,713
Capital Assets	102,754,553	103,789,409
Deferred Outflows	8,553,476	7,137,792
	<u>127,739,535</u>	<u>129,051,914</u>
Total assets and deferred outflows of resources		
Current Liabilities	2,620,255	5,524,123
Long-Term Liabilities	76,804,864	79,693,082
Deferred Inflows	7,068,824	4,542,991
	<u>86,493,943</u>	<u>89,760,196</u>
Total liabilities and deferred inflows of resources		
Net Investment in Capital Assets	47,835,251	45,281,032
Restricted	437,174	250,459
Unrestricted	(7,026,833)	(6,239,773)
	<u>(7,026,833)</u>	<u>(6,239,773)</u>
Total net position	<u>\$ 41,245,592</u>	<u>\$ 39,291,718</u>

Net position of the District's governmental activities increased 5.0% to \$41,245,592. Unrestricted net position was \$(7,026,833) at the end of this year.

The District recorded its proportionate share of the net pension liability of \$8,896,591, deferred outflows of resources of \$5,188,680, and deferred inflows of resources of \$1,449,603. The District recorded its proportionate share of the net OPEB liability of \$12,988,971, deferred outflows of resources of \$3,364,796, and deferred inflows of resources of \$5,619,221.

Changes in net position – The District's total revenues were \$49,964,347 for the year ended August 31, 2020. (See the table "Changes in the District's Net Position"). In the 2020 fiscal year, 52.12% of the District's revenue came from property taxes, 32.76% came from state allocations, and the remainder from charges for services and federal and state grants.

The total cost of all programs and services was \$48,010,473, of which 54.9% was for direct instruction program costs. The District's expenses cover a range of programs from instructional, health services, student transportation, food services, plant maintenance and operations, and various other areas of service to students.



Changes in the District's Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 1,685,610	\$ 2,333,067
State Operating Grants	3,776,244	2,694,351
Federal Operating Grants	1,654,963	1,449,366
General Revenues		
Property Taxes	25,932,188	25,920,060
State Aid-Formula Grants	16,366,632	10,873,800
Grants and contributions not restricted	154,694	456,341
Investment Earnings	279,295	945,679
Other	114,721	78,567
Total revenues	49,964,347	44,751,231
Expenses		
Instruction	26,336,425	21,453,753
Extracurricular Activities	2,450,176	2,419,876
General Administration	1,296,090	1,314,095
Facilities Maintenance and Operations	5,280,477	3,814,275
School Leadership	2,111,859	1,985,699
Food Services	2,187,114	2,142,016
Student Transportation	2,005,092	2,040,917
Other Functions	6,343,240	6,540,121
Total expenses	48,010,473	41,710,752
Change in Net Position	1,953,874	3,040,479
Beginning Net Position	39,291,718	36,251,239
Ending Net Position	\$ 41,245,592	\$ 39,291,718

The following table presents the cost of each of the District's largest programs as well as each program's net cost (total cost less fees generated by program activities). The net cost shows the financial burden that was placed on the District's taxpayers and state aid funding by each of these functions.

- The cost of all governmental activities this year was \$48,010,473.
- The amount that our taxpayers paid for these activities through property taxes was \$25,932,188.

	Total Cost of Services	Program Revenues	Net Costs
Instruction	\$ 26,336,425	\$ 3,719,639	\$ (22,616,786)
School Leadership	2,111,859	174,229	(1,937,630)
Food Services	2,187,114	1,550,291	(636,823)
Extracurricular	2,450,176	197,844	(2,252,332)
Student Transportation	2,005,092	139,396	(1,865,696)
Other Programs	12,919,807	1,335,418	(11,584,389)
	<u>\$ 48,010,473</u>	<u>\$ 7,116,817</u>	<u>\$ (40,893,656)</u>
Total	<u>\$ 48,010,473</u>	<u>\$ 7,116,817</u>	<u>\$ (40,893,656)</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

Revenues from governmental fund types totaled \$48,848,206. Local revenues decreased \$1,409,310 and state revenue increased \$6,508,920 from the prior year primarily as a result of the passing of House Bill 3 (HB3) by the Texas Legislature. HB3 allocated more state funds to districts while lowering property tax bills. Federal revenue decreased \$89,351.

General Fund Budgetary Highlights

Over the course of the year, the District amended its budget as needed. The final amended budget planned for expenditures and transfers out to exceed revenues by \$1,133,526 whereas there was an actual increase in fund balance of \$1,047,852 at August 31, 2020. As noted earlier:

- Local funding was \$7,944 above the final budget.
- State program revenues were \$813,755 above the final budget.
- Actual expenditures were below budgeted amounts for most all functions. In particular, facilities acquisition and construction expenditures were \$1,283,347 below the final budget due to the District budgeting for new school construction in the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested \$151,374,868 in a broad range of capital assets, including land, equipment, and buildings. Accumulated depreciation on these assets was \$48,620,315 at year end. The net amount of capital assets represents a net decrease (including additions and deductions) of \$1,034,856 over last year. The most significant change in capital assets was the completion of new elementary and junior high schools.

	Governmental Activities	
	2020	2019
Land	\$ 1,944,458	\$ 1,281,110
Construction in Progress	601,483	29,253,385
Buildings and Improvements	140,313,598	109,082,528
Furniture and Equipment	8,515,329	8,133,386
Totals at historical costs	151,374,868	147,750,409
Less Accumulated Depreciation for		
Buildings and Improvements	(41,368,516)	(37,141,341)
Furniture and Equipment	(7,251,799)	(6,819,659)
Total accumulated depreciation	(48,620,315)	(43,961,000)
Net Capital Assets	\$ 102,754,553	\$ 103,789,409

More detailed information about the District's capital assets is presented in Note 8 to the financial statements.

Long-Term Debt

	Governmental Activities	
	2020	2019
Bond and Notes Payable	\$ 50,840,000	\$ 54,080,000
Unamortized Bond Premium	4,069,137	4,381,054
Capital Lease Payable	10,165	47,323
Total	\$ 54,919,302	\$ 58,508,377

At year-end the District had \$54,919,302 in bonds, notes and capital leases payable and other long-term obligations, a decrease of \$3,589,075 from the prior year's balance due to payment of long-term debt obligations. More detailed information about the District's debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- In preparing for the fiscal year 2020 budget, the District projected an increase state funding due to the passing of House Bill 3.
- Most of the increase in the budget is funding salary increases.

These indicators were taken into account when adopting the general fund budget for 2021. The 2021 budget for the general fund, food service fund and debt service funds reflect expenditures of \$45,980,000 which is a 0.57% increase from 2020 actual expenditures.

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 Financial Services Office.

Wylie Independent School District
Statement of Net Position (Exhibit A-1)
August 31, 2020

Data Control Codes		Governmental Activities
Assets		
1110	Cash and cash equivalents	\$ 14,659,042
1220	Delinquent property taxes receivable	283,644
1230	Allowance for uncollectible taxes (credit)	(110,621)
1240	Due from other governments	1,356,363
1267	Due from fiduciary funds	107,708
1290	Other receivables	1,170
1410	Prepaid expenses	134,200
Capital assets		
1510	Land	1,944,458
1520	Buildings, net	98,945,082
1530	Furniture and equipment, net	1,263,530
1580	Construction in progress	601,483
1000	Total assets	119,186,059
Deferred outflows of resources		
1705	Deferred outflows - pension	5,188,680
1706	Deferred outflows - OPEB	3,364,796
1700	Total deferred outflows of resources	8,553,476
Liabilities		
2110	Accounts payable	876,982
2140	Interest payable	90,728
2160	Accrued wages payable	1,554,772
2180	Due to other governments	40,437
2200	Accrued expenses	35,000
2300	Unearned revenues	22,336
Noncurrent liabilities		
2501	Due within one year	3,395,165
2502	Due in more than one year	47,455,000
2516	Premium on issuance of bonds	4,069,137
2540	Net pension liability	8,896,591
2545	Net OPEB liability	12,988,971
2000	Total liabilities	79,425,119
Deferred inflows of resources		
2605	Deferred inflows - pension	1,449,603
2606	Deferred inflows - OPEB	5,619,221
2600	Total deferred inflows of resources	7,068,824
Net position		
3200	Net investment in capital assets	47,835,251
3820	Restricted for grants	52,530
3850	Restricted for debt service	384,644
3900	Unrestricted	(7,026,833)
3000	Total net position	\$ 41,245,592

Data Control Codes	Functions/Programs	Program Revenues		
		1 Expenses	3 Charges for Services	4 Operating Grants and Contributions
	Governmental Activities			
11	Instruction	\$ 26,336,425	\$ 460,566	\$ 3,259,073
12	Instructional Resources and Media Services	387,540	-	24,831
13	Curriculum and Instructional Staff Development	95,590	-	34,228
21	Instructional Leadership	453,694	-	94,521
23	School Leadership	2,111,859	-	174,229
31	Guidance, Counseling, and Evaluation Services	1,511,751	-	472,938
32	Social Work Services	70,644	-	644
33	Health Services	384,232	-	33,033
34	Student Transportation	2,005,092	-	139,396
35	Food Services	2,187,114	1,102,876	447,415
36	Extracurricular Activities	2,450,176	115,944	81,900
41	General Administration	1,296,090	-	68,466
51	Facilities Maintenance and Operations	5,280,477	6,224	386,117
52	Security and Monitoring Services	502,166	-	120,310
53	Data Processing Services	634,178	-	36,991
61	Community Services	89,655	-	7,978
72	Interest on Long Term Debt	1,856,628	-	49,137
81	Facilities Acquisition and Construction	357,162	-	-
TG	Total governmental activities	<u>48,010,473</u>	<u>1,685,610</u>	<u>5,431,207</u>
TP	Total primary government	<u>\$ 48,010,473</u>	<u>\$ 1,685,610</u>	<u>\$ 5,431,207</u>
	General Revenues			
	Taxes			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
SF	State Aid - Formula Grants			
GC	Grants and contributions not restricted			
IE	Investment Earnings			
MI	Miscellaneous			
TR	Total general revenues			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

See Notes to Financial Statements

Wylie Independent School District

Statement of Activities (Exhibit B-1)

August 31, 2020

5 Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	6 Governmental Activities	8 Total
\$ -	\$ (22,616,786)	\$ (22,616,786)
-	(362,709)	(362,709)
-	(61,362)	(61,362)
-	(359,173)	(359,173)
-	(1,937,630)	(1,937,630)
-	(1,038,813)	(1,038,813)
-	(70,000)	(70,000)
-	(351,199)	(351,199)
-	(1,865,696)	(1,865,696)
-	(636,823)	(636,823)
-	(2,252,332)	(2,252,332)
-	(1,227,624)	(1,227,624)
-	(4,888,136)	(4,888,136)
-	(381,856)	(381,856)
-	(597,187)	(597,187)
-	(81,677)	(81,677)
-	(1,807,491)	(1,807,491)
-	(357,162)	(357,162)
-	(40,893,656)	(40,893,656)
\$ -	(40,893,656)	(40,893,656)
	21,019,681	21,019,681
	4,912,507	4,912,507
	16,366,632	16,366,632
	154,694	154,694
	279,295	279,295
	114,721	114,721
	42,847,530	42,847,530
	1,953,874	1,953,874
	39,291,718	39,291,718
\$	\$ 41,245,592	\$ 41,245,592

Wylie Independent School District
Balance Sheet – Governmental Funds (Exhibit C-1)
August 31, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
Assets					
1110	Cash and cash equivalents	\$14,152,105	\$ 404,311	\$ 68,442	\$ 14,624,858
1220	Delinquent property taxes receivable	246,605	37,039	-	283,644
1230	Allowance for uncollectible taxes (credit)	(96,176)	(14,445)	-	(110,621)
1240	Receivables from other governments	1,275,594	-	80,769	1,356,363
1260	Due from other funds	170,741	48,467	161,344	380,552
1290	Other receivables	1,170	-	-	1,170
1410	Prepaid expenditures	134,200	-	-	134,200
1000	Total assets	<u>15,884,239</u>	<u>475,372</u>	<u>310,555</u>	<u>16,670,166</u>
1000a	Total assets and deferred outflows of resources	<u>\$15,884,239</u>	<u>\$ 475,372</u>	<u>\$ 310,555</u>	<u>\$ 16,670,166</u>
Liabilities					
2110	Accounts payable	\$ 775,620	\$ -	\$ 101,362	\$ 876,982
2160	Accrued wages payable	1,501,579	-	53,193	1,554,772
2170	Due to other funds	210,627	-	63,033	273,660
2180	Due to other governments	-	-	40,437	40,437
2300	Unearned revenues	22,336	-	-	22,336
2000	Total liabilities	<u>2,510,162</u>	<u>-</u>	<u>258,025</u>	<u>2,768,187</u>
Deferred Inflows of Resources					
	Unavailable revenue - property taxes	111,213	13,582	-	124,795
2600	Total deferred inflows of resources	<u>111,213</u>	<u>13,582</u>	<u>-</u>	<u>124,795</u>
Fund balances					
3430	Nonspendable - prepaid items	134,200	-	-	134,200
3450	Restricted - federal or state funds grant	-	-	52,530	52,530
3480	Restricted - retirement of long-term debt	-	461,790	-	461,790
3590	Assigned - other	378,000	-	-	378,000
3600	Unassigned	12,750,664	-	-	12,750,664
3000	Total fund balances	<u>13,262,864</u>	<u>461,790</u>	<u>52,530</u>	<u>13,777,184</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$15,884,239</u>	<u>\$ 475,372</u>	<u>\$ 310,555</u>	<u>\$ 16,670,166</u>

Wylie Independent School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit C-1R)

August 31, 2020

Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 13,777,184
1	The District uses internal service funds to charge the costs of certain activities, such as workers compensation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to decrease net position.	-
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	102,754,553
3	Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
	Capital lease payable	(10,165)
	Bonds payable, maintenance tax notes, and time warrants	(50,840,000)
	Unamortized premiums on bonds payable	(4,069,137)
	Interest payable on long-term debt	<u>(90,728)</u>
		(55,010,030)
4	Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:	
	Deferred inflow of resources for property taxes	124,795
5	The government-wide statements include the District's proportionate share of the TRS net pension liability and TRS-Care net OPEB liability, as well as certain pension and OPEB related transactions accounted for as deferred inflows and outflows of resources.	
	Net pension liability	(8,896,591)
	Deferred outflows of resources - TRS pension	5,188,680
	Deferred inflows of resources - TRS pension	(1,449,603)
	Net OPEB liability	(12,988,971)
	Deferred outflows of resources - TRS-Care OPEB	3,364,796
	Deferred inflows of resources - TRS-Care OPEB	<u>(5,619,221)</u>
		<u>(20,400,910)</u>
19	Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 41,245,592</u>

Wylie Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-2)
Year Ended August 31, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
Revenues					
5700	Total local and intermediate sources	\$ 21,610,944	\$ 4,938,036	\$ 1,103,049	\$ 27,652,029
5800	State program revenues	18,376,985	49,137	674,874	19,100,996
5900	Federal program revenues	440,218	-	1,654,963	2,095,181
5020	Total revenues	40,428,147	4,987,173	3,432,886	48,848,206
Expenditures					
Current					
0011	Instruction	21,537,223	-	1,117,647	22,654,870
0012	Instructional resources and media services	256,674	-	-	256,674
0013	Curriculum and instructional staff development	58,602	-	30,250	88,852
0021	Instructional leadership	342,844	-	76,961	419,805
0023	School leadership	1,867,869	-	2,134	1,870,003
0031	Guidance, counseling, and evaluation services	947,158	-	371,536	1,318,694
0032	Social work services	70,644	-	-	70,644
0033	Health services	319,454	-	-	319,454
0034	Student (pupil) transportation	1,942,181	-	-	1,942,181
0035	Food services	-	-	1,983,386	1,983,386
0036	Extracurricular activities	1,743,926	-	86,297	1,830,223
0041	General administration	1,234,832	-	-	1,234,832
0051	Facilities maintenance and operations	3,745,275	-	212,145	3,957,420
0052	Security and monitoring services	473,935	-	-	473,935
0053	Data processing services	600,318	-	-	600,318
0061	Community Services	84,109	-	-	84,109
Debt service					
0071	Principal on long term debt	455,000	2,785,000	-	3,240,000
0072	Interest on long term debt	103,375	2,065,170	-	2,168,545
Capital outlay					
0081	Facilities acquisition and construction	3,101,526	-	-	3,101,526
6030	Total expenditures	38,884,945	4,850,170	3,880,356	47,615,471
1100	Excess (deficiency) of revenues Over (under) expenditures	1,543,202	137,003	(447,470)	1,232,735
Other financing sources (uses)					
7912	Sale of real and personal property	4,650	-	-	4,650
7915	Operating transfers in	-	-	500,000	500,000
8911	Operating transfers out	(500,816)	-	-	(500,816)
7080	Total other financing sources (uses)	(496,166)	-	500,000	3,834
1200	Net change in fund balances	1,047,036	137,003	52,530	1,236,569
0100	Fund balance - September 1 (beginning)	12,215,828	324,787	-	12,540,615
3000	Fund balance - August 31 (ending)	\$ 13,262,864	\$ 461,790	\$ 52,530	\$ 13,777,184

Wylie Independent School District

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities (Exhibit C-2R)
Year Ended August 31, 2020

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	\$ 1,236,569
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The change in net position of internal service funds is reported with governmental activities. The net effect of this consolidation is to decrease net position.	(4,172)
2 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the 2020 capital outlays of \$3,770,137 and debt and capital lease principal payments of \$3,240,000 and \$37,158 is to increase net position.	7,047,295
3 Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(4,804,993)
4 Bond premiums are recorded as revenues when received in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	311,917
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable property taxes of \$124,795 as revenue, removing prior year's tax collection of \$152,730 and eliminating interfund transactions.	(27,935)
6 Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the accrual is a decrease of \$6,199. The net effect is to increase net position.	6,199
7 Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$51,380. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,502,401. The net effect is a decrease in net position.	(1,451,021)
8 Certain expenditures for the OPEB that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$34,296. The District's share of the unrecognized deferred inflows and outflows for OPEB as of the measurement date must be amortized and the District's proportionate share of the OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$394,281. The net effect is a decrease in net position.	(359,985)
Change in Net Position of Governmental Activities (Exhibit B-1)	\$ 1,953,874

Wylie Independent School District
Statement of Net Position – Proprietary Fund (Exhibit D-1)
August 31, 2020

	Governmental Activities Internal Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 34,184
Due from other funds	816
	35,000
Total assets	35,000
Liabilities	
Current liabilities	
Accrued expenses	35,000
	35,000
Total liabilities	35,000
Net position	
Unrestricted net position	-
	-
Total net position	\$ -

Wylie Independent School District
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund (Exhibit D-2)
Year Ended August 31, 2020

	Governmental Activities Internal Service Fund
Operating revenues	
Local and intermediate sources	\$ 100,532
Total operating revenues	100,532
Operating expenses	
Other operating costs	105,520
Total operating expenses	105,520
Operating loss	(4,988)
Other financing sources (uses)	
Transfers in	816
Total other financing sources (uses)	816
Change in net position	(4,172)
Total net position - September 1 (beginning)	4,172
Total net position - August 31 (ending)	\$ -

Wylie Independent School District
Statement of Cash Flows – Proprietary Fund (Exhibit D-3)
Year Ended August 31, 2020

	<u>Governmental Activities Internal Service Fund</u>
Operating activities	
Cash received from other funds for services	\$ 100,532
Payments to vendors for services	<u>(105,520)</u>
Net cash used in operating activities	<u>(4,988)</u>
Net change in cash and cash equivalents	(4,988)
Cash - beginning of the year	<u>39,172</u>
Cash - end of the year	<u><u>\$ 34,184</u></u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	<u>\$ (4,988)</u>
Net cash used in operating activities	<u><u>\$ (4,988)</u></u>

Wylie Independent School District
Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)
August 31, 2020

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 816,558</u>
Total assets	<u><u>\$ 816,558</u></u>
Liabilities	
Due to other funds	\$ 107,708
Accounts payable	71,109
Due to student groups	<u>637,741</u>
Total liabilities	<u><u>\$ 816,558</u></u>

Note 1 - Reporting Entity

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the Wylie Independent School District (the District). The public elects the members of the Board of Trustees. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

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

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

The debt service fund, a governmental fund type, accounts for financial resources that are restricted, committed or assigned to expenditures for principal and interest on long-term debt of governmental activities.

Additionally, the government reports the following fund types:

The special revenue funds, a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

The internal service fund, a proprietary fund type, accounts for its self-insurance plan. The general fund is contingently liable for liabilities of this fund.

Agency funds, a fiduciary fund type, account for resources held for others in a custodial capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the workers’ compensation insurance internal service fund are District contributions for workers’ compensation. Operating expenses include claims expense and administrative expense for administering the workers’ compensation insurance fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources, as they are needed.

Note 4 - Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Deposits and Investments

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	30
Furniture and equipment	5

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts.

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

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, for unavailable revenue from property taxes as well as for its proportionate share of TRS's deferred inflow related to pensions as described in Note 11 and its OPEB liability as described in Note 12. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for its proportionate share of TRS's deferred outflow related to pensions as described in Note 11 and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 12.

Pensions

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

OPEB

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 5 - Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Note 6 - Stewardship, Compliance and Accountability

Budgetary Information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource (FAR) module and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the Child Nutrition Program. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

Note 7 - Detailed Notes on All Funds**Deposits and Investments**

Under Texas state law, 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.

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

Custodial Credit Risk-Deposits

At August 31, 2020, the District's deposits (cash, certificates of deposit and interest-bearing savings accounts including temporary investments) were entirely covered by pledged collateral held by the District's agent bank in the District's name or by federal deposit insurance.

Investments

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 6) fully collateralized repurchase agreements; 7) commercial paper that has a stated maturity of 270 days or fewer from the date of issuance and is rated not less than A1-1 or P-1 or an equivalent rating by at least two nationally recognized credit agencies; and 8) public funds investment pools.

Concentration of Credit Risk

The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity or specific issuer.

Interest Rate Risk

The District's investment policy states that any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District is a voluntary participant in a public funds investment pool, Lone Star Investment Pool.

Lone Star Investment Pool is governed by an 11-member board and is a AAA rated investment program tailored to the investment needs of local governments within the state of Texas. Lone Star Investment Pool assists governments across Texas make the most of taxpayer dollars. Local officials can improve the return on their invested balances by pooling their money with other entities to achieve economies of scale in a conservative fund in full compliance with the Texas Public Funds Investment Act. Lone Star Investment Pool is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. Lone Star uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in Lone Star is the same as the value of Lone Star Shares. Lone Star is administered by First Public LLC, who also serves as the investment advisor. The reported value of the pool is the same as the fair value of the pool shares.

Public funds investment pools reported as cash equivalents at August 31, 2020 are as follows:

	Fair Value	Rating	Weighted Average Maturity (Days)*
Lone Star Investment Pool	\$ 118,434	AAAm	24
	<u>\$ 118,434</u>		

*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

Property Tax

In the governmental fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions), upon which the levy for the August 31, 2020 fiscal year was based, was \$2,177,783,459. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended August 31, 2020 were 99.12% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General Fund and Debt Service Fund are based on historical experience in collecting 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. As of August 31, 2020, property taxes receivable, net of estimated uncollectible taxes, totaled \$173,023.

The tax rate to finance general governmental services was \$0.970 per \$100 valuation and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.227 per \$100 for the year ended August 31, 2020.

Related Party Transactions

For the year ended August 31, 2020, the District paid \$36,819 to a vendor owned by a District employee.

Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2020, are summarized below.

Fund	State Grants/ Entitlements	Federal Grants	Total
General Fund	\$ 1,275,594	\$ -	\$ 1,275,594
Nonmajor Governmental Funds	59,047	21,722	80,769
	<u>\$ 1,334,641</u>	<u>\$ 21,722</u>	<u>\$ 1,356,363</u>

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2020 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund		
Debit service fund	\$ -	\$ 48,467
Nonmajor governmental funds	63,033	161,344
Internal service fund	-	816
Fiduciary funds	107,708	-
Debt service fund		
General fund	48,467	-
Nonmajor Governmental Funds		
General fund	161,344	63,033
Internal Service fund		
General fund	816	-
Fiduciary funds		
General fund	-	107,708
Totals	<u>\$ 381,368</u>	<u>\$ 381,368</u>

In the fund financial statements, interfund balances are the results of normal transactions between funds and will be liquidated in the subsequent fiscal year.

Wylie Independent School District

Notes to Financial Statements

August 31, 2020

Interfund transfers during the year ended August 31, 2020, consisted of the following individual balances:

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 500,000
General Fund	Internal service fund	816
Total		<u>\$ 500,816</u>

The interfund transfer between the general fund and the nonmajor governmental funds is to cover deficit fund balance for food service activity.

Note 8 - Capital Assets

Capital asset activity for the year ended August 31, 2020 was as follows:

	<u>Balance 9/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 8/31/2020</u>
Capital assets, not being depreciated				
Land	\$ 1,281,110	\$ 663,348	\$ -	\$ 1,944,458
Construction in progress	29,253,385	1,562,456	(30,214,358)	601,483
Total capital assets, not being depreciated	<u>30,534,495</u>	<u>2,225,804</u>	<u>(30,214,358)</u>	<u>2,545,941</u>
Capital assets, being depreciated				
Building and improvements	109,082,528	31,231,070	-	140,313,598
Furniture and equipment	8,133,386	527,621	(145,678)	8,515,329
Total capital assets, being depreciated	<u>117,215,914</u>	<u>31,758,691</u>	<u>(145,678)</u>	<u>148,828,927</u>
Less accumulated depreciation for:				
Building and improvements	(37,141,341)	(4,227,175)	-	(41,368,516)
Furniture and equipment	(6,819,659)	(577,818)	145,678	(7,251,799)
Total accumulated depreciation	<u>(43,961,000)</u>	<u>(4,804,993)</u>	<u>145,678</u>	<u>(48,620,315)</u>
Total capital assets, being depreciated (net)	<u>73,254,914</u>	<u>26,953,698</u>	<u>-</u>	<u>100,208,612</u>
Total capital assets (net)	<u>\$ 103,789,409</u>	<u>\$ 29,179,502</u>	<u>\$ (30,214,358)</u>	<u>\$ 102,754,553</u>

Construction in progress consists primarily of the new East Intermediate campus. The estimated costs to complete the campus is \$12 million.

Depreciation expense was charged to the District's functions as follows:

Instruction	\$ 1,672,152
Instructional resources and media services	115,603
School leadership	77,068
Guidance, counseling and evaluation services	57,801
Health services	38,534
Student transportation	450,526
Food service	112,759
Cocurricular/extracurricular activities	560,628
General administration	2,342
Facilities maintenance and operations	1,323,004
Data processing services	37,414
Facilities, acquisition and construction	<u>357,162</u>
 Total depreciation expense	 <u><u>\$ 4,804,993</u></u>

Note 9 - Bonds and Noncurrent Liabilities

Bonded indebtedness of the District is reflected in the governmental activities of the Government-Wide Statement of Net Position.

In the fund financial statements, the current requirements for principal and interest expenditures on bonds are accounted for in the debt service fund. Requirements for maintenance tax note and time warrants are accounted for in the general fund.

In August 2015, the District issued \$14,105,000 Unlimited Tax School Building Bonds, Series 2015 to finance school construction projects. The bonds consisted of \$14,105,000 of current interest bonds with a rate of 2% to 5% sold at a premium to yield interest rates ranging from 0.27% to 2.58%, maturing in 2025.

In June 2017, the District issued \$3,950,000 Maintenance Tax Notes and \$1,000,000 in Time Warrants to construct, repair and renovate school buildings. The notes/warrants have a rate of 2.00% to 4.00% sold at a premium to yield interest rates ranging from 0.90% to 2.10%, maturing in 2027.

In February 2018, the District issued \$41,520,000 Unlimited Tax School Building Bonds, Series 2018 to finance school construction projects. The bonds consisted of \$41,520,000 of current interest bonds with a rate of 2% to 5% sold at a premium to yield interest rates ranging from 1.40% to 3.54%, maturing in 2038.

In September 2017, the District obtained a capital lease of \$111,564 to purchase servers. Terms are \$3,096 payable monthly for thirty-six months.

A summary of the changes in bonds payable and other noncurrent liabilities follows:

	Interest Rate Payable	Amount of Original Issue	Amounts Outstanding 9/1/2019	Issued/ Increase	Retired/ Decrease	Amounts Outstanding 8/31/2020
Governmental activities:						
Unlimited Tax						
School Building						
Bond - Series 2015	2.00%-5.00%	\$ 14,105,000	\$ 9,105,000	\$ -	\$ (1,365,000)	\$ 7,740,000
Maintenance Tax Note						
Series 2017	2.00%-4.00%	3,950,000	3,260,000	-	(365,000)	2,895,000
Time Warrants						
Series 2017	2.50%-3.50%	1,000,000	830,000	-	(90,000)	740,000
Unlimited Tax						
School Building						
Bond - Series 2018	2.00% - 5.00%	41,520,000	40,885,000	-	(1,420,000)	39,465,000
Capital lease payable			47,323	-	(37,158)	10,165
Unamortized bond premium			4,381,054	-	(311,917)	4,069,137
Total governmental activities			\$ 58,508,377	\$ -	\$ (3,589,075)	\$ 54,919,302
long term liabilities						

Amounts due within the following year are as follows:

	<u>Amounts Due Within One Year</u>
Unlimited Tax School Building	
Bond - Series 2015	\$ 1,435,000
Maintenance Tax Note, Series 2017	375,000
Time Warrants, Series 2017	95,000
Unlimited Tax School Building	
Bond - Series 2018	1,480,000
Capital Lease Payable	10,165
	<u> </u>
Total	<u>\$ 3,395,165</u>

Debt service requirements are as follows:

Year Ended	Capital Lease	General Obligation Bonds		Tax Notes /Warrants		Total Requirements
	Principal	Principal	Interest	Principal	Interest	
2021	\$ 10,165	\$ 2,915,000	\$ 1,936,319	\$ 470,000	\$ 84,950	\$ 5,406,269
2022	-	3,030,000	1,825,144	485,000	74,125	5,414,269
2023	-	3,140,000	1,708,943	500,000	62,925	5,411,868
2024	-	3,275,000	1,572,943	520,000	52,425	5,420,368
2025	-	3,410,000	1,444,046	535,000	41,500	5,430,546
2026 - 2030	-	10,060,000	5,782,300	1,125,000	42,375	17,009,675
2031 - 2035	-	12,420,000	3,422,800	-	-	15,842,800
2036 - 2038	-	8,955,000	548,963	-	-	9,503,963
	<u>\$ 10,165</u>	<u>\$ 47,205,000</u>	<u>\$ 18,241,458</u>	<u>\$ 3,635,000</u>	<u>\$ 358,300</u>	<u>\$ 69,439,758</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. The District is in compliance with all significant limitations and restrictions at August 31, 2020.

Note 10 - Contingencies

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2020, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The world-wide coronavirus pandemic has resulted in certain risks and uncertainties to the public in general and the District. The District is closely monitoring their operations, liquidity, and resources, and are actively working to minimize the current and future impact of this unprecedented situation.

Note 11 - Defined Benefit Pension Plan**Defined Benefit Pension Plan****Plan Description**

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

All employees of public state-supported education institutions in Texas who are employed for one-half or more of the standard work load and who are not exempt from membership under Texas Government Code, Title 8, Section 822.02 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the Legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

	Contribution Rates	
	2019	2020
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	6.80%	7.50%
Employers	6.80%	7.50%

	2019		2020	
Member Contributions	\$	1,623,790	\$	1,875,417
NECE On-Behalf Contributions		1,097,837		1,513,576
Employer Contributions		608,521		659,901

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employed Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of the TRS the employer shall pay both the member contribution and State contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the State contribution rate for certain instructional or administrative employees; and 100% of the State contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%
Inflation	2.30%
Salary Increases, including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2018.

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and State contributions will be 8.5% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

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

The long-term expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target allocation as of August 31, 2019 are summarized on the following page.

**Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return as of August 31, 2019**

Asset Class	Target Allocation ¹	New Target Allocation ² %	Long-Term Expected Geometric Real Rate of Return ³
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	0.0%	0.0%
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries ⁴	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return (including Credit Sensitive Investments)	0.0%	0.0%	0.0%
Real Return			
Global Inflation Linked Bonds ⁴	3.0%	0.0%	0.0%
Real Assets	14.0%	15.0%	8.5%
Energy and Natural Resources and Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5% ⁵
Asset Allocation Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	0.0%	-6.0%	2.7%
Totals	<u>100.0%</u>	<u>100.0%</u>	<u>7.2%</u>

¹ Target Allocation based on the Strategic Asset Allocation as of fiscal year 2019.

² New allocations are based on the Strategic Asset Allocation to be implemented in fiscal year 2020.

³ 10-year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

⁴ New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.

⁵ 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2017 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Total TRS pension liability	\$ 79,905,616,584	\$ 51,983,126,213	\$ 29,360,519,479
District's proportionate share of the net pension liability	\$ 13,675,353	\$ 8,896,591	\$ 5,024,871

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

At August 31, 2020, the District reported a liability of \$8,896,591 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 8,896,591
State's proportionate share that is associated with the District	16,253,424
Total	\$ 25,150,015

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.000171144 which was an increase of .000021306 from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.

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- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2019 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended August 31, 2020, the District recognized pension expense of \$2,553,184 and revenue of \$1,094,327 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 37,374	\$ 308,904
Changes in actuarial assumptions	2,760,159	1,140,628
Difference between projected and actual investment earnings	89,332	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,641,914	71
Contributions paid to TRS subsequent to the measurement date	659,901	-
	<u>5,188,680</u>	<u>1,449,603</u>
Total	<u>\$ 5,188,680</u>	<u>\$ 1,449,603</u>

\$659,901 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended August 30, 2021.

The net amount of employee's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2021	\$ 789,881
2022	682,556
2023	729,709
2024	638,326
2025	274,695
Thereafter	<u>(35,991)</u>
Total	<u>\$ 3,079,176</u>

Note 12 - Postemployment Health Benefits

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr/pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

Benefits Provided

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

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

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

TRS-Care Monthly for Retirees Effective January 1, 2019 - December 31, 2019		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
<i>*or surviving spouse</i>		

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employee contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

Contribution Rates			
	2019	2020	
Active Employee	0.65%	0.65%	
Non-Employer Contributing Entity (State)	1.25%	1.25%	
Employers	0.75%	0.75%	
Federal/private Funding remitted by Employers	1.25%	1.25%	
	2019	2020	
Employer Contributions	\$ 190,933	\$ 225,229	
Member Contributions	137,079	158,142	
NECE On-Behalf Contributions	248,809	356,025	

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension plan actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.63%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	2.50% to 9.50%
Healthcare Trend Rates	4.50% to 7.40%
	The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65; 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
Total TRS OPEB liability	\$ 57,095,682,852	\$ 47,291,224,890	\$ 39,621,188,484
District's proportionate share of the net OPEB liability	\$ 15,681,854	\$ 12,988,971	\$ 10,882,324

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate used:

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
Total TRS OPEB liability	\$ 38,578,522,354	\$ 47,291,224,890	\$ 58,962,245,589
District's proportionate share of the net OPEB liability	\$ 10,595,946	\$ 12,988,971	\$ 16,194,523

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

At August 31, 2020, the District reported a liability of \$12,988,971 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 12,988,971
State's proportionate share that is associated with the District	17,259,435
Total	\$ 30,248,406

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2020, the District's proportion of the collective Net OPEB Liability was 0.027465920% compared to 0.025910295% as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB liability (TOL.)
- The health care trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$454,888 and revenue of \$259,005 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 637,219	\$ 2,125,507
Changes in actuarial assumptions	721,436	3,493,714
Difference between projected and actual investment earnings	1,401	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	1,779,511	-
Contributions paid to TRS subsequent to the measurement date	225,229	-
Total	\$ 3,364,796	\$ 5,619,221

\$225,229 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended August 31, 2021.

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2021	\$ (479,012)
2022	(479,012)
2023	(479,466)
2024	(479,725)
2025	(479,654)
Thereafter	<u>(82,785)</u>
Total	<u>\$ (2,479,654)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from federal governments to offset certain prescriptions drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$104,470, \$75,094 and \$74,080 for the years ended August 31, 2020, 2019 and 2018, respectively.

Note 13 - Health Care and Workers' Compensation Coverage

During the year ended August 31, 2020, employees of the District were covered by a third party commercial health insurance (the Plan). The District has paid premiums of \$378 per month per employee to the plan, and employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third-party administrator acting on behalf of a licensed insurer. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The plan is accounted for in the general fund.

The contract between the District and the third-party administrator is renewable annually on September 1, and terms of coverage and premium costs are included in the contractual provisions.

The District is a member of the Texas Public Schools Workers' Compensation Project, or School Comp. As a member, the District funds its claims as follows:

- Its actual claims up to 30% of the standard annual premium.
- Prorata share of all claims of the project that exceed the respective members 30% up to a maximum of 100% of the standard annual premium.
- Proportionate share of administration costs and excess loss insurance premiums.

School Comp purchases specific and aggregate stop-loss insurance from Safety National Casualty Corporation. The District's aggregate maximum liability for workers' compensation coverage, including premiums and administrative costs, for the year ended August 31, 2020 is \$169,601. Premiums are based on manual rates for each type of employee as provided by the Texas Department of Insurance multiplied by the actual payroll paid to each employee. An experience modifier is also calculated to reflect the member's actual loss experience, which is added to the annual premium and in effect produces a retroactively rated policy. Statements are received periodically from School Comp, which reports a claims reserve for claims that have occurred but have not been billed to the member on a claim by claim basis. As of August 31, 2020, the District had no material amounts of outstanding unpaid claims payable. The plan is accounted for in the internal service fund.

The following is a reconciliation of workers' compensation claims during the previous two years:

	2020	2019
Claims payable beginning of year	\$ 35,000	\$ -
Claims incurred	105,520	122,041
Claims paid	(105,520)	(87,041)
Claims payable end of year	\$ 35,000	\$ 35,000

Note 14 - Revenues from Local and Intermediate Sources

For the year ended August 31, 2020, revenues from local and intermediate sources for governmental fund types consisted of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 21,038,599	\$ 4,921,524	\$ -	\$ 25,960,123
Food service sales	-	-	1,102,876	1,102,876
Investment income	262,610	16,512	173	279,295
Penalties, interest, and other tax-related income	110,071	-	-	110,071
Co-curricular student activities	115,944	-	-	115,944
Other	83,720	-	-	83,720
Total	<u>\$ 21,610,944</u>	<u>\$ 4,938,036</u>	<u>\$ 1,103,049</u>	<u>\$ 27,652,029</u>

Note 15 - Unearned Revenues and Deferred Inflows of Resources

Unearned revenues at year-end in the fund statements consisted of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Athletic revenue	\$ 22,336	\$ -	\$ -	\$ 22,336
Total	<u>\$ 22,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,336</u>

Note 16 - Accumulated Unpaid Vacation and Sick Leave Benefits

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability for vacation leave has been accrued in the accompanying financial statements. Employees of the District are entitled to sick leave based on category/class of employment.

Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

Note 17 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2020, 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.

Note 18 - Fund Balance

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2020, the District had \$134,200 in nonspendable fund balance for prepaid items.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2020, \$461,790 was restricted for retirement of long-term debt and \$52,530 was restricted for other federal and state grants.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At August 31, 2020, the District had no committed fund balance.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent. At August 31, 2020, the District had fund balance assigned for open encumbrances of \$378,000 in the General Fund.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Note 19 - Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Until paid or made available to the employee or another beneficiary, all amounts of compensation deferred under the plan, investments purchased with those amounts, and all income attributable to those investments are held in trust and are not subject to the claims of the District's general creditors. Participant's rights under the plan are equal to the fair market value of the deferred account for each participant.

Note 20 - General Fund Federal Source Revenues

Revenues from federal sources, which are reported in the General Fund, consist of:

	CFDA	Amount
School of Health and Related Services	N/A	\$ 383,070
Impact Aid	84.041	57,148
		\$ 440,218

Note 21 - Budgeted Expenditures

The District reported expenditures in excess of budgeted amounts for the following function for the year ended August 31, 2020:

	Budgeted	Actual	Variance
General Fund			
0012 Instructional resources and media services	\$ 256,005	\$ 256,674	\$ (669)



Required Supplementary Information
August 31, 2020

Wylie Independent School District

Wylie Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
(Exhibit G-1)
Year Ended August 31, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive or (Negative)
		Original	Final		
Revenues					
5700	Total local and intermediate sources	\$ 21,326,000	\$ 21,603,000	\$ 21,610,944	\$ 7,944
5800	State program revenues	16,204,000	17,563,230	18,376,985	813,755
5900	Federal program revenues	385,000	467,000	440,218	(26,782)
5020	Total revenues	<u>37,915,000</u>	<u>39,633,230</u>	<u>40,428,147</u>	<u>794,917</u>
Expenditures					
Current					
0011	Instruction	20,385,634	21,579,680	21,537,223	42,457
0012	Instructional resources and media services	286,005	256,005	256,674	(669)
0013	Curriculum and instructional staff development	90,000	59,727	58,602	1,125
0021	Instructional leadership	442,945	342,945	342,844	101
0023	School leadership	1,797,943	1,867,943	1,867,869	74
0031	Guidance, counseling, and evaluation services	1,087,204	947,204	947,158	46
0032	Social work services	71,000	71,000	70,644	356
0033	Health services	297,457	319,457	319,454	3
0034	Student (pupil) transportation	1,905,123	1,948,123	1,942,181	5,942
0036	Extracurricular activities	1,708,124	1,781,124	1,743,926	37,198
0041	General administration	1,190,292	1,235,292	1,234,832	460
0051	Facilities maintenance and operations	3,342,000	3,746,230	3,745,275	955
0052	Security and monitoring services	480,000	479,753	473,935	5,818
0053	Data processing services	566,000	602,000	600,318	1,682
0061	Community Services	115,000	85,000	84,109	891
Debt service					
0071	Principal on long term debt	455,000	455,000	455,000	-
0072	Interest on long-term debt	110,400	110,400	103,375	7,025
Capital outlay					
0081	Facilities acquisition and construction	3,584,873	4,384,873	3,101,526	1,283,347
6030	Total expenditures	<u>37,915,000</u>	<u>40,271,756</u>	<u>38,884,945</u>	<u>1,386,811</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(638,526)</u>	<u>1,543,202</u>	<u>2,181,728</u>
Other financing sources (uses)					
7912	Sale of real and personal property	-	5,000	4,650	(350)
8911	Operating transfers out	-	(500,000)	(500,816)	(816)
7080	Total other financing sources (uses)	<u>-</u>	<u>(495,000)</u>	<u>(496,166)</u>	<u>(1,166)</u>
1200	Net change in fund balances	-	(1,133,526)	1,047,036	2,180,562
0100	Fund balance - September 1 (beginning)	<u>12,215,828</u>	<u>12,215,828</u>	<u>12,215,828</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ 12,215,828</u>	<u>\$ 11,082,302</u>	<u>\$ 13,262,864</u>	<u>\$ 2,180,562</u>

Wylie Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System (Exhibit G-2)
August 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.000171144	0.000149838	0.000149333	0.000134797	0.000129204	0.000064454
District's Proportionate Share of Net Pension Liability	\$ 8,896,591	\$ 8,247,458	\$ 4,774,870	\$ 5,093,776	\$ 4,567,189	\$ 1,721,656
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>16,253,424</u>	<u>17,412,249</u>	<u>9,974,561</u>	<u>11,612,029</u>	<u>10,881,765</u>	<u>9,074,993</u>
	<u>\$ 25,150,015</u>	<u>\$ 25,659,707</u>	<u>\$ 14,749,431</u>	<u>\$ 16,705,805</u>	<u>\$ 15,448,954</u>	<u>\$ 10,796,649</u>
District's Covered Payroll	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293	\$ 16,991,299	\$ 15,784,838	\$ 14,692,611
District's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	42.19%	41.35%	25.67%	29.98%	28.93%	11.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability which is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2014.

Wylie Independent School District
Schedule of the District's Contributions – Teacher Retirement System (Exhibit G-3)
Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 659,901	\$ 608,521	\$ 505,775	\$ 480,383	\$ 428,284	\$ 382,578
Contribution in Relation to the Contractually Required Contribution	<u>(659,901)</u>	<u>(608,521)</u>	<u>(505,775)</u>	<u>(480,383)</u>	<u>(427,432)</u>	<u>(382,578)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852</u>	<u>\$ -</u>
District's Covered Payroll	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293	\$ 16,991,299	\$ 15,784,838
Contributions as a Percentage of Covered Payroll	2.71%	2.89%	2.54%	2.58%	2.52%	2.42%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2014.

Wylie Independent School District
Schedule of the District's Proportionate Share of the Net OPEB Liability (Exhibit G-4)
Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.000274659	0.000259103	0.000239965
District's Proportionate Share of Net OPEB Liability	\$ 12,988,971	\$ 12,937,247	\$ 10,435,172
State's Proportionate Share of the Net OPEB Liability Associated with the District	<u>17,259,435</u>	<u>16,607,988</u>	<u>14,430,909</u>
	<u>\$ 30,248,406</u>	<u>\$ 29,545,235</u>	<u>\$ 24,866,081</u>
Covered Employee Payroll	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293
District's Proportionate Share of Net OPEB Liability as a Percentage of its Covered Employee Payroll	61.59%	64.86%	56.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

Note: The information disclosed for each fiscal year is reported as of the measurement date of the net OPEB liability which is August 31 of the preceding fiscal year.

Note: Plan information was unavailable prior to 2018.

Wylie Independent School District
Schedule of the District's Contributions to the OPEB Plan (Exhibit G-5)
Year Ended August 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 225,229	\$ 190,933	\$ 183,052
Contribution in Relation to the Contractually Required Contribution	<u>(225,229)</u>	<u>(190,933)</u>	<u>(183,052)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409
Contributions as a Percentage of Covered Employee Payroll	0.92%	0.91%	0.92%

Note: The information disclosed for each fiscal year is reported as of the District's fiscal year-end date.

Note: Plan information was unavailable prior to 2018.

Note 1 - Budget

Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

Transfers out represent transfers from the general fund to the capital projects fund and internal service fund.

Note 2 - Pension

Changes of Benefit Terms

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

Changes in Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has been changed to the long-term rate of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or 42,000, whichever is less.

Note 3 - OPEB

Changes of Benefit Terms

There were no changes to benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB Liability (TOL).
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased TOL.



Other Supplementary Information
August 31, 2020

Wylie Independent School District

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
	Assets				
1110	Cash and cash equivalents	\$ 1,708	\$ 5,445	\$ 59	\$ 1,137
1240	Receivables from other governments	-	-	-	14,058
1260	Due from other funds	-	-	-	161,344
1000	Total assets	1,708	5,445	59	176,539
1000a	Total assets and deferred outflows of resources	\$ 1,708	\$ 5,445	\$ 59	\$ 176,539
	Liabilities				
2110	Accounts payable	\$ 1,708	\$ 5,445	\$ 59	\$ 70,816
2160	Accrued wages payable	-	-	-	53,193
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2000	Total liabilities	1,708	5,445	59	124,009
	Fund Balances				
3450	Restricted - federal or state funds grant	-	-	-	52,530
3000	Total fund balances	-	-	-	52,530
4000	Total liabilities, deferred inflows and fund balances	\$ 1,708	\$ 5,445	\$ 59	\$ 176,539

Wylie Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2020

244	255	266	289	397	410	429	Total
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	ESSER Grant	Title IV, Part A	Advanced Placement Incentives	Textbook and Kindergarten Material	Other State Funded Special Revenue Funds	Nonmajor Special Revenue Funds
\$ -	\$ 239	\$ -	\$ -	\$ -	\$ 16,339	\$ 43,515	\$ 68,442
-	-	-	7,664	-	57,446	1,601	80,769
-	-	-	-	-	-	-	161,344
-	239	-	7,664	-	73,785	45,116	310,555
<u>\$ -</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 7,664</u>	<u>\$ -</u>	<u>\$ 73,785</u>	<u>\$ 45,116</u>	<u>\$ 310,555</u>
\$ -	\$ 239	\$ -	\$ 7,664	\$ -	\$ 12,353	\$ 3,078	\$ 101,362
-	-	-	-	-	-	-	53,193
-	-	-	-	-	61,432	1,601	63,033
-	-	-	-	-	-	40,437	40,437
-	239	-	7,664	-	73,785	45,116	258,025
-	-	-	-	-	-	-	52,530
-	-	-	-	-	-	-	52,530
<u>\$ -</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 7,664</u>	<u>\$ -</u>	<u>\$ 73,785</u>	<u>\$ 45,116</u>	<u>\$ 310,555</u>

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
Revenues					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ 1,103,049
5800	State program revenues	-	-	-	29,456
5900	Federal program revenues	261,670	680,042	8,262	403,411
5020	Total revenues	261,670	680,042	8,262	1,535,916
Expenditures					
Current					
0011	Instruction	261,670	257,390	8,262	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	72,961	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	349,691	-	-
0035	Food services	-	-	-	1,983,386
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
6030	Total expenditures	261,670	680,042	8,262	1,983,386
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(447,470)
Other financing sources (uses)					
7915	Operating transfers in	-	-	-	500,000
7080	Total other financing sources (uses)	-	-	-	500,000
1200	Net change in fund balances	-	-	-	52,530
0100	Fund balance - September 1 (beginning)	-	-	-	-
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ 52,530

Wylie Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2020

244	255	266	289	397	410	429	Total
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	ESSER Grant	Title IV, Part A	Advanced Placement Incentives	Textbook and Kindergarten Material	Other State Funded Special Revenue Funds	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,103,049
-	-	-	-	166	542,771	102,315	674,874
<u>25,975</u>	<u>43,749</u>	<u>212,145</u>	<u>19,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,654,963</u>
<u>25,975</u>	<u>43,749</u>	<u>212,145</u>	<u>19,709</u>	<u>166</u>	<u>542,771</u>	<u>102,315</u>	<u>3,432,886</u>
25,975	7,365	-	6,920	166	542,771	6,962	1,117,647
-	30,250	-	-	-	-	-	30,250
-	4,000	-	-	-	-	-	76,961
-	2,134	-	-	-	-	-	2,134
-	-	-	-	-	-	21,845	371,536
-	-	-	-	-	-	-	1,983,386
-	-	212,145	-	-	-	-	212,145
-	-	-	12,789	-	-	73,508	86,297
<u>25,975</u>	<u>43,749</u>	<u>212,145</u>	<u>19,709</u>	<u>166</u>	<u>542,771</u>	<u>102,315</u>	<u>3,880,356</u>
-	-	-	-	-	-	-	(447,470)
-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	500,000
-	-	-	-	-	-	-	52,530
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,530</u>



Required TEA Schedules
August 31, 2020

Wylie Independent School District

<u>Last Ten Years Ended August 31</u>	1	2	3
	<u>Tax Rates</u>		Assessed/ Appraised Value for School Tax Purposes
	<u>Maintenance</u>	<u>Debt Service</u>	
2010 (and prior years)	\$ Various	\$ Various	\$ Various
2012	1.010000	.120000	1,327,150,962
2013	1.040000	.000000	1,394,207,630
2014	1.040000	.000000	1,467,053,790
2015	1.040000	.000000	1,600,299,932
2016	1.040000	.114000	1,696,829,642
2017	1.040000	.085000	1,789,379,733
2018	1.040000	.085000	1,975,958,787
2019	1.040000	0.243000	2,127,804,160
2020 (school year under audit)	0.970000	0.227000	2,177,783,459
1000 Totals			

Wylie Independent School District
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Year Ended August 31, 2020

10	20	31	32	40	50
Beginning Balance September 1, 2019	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2020
\$ 23,076	\$ -	\$ 213	\$ 24	\$ (380)	\$ 22,459
14,851	-	-	-	-	14,851
10,972	-	-	-	-	10,972
10,797	-	102	-	-	10,695
11,239	-	1,352	-	-	9,887
15,858	-	1,573	172	(210)	13,903
18,501	-	5,546	480	4,406	16,881
28,674	-	4,710	385	106	23,685
168,331	-	77,042	18,001	(31,007)	42,281
<u>-</u>	<u>26,068,068</u>	<u>20,950,550</u>	<u>4,899,973</u>	<u>(99,515)</u>	<u>118,030</u>
<u>\$ 302,299</u>	<u>\$ 26,068,068</u>	<u>\$ 21,041,088</u>	<u>\$ 4,919,035</u>	<u>\$ (126,600)</u>	<u>\$ 283,644</u>

Wylie Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition
Program (Exhibit J-4)
Year Ended August 31, 2020

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget
		Original	Final		Positive or (Negative)
	Revenues				
5700	Total local and intermediate sources	\$ 1,431,000	\$ 1,443,500	\$ 1,103,049	\$ (340,451)
5800	State program revenues	14,000	14,000	29,456	15,456
5900	Federal program revenues	275,000	390,000	403,411	13,411
5020	Total revenues	<u>1,720,000</u>	<u>1,847,500</u>	<u>1,535,916</u>	<u>(311,584)</u>
	Expenditures				
	Current				
0035	Food service	<u>1,720,000</u>	<u>1,990,000</u>	<u>1,983,386</u>	<u>6,614</u>
6030	Total expenditures	<u>1,720,000</u>	<u>1,990,000</u>	<u>1,983,386</u>	<u>6,614</u>
1100	Excess (deficiency) of revenues Over (under) expenditures	-	(142,500)	(447,470)	(304,970)
	Other financing sources (uses)				
7915	Operating transfers in	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
1200	Net change in fund balances	-	357,500	52,530	(304,970)
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ 357,500</u>	<u>\$ 52,530</u>	<u>\$ (304,970)</u>

Wylie Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund
 (Exhibit J-5)
 Year Ended August 31, 2020

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget
		Original	Final		Positive or (Negative)
Revenues					
5700	Total local and intermediate sources	\$ 4,852,000	\$ 4,922,000	\$ 4,938,036	\$ 16,036
5800	State program revenues	18,000	18,000	49,137	31,137
5020	Total revenues	4,870,000	4,940,000	4,987,173	47,173
Expenditures					
Current					
0071	Principal on long term debt	2,785,000	2,785,000	2,785,000	-
0072	Interest on long term debt	2,085,000	2,085,000	2,065,170	19,830
6030	Total expenditures	4,870,000	4,870,000	4,850,170	19,830
1200	Net change in fund balances	-	70,000	137,003	67,003
0100	Fund balance - September 1 (beginning)	324,787	324,787	324,787	-
3000	Fund balance - August 31 (ending)	\$ 324,787	\$ 394,787	\$ 461,790	\$ 67,003



Federal Awards Section
August 31, 2020

Wylie Independent School District



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

To the Board of Trustees
Wylie Independent School District
Abilene, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
December 18, 2020



Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Wylie Independent School District
Abilene, Texas

Report on Compliance for the Major Federal Program

We have audited Wylie Independent School District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on Wylie Independent School District's major federal program for the year ended August 31, 2020. Wylie Independent School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Wylie Independent School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the 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 on compliance for the major federal program. However, our audit does not provide a legal determination of Wylie Independent School District's compliance.

Opinion on the Major Federal Program

In our opinion, Wylie Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2020.

Report on Internal Control over Compliance

Management of Wylie Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wylie Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wylie Independent School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Abilene, Texas
December 18, 2020

Wylie Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Direct			
Impact Aid	84.041	S041B-2020-5165	\$ 57,148
Passed through Texas Education Agency			
Title I Grants to Local Education Agencies			
Title I, Part A - Improving Basic Programs	84.010A	20610101221912	261,670
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027A	206600012219126000	680,042
Special Education - Preschool Grants	84.173A	206610012219126000	<u>8,262</u>
Total Special Education Cluster (IDEA)			688,304
Career and Technical Education -			
Basic Grants to States	84.048A	20420006221912	25,975
Title IV Grants to Local Education Agencies			
Title IV, Part A, Subpart 1	84.424A	20680101221912	19,709
COVID-19 Elementary and Secondary School			
Emergency Relief (ESSER)	84.425D	20521001221912	212,145
Passed through Education Service Center Region XIV			
Supporting Effective Instruction State Grants	84.367A	20694501221950	<u>43,749</u>
Total Department of Education			<u>1,308,700</u>
U.S. Department of Agriculture			
Passed through Texas Education Agency			
Child Nutrition Cluster			
School Breakfast Program	10.553	71402001	95,339
National School Lunch - Cash Assistance *	10.555	71302001	258,579
National School Lunch - Non-Cash Assistance *	10.555	71302001	<u>49,493</u>
Total Child Nutrition Cluster			<u>403,411</u>
Total Department of Agriculture			<u>403,411</u>
Total Expenditures of Federal Awards			<u>\$ 1,712,111</u>
* Total National School Lunch Program (CFDA 10.555)			\$ 308,072

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended August 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

School health and related services revenues (SHARS) are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Federal Awards per Schedule of Expenditures of Federal Awards	\$ 1,712,111
Medicaid Reimbursements (SHARS)	383,070
	383,070
Federal Revenues per Exhibit C-2	\$ 2,095,181

Note 3 - Indirect Cost Rate

The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal awards.

Note 4 - Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	CFDA Number
Special Education Cluster	84.027A; 84.173A
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

Wylie Independent School District
 Schedule of Required Responses to Selected School First Indicators (Exhibit L-1)
 Year Ended August 31, 2020

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