



Financial Statements  
August 31, 2019

# Wylie Independent School District

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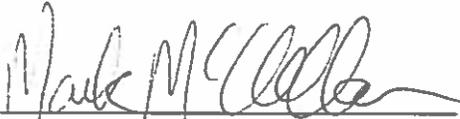
**Certificate of the Board**

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, 2019, at a meeting of the Board of Trustees of such school district on the 11th day of November, 2019.

  
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, 2019, 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, 2019, 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 52 through 58 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 November 1, 2019 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Abilene, Texas  
November 1, 2019

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, 2019.

#### **FUND STATEMENT FINANCIAL HIGHLIGHTS**

- The District's total combined governmental fund balances were \$12,540,615.
- During the year, the District's expenditures were \$25,244,923 more than the \$43.8 million generated in taxes, state funding and other revenues for governmental funds.
- The total expenditures of the District's programs increased approximately 14.9% and 18.2% over the prior year when including and excluding construction cost, respectively.
- The general fund reported a decrease in fund balance this year of \$2,362,032.
- The resources available for appropriation were \$829,102 more than the final budgeted revenues for the general fund and expenditures were \$1,205,082 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 \$39,291,718 at August 31, 2019.

**The District's Net Position**

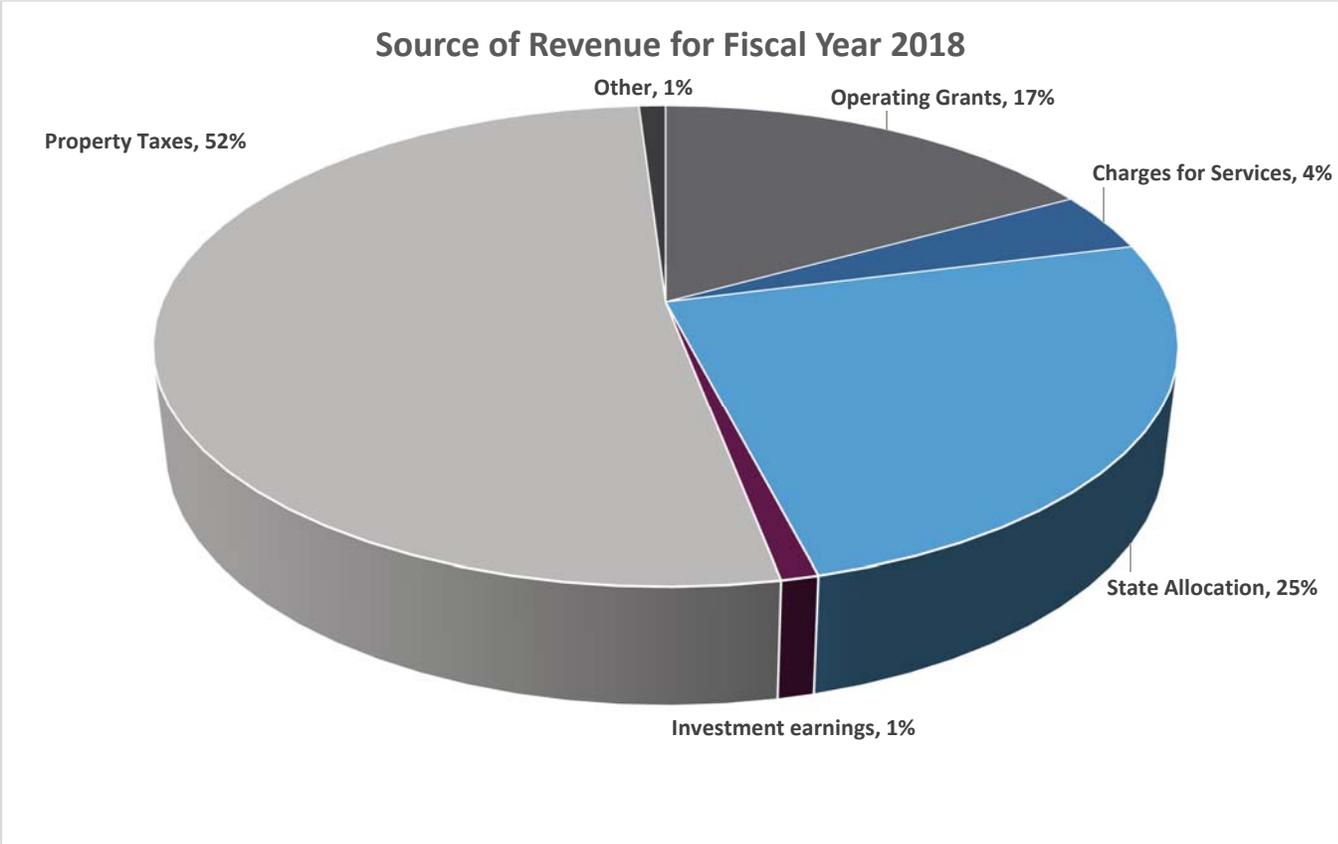
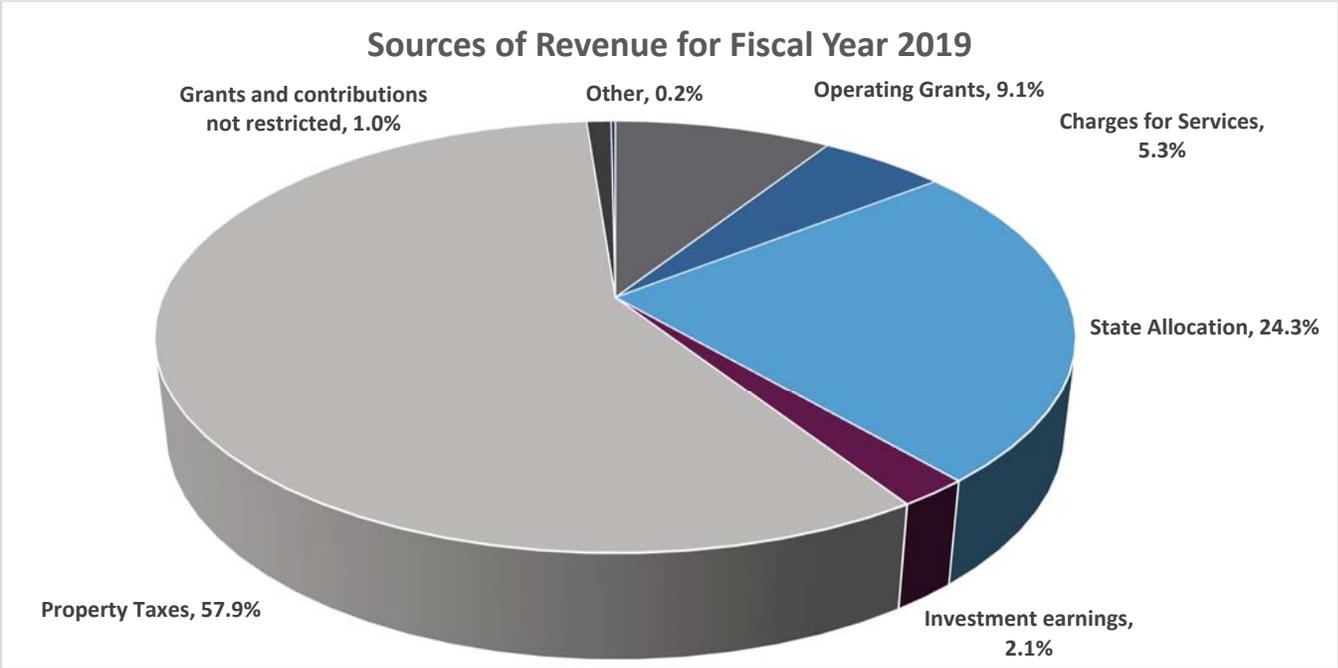
	Governmental Activities	
	2019	2018
Current Assets	\$ 18,124,713	\$ 44,318,080
Capital Assets	103,789,409	77,887,706
Deferred Outflows	7,137,792	2,719,782
Total assets and deferred outflows of resources	129,051,914	124,925,568
Current Liabilities	5,524,123	6,253,069
Long-Term Liabilities	79,693,082	76,452,494
Deferred Inflows	4,542,991	5,095,274
Total liabilities and deferred inflows of resources	89,760,196	87,800,837
Net Investment in Capital Assets	45,281,032	41,649,080
Restricted	250,459	251,175
Unrestricted	(6,239,773)	(5,649,016)
Total net position	\$ 39,291,718	\$ 36,251,239

Net position of the District's governmental activities increased 8.4% to \$39,291,718. Unrestricted net position was \$(6,239,773) at the end of this year.

The District recorded its proportionate share of the net pension liability of \$8,247,458, deferred outflows of resources of \$4,992,886, and deferred inflows of resources of \$451,921. The District recorded its proportionate share of the net OPEB liability of \$12,937,247, deferred outflows of resources of \$2,144,906, and deferred inflows of resources of \$4,091,070.

**Changes in net position** – The District's total revenues were \$44,751,231 for the year ended August 31, 2019. (See the table "Changes in the District's Net Position"). In the 2019 fiscal year, 58.5% of the District's revenue came from property taxes, 24.5% 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 \$44,751,231, of which 51.4% 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	
	2019	2018
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 2,333,067	\$ 1,857,538
State Operating Grants	2,694,351	5,815,726
Federal Operating Grants	1,449,366	1,274,953
General Revenues		
Property Taxes	25,920,060	21,558,361
State Aid-Formula Grants	10,873,800	10,534,811
Grants and contributions not restricted	456,341	-
Investment Earnings	945,679	362,649
Other	78,567	238,920
<b>Total revenues</b>	<b>44,751,231</b>	<b>41,642,958</b>
<b>Expenses</b>		
Instruction	21,453,753	19,921,087
Extracurricular Activities	2,419,876	2,096,275
General Administration	1,314,095	1,127,009
Facilities Maintenance and Operations	3,814,275	3,553,634
School Leadership	1,985,699	1,846,705
Food Services	2,142,016	1,578,353
Student Transportation	2,040,917	1,958,806
Other Functions	6,540,121	4,525,569
<b>Total expenses</b>	<b>41,710,752</b>	<b>36,607,438</b>
<b>Change in Net Position</b>	<b>3,040,479</b>	<b>5,035,520</b>
<b>Beginning Net Position</b>	<b>36,251,239</b>	<b>31,215,719</b>
<b>Ending Net Position</b>	<b>\$ 39,291,718</b>	<b>\$ 36,251,239</b>

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 \$41,710,752.
- The amount that our taxpayers paid for these activities through property taxes was \$25,920,060.

	Total Cost of Services	Program Revenues	Net Costs
Instruction	\$ 21,453,753	\$ 3,334,907	\$ (18,118,846)
School Leadership	1,985,699	166,822	(1,818,877)
Food Services	2,142,016	1,864,979	(277,037)
Extracurricular	2,419,876	183,263	(2,236,613)
Student Transportation	2,040,917	108,252	(1,932,665)
Other Programs	11,668,491	818,561	(10,849,930)
<b>Total</b>	<b>\$ 41,710,752</b>	<b>\$ 6,476,784</b>	<b>\$ (35,233,968)</b>

### FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

Revenues from governmental fund types totaled \$43,837,947. Local revenues increased \$5,641,502 primarily as a result of increased property valuations, increased tax rates, and a City contribution owed on a construction project. State revenue increased \$370,848 from the prior year and federal revenue increased \$515,665, primarily due to increased enrollment. Local revenue in the other governmental funds decreased by \$1,528,473 over the prior year due to the presentation change for the debt service fund. The capital projects fund generated \$500,675 of revenues from earnings on investments.

#### 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 \$3,784,919 whereas the actual decrease in fund balance was \$2,362,032 at August 31, 2019. As noted earlier:

- Local funding was \$504,764 above the final budget.
- State program revenues were \$324,172 above the final budget.
- Federal program revenues were \$166 above the final budget.
- Actual expenditures were below budgeted amounts for all functions. In particular, facilities maintenance and operation was \$155,566 and facilities acquisition and construction expenditures were \$814,321 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 \$147,750,409 in a broad range of capital assets, including land, equipment, and buildings. Accumulated depreciation on these assets was \$43,961,000 at year end. The net amount of capital assets represents a net increase (including additions and deductions) of \$25,901,703 over last year. The most significant change in capital assets was on-going construction of new elementary and junior high schools.

	Governmental Activities	
	2019	2018
Land	\$ 1,281,110	\$ 1,281,110
Construction in Progress	29,253,385	9,262,333
Buildings and Improvements	109,082,528	99,928,372
Furniture and Equipment	8,133,386	7,575,294
	<u>147,750,409</u>	<u>118,047,109</u>
Less Accumulated Depreciation for		
Buildings and Improvements	(37,141,341)	(33,907,993)
Furniture and Equipment	(6,819,659)	(6,251,410)
	<u>(43,961,000)</u>	<u>(40,159,403)</u>
Total accumulated depreciation		
Net Capital Assets	<u>\$ 103,789,409</u>	<u>\$ 77,887,706</u>

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

#### Long-Term Debt

	Governmental Activities	
	2019	2018
Bond and Notes Payable	\$ 54,080,000	\$ 56,465,000
Unamortized Bond Premium	4,381,054	4,692,971
Capital Lease Payable	47,323	84,481
Net pension liability	8,247,458	4,774,870
Net OPEB liability	12,937,247	10,435,172
	<u>\$ 79,693,082</u>	<u>\$ 76,452,494</u>

At year-end the District had \$79,693,082 in bonds, notes and capital leases payable and other long-term obligations, an increase of \$3,240,588 from the prior year's balance due to increases in the net pension and net OPEB liabilities. 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 FY 19 budget, the District did not project any growth in ADA.
- Property tax values within the District continue to increase.  
Most of the increase in the budget is funding salary increases.

These indicators were taken into account when adopting the general fund budget for 2020. The 2020 budget for the general fund, food service fund and debt service funds reflect expenditures of \$45,285,000 which is a 8.0% increase from 2019 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, 2019

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 17,218,835
1220	Delinquent property taxes receivable	302,299
1230	Allowance for uncollectible taxes (credit)	(117,896)
1240	Due from other governments	85,271
1267	Due from fiduciary funds	73,956
1290	Other receivables	456,341
	Capital assets	
1510	Land	1,281,110
1520	Buildings, net	71,941,187
1530	Furniture and equipment, net	1,313,727
1580	Construction in progress	29,253,385
1800	Restricted cash	105,907
1000	Total assets	121,914,122
	Deferred outflows of resources	
	Deferred outflows - pension	4,992,886
	Deferred outflows - OPEB	2,144,906
1700	Total deferred outflows of resources	7,137,792
	Liabilities	
2110	Accounts payable	2,428,736
2140	Interest payable	96,927
2160	Accrued wages payable	1,376,013
2200	Accrued expenses	1,268,774
2300	Unearned revenues	353,673
	Noncurrent liabilities	
2501	Due within one year	3,277,158
2502	Due in more than one year	50,850,165
2516	Premium on issuance of bonds	4,381,054
2540	Net pension liability	8,247,458
2545	Net OPEB liability	12,937,247
2000	Total liabilities	85,217,205
	Deferred inflows of resources	
	Deferred inflows - pension	451,921
	Deferred inflows - OPEB	4,091,070
2600	Total deferred inflows of resources	4,542,991
	Net position	
3200	Net investment in capital assets	45,281,032
	Restricted for	
3850	Debt service	250,459
3900	Unrestricted	(6,239,773)
3000	Total net position	\$ 39,291,718

Data Control Codes	Functions/Programs	Program Revenues		
		1 Expenses	3 Charges for Services	4 Operating Grants and Contributions
	Governmental Activities			
11	Instruction	\$ 21,453,753	\$ 736,784	\$ 2,598,123
12	Instructional Resources and Media Services	371,821	-	20,295
13	Curriculum and Instructional Staff Development	67,468	-	29,737
21	Instructional Leadership	467,088	-	163,384
23	School Leadership	1,985,699	-	166,822
31	Guidance, Counseling, and Evaluation Services	1,119,652	-	243,469
32	Social Work Services	47,200	-	-
33	Health Services	344,924	-	28,225
34	Student Transportation	2,040,917	-	108,252
35	Food Services	2,142,016	1,422,765	442,214
36	Extracurricular Activities	2,419,876	163,827	19,436
41	General Administration	1,314,095	-	59,732
51	Facilities Maintenance and Operations	3,814,275	9,691	143,719
52	Security and Monitoring Services	440,489	-	42,380
53	Data Processing Services	654,088	-	30,158
61	Community Services	78,835	-	-
72	Interest on Long Term Debt	2,718,804	-	47,771
81	Facilities Acquisition and Construction	229,752	-	-
TG	Total governmental activities	<u>41,710,752</u>	<u>2,333,067</u>	<u>4,143,717</u>
TP	Total primary government	<u>\$ 41,710,752</u>	<u>\$ 2,333,067</u>	<u>\$ 4,143,717</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			

Wylie Independent School District

Statement of Activities (Exhibit B-1)

August 31, 2019

5 Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	6 Governmental Activities	8 Total
\$ -	\$ (18,118,846)	\$ (18,118,846)
-	(351,526)	(351,526)
-	(37,731)	(37,731)
-	(303,704)	(303,704)
-	(1,818,877)	(1,818,877)
-	(876,183)	(876,183)
-	(47,200)	(47,200)
-	(316,699)	(316,699)
-	(1,932,665)	(1,932,665)
-	(277,037)	(277,037)
-	(2,236,613)	(2,236,613)
-	(1,254,363)	(1,254,363)
-	(3,660,865)	(3,660,865)
-	(398,109)	(398,109)
-	(623,930)	(623,930)
-	(78,835)	(78,835)
-	(2,671,033)	(2,671,033)
-	(229,752)	(229,752)
-	<u>(35,233,968)</u>	<u>(35,233,968)</u>
\$ -	<u>(35,233,968)</u>	<u>(35,233,968)</u>
	21,022,751	21,022,751
	4,897,309	4,897,309
	10,873,800	10,873,800
	456,341	456,341
	945,679	945,679
	<u>78,567</u>	<u>78,567</u>
	<u>38,274,447</u>	<u>38,274,447</u>
	3,040,479	3,040,479
	<u>36,251,239</u>	<u>36,251,239</u>
\$	<u><u>39,291,718</u></u>	<u><u>39,291,718</u></u>

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund
Assets				
1110	Cash and cash equivalents	\$ 16,789,313	\$ 319,481	\$ 339
1220	Delinquent property taxes receivable	261,722	40,577	-
1230	Allowance for uncollectible taxes (credit)	(102,072)	(15,824)	-
1240	Receivables from other governments	-	-	-
1260	Due from other funds	119,127	3,152	1,233,435
1290	Other receivables	456,341	-	-
1800	Restricted cash	105,907	-	-
1000	Total assets	17,630,338	347,386	1,233,774
1000a	Total assets and deferred outflows of resources	\$ 17,630,338	\$ 347,386	\$ 1,233,774
Liabilities				
2110	Accounts payable	\$ 2,304,739	\$ -	\$ -
2160	Accrued wages payable	1,319,270	-	-
2170	Due to other funds	1,306,697	-	-
2200	Accrued expenditures	-	-	1,233,774
2300	Unearned revenues	353,673	-	-
2000	Total liabilities	5,284,379	-	1,233,774
Deferred Inflows of Resources				
	Unavailable revenue - property taxes	130,131	22,599	-
2600	Total deferred inflows of resources	130,131	22,599	-
Fund balances				
3470	Restricted - capital acquisitions and contractual obligations	68,545	-	-
3480	Restricted - retirement of long-term debt	-	324,787	-
3600	Unassigned	12,147,283	-	-
3000	Total fund balances	12,215,828	324,787	-
4000	Total liabilities, deferred inflows and fund balances	\$ 17,630,338	\$ 347,386	\$ 1,233,774

See Notes to Financial Statements

Wylie Independent School District  
 Balance Sheet – Governmental Funds (Exhibit C-1)  
 August 31, 2019

Other Governmental Funds	98 Total Governmental Funds
\$ 70,530	\$ 17,179,663
-	302,299
-	(117,896)
85,271	85,271
73,262	1,428,976
-	456,341
-	105,907
229,063	19,440,561
\$ 229,063	\$ 19,440,561
\$ 123,997	\$ 2,428,736
56,743	1,376,013
48,323	1,355,020
-	1,233,774
-	353,673
229,063	6,747,216
-	152,730
-	152,730
-	68,545
-	324,787
-	12,147,283
-	12,540,615
\$ 229,063	\$ 19,440,561

Wylie Independent School District

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

August 31, 2019

	Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 12,540,615
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 increase net position.		4,172
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		103,789,409
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	(47,323)	
	Bonds payable	(54,080,000)	
	Unamortized premiums on bonds payable	(4,381,054)	
	Interest payable on long-term debt	<u>(96,927)</u>	(58,605,304)
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		152,730
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	(8,247,458)	
	Deferred outflows of resources - TRS pension	4,992,886	
	Deferred inflows of resources - TRS pension	(451,921)	
	Net OPEB liability	(12,937,247)	
	Deferred outflows of resources - TRS-Care OPEB	2,144,906	
	Deferred inflows of resources - TRS-Care OPEB	<u>(4,091,070)</u>	<u>(18,589,904)</u>
19	Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 39,291,718</u>

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund
	Revenues			
5700	Total local and intermediate sources	\$ 22,227,264	\$ 4,909,862	\$ 500,675
5800	State program revenues	12,295,172	47,771	-
5900	Federal program revenues	735,166	-	-
5020	Total revenues	<u>35,257,602</u>	<u>4,957,633</u>	<u>500,675</u>
	Expenditures			
	Current			
0011	Instruction	18,187,028	-	-
0012	Instructional resources and media services	237,984	-	-
0013	Curriculum and instructional staff development	35,877	-	-
0021	Instructional leadership	288,724	-	-
0023	School leadership	1,770,224	-	-
0031	Guidance, counseling, and evaluation services	824,124	-	-
0032	Social work services	47,200	-	-
0033	Health services	284,302	-	-
0034	Student (pupil) transportation	1,981,605	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	1,859,217	-	-
0041	General administration	1,268,377	-	-
0051	Facilities maintenance and operations	3,309,434	-	-
0052	Security and monitoring services	421,351	-	-
0053	Data processing services	643,787	-	-
0061	Community Services	75,365	-	-
	Debt service			
0071	Principal on long term debt	445,000	1,940,000	-
0072	Interest on long term debt	120,275	2,910,446	-
	Capital outlay			
0081	Facilities acquisition and construction	4,513,063	-	24,690,613
6030	Total expenditures	<u>36,312,937</u>	<u>4,850,446</u>	<u>24,690,613</u>
1100	Excess (deficiency) of revenues Over (under) expenditures	<u>(1,055,335)</u>	<u>107,187</u>	<u>(24,189,938)</u>
	Other financing sources (uses)			
7915	Operating transfers in	-	-	1,233,435
8911	Operating transfers out	(1,306,697)	-	-
7080	Total other financing sources (uses)	<u>(1,306,697)</u>	<u>-</u>	<u>1,233,435</u>
1200	Net change in fund balances	(2,362,032)	107,187	(22,956,503)
0100	Fund balance - September 1 (beginning)	14,577,860	217,600	22,956,503
3000	Fund balance - August 31 (ending)	<u>\$ 12,215,828</u>	<u>\$ 324,787</u>	<u>\$ -</u>

See Notes to Financial Statements

Wylie Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-2)

Year Ended August 31, 2019

Other Governmental Funds	98 Total Governmental Funds
\$ 1,423,538	\$ 29,061,339
249,133	12,592,076
1,449,366	2,184,532
<u>3,122,037</u>	<u>43,837,947</u>
938,025	19,125,053
-	237,984
27,811	63,688
150,848	439,572
4,809	1,775,033
169,451	993,575
-	47,200
-	284,302
-	1,981,605
1,923,274	1,923,274
14,656	1,873,873
-	1,268,377
-	3,309,434
-	421,351
-	643,787
-	75,365
-	2,385,000
-	3,030,721
-	29,203,676
<u>3,228,874</u>	<u>69,082,870</u>
<u>(106,837)</u>	<u>(25,244,923)</u>
73,262	1,306,697
-	(1,306,697)
<u>73,262</u>	<u>-</u>
(33,575)	(25,244,923)
33,575	37,785,538
<u>\$ -</u>	<u>\$ 12,540,615</u>

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, 2019

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Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	\$ (25,244,923)
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.	(31,571)
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 2019 capital outlays of \$29,749,658 and debt and capital lease principal payments of \$2,385,000 and \$37,158 is to increase net position.	32,171,816
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.	(3,847,955)
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 \$152,730 as revenue, removing prior year's tax collection of \$220,165 and eliminating interfund transactions.	(67,435)
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 \$753,000. The net effect is to increase net position.	753,000
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 \$102,746. 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 \$839,243. The net effect is a decrease in net position.	(736,497)
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 \$7,881. 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 \$275,754. The net effect is a decrease in net position.	(267,873)
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ 3,040,479</u>

Wylie Independent School District  
Statement of Net Position – Proprietary Fund (Exhibit D-1)  
August 31, 2019

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	Governmental Activities
	Internal Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 39,172
Total assets	39,172
Liabilities	
Current liabilities	
Accrued expenses	35,000
Total liabilities	35,000
Net position	
Unrestricted net position	4,172
Total net position	\$ 4,172

Wylie Independent School District  
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund (Exhibit D-2)  
Year Ended August 31, 2019

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	Governmental Activities
	Internal Service Fund
Operating revenues	
Local and intermediate sources	\$ 90,470
Total operating revenues	90,470
Operating expenses	
Other operating costs	122,041
Total operating expenses	122,041
Operating loss	(31,571)
Total net position - September 1 (beginning)	35,743
Total net position - August 31 (ending)	\$ 4,172

Wylie Independent School District  
Statement of Cash Flows – Proprietary Fund (Exhibit D-3)  
Year Ended August 31, 2019

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	Governmental Activities
	Internal Service Fund
Operating activities	
Cash received from other funds for services	\$ 90,470
Payments to vendors for services	(87,041)
Net cash provided by operating activities	3,429
Net change in cash and cash equivalents	3,429
Cash - beginning of the year	35,743
Cash - end of the year	\$ 39,172
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (31,571)
Increase in accrued expenses	35,000
Net cash provided by operating activities	\$ 3,429

Wylie Independent School District  
Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)  
August 31, 2019

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	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 658,515
Total assets	<u>\$ 658,515</u>
Liabilities	
Due to other funds	\$ 73,956
Accounts payable	25,256
Due to student groups	<u>559,303</u>
Total liabilities	<u>\$ 658,515</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.

The capital projects fund, a governmental fund type, accounts for the financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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, 2019, 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 two public funds investment pools. These pools include Lone Star Investment Pool, Texas Term and Texas Daily.

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.

The TexasTERM Local Government Investment Pool was created by and for Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. TexasTERM portfolios seek to provide these investors with safety, flexibility and competitive yields. Shares are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC. The District currently utilizes Texas DAILY, a money market portfolio with daily liquidity that is rated AAAM by Standard & Poor's. TexasTERM uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexasTERM is the same as the value of TexasTERM Shares. Public funds investment pools reported as cash equivalents at August 31, 2019 are as follows:

	Fair Value	Rating	Weighted Average Maturity (Days)*
Lone Star Investment Pool	\$ 5,121,127	AAAm	39
Texas DAILY	3,242,710	AAAm	34
Texas TERM	7,500,000	AAAm	34
	<u>\$ 15,863,837</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, 2019 fiscal year was based, was \$2,127,804,160. 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, 2019 were 99.27% 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, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$184,403.

The tax rate to finance general governmental services was \$1.040 per \$100 valuation and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.2430 per \$100 for the year ended August 31, 2019.

**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, 2019, are summarized below.

Fund	State Grants/ Entitlements	Federal Grants	Total
Nonmajor Governmental Funds	\$ 70,918	\$ 14,353	\$ 85,271
	<u>\$ 70,918</u>	<u>\$ 14,353</u>	<u>\$ 85,271</u>

**Interfund Receivables and Payables**

The composition of interfund balances as of August 31, 2019 is as follows:

	Due From Other Funds	Due To Other Funds
General Fund		
Capital projects fund	\$ -	\$ 1,233,435
Nonmajor governmental funds	45,171	73,262
Fiduciary funds	73,956	-
Debt service fund		
Nonmajor governmental funds	3,152	-
Capital projects fund		
General fund	1,233,435	-
Nonmajor Governmental Funds		
General fund	73,262	45,171
Debt service fund	-	3,152
Fiduciary funds		
General fund	-	73,956
Totals	<u>\$ 1,428,976</u>	<u>\$ 1,428,976</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, 2019

Interfund transfers during the year ended August 31, 2019, consisted of the following individual balances:

Transfer Out	Transfers In	Amount
General Fund	Capital project fund	\$ 1,233,435
General Fund	Nonmajor governmental funds	73,262
Total		\$ 1,306,697

The interfund transfer between the general fund and the capital projects fund is to provide funds to complete remaining construction projects. 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, 2019 was as follows:

	Balance 9/1/2018	Additions	Deletions	Balance 8/31/2019
Capital assets, not being depreciated				
Land	\$ 1,281,110	\$ -	\$ -	\$ 1,281,110
Construction in progress	9,262,333	28,088,308	(8,097,256)	29,253,385
Total capital assets, not being depreciated	10,543,443	28,088,308	(8,097,256)	30,534,495
Capital assets, being depreciated				
Building and improvements	99,928,372	9,154,156	-	109,082,528
Furniture and equipment	7,575,294	604,450	(46,358)	8,133,386
Total capital assets, being depreciated	107,503,666	9,758,606	(46,358)	117,215,914
Less accumulated depreciation for:				
Building and improvements	(33,907,993)	(3,233,348)	-	(37,141,341)
Furniture and equipment	(6,251,410)	(614,607)	46,358	(6,819,659)
Total accumulated depreciation	(40,159,403)	(3,847,955)	46,358	(43,961,000)
Total capital assets, being depreciated (net)	67,344,263	5,910,651	-	73,254,914
Total capital assets (net)	\$ 77,887,706	\$ 33,998,959	\$ (8,097,256)	\$ 103,789,409

Commitments remaining under construction contracts total \$1,855,189 at August 31, 2019.

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

Instruction	\$ 1,741,497
Instructional resources and media services	120,803
School leadership	80,536
Guidance, counseling and evaluation services	60,402
Health services	40,268
Student transportation	454,051
Food service	120,848
Cocurricular/extracurricular activities	567,072
General administration	2,342
Facilities maintenance and operations	529,172
Data processing services	36,740
Facilities, acquisition and construction	<u>94,224</u>
 Total depreciation expense	 <u><u>\$ 3,847,955</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 9/1/2018	Issued/ Increase	Retired/ Decrease	Amounts Outstanding 8/31/2019
Governmental activities:						
Unlimited Tax						
School Building						
Bond - Series 2015	2.00%-5.00%	\$ 14,105,000	\$ 10,410,000	\$ -	\$ (1,305,000)	\$ 9,105,000
Maintenance Tax Note						
Series 2017	2.00%-4.00%	3,950,000	3,615,000	-	(355,000)	3,260,000
Time Warrants						
Series 2017	2.50%-3.50%	1,000,000	920,000	-	(90,000)	830,000
Unlimited Tax						
School Building						
Bond - Series 2018	2.00% - 5.00%	41,520,000	41,520,000	-	(635,000)	40,885,000
Capital lease payable			84,481	-	(37,158)	47,323
Unamortized bond premium			4,692,971	-	(311,917)	4,381,054
Net pension liability			4,774,870	3,977,355	(504,767)	8,247,458
Net OPEB liability			10,435,172	2,680,819	(178,744)	12,937,247
Total governmental activities						
long term liabilities			<u>\$ 76,452,494</u>	<u>\$ 6,658,174</u>	<u>\$ (3,417,586)</u>	<u>\$ 79,693,082</u>

Amounts due within the following year are as follows:

	<u>Amounts Due Within One Year</u>
Unlimited Tax School Building	
Bond - Series 2015	\$ 1,365,000
Maintenance Tax Note, Series 2017	365,000
Time Warrants, Series 2017	90,000
Unlimited Tax School Building	
Bond - Series 2018	1,420,000
Capital Lease Payable	<u>37,158</u>
 Total	 <u><u>\$ 3,277,158</u></u>

Debt service requirements are as follows:

Year Ended	Capital Lease	General Obligation Bonds		Tax Notes /Warrants		Total Requirements
	Principal	Principal	Interest	Principal	Interest	
2020	\$ 37,158	\$ 2,785,000	\$ 2,064,319	\$ 455,000	\$ 102,475	\$ 5,406,794
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 - 2029	-	11,285,000	6,241,996	1,660,000	83,875	19,270,871
2030 - 2034	-	11,885,000	3,957,525	-	-	15,842,525
2035 - 2039	-	11,675,000	998,588	-	-	12,673,588
	<u>\$ 47,323</u>	<u>\$ 49,990,000</u>	<u>\$ 20,305,777</u>	<u>\$ 4,090,000</u>	<u>\$ 460,775</u>	<u>\$ 74,846,552</u>

Pension and OPEB liabilities are typically liquidated through contributions to TRS made by the following funds: General Fund; National School Breakfast and Lunch Program; ESEA I, A Improving Basic Programs; IDEA Part B Formula; IDEA Part B Preschool; Career and Technical Basic Grant; ESEA II, A Teacher and Principal Training and Recruiting; Title IV, Safe and Drug Free Schools and Other Local Special Revenue Funds.

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, 2019.

**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, 2019, 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.

**Note 11 - 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 <https://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

**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.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	Contribution Rates	
	2018	2019
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
	2018	2019
Member Contributions	\$ 1,499,687	\$ 1,623,790
NECE On-Behalf Contributions	1,081,702	1,097,837
Employer Contributions	505,775	608,521

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. 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, 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 including public 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.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old Age, Survivor and Disability Insurance Program (OASDI) 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.

### Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate*	N/A*
Last year in the 2016 to 2115 projection period (100 Years)	2116
Inflation	2.30%
Salary Increases, including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

\*If a municipal bond rate was to be used, the rate would be 3.69% as of August 2018 (i.e., the rate closest to but not later than the measurement date). The source for the rate is the Fixed Income Market Date/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions are primarily based on a study of actual experience for the three-year period ending August 31, 2017 and adopted on July 27, 2018.

### Discount Rate

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

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 arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below.

Asset Class	Target Allocation <sup>1</sup>	Real Return Geometric Rate of Return <sup>2</sup>	Long-Term Expected Portfolio Real Rate of Return
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Volatility Drag <sup>3</sup>			-0.8%
Total	100.0%		7.2%

<sup>1</sup> Target allocations are based on FY2016 policy model.

<sup>2</sup> Capital market assumptions come from Aon Hewitt (2017 Q4).

<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

### 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 (8%) in measuring the 2017 Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Total TRS pension liability	\$ 83,072,220,959	\$ 55,042,426,960	\$ 32,350,646,325
District's proportionate share of the net pension liability	\$ 12,447,392	\$ 8,247,458	\$ 4,847,363

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

At August 31, 2019, the District reported a liability of \$8,247,458 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	\$ 8,247,458
State's proportionate share that is associated with the District	<u>17,412,249</u>
 Total	 <u><u>\$ 25,659,707</u></u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 and rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018 the employer’s proportion of the collective net pension liability was 0.000149838 which was an increase of .00000051 from its proportion measured as of August 31, 2017.

**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 Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

For the year ended August 31, 2018, the District recognized pension expense of \$1,723,349. Additionally, the District recognized revenue of \$1,065,014 for support provided by the State of Texas.

At August 31, 2019, 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	\$ 51,408	\$ 202,360
Changes in actuarial assumptions	2,973,606	92,925
Difference between projected and actual investment earnings	-	156,489
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,359,351	147
Contributions paid to TRS subsequent to the measurement date	608,521	-
<b>Total</b>	<b>\$ 4,992,886</b>	<b>\$ 451,921</b>

\$608,521 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 31, 2020. The other net amounts of the employer'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
2020	\$ 1,055,954
2021	726,631
2022	629,648
2023	640,800
2024	551,751
Thereafter	327,660
<b>Total</b>	<b>\$ 3,932,444</b>

**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 benefit 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.

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/pd##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 a basic health insurance program (TRS-Care 1), at no cost to all 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 retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. 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 the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees Effective January 1, 2018 - December 31, 2018		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family <i>*or surviving spouse</i>	1,020	999

**Contributions**

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you go basis and is subject to 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 1.0% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. 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	
	2018	2019
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.55%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
	2018	2019
Employer Contributions	\$ 183,052	\$ 190,933
Member Contributions	177,413	137,079
NECE On-Behalf Contributions	260,328	248,809

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 employers hire a TRS retiree, they 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 \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-19 biennium to continue to support the program. The was also received in fiscal year 2018 bringing the total appropriations received to fiscal year 2018 to \$394.6 million.

**Actuarial Assumptions**

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. 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, 2017 TRS pension plan actuarial valuation that was rolled forward to August 31, 2018:

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

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate *	3.69%
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.
Payroll Growth Rate	2.30%
Projected Salary Increases **	3.05% to 9.05%
Healthcare Trend Rates ***	4.50% to 11.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

\* Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

\*\* Includes inflation at 2.30%.

\*\*\* Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions on all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of ten years.

**Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of 0.27% 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 (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Total TRS OPEB liability	\$ 59,434,944,462	\$ 49,930,915,470	\$ 42,412,615,881
District's proportionate share of the net OPEB liability	\$ 15,399,769	\$ 12,937,247	\$ 10,989,233

**Healthcare Cost Trend Rate Sensitivity Analysis**

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed health-care cost trend rate:

	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	\$ 41,468,438,436	\$ 49,930,915,470	\$ 61,076,180,591
District's proportionate share of the net OPEB liability	\$ 10,744,594	\$ 12,937,247	\$ 15,825,017

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

At August 31, 2019, the District reported a liability of \$12,937,247 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	\$ 12,937,247
State's proportionate share that is associated with the District	16,607,988
<b>Total</b>	<b><u>\$ 29,545,235</u></b>

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 through August 31, 2018.

At August 31, 2019, the District's proportion of the collective net OPEB liability was 0.025910295%, which was an increase from 0.00191381% 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 OPEB Liability since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.

The following were changes in benefit terms since the prior measurement period:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminate free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018-2021, requiring members to contribute \$200 per month toward their health insurance premium.

For the year ended August 31, 2019, the District recognized OPEB expense of \$604,099 and revenue of \$229,133 for support provided by the State.

Wylie Independent School District

Notes to Financial Statements

August 31, 2019

At August 31, 2019, 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	\$ 686,532	\$ 204,169
Changes in actuarial assumptions	215,888	3,886,901
Difference between projected and actual investment earnings	2,263	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,049,290	-
Contributions paid to TRS subsequent to the measurement date	190,933	-
	<u>\$ 2,144,906</u>	<u>\$ 4,091,070</u>
Total		

\$190,933 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 31, 2020. The other 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:

Year Ended August 31	OPEB Expense Amount
2020	\$ (378,648)
2021	(378,648)
2022	(378,648)
2023	(379,076)
2024	(379,320)
Thereafter	(242,757)
	<u>\$ (2,137,097)</u>
Total	

**Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription 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 \$75,094, \$74,080 and \$55,264 for the years ended August 31, 2019, 2018 and 2017, respectively.

**Note 13 - Health Care and Workers' Compensation Coverage**

During the year ended August 31, 2019, employees of the District were covered by a third party commercial health insurance (the Plan). The District has paid premiums of \$367 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, 2019 is \$168,189. 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, 2019, 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:

	2019	2018
Claims payable beginning of year	\$ -	\$ -
Claims incurred	122,041	49,967
Claims paid	(87,041)	(49,967)
Claims payable end of year	\$ 35,000	\$ -

**Note 14 - Revenues from Local and Intermediate Sources**

For the year ended August 31, 2019, revenues from local and intermediate sources for governmental fund types consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Property taxes	\$ 21,001,940	\$ 4,889,166	\$ -	\$ -	\$ 25,891,106
Food service sales	-	-	-	1,422,765	1,422,765
Investment income	427,166	17,065	500,675	773	945,679
Penalties, interest, and other tax-related income	96,389	-	-	-	96,389
Co-curricular student activities	163,827	-	-	-	163,827
Other	537,942	3,631	-	-	541,573
Total	<u>\$ 22,227,264</u>	<u>\$ 4,909,862</u>	<u>\$ 500,675</u>	<u>\$ 1,423,538</u>	<u>\$ 29,061,339</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	Capital Projects Fund	Other Governmental Funds	Total
Athletic revenue	\$ 21,536	\$ -	\$ -	\$ -	\$ 21,536
State Foundation revenue	332,137	-	-	-	332,137
Total	<u>\$ 353,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,673</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 2019, 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. The District had no nonspendable fund balance.

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, 2019, \$324,787 was restricted for retirement of long-term debt and \$68,545 was restricted for construction.

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, 2019, 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, 2019, the District had no assigned fund balances.

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:

	<u>CFDA</u>	<u>Amount</u>
School of Health and Related Services	N/A	\$ 661,243
Impaid Aid	84.041	<u>73,923</u>
		<u><u>\$ 735,166</u></u>



Required Supplementary Information  
August 31, 2019

# 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, 2019

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	\$ 21,236,000	\$ 21,722,500	\$ 22,227,264	\$ 504,764
5800	State program revenues	10,491,000	11,971,000	12,295,172	324,172
5900	Federal program revenues	385,000	735,000	735,166	166
5020	Total revenues	32,112,000	34,428,500	35,257,602	829,102
Expenditures					
Current					
0011	Instruction	16,821,516	18,230,516	18,187,028	43,488
0012	Instructional resources and media services	285,000	241,000	237,984	3,016
0013	Curriculum and instructional staff development	100,000	40,000	35,877	4,123
0021	Instructional leadership	431,064	296,083	288,724	7,359
0023	School leadership	1,775,281	1,775,281	1,770,224	5,057
0031	Guidance, counseling, and evaluation services	734,169	824,169	824,124	45
0032	Social work services	71,000	51,000	47,200	3,800
0033	Health services	275,500	288,500	284,302	4,198
0034	Student (pupil) transportation	1,855,289	2,055,289	1,981,605	73,684
0036	Extracurricular activities	1,560,500	1,880,500	1,859,217	21,283
0041	General administration	1,058,000	1,304,520	1,268,377	36,143
0051	Facilities maintenance and operations	3,025,000	3,465,000	3,309,434	155,566
0052	Security and monitoring services	390,140	430,140	421,351	8,789
0053	Data processing services	551,031	645,031	643,787	1,244
0061	Community Services	98,206	98,206	75,365	22,841
Debt service					
0071	Principal on long term debt	445,000	445,000	445,000	-
0072	Interest on long-term debt	120,400	120,400	120,275	125
Capital outlay					
0081	Facilities acquisition and construction	2,514,904	5,327,384	4,513,063	814,321
6030	Total expenditures	32,112,000	37,518,019	36,312,937	1,205,082
1100	Excess (deficiency) of revenues over (under) expenditures	-	(3,089,519)	(1,055,335)	2,034,184
Other financing sources (uses)					
8911	Operating transfers out	(565,400)	(695,400)	(1,306,697)	(611,297)
7080	Total other financing sources (uses)	(565,400)	(695,400)	(1,306,697)	(611,297)
1200	Net change in fund balances	565,400	(3,784,919)	(2,362,032)	1,422,887
0100	Fund balance - September 1 (beginning)	14,577,860	14,577,860	14,577,860	-
3000	Fund balance - August 31 (ending)	\$ 15,143,260	\$ 10,792,941	\$ 12,215,828	\$ 1,422,887

Wylie Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System (Exhibit G-2)

August 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.000149838	0.000149333	0.000134797	0.000129204	0.000064454
District's Proportionate Share of Net Pension Liability	\$ 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>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>\$ 25,659,707</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	\$ 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	41.35%	25.67%	29.98%	28.93%	11.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2019

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 608,521	\$ 505,775	\$ 480,383	\$ 428,284	\$ 382,578
Contribution in Relation to the Contractually Required Contribution	<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>\$ 852</u>	<u>\$ -</u>
District's Covered Payroll	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293	\$ 16,991,299	\$ 15,784,838
Contributions as a Percentage of Covered Payroll	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, 2019

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	2019	2018
District's Proportion of the Net OPEB Liability	0.000259103	0.000239965
District's Proportionate Share of Net OPEB Liability	\$ 12,937,247	\$ 10,435,172
State's Proportionate Share of the Net OPEB Liability Associated with the District	16,607,988	14,430,909
	\$ 29,545,235	\$ 24,866,081
Covered Employee Payroll	\$ 19,947,409	\$ 18,602,293
District's Proportionate Share of Net OPEB Liability as a Percentage of its Covered Employee Payroll	64.86%	56.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

See Notes to Required Supplementary Information

**Wylie Independent School District**  
 Schedule of the District's Contributions to the OPEB Plan (Exhibit G-6)  
 Year Ended August 31, 2019

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	2019	2018
Contractually Required Contribution	\$ 190,933	\$ 183,052
Contribution in Relation to the Contractually Required Contribution	(190,933)	(183,052)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 21,087,811	\$ 19,947,409
Contributions as a Percentage of Covered Employee Payroll	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 - Net Pension Liability – Teacher Retirement System**

### **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 in Assumptions**

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

### **Note 3 - OPEB**

#### **Changes of Benefit Terms**

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminate free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premium.

#### **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**

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.



Other Supplementary Information  
August 31, 2019

# 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	\$ -	\$ -	\$ -	\$ 65,981
1240	Receivables from other governments	-	-	-	14,353
1260	Due from other funds	-	-	-	73,262
1000	Total assets	-	-	-	153,596
1000a	Total assets and deferred outflows of resources	\$ -	\$ -	\$ -	\$ 153,596
	Liabilities				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 96,853
2160	Accrued wages payable	-	-	-	56,743
2170	Due to other funds	-	-	-	-
2000	Total liabilities	-	-	-	153,596
	Fund Balances				
3600	Unassigned fund balance	-	-	-	-
3000	Total fund balances	-	-	-	-
4000	Total liabilities, deferred inflows and fund balances	\$ -	\$ -	\$ -	\$ 153,596

Wylie Independent School District  
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)  
August 31, 2019

244	255	289	410	429	Total
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title IV, Safe and Drug-Free Schools	Textbook and Kindergarten Material	Other Special Revenue Funds	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 4,549	\$ -	\$ 70,530
-	-	-	70,918	-	85,271
-	-	-	-	-	73,262
-	-	-	75,467	-	229,063
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,467</u>	<u>\$ -</u>	<u>\$ 229,063</u>
\$ -	\$ -	\$ -	\$ 27,144	\$ -	\$ 123,997
-	-	-	-	-	56,743
-	-	-	48,323	-	48,323
-	-	-	75,467	-	229,063
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,467</u>	<u>\$ -</u>	<u>\$ 229,063</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	\$ -	\$ -	\$ -	\$ 1,423,538
5800	State program revenues	-	-	-	3,713
5900	Federal program revenues	265,371	697,685	7,934	389,186
5020	Total revenues	265,371	697,685	7,934	1,816,437
Expenditures					
Current					
0011	Instruction	265,371	377,386	7,934	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	150,848	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	169,451	-	-
0035	Food services	-	-	-	1,923,274
0052	Security and monitoring services	-	-	-	-
6030	Total expenditures	265,371	697,685	7,934	1,923,274
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(106,837)
Other financing sources (uses)					
7915	Operating transfers in	-	-	-	73,262
7080	Total other financing sources (uses)	-	-	-	73,262
1200	Net change in fund balances	-	-	-	(33,575)
0100	Fund balance - September 1 (beginning)	-	-	-	33,575
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ -

Wylie Independent School District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental  
Funds (Exhibit H-2)  
Year Ended August 31, 2019

244	255	289	410	429	Total
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title IV, Safe and Drug-Free Schools	Textbook and Kindergarten Material	Other State Special Revenue Funds	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$1,423,538
-	-	-	241,902	3,518	249,133
27,644	43,571	17,975	-	-	1,449,366
27,644	43,571	17,975	241,902	3,518	3,122,037
27,644	10,951	3,319	241,902	3,518	938,025
-	27,811	-	-	-	27,811
-	-	-	-	-	150,848
-	4,809	-	-	-	4,809
-	-	-	-	-	169,451
-	-	-	-	-	1,923,274
-	-	14,656	-	-	14,656
27,644	43,571	17,975	241,902	3,518	3,228,874
-	-	-	-	-	(106,837)
-	-	-	-	-	73,262
-	-	-	-	-	73,262
-	-	-	-	-	(33,575)
-	-	-	-	-	33,575
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Required TEA Schedules  
August 31, 2019

# Wylie Independent School District

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<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
2011	1.035000	.095000	1,273,989,887
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 (school year under audit)	1.040000	.243000	2,127,804,160
1000 Totals			

Wylie Independent School District  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Year Ended August 31, 2019

10	20	31	32	40	50
Beginning Balance September 1, 2018	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2019
\$ 13,404	\$ -	\$ 311	\$ 33	\$ -	\$ 13,060
10,016	-	-	-	-	10,016
14,955	-	93	11	-	14,851
12,154	-	828	-	(354)	10,972
14,901	-	4,104	-	-	10,797
15,626	-	7,266	-	2,879	11,239
12,235	-	5,301	581	9,505	15,858
31,033	-	5,094	441	(6,997)	18,501
113,303	-	44,257	3,617	(36,755)	28,674
<u>-</u>	<u>26,143,840</u>	<u>20,905,404</u>	<u>4,884,573</u>	<u>(185,532)</u>	<u>168,331</u>
<u>\$ 237,627</u>	<u>\$ 26,143,840</u>	<u>\$ 20,972,658</u>	<u>\$ 4,889,256</u>	<u>\$ (217,254)</u>	<u>\$ 302,299</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, 2019

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget Positive or (Negative)
		Original	Final		
Revenues					
5700	Total local and intermediate sources	\$ 1,325,000	\$ 1,380,000	\$ 1,423,538	\$ 43,538
5800	State program revenues	14,000	14,000	3,713	(10,287)
5900	Federal program revenues	275,000	376,000	389,186	13,186
5020	Total revenues	1,614,000	1,770,000	1,816,437	46,437
Expenditures					
Current					
0035	Food service	1,614,000	1,924,000	1,923,274	726
6030	Total expenditures	1,614,000	1,924,000	1,923,274	726
1100	Excess (deficiency) of revenues Over (under) expenditures	-	(154,000)	(106,837)	47,163
Other financing sources (uses)					
7915	Operating transfers in	-	130,000	73,262	(56,738)
7080	Total other financing sources (uses)	-	130,000	73,262	(56,738)
1200	Net change in fund balances	-	(24,000)	(33,575)	(9,575)
0100	Fund balance - September 1 (beginning)	33,575	33,575	33,575	-
3000	Fund balance - August 31 (ending)	\$ 33,575	\$ 9,575	\$ -	\$ (9,575)

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, 2019

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget Positive or (Negative)
		Original	Final		
Revenues					
5700	Total local and intermediate sources	\$ 4,860,000	\$ 4,950,000	\$ 4,909,862	\$ (40,138)
5800	State program revenues	-	-	47,771	47,771
5020	Total revenues	<u>4,860,000</u>	<u>4,950,000</u>	<u>4,957,633</u>	<u>7,633</u>
Expenditures					
Current					
0071	Principal on long term debt	1,940,000	1,940,000	1,940,000	-
0072	Interest on long term debt	<u>2,920,000</u>	<u>2,920,000</u>	<u>2,910,446</u>	<u>9,554</u>
6030	Total expenditures	<u>4,860,000</u>	<u>4,860,000</u>	<u>4,850,446</u>	<u>9,554</u>
1200	Net change in fund balances	-	90,000	107,187	17,187
0100	Fund balance - September 1 (beginning)	<u>217,600</u>	<u>217,600</u>	<u>217,600</u>	<u>-</u>
3000	Fund balance - August 31 (ending)	<u>\$ 217,600</u>	<u>\$ 307,600</u>	<u>\$ 324,787</u>	<u>\$ 17,187</u>



Federal Awards Section  
August 31, 2019

# 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, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 1, 2019.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

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

Abilene, Texas  
November 1, 2019



## **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, 2019. 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, 2019.

### **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  
November 1, 2019

Wylie Independent School District  
Schedule of Expenditures of Federal Awards (Exhibit K-1)  
Year Ended August 31, 2019

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-2019-5165	\$ 73,923
Passed through Texas Education Agency			
Title I Grants to Local Education Agencies			
Title I, Part A - Improving Basic Programs	84.010A	19610101221912	265,371
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	196600012219126000	697,685
Special Education - Preschool Grants	84.173	196610012219126010	<u>7,934</u>
Total Special Education Cluster (IDEA)			705,619
Career and Technical Education - Basic Grants to States	84.048A	19420006221912	27,644
Passed through Education Service Center Region XIV			
Title IV, Safe and Drug-Free Schools	84.424A	19680101221950	17,975
Supporting Effective Instruction State Grants	84.367A	19694501221950	<u>43,571</u>
Total Department of Education			<u>1,134,103</u>
U.S. Department of Agriculture			
Passed through Texas Education Agency			
Child Nutrition Cluster			
School Breakfast Program	10.553	71401901	96,597
National School Lunch - Cash Assistance *	10.555	71301901	279,590
National School Lunch - Non-Cash Assistance *	10.555	71301901	<u>12,999</u>
Total Child Nutrition Cluster			<u>389,186</u>
Total Department of Agriculture			<u>389,186</u>
Total Expenditures of Federal Awards			<u>\$ 1,523,289</u>

\* Total National School Lunch Program (CFDA 10.555) \$ 292,589

**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, 2019. 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	\$ 1,523,289
Medicaid Reimbursements (SHARS)	<u>661,243</u>
 Federal Revenues per Exhibit C-2	 <u><u>\$ 2,184,532</u></u>

**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
Child Nutrition Cluster	10.553, 10.555
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, 2019

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<u>Data Control Codes</u>		<u>Responses</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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 make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$8,247,458
SF13	Pension Expense (6147) at fiscal year-end, excluding on-behalf expense (6144).	\$ -