



Financial Statements
August 31, 2021

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 X disapproved _____ for the year ended August 31, 2021, at a meeting of the Board of Trustees of such school district on the 13th day of December, 2021.



Signature of Board Secretary



Signature of Board President



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wylie Independent School District (the District) as of and for the year ended August 31, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 4 and 22 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position of custodial funds, fund balance of other governmental funds, and net position of governmental activities as of September 1, 2020. Our opinions are not modified with respect to this matter.

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 63 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2021 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
December 7, 2021

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, 2021.

FUND STATEMENT FINANCIAL HIGHLIGHTS

- The District's total combined governmental fund balances were \$11,405,266.
- During the year, the District's expenditures were \$2,996,094 more than the \$53.1 million generated in taxes, state funding and other revenues for governmental funds.
- The total expenditures of the District's programs increased approximately 18.0% over the prior year.
- The general fund reported a decrease in fund balance this year of \$3,309,564.
- The resources available for appropriation were \$2,015,234 more than the final budgeted revenues for the general fund and expenditures were \$838,277 less than the final budget, mainly in the instruction function.

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.
 - o The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
 - o 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.
 - o 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's 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 Statement of changes in 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 inflow/outflow 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 the 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 the year, regardless of when cash is received or paid	All revenues and expenses during the 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 custodial funds and are reported in separate statements of fiduciary net position and statement of changes in 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 \$46,303,762 at August 31, 2021.

The District's Net Position

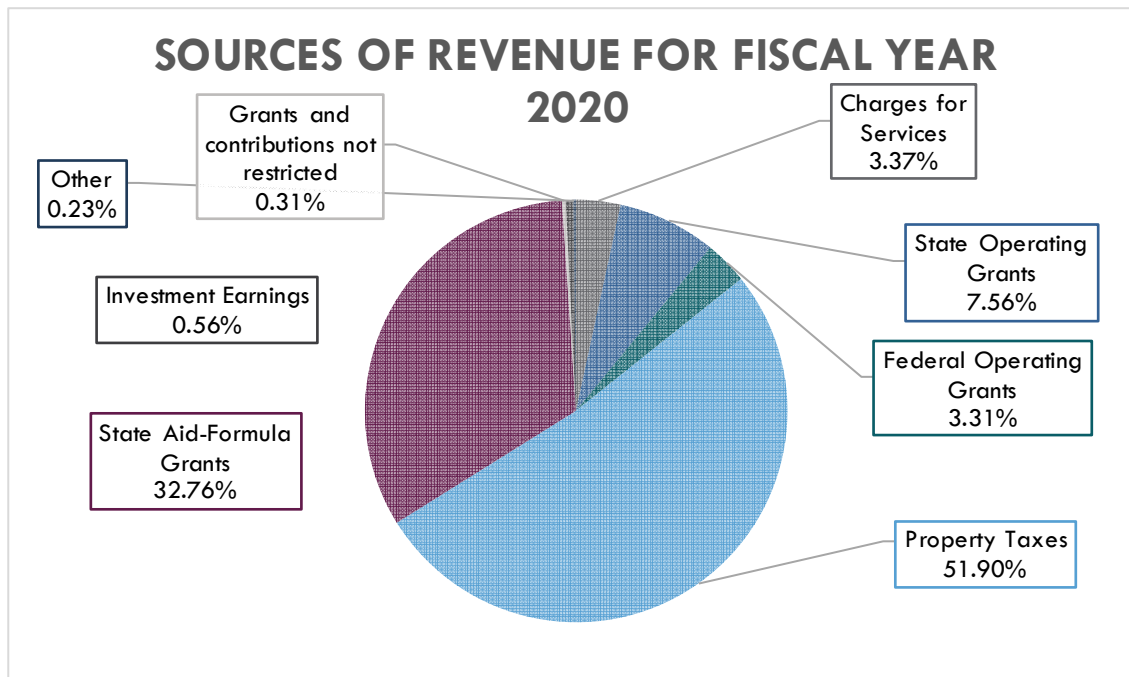
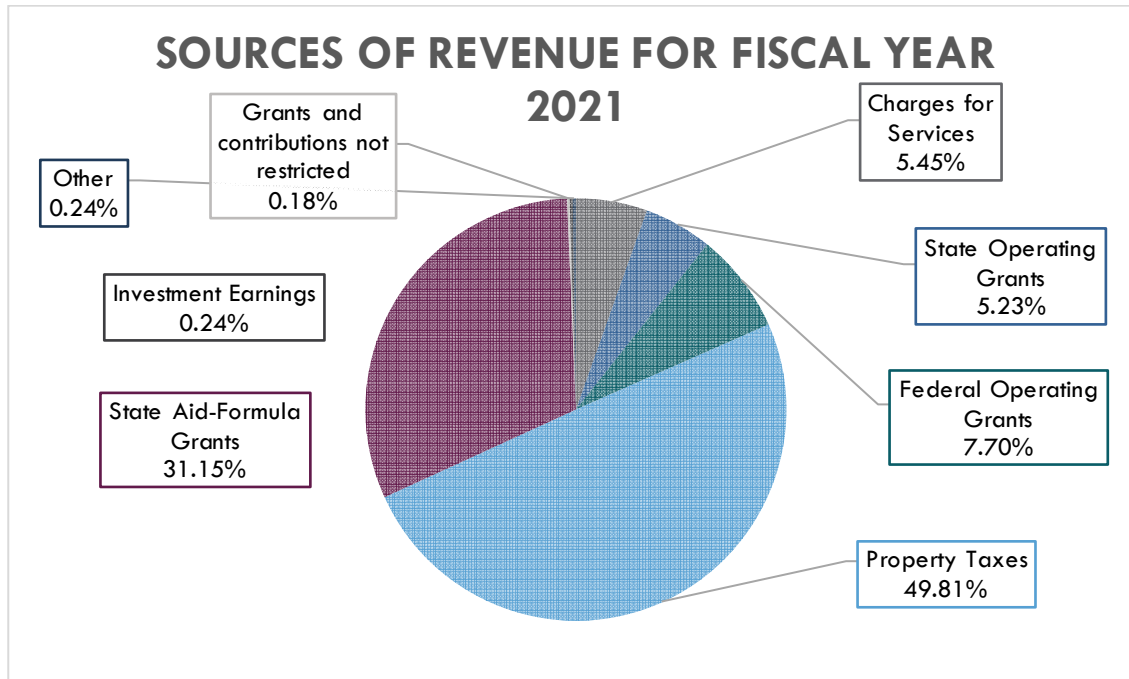
	Governmental Activities	
	2021	2020 (as restated)
Current Assets	\$ 15,544,621	\$ 17,126,791
Capital Assets	107,195,873	102,754,553
Deferred Outflows	7,429,908	8,553,476
Total assets and deferred outflows of resources	130,170,402	128,434,820
Current Liabilities	4,031,162	2,691,364
Long-Term Liabilities	70,455,661	76,804,864
Deferred Inflows	9,379,817	7,068,824
Total liabilities and deferred inflows of resources	83,866,640	86,565,052
Net Investment in Capital Assets	55,983,653	47,835,251
Restricted	664,789	437,174
Unrestricted	(10,344,680)	(6,402,657)
Total net position	\$ 46,303,762	\$ 41,869,768

Net position of the District's governmental activities increased 10.75% to \$46,303,762. Unrestricted net position was \$(10,344,680) at the end of this year.

The District recorded its proportionate share of the net pension liability of \$8,514,530, deferred outflows of resources of \$4,011,197, and deferred inflows of resources of \$1,523,505. The District recorded its proportionate share of the net OPEB liability of \$10,728,911, deferred outflows of resources of \$3,418,711, and deferred inflows of resources of \$7,856,312.

Changes in net position – The District's total revenues were \$53,769,700 for the year ended August 31, 2021. (See the table "Changes in the District's Net Position"). In the 2021 fiscal year, 49.8% of the District's revenue came from property taxes, 31.1% 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 \$49,335,706 of which 54.5% 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	
	2021	2020 (as restated)
Revenues		
Program Revenues		
Charges for Services	\$ 2,932,398	\$ 1,685,610
State Operating Grants	2,814,426	3,776,244
Federal Operating Grants	4,137,955	1,654,963
General Revenues		
Property Taxes	26,782,463	25,932,188
State Aid-Formula Grants	16,748,312	16,366,632
Grants and contributions not restricted	98,247	154,694
Investment Earnings	128,093	279,295
Other	127,806	114,721
Total revenues	53,769,700	49,964,347
Expenses		
Instruction	26,869,277	26,336,425
Extracurricular Activities	3,235,641	2,450,176
General Administration	1,374,424	1,296,090
Facilities Maintenance and Operations	5,339,279	5,280,477
School Leadership	1,982,347	2,111,859
Food Services	2,427,438	2,187,114
Student Transportation	1,997,268	2,005,092
Other Functions	6,110,032	6,343,240
Total expenses	49,335,706	48,010,473
Change in Net Position	4,433,994	1,953,874
Beginning Net Position	41,869,768	39,915,894
Ending Net Position	\$ 46,303,762	\$ 41,869,768

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 \$49,335,706.
- The amount that our taxpayers paid for these activities through property taxes was \$26,782,463.

	Total Cost of Services	Program Revenues	Net Costs
Instruction	\$ 26,869,277	\$ 5,430,822	\$ (21,438,455)
School Leadership	1,982,347	155,414	(1,826,933)
Food Services	2,427,438	2,131,041	(296,397)
Extracurricular	3,235,641	1,036,551	(2,199,090)
Student Transportation	1,997,268	103,282	(1,893,986)
Other Programs	12,823,735	1,027,669	(11,796,066)
Total	<u>\$ 49,335,706</u>	<u>\$ 9,884,779</u>	<u>\$ (39,450,927)</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

Revenues from governmental fund types totaled \$53,158,051. Local revenues increased \$1,978,545 and state revenue decreased \$57,832 from the prior year primarily as a result of higher assessed property values in the current year. Federal revenue increased \$2,389,132.

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 \$5,397,600 whereas there was an actual decrease in fund balance of \$3,309,564 at August 31, 2021. As noted earlier:

- Local funding was \$14,910 below the final budget.
- State program revenues were \$2,108,786 above the final budget.
- Actual expenditures were below budgeted amounts for most all functions. In particular, facilities acquisition and construction expenditures were \$376,283 below the final budget and instruction was \$321,602 below the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the District had invested \$160,773,789 in a broad range of capital assets, including land, equipment, and buildings. Accumulated depreciation on these assets was \$53,577,916 at year end. The net amount of capital assets represents a net increase (including additions and deductions) of \$4,441,320 over last year. The most significant change in capital assets was the ongoing construction of the new intermediate campus.

Wylie Independent School District
Management's Discussion and Analysis
August 31, 2021

	Governmental Activities	
	2021	2020
Land	\$ 1,944,458	\$ 1,944,458
Construction in Progress	9,419,760	601,483
Buildings and Improvements	140,515,513	140,313,598
Furniture and Equipment	8,894,058	8,515,329
Totals at historical costs	<u>160,773,789</u>	<u>151,374,868</u>
Less Accumulated Depreciation for		
Buildings and Improvements	(45,777,520)	(41,368,516)
Furniture and Equipment	<u>(7,800,396)</u>	<u>(7,251,799)</u>
Total accumulated depreciation	<u>(53,577,916)</u>	<u>(48,620,315)</u>
Net Capital Assets	<u>\$ 107,195,873</u>	<u>\$ 102,754,553</u>

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

Long-Term Debt

	Governmental Activities	
	2021	2020
Bond and Notes Payable	\$ 47,455,000	\$ 50,840,000
Unamortized Bond Premium	3,757,220	4,069,137
Capital Lease Payable	<u>-</u>	<u>10,165</u>
Total	<u>\$ 51,212,220</u>	<u>\$ 54,919,302</u>

At year-end the District had \$51,212,220 in bonds, notes and other long-term obligations, a decrease of \$3,707,082 from the prior year's balance due to payment of long-term debt obligations. More detailed information about the District's debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In preparing for the fiscal year 2022, the District projected an increase in state funding due the increased enrollment of students from the previous year and a continuing increase in property values in our District. There was an increase in federal funding due to the ESSER COVID-19 recovery fund.

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, 2021

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	\$ 12,426,686
1220	Delinquent property taxes receivable	368,751
1230	Allowance for uncollectible taxes (credit)	(143,813)
1240	Due from other governments	2,802,997
1410	Prepaid expenses	90,000
	Capital assets	
1510	Land	1,944,458
1520	Buildings, net	94,737,993
1530	Furniture and equipment, net	1,093,662
1580	Construction in progress	9,419,760
1000	Total assets	<u>122,740,494</u>
	Deferred outflows of resources	
1705	Deferred outflows - pension	4,011,197
1706	Deferred outflows - OPEB	3,418,711
1700	Total deferred outflows of resources	<u>7,429,908</u>
	Liabilities	
2110	Accounts payable	2,152,787
2140	Interest payable	84,564
2160	Accrued wages payable	1,739,988
2180	Due to other governments	3,863
2200	Accrued expenses	47,500
2300	Unearned revenues	2,460
	Noncurrent liabilities	
2501	Due within one year	3,515,000
2502	Due in more than one year	43,940,000
2516	Premium on issuance of bonds	3,757,220
2540	Net pension liability	8,514,530
2545	Net OPEB liability	10,728,911
2000	Total liabilities	<u>74,486,823</u>
	Deferred inflows of resources	
2605	Deferred inflows - pension	1,523,505
2606	Deferred inflows - OPEB	7,856,312
2600	Total deferred inflows of resources	<u>9,379,817</u>
	Net position	
3200	Net investment in capital assets	55,983,653
3820	Restricted for grants	99,098
3850	Restricted for debt service	565,691
3900	Unrestricted	(10,344,680)
3000	Total net position	<u>\$ 46,303,762</u>

Data Control Codes	Functions/Programs	Program Revenues		
		1	3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental Activities			
11	Instruction	\$ 26,869,277	\$ 363,613	\$ 5,067,209
12	Instructional Resources and Media Services	384,181	-	20,801
13	Curriculum and Instructional Staff Development	139,462	-	41,673
21	Instructional Leadership	380,501	-	11,665
23	School Leadership	1,982,347	-	155,414
31	Guidance, Counseling, and Evaluation Services	1,503,353	-	550,192
32	Social Work Services	68,000	-	-
33	Health Services	391,018	-	28,427
34	Student Transportation	1,997,268	-	103,282
35	Food Services	2,427,438	1,596,120	534,921
36	Extracurricular Activities	3,235,641	967,149	69,402
41	General Administration	1,374,424	-	57,323
51	Facilities Maintenance and Operations	5,339,279	5,516	163,695
52	Security and Monitoring Services	483,553	-	47,557
53	Data Processing Services	597,712	-	46,028
61	Community Services	88,266	-	6,197
72	Interest on Long Term Debt	1,711,102	-	48,595
81	Facilities Acquisition and Construction	362,884	-	-
TG	Total governmental activities	49,335,706	2,932,398	6,952,381
TP	Total primary government	\$ 49,335,706	\$ 2,932,398	\$ 6,952,381
	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			
	PA Prior Period Adjustment			
	Net Position - Beginning, as restated			
	NE Net Position - Ending			

See Notes to Financial Statements

Wylie Independent School District
Statement of Activities (Exhibit B-1)
August 31, 2021

5 Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	6 Governmental Activities	8 Total
\$ -	\$ (21,438,455)	\$ (21,438,455)
-	(363,380)	(363,380)
-	(97,789)	(97,789)
-	(368,836)	(368,836)
-	(1,826,933)	(1,826,933)
-	(953,161)	(953,161)
-	(68,000)	(68,000)
-	(362,591)	(362,591)
-	(1,893,986)	(1,893,986)
-	(296,397)	(296,397)
-	(2,199,090)	(2,199,090)
-	(1,317,101)	(1,317,101)
-	(5,170,068)	(5,170,068)
-	(435,996)	(435,996)
-	(551,684)	(551,684)
-	(82,069)	(82,069)
-	(1,662,507)	(1,662,507)
-	(362,884)	(362,884)
-	(39,450,927)	(39,450,927)
<u>\$ -</u>	<u>(39,450,927)</u>	<u>(39,450,927)</u>
	21,814,389	21,814,389
	4,968,074	4,968,074
	16,748,312	16,748,312
	98,247	98,247
	128,093	128,093
	127,806	127,806
	<u>43,884,921</u>	<u>43,884,921</u>
	4,433,994	4,433,994
	41,245,592	41,245,592
	624,176	624,176
	<u>41,869,768</u>	<u>41,869,768</u>
	<u>\$ 46,303,762</u>	<u>\$ 46,303,762</u>

Wylie Independent School District
Balance Sheet – Governmental Funds (Exhibit C-1)
August 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
Assets				
1110 Cash and cash equivalents	\$ 10,910,667	\$ 519,808	\$ 956,489	\$ 12,386,964
1220 Delinquent property taxes receivable	314,022	54,729	-	368,751
1230 Allowance for uncollectible taxes (credit)	(122,469)	(21,344)	-	(143,813)
1240 Receivables from other governments	2,511,215	-	291,782	2,802,997
1260 Due from other funds	317,695	97,062	361,344	776,101
1410 Prepaid items	35,000	-	55,000	90,000
1000 Total assets	<u>13,966,130</u>	<u>650,255</u>	<u>1,664,615</u>	<u>16,281,000</u>
1000a Total assets and deferred outflows of resources	<u><u>\$ 13,966,130</u></u>	<u><u>\$ 650,255</u></u>	<u><u>\$ 1,664,615</u></u>	<u><u>\$ 16,281,000</u></u>
Liabilities				
2110 Accounts payable	\$ 1,895,070	\$ -	\$ 254,705	\$ 2,149,775
2160 Accrued wages payable	1,682,273	-	57,715	1,739,988
2170 Due to other funds	257,140	-	519,777	776,917
2180 Due to other governments	-	-	3,863	3,863
2210 Accrued expenditures	12,500	-	-	12,500
2300 Unearned revenues	2,460	-	-	2,460
2000 Total liabilities	<u>3,849,443</u>	<u>-</u>	<u>836,060</u>	<u>4,685,503</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	<u>163,387</u>	<u>26,844</u>	<u>-</u>	<u>190,231</u>
2600 Total deferred inflows of resources	<u>163,387</u>	<u>26,844</u>	<u>-</u>	<u>190,231</u>
Fund balances				
3430 Nonspendable - prepaid items	35,000	-	55,000	90,000
3450 Restricted - federal or state funds grant	-	-	44,098	44,098
3480 Restricted - retirement of long-term debt	-	623,411	-	623,411
3545 Committed fund balance	-	-	729,457	729,457
3590 Assigned - other	216,000	-	-	216,000
3600 Unassigned	9,702,300	-	-	9,702,300
3000 Total fund balances	<u>9,953,300</u>	<u>623,411</u>	<u>828,555</u>	<u>11,405,266</u>
4000 Total liabilities, deferred inflows and fund balances	<u><u>\$ 13,966,130</u></u>	<u><u>\$ 650,255</u></u>	<u><u>\$ 1,664,615</u></u>	<u><u>\$ 16,281,000</u></u>

Wylie Independent School District

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

August 31, 2021

Total Fund Balances - Governmental Funds (Exhibit C-1)		\$ 11,405,266
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.		2,526
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		107,195,873
3 Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable, maintenance tax notes, and time warrants	(47,455,000)	
Unamortized premiums on bonds payable	(3,757,220)	
Interest payable on long-term debt	<u>(84,564)</u>	(51,296,784)
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		190,231
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	(8,514,530)	
Deferred outflows of resources - TRS pension	4,011,197	
Deferred inflows of resources - TRS pension	(1,523,505)	
Net OPEB liability	(10,728,911)	
Deferred outflows of resources - TRS-Care OPEB	3,418,711	
Deferred inflows of resources - TRS-Care OPEB	<u>(7,856,312)</u>	<u>(21,193,350)</u>
19 Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 46,303,762</u>

Wylie Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit C-2)
Year Ended August 31, 2021

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
Revenues				
5700 Total local and intermediate sources	\$ 22,226,890	\$ 4,965,195	\$ 2,438,489	\$ 29,630,574
5800 State program revenues	18,748,461	48,595	246,108	19,043,164
5900 Federal program revenues	346,358	-	4,137,955	4,484,313
5020 Total revenues	<u>41,321,709</u>	<u>5,013,790</u>	<u>6,822,552</u>	<u>53,158,051</u>
Expenditures				
Current				
0011 Instruction	20,996,146	-	3,279,312	24,275,458
0012 Instructional resources and media services	259,943	-	25	259,968
0013 Curriculum and instructional staff development	95,824	-	39,182	135,006
0021 Instructional leadership	374,600	-	330	374,930
0023 School leadership	1,830,273	-	2,600	1,832,873
0031 Guidance, counseling, and evaluation services	901,476	-	474,106	1,375,582
0032 Social work services	68,000	-	-	68,000
0033 Health services	339,992	-	-	339,992
0034 Student (pupil) transportation	1,802,832	-	-	1,802,832
0035 Food services	-	-	2,276,137	2,276,137
0036 Extracurricular activities	1,937,993	-	737,088	2,675,081
0041 General administration	1,347,148	-	-	1,347,148
0051 Facilities maintenance and operations	3,910,156	-	25,065	3,935,221
0052 Security and monitoring services	451,125	-	20,072	471,197
0053 Data processing services	540,944	-	16,786	557,730
0061 Community Services	85,676	-	-	85,676
Debt service				
0071 Principal on long term debt	470,000	2,915,000	-	3,385,000
0072 Interest on long term debt	85,850	1,937,169	-	2,023,019
Capital outlay				
0081 Facilities acquisition and construction	8,933,820	-	-	8,933,820
6030 Total expenditures	<u>44,431,798</u>	<u>4,852,169</u>	<u>6,870,703</u>	<u>56,154,670</u>
1100 Excess (deficiency) of revenues Over (under) expenditures	<u>(3,110,089)</u>	<u>161,621</u>	<u>(48,151)</u>	<u>(2,996,619)</u>
Other financing sources (uses)				
7912 Sale of real and personal property	525	-	-	525
7915 Operating transfers in	-	-	200,000	200,000
8911 Operating transfers out	(200,000)	-	-	(200,000)
7080 Total other financing sources (uses)	<u>(199,475)</u>	<u>-</u>	<u>200,000</u>	<u>525</u>
1200 Net change in fund balances	(3,309,564)	161,621	151,849	(2,996,094)
0100 Fund balance, beginning of year,	13,262,864	461,790	52,530	13,777,184
1300 Prior period adjustment	-	-	624,176	624,176
Fund balance, beginning of year, as restated	13,262,864	461,790	676,706	14,401,360
3000 Fund balance, end of year	<u>\$ 9,953,300</u>	<u>\$ 623,411</u>	<u>\$ 828,555</u>	<u>\$ 11,405,266</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, 2021

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	\$ (2,996,094)
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 increase net position.	2,526
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 2021 capital outlays of \$9,398,921 and debt and capital lease principal payments of \$3,385,000 and \$10,165 is to increase net position.	12,794,086
3 Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(4,957,601)
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 \$190,231 as revenue, removing prior year's tax collection of \$124,795 and eliminating interfund transactions.	65,436
6 Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the accrual is a decrease of \$6,164. The net effect is to increase net position.	6,164
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 \$70,128. 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 \$939,452. The net effect is a decrease in net position.	(869,324)
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 \$1,470. 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 increase in the amount of \$75,414. The net effect is an increase in net position.	76,884
Change in Net Position of Governmental Activities (Exhibit B-1)	<u>\$ 4,433,994</u>

Wylie Independent School District
Statement of Net Position – Proprietary Fund (Exhibit D-1)
August 31, 2021

	<u>Governmental Activities Internal Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 39,722
Due from other funds	<u>816</u>
Total assets	<u>40,538</u>
Liabilities	
Current liabilities	
Accounts payable	3,012
Accrued expenses	<u>35,000</u>
Total liabilities	<u>38,012</u>
Net position	
Unrestricted net position	<u>2,526</u>
Total net position	<u><u>\$ 2,526</u></u>

Wylie Independent School District

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund (Exhibit D-2)

Year Ended August 31, 2021

	Governmental Activities <u>Internal Service Fund</u>
Operating revenues	
Local and intermediate sources	\$ 100,512
Total operating revenues	<u>100,512</u>
Operating expenses	
Professional and contracted services	2,387
Other operating costs	<u>95,599</u>
Total operating expenses	<u>97,986</u>
Operating income	<u>2,526</u>
Change in net position	2,526
Total net position - beginning of year	<u>-</u>
Total net position - end of year	<u><u>\$ 2,526</u></u>

Wylie Independent School District
Statement of Cash Flows – Proprietary Fund (Exhibit D-3)
Year Ended August 31, 2021

	Governmental Activities <u>Internal Service Fund</u>
Operating activities	
Cash received from other funds for services	\$ 100,512
Cash payment for loss claims	(2,387)
Payments to vendors for services	<u>(92,587)</u>
Net cash from operating activities	<u>5,538</u>
Net change in cash and cash equivalents	5,538
Cash - beginning of the year	<u>34,184</u>
Cash - end of the year	<u><u>\$ 39,722</u></u>
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 2,526
Changes in operating liabilities	
Increase in accounts payable	<u>3,012</u>
Net cash from operating activities	<u><u>\$ 5,538</u></u>

Wylie Independent School District
Statement of Fiduciary Net Position - Fiduciary Fund (Exhibit E-1)
August 31, 2021

	<u>Custodial Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 13,565</u>
Total assets	<u> 13,565</u>
Net Position	
Restricted	<u> 13,565</u>
Total net position	<u> \$ 13,565</u>

Wylie Independent School District
Statement of Changes in Fiduciary Net Position - Fiduciary Fund (Exhibit E-2)
August 31, 2021

	Custodial Fund
Additions	
Contributions	<u>\$ 33,511</u>
Total additions	<u>33,511</u>
Deductions	
Extracurricular activities	<u>33,511</u>
Total deductions	<u>33,511</u>
Change in net position	-
Net position, beginning, as restated	<u>13,565</u>
Net position, ending	<u><u>\$ 13,565</u></u>

Note 1 - Reporting Entity

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

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

Note 2 - Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The Proprietary Fund Types and Fiduciary Funds are accounted for using the *economic resources measurement focus and the accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

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

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

Custodial funds, a fiduciary fund type, account for resources held for others in a custodial capacity. The District's Custodial Fund is the student activity fund.

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

Cash and Cash Equivalents

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 are 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.

Implementation of GASB Statement No. 84

As of September 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds. Additionally, certain agency funds were also reclassified as special revenue funds, resulting in a restatement of other governmental fund balance and of net position of governmental activities. The effect of the implementation of this standard on beginning net position and fund balance is disclosed in Note 22.

New Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement were implemented as of August 31, 2021.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

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, 2021, the District's deposits (cash, certificates of deposit and interest-bearing savings accounts including temporary investments) were entirely covered by pledged collateral held by the District's agent bank in the District's name or by federal deposit insurance.

Investments

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

Concentration of Credit Risk

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

Interest Rate Risk

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

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

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

Public funds investment pools reported as cash equivalents at August 31, 2021 are as follows:

	Fair Value	Rating	Weighted Average Maturity (Days)*
Lone Star Investment Pool	\$ 4	AAA	45
	<u>\$ 4</u>		

*This weighted average maturity calculation uses the industry standard definition of stated maturity for floating rate instruments, the number of days until the next reset date.

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, 2021 fiscal year was based, was \$2,387,450,725. 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, 2021 were 98.91% 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, 2021, property taxes receivable, net of estimated uncollectible taxes, totaled \$224,938.

The tax rate to finance general governmental services was \$0.950 per \$100 valuation and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.220 per \$100 for the year ended August 31, 2021.

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, 2021, are summarized below.

<u>Fund</u>	<u>State Grants/ Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General Fund	\$ 2,511,215	\$ -	\$ 2,511,215
Nonmajor Governmental Funds	7,375	284,407	291,782
	<u>\$ 2,518,590</u>	<u>\$ 284,407</u>	<u>\$ 2,802,997</u>

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2021 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund		
Debt service fund	\$ -	\$ 97,062
Nonmajor governmental funds	317,695	159,262
Internal service fund	-	816
Debt service fund		
General fund	97,062	-
Nonmajor governmental funds		
General fund	159,262	317,695
Nonmajor governmental funds	202,082	202,082
Internal service fund		
General fund	816	-
Totals	<u>\$ 776,917</u>	<u>\$ 776,917</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, 2021

Interfund transfers during the year ended August 31, 2021, consisted of the following individual balances:

<u>Transfer Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 200,000
Total		<u>\$ 200,000</u>

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

Note 8 - Capital Assets

Capital asset activity for the year ended August 31, 2021 was as follows:

	Balance 9/1/2020	Additions	Deletions	Balance 8/31/2021
Capital assets, not being depreciated				
Land	\$ 1,944,458	\$ -	\$ -	\$ 1,944,458
Construction in progress	601,483	8,818,277	-	9,419,760
Total capital assets, not being depreciated	<u>2,545,941</u>	<u>8,818,277</u>	<u>-</u>	<u>11,364,218</u>
Capital assets, being depreciated				
Building and improvements	140,313,598	201,915	-	140,515,513
Furniture and equipment	8,515,329	378,729	-	8,894,058
Total capital assets, being depreciated	<u>148,828,927</u>	<u>580,644</u>	<u>-</u>	<u>149,409,571</u>
Less accumulated depreciation for:				
Building and improvements	(41,368,516)	(4,409,004)	-	(45,777,520)
Furniture and equipment	(7,251,799)	(548,597)	-	(7,800,396)
Total accumulated depreciation	<u>(48,620,315)</u>	<u>(4,957,601)</u>	<u>-</u>	<u>(53,577,916)</u>
Total capital assets, being depreciated (net)	<u>100,208,612</u>	<u>(4,376,957)</u>	<u>-</u>	<u>95,831,655</u>
Total capital assets (net)	<u>\$ 102,754,553</u>	<u>\$ 4,441,320</u>	<u>\$ -</u>	<u>\$ 107,195,873</u>

Construction in progress consists primarily of the new East Intermediate campus. The estimated costs to complete the campus is \$4 million.

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

Instruction	\$ 1,679,674
Instructional resources and media services	116,166
School leadership	77,444
Guidance, counseling and evaluation services	58,083
Health services	38,722
Student transportation	434,445
Food service	109,955
Cocurricular/extracurricular activities	555,133
General administration	2,342
Facilities maintenance and operations	1,485,339
Data processing services	37,414
Facilities, acquisition and construction	<u>362,884</u>
Total depreciation expense	<u><u>\$ 4,957,601</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.

Wylie Independent School District

Notes to Financial Statements

August 31, 2021

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

	Interest Rate Payable	Amount of Original Issue	Amounts Outstanding 9/1/2020	Issued/ Increase	Retired/ Decrease	Amounts Outstanding 8/31/2021
Governmental activities:						
Unlimited Tax						
School Building						
Bond - Series 2015	2.00%-5.00%	\$ 14,105,000	\$ 7,740,000	\$ -	\$ (1,435,000)	\$ 6,305,000
Maintenance Tax Note						
Series 2017	2.00%-4.00%	3,950,000	2,895,000	-	(375,000)	2,520,000
Time Warrants						
Series 2017	2.50%-3.50%	1,000,000	740,000	-	(95,000)	645,000
Unlimited Tax						
School Building						
Bond - Series 2018	2.00% - 5.00%	41,520,000	39,465,000	-	(1,480,000)	37,985,000
Capital lease payable			10,165	-	(10,165)	-
Unamortized bond premium			4,069,137	-	(311,917)	3,757,220
Total governmental activities						
long term liabilities			\$ 54,919,302	\$ -	\$ (3,707,082)	\$ 51,212,220

Amounts due within the following year are as follows:

	Amounts Due Within One Year
Unlimited Tax School Building	
Bond - Series 2015	\$ 1,490,000
Maintenance Tax Note, Series 2017	385,000
Time Warrants, Series 2017	100,000
Unlimited Tax School Building	
Bond - Series 2018	1,540,000
Total	\$ 3,515,000

Debt service requirements are as follows:

Year Ended	General Obligation Bonds		Tax Notes /Warrants		Total Requirements
	Principal	Interest	Principal	Interest	
2022	\$ 3,030,000	\$ 1,825,144	\$ 485,000	\$ 74,125	\$ 5,414,269
2023	3,140,000	1,708,943	500,000	62,925	5,411,868
2024	3,275,000	1,572,943	520,000	52,425	5,420,368
2025	3,410,000	1,444,046	535,000	41,500	5,430,546
2026	1,835,000	1,334,775	555,000	28,125	3,752,900
2027 - 2031	10,500,000	5,342,675	570,000	14,250	16,426,925
2032 - 2036	13,000,000	2,837,900	-	-	15,837,900
2037 - 2038	6,100,000	238,713	-	-	6,338,713
	<u>\$ 44,290,000</u>	<u>\$ 16,305,139</u>	<u>\$ 3,165,000</u>	<u>\$ 273,350</u>	<u>\$ 64,033,489</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. The District is in compliance with all significant limitations and restrictions at August 31, 2021.

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, 2021, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

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

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; 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.

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. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

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

Contributions

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

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

	Contribution Rates	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
	2020	2021
Member Contributions	\$ 1,875,417	\$ 2,017,954
NECE On-Behalf Contributions	1,513,576	1,597,451
Employer Contributions	659,901	730,029

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

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- 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.

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 14, 2019.

Discount Rate

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

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

The long-term expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target allocation as of August 31, 2020 are summarized on the following page.

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return as of August 31, 2020

Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy and Natural Resources	6.0%	6.0%	0.42%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag ³			-0.67%
Totals	100%		7.33%

¹ Target allocations based on the FY2020 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

³ 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 (7.25%) in measuring the 2021 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Total TRS pension liability	\$ 82,585,415,626	\$ 53,557,959,841	\$ 29,973,787,965
District's proportionate share of the net pension liability	\$ 13,129,253	\$ 8,514,530	\$ 4,765,169

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

At August 31, 2021, the District reported a liability of \$8,514,530 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	\$ 8,514,530
State's proportionate share that is associated with the District	<u>19,562,861</u>
Total	<u><u>\$ 28,077,391</u></u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.000158978 which was a decrease of .000012166 from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

Wylie Independent School District

Notes to Financial Statements

August 31, 2021

For the year ended August 31, 2021, the District recognized pension expense of \$2,352,978 and revenue of \$1,507,092 for support provided by the State.

At August 31, 2021, 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	\$ 15,547	\$ 237,618
Changes in actuarial assumptions	1,975,674	840,043
Difference between projected and actual investment earnings	172,370	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,117,577	445,844
Contributions paid to TRS subsequent to the measurement date	730,029	-
Total	<u>\$ 4,011,197</u>	<u>\$ 1,523,505</u>

\$730,029 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, 2022.

The net amount of 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
2022	\$ 586,917
2023	613,513
2024	523,463
2025	181,625
2026	(120,870)
Thereafter	(26,985)
Total	<u>\$ 1,757,663</u>

Note 12 - Postemployment Health Benefits**Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

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 https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-retirement benefit changes, including automatic COLAs.

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

TRS-Care Monthly for Retirees
September 1, 2020 thru August 31, 2021

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
<i>*or surviving spouse</i>		

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .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	
	2020	2021
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
	2020	2021
Employer Contributions	\$ 225,229	\$ 226,699
Member Contributions	158,142	169,160
NECE On-Behalf Contributions	356,025	309,694

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

Actuarial Assumptions

The total OPEB liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2019 TRS pension plan actuarial valuation that was rolled forward to August 31, 2020:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Salary Increases
Rates of Disability	

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Rates, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	2.33%
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65; 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.25% to 9.0% The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of .30% 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.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Total TRS OPEB liability	\$ 45,617,332,072	\$ 38,014,515,883	\$ 32,009,382,286
District's proportionate share of the net OPEB liability	\$ 12,874,668	\$ 10,728,911	\$ 9,034,070

Healthcare Cost Trend Rate Sensitivity Analysis

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total TRS OPEB liability	\$ 31,052,989,071	\$ 38,014,515,883	\$ 47,286,285,654
District's proportionate share of the net OPEB liability	\$ 8,764,146	\$ 10,728,911	\$ 13,345,701

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

At August 31, 2021, the District reported a liability of \$10,728,911 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	\$ 10,728,911
State's proportionate share that is associated with the District	14,417,084
Total	<u>\$ 25,145,995</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2020, the District's proportion of the collective Net OPEB Liability was 0.028223195% compared to 0.027465920% as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

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

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. These changes decreased the Total OPEB liability.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the Total OPEB Liability.

Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2021, the District recognized OPEB benefit of \$100,107 and revenue of \$288,254 for support provided by the State.

At August 31, 2021, 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	\$ 561,762	\$ 4,910,098
Changes in actuarial assumptions	661,751	2,946,214
Difference between projected and actual investment earnings	3,486	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	1,965,013	-
Contributions paid to TRS subsequent to the measurement date	226,699	-
	<hr/>	<hr/>
Total	\$ 3,418,711	\$ 7,856,312

\$226,699 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended August 31, 2022.

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

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2021	\$ (814,931)
2022	(815,397)
2023	(815,664)
2024	(815,591)
2025	(529,021)
Thereafter	<u>(873,696)</u>
Total	<u>\$ (4,664,300)</u>

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from federal governments to offset certain prescriptions drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of \$125,756, \$104,470, and \$75,094 for the years ended August 31, 2021, 2020 and 2019, respectively.

Note 13 - Health Care and Workers' Compensation Coverage

During the year ended August 31, 2021, employees of the District were covered by a third party commercial health insurance (the Plan). The District has paid premiums of \$386 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, 2021 is \$169,993. 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, 2021, 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:

	2021	2020
Claims payable beginning of year	\$ 35,000	\$ 35,000
Claims incurred	92,587	105,520
Claims paid	(92,587)	(105,520)
Claims payable end of year	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Note 14 - Revenues from Local and Intermediate Sources

For the year ended August 31, 2021, revenues from local and intermediate sources for governmental fund types consisted of the following:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 21,762,215	\$ 4,954,812	\$ -	\$ 26,717,027
Food service sales	-	-	1,596,120	1,596,120
Investment income	118,411	9,682	-	128,093
Penalties, interest, and other tax-related income	126,580	701	-	127,281
Co-curricular student activities	124,780	-	842,369	967,149
Other	94,904	-	-	94,904
Total	<u>\$ 22,226,890</u>	<u>\$ 4,965,195</u>	<u>\$ 2,438,489</u>	<u>\$ 29,630,574</u>

Note 15 - Unearned Revenues

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

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Athletic revenue	\$ 2,460	\$ -	\$ -	\$ 2,460
Total	<u>\$ 2,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,460</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 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 18 - Fund Balance

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

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2021, the District had \$90,000 in nonspendable fund balance for prepaid items.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2021, \$623,411 was restricted for retirement of long-term debt and \$44,098 was restricted for other federal and state grants.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At August 31, 2021, \$729,457 was committed for campus activity funds.

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, 2021, the District had fund balance assigned for open encumbrances of \$216,000 in the General Fund.

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

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

Note 19 - Deferred Compensation Plan

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

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

Note 20 - General Fund Federal Source Revenues

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

	CFDA	Amount
School of Health and Related Services	N/A	\$ 247,992
Medicaid Administrative Program	93.778	26,233
Impact Aid	84.041	72,133
		<u>\$ 346,358</u>

Note 21 - Budgeted Expenditures

The District reported expenditures in excess of budgeted amounts for the following function for the year ended August 31, 2021:

	Budgeted	Actual	Variance
General Fund			
0051 Facilities maintenance and operations	\$ 3,906,450	\$ 3,910,156	\$ (3,706)

Note 22 - Adoption of New Standard

As of September 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). The impact to the District resulted in a reclassification of agency funds to custodial funds that resulted in a restatement of net position of custodial funds. Certain agency funds were also reclassified as special revenue funds, resulting in a restatement of other governmental fund balance and of net position of governmental activities.

In addition to the restatements of opening net position, the agency funds previously accounted for various student activity funds collected on behalf of those students. Those activities are now reported as custodial funds.

Wylie Independent School District

Notes to Financial Statements

August 31, 2021

The following table describes the effects of the implementation of GASB 84 on beginning net position and fund balance.

	<u>Custodial Fund</u>
Net position at September 1, 2020, as previously reported	\$ -
Reclassification of various student activity funds to custodial funds	13,565
Net position at September 1, 2020, as restated	<u>\$ 13,565</u>
	<u>Other</u>
	<u>Governmental Funds</u>
Fund balance at September 1, 2020, as previously reported	\$ 52,530
Reclassification of various student activity funds to special revenue funds	624,176
Fund balance at September 1, 2020, as restated	<u>\$ 676,706</u>
	<u>Governmental</u>
	<u>Activities</u>
Net position at September 1, 2020, as previously reported	\$ 41,245,592
Reclassification of various student activity funds to special revenue funds	624,176
Net position at September 1, 2020, as restated	<u>\$ 41,869,768</u>



Required Supplementary Information
August 31, 2021

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, 2021

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	\$ 21,959,800	\$ 22,241,800	\$ 22,226,890	\$ (14,910)
5800	State program revenues	16,546,000	16,639,675	18,748,461	2,108,786
5900	Federal program revenues	425,000	425,000	346,358	(78,642)
5020	Total revenues	38,930,800	39,306,475	41,321,709	2,015,234
	Expenditures				
	Current				
0011	Instruction	22,217,226	21,317,748	20,996,146	321,602
0012	Instructional resources and media services	287,000	268,450	259,943	8,507
0013	Curriculum and instructional staff development	72,452	102,602	95,824	6,778
0021	Instructional leadership	449,058	379,058	374,600	4,458
0023	School leadership	1,853,900	1,833,900	1,830,273	3,627
0031	Guidance, counseling, and evaluation services	1,094,364	924,364	901,476	22,888
0032	Social work services	75,000	75,000	68,000	7,000
0033	Health services	310,000	345,000	339,992	5,008
0034	Student (pupil) transportation	1,960,000	1,820,000	1,802,832	17,168
0036	Extracurricular activities	1,860,000	1,939,000	1,937,993	1,007
0041	General administration	1,250,000	1,365,000	1,347,148	17,852
0051	Facilities maintenance and operations	3,600,000	3,906,450	3,910,156	(3,706)
0052	Security and monitoring services	504,000	455,000	451,125	3,875
0053	Data processing services	595,000	551,000	540,944	10,056
0061	Community Services	120,000	112,000	85,676	26,324
	Debt service				
0071	Principal on long term debt	479,550	479,550	470,000	9,550
0072	Interest on long-term debt	85,850	85,850	85,850	-
	Capital outlay				
0081	Facilities acquisition and construction	2,117,400	9,310,103	8,933,820	376,283
6030	Total expenditures	38,930,800	45,270,075	44,431,798	838,277
1100	Excess (deficiency) of revenues over (under) expenditures	-	(5,963,600)	(3,110,089)	2,853,511
	Other financing sources (uses)				
7912	Sale of real and personal property	-	600	525	(75)
7914	Proceeds from loans	565,400	565,400	-	(565,400)
8911	Operating transfers out	-	-	(200,000)	(200,000)
7080	Total other financing sources (uses)	565,400	566,000	(199,475)	(765,475)
1200	Net change in fund balances	565,400	(5,397,600)	(3,309,564)	2,088,036
0100	Fund balance - September 1 (beginning)	13,262,864	13,262,864	13,262,864	-
3000	Fund balance - August 31 (ending)	\$ 13,828,264	\$ 7,865,264	\$ 9,953,300	\$ 2,088,036

Wylie Independent School District

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

August 31, 2021

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.000158978	0.000171144	0.000149838	0.000149333	0.000134797	0.000129204	0.000064454
District's proportionate share of net pension liability	\$ 8,514,530	\$ 8,896,591	\$ 8,247,458	\$ 4,774,870	\$ 5,093,776	\$ 4,567,189	\$ 1,721,656
State's proportionate share of the net pension liability associated with the District	19,562,861	16,253,424	17,412,249	9,974,561	11,612,029	10,881,765	9,074,993
	<u>\$ 28,077,391</u>	<u>\$ 25,150,015</u>	<u>\$ 25,659,707</u>	<u>\$ 14,749,431</u>	<u>\$ 16,705,805</u>	<u>\$ 15,448,954</u>	<u>\$ 10,796,649</u>
District's covered payroll	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293	\$ 16,991,299	\$ 15,784,838	\$ 14,692,611
District's proportionate share of net pension liability as a percentage of its covered payroll	34.92%	42.19%	41.35%	25.67%	29.98%	28.93%	11.72%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

Note: Plan information was unavailable prior to 2015.

Wylie Independent School District
Schedule of the District's Contributions – Teacher Retirement System (Exhibit G-3)
Year Ended August 31, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 730,029	\$ 659,901	\$ 608,521	\$ 505,775	\$ 480,383	\$ 428,284	\$ 382,578
Contributions in relation to the contractually required contributions	(730,029)	(659,901)	(608,521)	(505,775)	(480,383)	(427,432)	(382,578)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 852	\$ -
District's covered payroll	\$ 26,020,664	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293	\$ 16,991,299	\$ 15,784,838
Contributions as a percentage of covered payroll	2.81%	2.71%	2.89%	2.54%	2.58%	2.52%	2.42%

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

Note: Plan information was unavailable prior to 2015.

Wylie Independent School District
Schedule of the District's Proportionate Share of the Net OPEB Liability (Exhibit G-4)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.000282232	0.000274659	0.000259103	0.000239965
District's proportionate share of the net OPEB liability	\$ 10,728,911	\$ 12,988,971	\$ 12,937,247	\$ 10,435,172
State's proportionate share of the net OPEB liability associated with the District	<u>14,417,084</u>	<u>17,259,435</u>	<u>16,607,988</u>	<u>14,430,909</u>
	<u>\$ 25,145,995</u>	<u>\$ 30,248,406</u>	<u>\$ 29,545,235</u>	<u>\$ 24,866,081</u>
Covered employee payroll	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409	\$ 18,602,293
District's proportionate share of net OPEB liability as a percentage of its covered employee payroll	44.00%	61.59%	64.86%	56.10%
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

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

Note: Plan information was unavailable prior to 2018.

Wylie Independent School District
Schedule of the District's Contributions to the OPEB Plan (Exhibit G-5)
Year Ended August 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 226,699	\$ 225,229	\$ 190,933	\$ 183,052
Contribution in relation to the contractually required contribution	<u>(226,699)</u>	<u>(225,229)</u>	<u>(190,933)</u>	<u>(183,052)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 26,020,664	\$ 24,386,008	\$ 21,087,811	\$ 19,947,409
Contributions as a percentage of Covered employee payroll	0.87%	0.92%	0.91%	0.92%

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

Note: Plan information was unavailable prior to 2018.

Note 1 - Budget

Budgetary Information

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

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

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

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

Transfers out represent transfers from the general fund to the child nutrition fund.

Note 2 - Pension

Changes of Benefit Terms

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

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

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

Changes of Assumptions

There were no changes in assumptions since the prior measurement date.

Note 3 - OPEB

Changes of Benefit Terms

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

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

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

Changes of Assumptions

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB Liability (TOL).
- The participation rate for post-65 retirees was lowered from 50% to 40%. These changes decreased the TOL.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the TOL.



Other Supplementary Information
August 31, 2021

Wylie Independent School District

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
Assets					
1110	Cash and cash equivalents	\$ 1,921	\$ 5,835	\$ -	\$ 6,916
1240	Receivables from other governments	-	-	70	126,557
1260	Due from other funds	-	-	-	361,344
1410	Prepaid items	-	-	-	55,000
1000	Total assets	1,921	5,835	70	549,817
1000a	Total assets and deferred outflows of resources	<u>\$ 1,921</u>	<u>\$ 5,835</u>	<u>\$ 70</u>	<u>\$ 549,817</u>
Liabilities					
2110	Accounts payable	\$ 1,921	\$ 5,835	\$ 70	\$ 152,754
2160	Accrued wages payable	-	-	-	57,715
2170	Due to other funds	-	-	-	240,250
2180	Due to other governments	-	-	-	-
2000	Total liabilities	<u>1,921</u>	<u>5,835</u>	<u>70</u>	<u>450,719</u>
Fund Balances					
3430	Nonspendable - Prepaid items	-	-	-	55,000
3450	Restricted - federal or state funds grant	-	-	-	44,098
3545	Committed - Other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,098</u>
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 1,921</u>	<u>\$ 5,835</u>	<u>\$ 70</u>	<u>\$ 549,817</u>

Wylie Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2021

244	255	266	277	281	282	289	410
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	ESSER Grant	Coronavirus Relief Funds	ESSER II (CRRSAA)	ESSER III (ARP)	Title IV, Part A	Textbook and Kindergarten Material
\$ -	\$ 263	\$ -	\$ 8,983	\$ -	\$ 59,716	\$ -	\$ -
-	-	-	-	-	157,780	-	7,375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	263	-	8,983	-	217,496	-	7,375
\$ -	\$ 263	\$ -	\$ 8,983	\$ -	\$ 217,496	\$ -	\$ 7,375
\$ -	\$ 263	\$ -	\$ 8,983	\$ -	\$ 56,125	\$ -	\$ 7,375
-	-	-	-	-	-	-	-
-	-	-	-	-	161,371	-	-
-	-	-	-	-	-	-	-
-	263	-	8,983	-	217,496	-	7,375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ 263	\$ -	\$ 8,983	\$ -	\$ 217,496	\$ -	\$ 7,375

Wylie Independent School District
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit H-1)
August 31, 2021

Data Control Codes		429 Other State Funded Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
	Assets			
1110	Cash and cash equivalents	\$ 7,549	\$ 865,306	\$ 956,489
1240	Receivables from other governments	-	-	291,782
1260	Due from other funds	-	-	361,344
1410	Prepaid items	-	-	55,000
		<u>7,549</u>	<u>865,306</u>	<u>1,664,615</u>
1000	Total assets	7,549	865,306	1,664,615
1000a	Total assets and deferred outflows of resources	<u>\$ 7,549</u>	<u>\$ 865,306</u>	<u>\$ 1,664,615</u>
	Liabilities			
2110	Accounts payable	\$ -	\$ 21,379	\$ 254,705
2160	Accrued wages payable	-	-	57,715
2170	Due to other funds	3,686	114,470	519,777
2180	Due to other governments	3,863	-	3,863
		<u>7,549</u>	<u>135,849</u>	<u>836,060</u>
2000	Total liabilities	7,549	135,849	836,060
	Fund Balances			
3430	Nonspendable - Prepaid items	-	-	55,000
3450	Restricted - federal or state funds grant	-	-	44,098
3545	Committed - Other	-	729,457	729,457
		<u>-</u>	<u>729,457</u>	<u>828,555</u>
3000	Total fund balances	-	729,457	828,555
4000	Total liabilities, deferred inflows and fund balances	<u>\$ 7,549</u>	<u>\$ 865,306</u>	<u>\$ 1,664,615</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	\$ -	\$ -	\$ -	\$ 1,596,120
5800	State program revenues	-	-	-	44,597
5900	Federal program revenues	276,767	733,229	8,569	481,988
5020	Total revenues	276,767	733,229	8,569	2,122,705
Expenditures					
Current					
0011	Instruction	276,767	287,829	8,569	-
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and instructional	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	445,400	-	-
0035	Food services	-	-	-	2,276,137
0036	Extracurricular Activities	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
6030	Total expenditures	276,767	733,229	8,569	2,276,137
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	(153,432)
Other financing sources (uses)					
7915	Operating transfers in	-	-	-	200,000
7080	Total other financing sources (uses)	-	-	-	200,000
1200	Net change in fund balances	-	-	-	46,568
0100	Fund balance, beginning of year, as restated	-	-	-	52,530
3000	Fund balance - August 31 (ending)	\$ -	\$ -	\$ -	\$ 99,098

Wylie Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2021

244	255	266	277	281	282	289	410
Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	ESSER Grant	Coronavirus Relief Funds	ESSER II (CRRSAA)	ESSER III (ARP)	Title IV, Part A	Textbook and Kindergarten Material
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	3,760	-	160,766
<u>23,288</u>	<u>49,923</u>	<u>6,444</u>	<u>281,941</u>	<u>924,780</u>	<u>1,330,954</u>	<u>20,072</u>	<u>-</u>
<u>23,288</u>	<u>49,923</u>	<u>6,444</u>	<u>281,941</u>	<u>924,780</u>	<u>1,334,714</u>	<u>20,072</u>	<u>160,766</u>
23,288	7,811	-	264,920	924,780	1,316,328	-	160,766
-	-	-	-	-	-	-	-
-	39,182	-	-	-	-	-	-
-	330	-	-	-	-	-	-
-	2,600	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,444	1,171	-	17,450	-	-
-	-	-	-	-	-	20,072	-
-	-	-	15,850	-	936	-	-
<u>23,288</u>	<u>49,923</u>	<u>6,444</u>	<u>281,941</u>	<u>924,780</u>	<u>1,334,714</u>	<u>20,072</u>	<u>160,766</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wylie Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit H-2)
Year Ended August 31, 2021

Data Control Codes		429 Other State Funded Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds
Revenues				
5700	Local and intermediate sources	\$ -	\$ 842,369	\$ 2,438,489
5800	State program revenues	36,985	-	246,108
5900	Federal program revenues	-	-	4,137,955
5020	Total revenues	<u>36,985</u>	<u>842,369</u>	<u>6,822,552</u>
Expenditures				
Current				
0011	Instruction	8,254	-	3,279,312
0012	Instructional resources and media services	25	-	25
0013	Curriculum and instructional	-	-	39,182
0021	Instructional leadership	-	-	330
0023	School leadership	-	-	2,600
0031	Guidance, counseling and evaluation services	28,706	-	474,106
0035	Food services	-	-	2,276,137
0036	Extracurricular Activities	-	737,088	737,088
0051	Facilities maintenance and operations	-	-	25,065
0052	Security and monitoring services	-	-	20,072
0053	Data processing services	-	-	16,786
6030	Total expenditures	<u>36,985</u>	<u>737,088</u>	<u>6,870,703</u>
1100	Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>105,281</u>	<u>(48,151)</u>
Other financing sources (uses)				
7915	Operating transfers in	-	-	200,000
7080	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>200,000</u>
1200	Net change in fund balances	-	105,281	151,849
0100	Fund balance, beginning of year, as restated	<u>-</u>	<u>624,176</u>	<u>676,706</u>
3000	Fund balance - August 31 (ending)	<u>\$ -</u>	<u>\$ 729,457</u>	<u>\$ 828,555</u>



Required TEA Schedules
August 31, 2021

Wylie Independent School District

	1	2	3
	Tax Rates		Assessed/ Appraised Value for School Tax Purposes
<u>Last Ten Years Ended August 31</u>	<u>Maintenance</u>	<u>Debt Service</u>	
2012 (and prior years)	\$ Various	\$ Various	\$ Various
2013	1.040000	.000000	1,394,207,630
2014	1.040000	.000000	1,467,053,790
2015	1.040000	.000000	1,600,299,932
2016	1.040000	.114000	1,696,829,642
2017	1.040000	.085000	1,789,379,733
2018	1.040000	.085000	1,975,958,787
2019	1.040000	0.243000	2,127,804,160
2020	0.970000	0.227000	2,177,783,459
2021 (school year under audit)	0.950000	0.220000	2,387,450,725
1000 Totals			

Wylie Independent School District
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Year Ended August 31, 2021

10	20	31	32	40	50
Beginning Balance September 1, 2020	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2021
\$ 37,310	\$ -	\$ 324	\$ 29	\$ (1,429)	\$ 35,528
10,972	-	28	-	-	10,944
10,695	-	312	-	-	10,383
9,887	-	141	-	(44)	9,702
13,903	-	222	24	(92)	13,565
16,881	-	1,207	104	(199)	15,371
23,685	-	7,115	581	3,001	18,990
42,281	-	11,400	2,664	(325)	27,892
118,030	-	45,038	10,540	(19,842)	42,610
-	26,933,560	21,698,087	4,941,795	(109,912)	183,766
<u>\$ 283,644</u>	<u>\$ 26,933,560</u>	<u>\$ 21,763,874</u>	<u>\$ 4,955,737</u>	<u>\$ (128,842)</u>	<u>\$ 368,751</u>

Wylie Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Child Nutrition Program (Exhibit J-2) Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget
		Original	Final		Positive or (Negative)
	Revenues				
5700	Total local and intermediate sources	\$ 1,490,200	\$ 1,684,200	\$ 1,596,120	\$ (88,080)
5800	State program revenues	14,000	44,600	44,597	(3)
5900	Federal program revenues	275,000	357,000	481,988	124,988
5020	Total revenues	1,779,200	2,085,800	2,122,705	36,905
	Expenditures				
	Current				
0035	Food service	1,779,200	2,285,800	2,276,137	9,663
6030	Total expenditures	1,779,200	2,285,800	2,276,137	9,663
1100	Excess (deficiency) of revenues Over (under) expenditures	-	(200,000)	(153,432)	46,568
	Other financing sources (uses)				
7915	Operating transfers in	-	200,000	200,000	-
7080	Total other financing sources (uses)	-	200,000	200,000	-
1200	Net change in fund balances	-	-	46,568	46,568
0100	Fund balance, beginning of year	52,530	52,530	52,530	-
3000	Fund balance, end of year	\$ 52,530	\$ 52,530	\$ 99,098	\$ 46,568

Wylie Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund
(Exhibit J-3)
Year Ended August 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amount (GAAP Basis)	Variance with Final Budget
		Original	Final		Positive or (Negative)
	Revenues				
5700	Total local and intermediate sources	\$ 4,852,000	\$ 4,852,000	\$ 4,965,195	\$ 113,195
5800	State program revenues	18,000	18,000	48,595	30,595
5020	Total revenues	4,870,000	4,870,000	5,013,790	143,790
	Expenditures				
	Current				
0071	Principal on long term debt	2,915,000	2,915,000	2,915,000	-
0072	Interest on long term debt	1,955,000	1,955,000	1,937,169	17,831
6030	Total expenditures	4,870,000	4,870,000	4,852,169	17,831
1200	Net change in fund balances	-	-	161,621	161,621
0100	Fund balance - September 1 (beginning)	461,790	461,790	461,790	-
3000	Fund balance - August 31 (ending)	\$ 461,790	\$ 461,790	\$ 623,411	\$ 161,621

<u>Data Control Codes</u>		<u>Responses</u>
Section A: Compensatory Education Programs		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,488,872
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 837,363
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 55,625
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 30,909



Federal Awards Section
August 31, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wylie Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
December 7, 2021



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, 2021. 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, 2021.

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.

The image shows a handwritten signature in black ink. The signature is written in a cursive, flowing style. It begins with a large, stylized 'E' that loops around. The rest of the signature appears to read 'Bailly LLP'.

Abilene, Texas
December 7, 2021

Wylie Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Direct			
Impact Aid	84.041	S041B-2022-5165	\$ 72,133
Passed through Texas Education Agency			
Title I Grants to Local Education Agencies			
Title I, Part A - Improving Basic Programs	84.010A	21610101221912	276,767
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027A	206600012219126000	733,229
Special Education - Preschool Grants	84.173A	206610012219126000	8,569
Total Special Education Cluster (IDEA)			741,798
Career and Technical Education -			
Basic Grants to States	84.048A	20420006221912	23,288
Title IV Grants to Local Education Agencies			
Title IV, Part A, Subpart 1	84.424A	21680101221912	20,072
COVID-19 Elementary and Secondary School			
Emergency Relief (ESSER I) **	84.425D	20521001221912	6,444
COVID-19 Elementary and Secondary School			
Emergency Relief (ESSER II) **	84.425D	21521001221912	924,780
COVID-19 Elementary and Secondary School			
Emergency Relief (ESSER III) **	84.425U	21528001221912	1,330,954
Passed through Education Service Center Region XIV			
Supporting Effective Instruction State Grants *****	84.367A	69451971	250
Passed through Education Service Center Region XIV			
Supporting Effective Instruction State Grants *****	84.367A	20694501221950	49,673
Total Department of Education			3,446,159

Wylie Independent School District
Schedule of Expenditures of Federal Awards (Exhibit K-1)
Year Ended August 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Financial Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Treasury			
Passed through Texas Education Agency COVID-19 Coronavirus Relief Fund ***	21.019	52202003	217,176
Passed through Texas Division of Emergency Management COVID-19 Coronavirus Relief Fund ***	21.019		31,215
Passed through City of Abilene COVID-19 Coronavirus Relief Fund ***	21.019		33,550
Total Department of Treasury			<u>281,941</u>
U.S. Department of Health and Human Services			
Passed through Texas Department of Health and Human Services Medicaid Administration Program (Medicaid cluster)	93.778	529-10-0054-00007	26,233
Total Department of Health and Human Services			<u>26,233</u>
U.S. Department of Agriculture			
Passed through Texas Education Agency Child Nutrition Cluster			
School Breakfast Program *****	10.553	71402101	107,610
National School Lunch - Cash Assistance *	10.555	71302101	315,548
COVID-19 Emergency Operational Cost Reimbursement *	10.555	01038	21,564
National School Lunch - Non-Cash Assistance *	10.555	71302101	15,702
Passed through Texas Department of Agriculture School Breakfast Program *****	10.553	71402101	21,564
Total Child Nutrition Cluster			<u>481,988</u>
Total Department of Agriculture			<u>481,988</u>
Total Federal Financial Assistance			<u>\$ 4,236,321</u>

* Total National School Lunch Program (CFDA 10.555)	\$ 352,814
** Total Elementary and Secondary School Emergency Relief (CFDA 84.425)	2,262,178
*** Total Coronavirus Relief Funds (CFDA 21.019)	281,941
**** Total Supporting Effective Instruction State Grants (CFDA 84.367A)	49,923
***** Total National School Breakfast Program (CFDA 10.553)	129,174

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, 2021. 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	\$ 4,236,321
Medicaid Reimbursements (SHARS)	<u>247,992</u>
Federal Revenues per Exhibit C-2	<u><u>\$ 4,484,313</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
Elementary and Secondary School Emergency Relief Fund	84.425D; 84.425U
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, 2021

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