Pharr-San Juan-Alamo Independent School District

FINANCIAL STATEMENTS

August 31, 2022

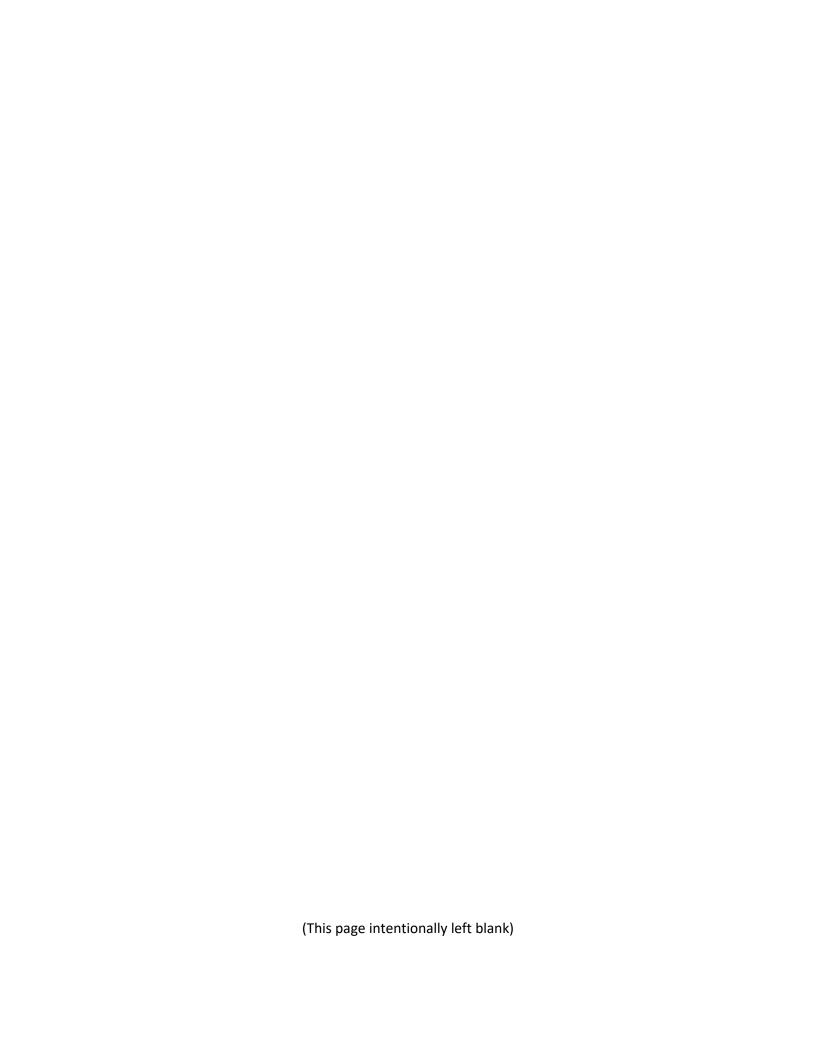


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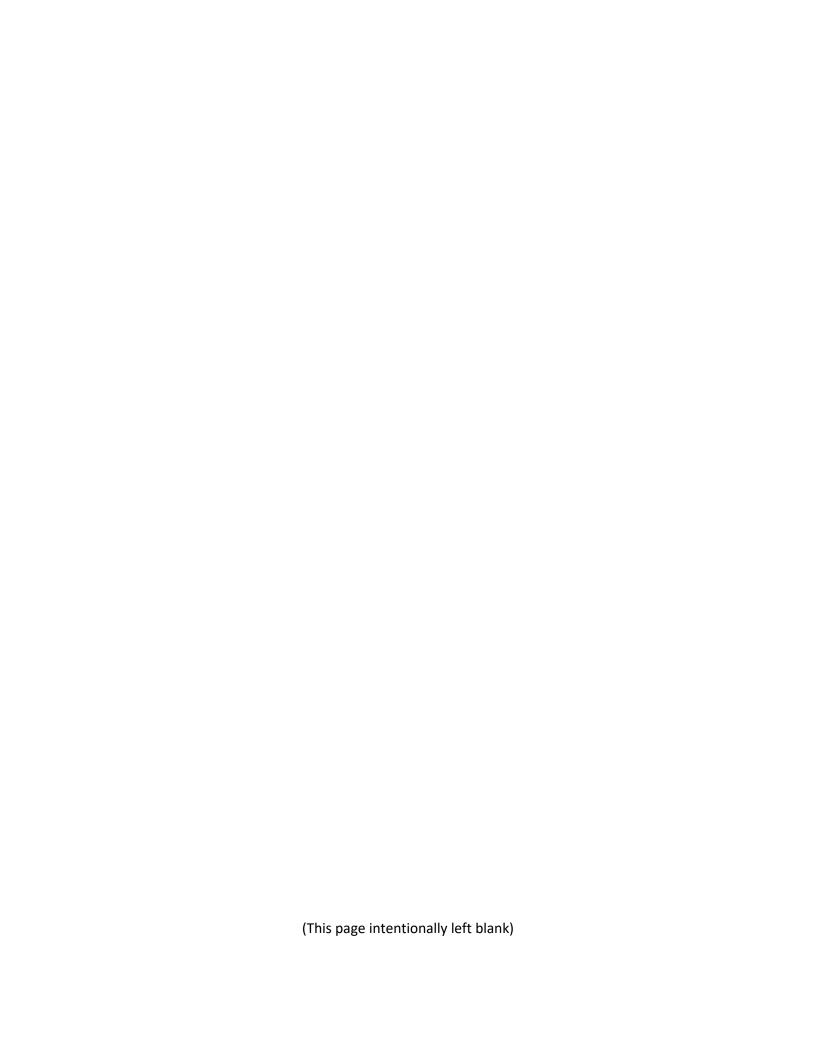
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INTRODUCTORY SECTION



Pharr-San Juan-Alamo Independent School District List of Principal Officials August 31, 2022

Board of Trustees

President (former) Ricardo "Rick" Pedraza

Vice President Jorge "George" Palacios

Secretary Jesus A. "Jesse" Zambrano

Assistant Secretary Jesus "Jesse" Vela, Jr.

Member Cynthia A. Gutierrez

Member Carlos G. Villegas, Jr.

Member Jorge Zambrano

Administration

Superintendent (former) Jorge L. Arredondo

Chief Financial Officer Rebecca Gonzales

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Pharr-San Juan-Alamo Independent School District Certificate of the Board For the Year Ended August 31, 2022

CERTIFICATE OF THE BOARD

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT, HIDALGO COUNTY

County Number 108, District Number 909, Region Number 1

We the undersigned, do hereby certify that the audit r	eport o	f the above named local edu	cation agency	for
the year ended August 31, 2022 was reviewed and	X	approved	disapproved	at
a meeting of the Board of such local education agency o	on the _	16th day of January 2023.		
N XA			*1	
A THURSDAY		Derna		
		U		
Signature of Board President Cynthia A. Gutierrez		Signature of Board Sed Diana Serna	cretary	

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FINANCIAL SECTION

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Carr, Riggs & Ingram, LLC 4100 N. 23rd St. McAllen, TX 78504

(956) 686-3701 (956) 686-6830 (fax) CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Pharr-San Juan-Alamo Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District (the "District"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District, as of August 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Restatement of Net Position

As discussed in Note 20 to the financial statements, the prior year statements have been restated in the amount of \$10,075,399 in the government activities for corrections made on the calculation for premium on bonds and capital assets. In addition to this, there is a \$827,137 correction made to campus activities balances as well the custodial fund in the prior fiscal year, and a \$1,000,000 adjustment between general fund and debt service fund. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2022 the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund, Pension and OPEB liabilities related schedules, and the related notes to required supplementary information as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, other supplementary information, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the School FIRST Questionnaire (Exhibit K-2) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

McAllen, Texas

January 16, 2023

Carr, Riggs & Ungram, L.L.C.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2022

This section of Pharr-San Juan-Alamo 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, 2022. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$368,124,611 for fiscal year ending August 31, 2022. This amounted to an increase of \$33,277,694 from last year's total of \$334,846,917 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$33,277,694 less than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$17,778,072 less than revenues.
- The general fund reported a fund balance this year of \$117,543,714, with \$37,442,675 of this amount unassigned.

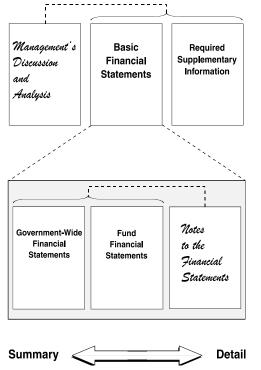
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information and another schedules section that presents various Texas Education Agency required schedules.

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

- The first two statements are *government-wide financial* statements that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as College for All Conference, Digital Billboard, and ACT/RGV.

Figure A-1, Required Components of the District's Annual Financial Report



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

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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District 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.

		1	Fund Statements	
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
	• Statement of net position	◆Balance sheet	◆Statement of net position	• Statement of fiduciary net position
Required financial statements	• Statement of activities	 Statement of revenues, expenditures and changes in fund balances 	Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources 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 soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long- term	All assets and liabilities, both short-term and long- term; the Agency'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 or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net 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 non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum staff development, health services and general administration. Property taxes and grants finance most of these activities.
- Business-type activities The District charges fees to customers to help cover the cost of certain services it provides. The ACT/RGV program and the District Billboard are examples of programs included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- Proprietary funds—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. In fact, the District's enterprise funds (one type of proprietary fund) are the same as business type activities but provide more detail and information, such as cash flows. The district has College for All, Billboard Sign, and ACT/RGV Program. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities such as the district's Self Insurance Funds and the Print Shop.
- Fiduciary funds—The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. Student activity funds are included here.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$368,124,611 on August 31, 2022. (See Table A-1).

Table A-1District's Net Position

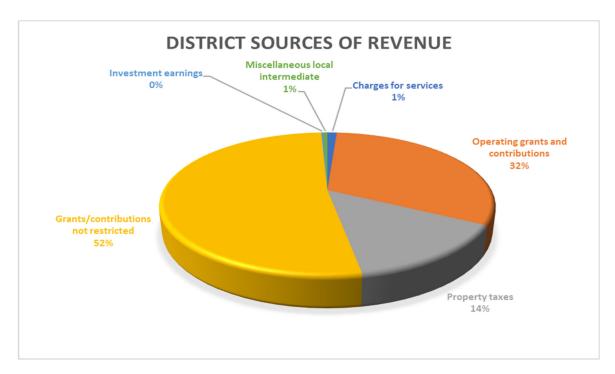
	Governmental Activities		Business-Ty _l	oe A	ctivities	Total		
		Restated					Restated	
	2022	2021	2022		2021	2022	2021	
Current and Other Assets	\$ 238,901,403	\$ 226,447,262	\$ 757,223	\$	742,952	\$ 239,658,626	\$227,190,214	
Capital and Non-Current Assets	718,363,060	701,799,572	-			718,363,060	701,799,572	
Total Assets	957,264,463	928,246,834	757,223		742,952	958,021,686	928,989,786	
Deferred Outflows of Resources	107,930,976	91,222,047	-		-	107,930,976	91,222,047	
Current Liabilities	75,198,428	69,188,835	22,631		13,525	75,221,059	69,202,360	
Long Term Liabiliities	470,918,546	516,125,244	22,031		13,323	470,918,546	516,125,244	
Long Term Liabilities	546,116,974	585,314,079	 22,631		13,525	546,139,605	585,327,604	
	340,110,374	303,314,073	 22,031		13,323	340,133,003	363,327,004	
Deferred Inflows of Resources	151,688,446	100,037,312	-			151,688,446	100,037,312	
Net Position:								
Net Investment in								
Capital Assets	447,020,643	420,568,198	-		-	447,020,643	420,568,198	
Restricted for federal and state								
programs	23,424,530	21,865,880	-		-	23,424,530	21,865,880	
Restricted for debt service	8,107,130	-	-		-	8,107,130	-	
Unrestricted	(111,162,284)	(108,316,588)	734,592		729,427	(110,427,692)	(107,587,161)	
Total Net Position	\$367,390,019	\$ 334,117,490	\$ 734,592	\$	729,427	\$ 368,124,611	\$334,846,917	

Net position of the District's Governmental activities is \$367,390,019. However, the majority of the net position is either invested in capital assets or is restricted as to the purposes they can be used for. The unrestricted net position is (\$111,162,284) at the end of this year primarily due to the impact of the net pension and net OPEB liabilities, which left the District in a negative balance.

The net position of the District's business-type activities is \$734,592. These resources cannot be used in governmental activities. The District generally can only use these funds to finance the continuing operation for programs such as the College for All Conference, the District Billboard/Scoreboard, and the ACT/RGV program.

Changes in net position. The District's total general revenues were \$476,033,570. A significant portion (52%) of the District's total revenue comes from grants and contributions (See Figure A-2).

The total cost of all governmental programs and services was \$442,761,441; of these costs 53% are for instruction and instructional related services and student services.



Governmental Activities

- Investment earnings increased by approximately over 100% from \$242,706 to \$1.015 million due to the increase in interest rates.
- The total tax rate for 2021-22 was \$1.2167 and for the 2022-23, the tax rate will be reduced to \$1.1837. In 2021-2022, the maintenance and operations tax rate was \$0.9976, and it will be reduced to \$0.9746 for 2022-2023. The debt service tax rate was \$0.2191 in 2021-2022 and will be decreased to \$0.2091 for 2022-2023. The district had a successful Tax Ratification Election on August 2011, at which time the debt service rate was .3192. Taxes, state funds, balances in the debt service fund and transfers from the general operating budget will continue to pay debt service payments for 2022-2023. Since the District is required by the provisions of TEC 45.001(2) to levy and collect annual ad valorem taxes sufficient to pay the principal and interest on the bonds that will come due during the 2022-2023 fiscal year, surplus funds will be transferred from the General Fund to the Debt Service Fund to meet 2022-2023 principal and interest requirements on bonded debt.

Table A-2 Changes in District's Net Position

	Governmen	tal Activities		Business-Type	Activities	Tota	ıl
		Restated					Restated
	2022	2021		2022	2021	2022	2021
Program Revenues:							
Charges for services	\$ 5,234,014	\$ 986,760	\$	522,524 \$	355,379	\$ 5,756,538	1,342,139
Operating grants and contributions	150,665,577	144,377,960		-	-	150,665,577	144,377,960
General Revenues:							
Property taxes	68,976,749	65,102,441		-	-	68,976,749	65,102,441
Grants/contributions not restricted	247,793,517	262,923,619		-	-	247,793,517	262,923,619
Investment earnings	1,015,914	242,706		-	-	1,015,914	242,706
Miscellaneous local intermediate	2,348,199	531,080	_	-	-	2,348,199	531,080
Total Revenues	476,033,970	474,164,566		522,524	355,379	476,556,494	474,519,945
Expenses:							
Instruction	237,527,777	258,088,265		-	-	237,527,777	258,088,265
Instructional Resources and Media Services	6,786,491	6,455,883		-	-	6,786,491	6,455,883
Curriculum and Staff Development	11,532,233	12,508,633		-	-	11,532,233	12,508,633
Instructional Leadership	10,138,686	10,667,257		-	-	10,138,686	10,667,257
School Leadership	21,085,723	22,710,319		-	-	21,085,723	22,710,319
Guidance, Counseling and Evaluation Services	15,091,583	16,554,837		-	-	15,091,583	16,554,837
Social Services	3,077,448	3,155,617		-	-	3,077,448	3,155,617
Health Services	6,415,981	5,422,968		-	_	6,415,981	5,422,968
Student (Pupil) Transportation	10,310,617	8,680,126		-	_	10,310,617	8,680,126
Food Services	26,226,430	23,722,306		-	-	26,226,430	23,722,306
Extracurricular Activities	18,392,843	12,896,744		-	-	18,392,843	12,896,744
General Administration	10,176,848	10,859,454		-	-	10,176,848	10,859,454
Facilities Maintenance & Operations	43,825,540	40,438,559		-	-	43,825,540	40,438,559
Security & Monitoring Services	7,587,144	6,296,252		-	-	7,587,144	6,296,252
Data Processing Services	4,127,796	4,006,650		-	-	4,127,796	4,006,650
Community Services	1,904,861	2,060,616		-	_	1,904,861	2,060,616
Interest on Long Term Debt	6,585,507	10,782,607		-	_	6,585,507	10,782,607
Bond Issuance Cost and Fees	1,002,245	16,130		-	_	1,002,245	16,130
Payments related to Shared Services Arrangement	158,673	167,445		-	-	158,673	167,445
Other Intergovernmental Charges	807,015	807,245		-	-	807,015	807,245
Digital Billboard/Scoreboard	-	-		5,280	11,483	5,280	11,483
ACT RGV	-	-		512,079	432,477	512,079	432,477
Total Expenses:	442,761,441	456,297,913		517,359	443,960	443,278,800	456,741,873
Increase (Decrease) in Net Position	33,272,529	17,866,653		5,165	(88,581)	33,277,694	17,778,072
Transfer In (Out)	-	-		-	-	-	-
Total Increase (Decrease)	33,272,529	17,866,653		5,165	(88,581)	33,277,694	17,778,072
Net Position - Beginning	334,117,490	316,250,837		729,427	818,008	334,846,917	317,068,845
Net Position - Ending	\$ 367,390,019	\$ 334,117,490	\$	734,592 \$	729,427	\$ 368,124,611	

The net cost of all *governmental* activities this year was \$245,069,473. Those who directly benefited from program activities paid some of the cost. Other programs and services activities were paid by grants and contributions.

Table A-3 presents the cost of each of the District's largest functions.

Table A-3Net Cost of District's Governmental Activities

	Cost				Net Cost			
	2022		2021	Change		2022	2021	Change
Instruction	\$237,527,777	\$	258,088,265	-9%	\$	162,328,207	\$ 180,049,009	-11%
School Leadership	21,085,723		22,710,319	-8%		18,250,949	18,913,097	-4%
Guidance, Counseling and Evaluation	15,091,583		16,554,837	-10%		11,040,508	11,309,104	-2%
Food Services	26,226,430		23,722,306	10%		(837,477)	2,410,020	388%
Extracurricular Activities	18,392,843		12,896,744	30%		13,305,399	11,524,404	13%
Facilities Maintenance & Operations	43,825,540		40,438,559	8%		40,981,887	37,239,415	9%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from all governmental funds totaled \$494,012,102. The increase in local revenues is a result of increased property values. The increase in federal revenues is a result of the ESSER funds and various increases in most grants.

The General Fund is the chief operating fund of the district. As of August 31, 2022, the fund balance of the general fund was \$117,543,714. The unassigned balance of \$37,442,675 or 31% of this total amount is available for spending at the government's discretion. Of the current ending fund balances, the following categories are recorded and for the primary use noted in accordance with GASB No. 54:

- \$3,376,494 is recorded as nonexpendable for inventories and deferred expenditures;
- \$17,174,824 is recorded as a prepaid item;
- \$22,009,484 is recorded as restricted;
- \$2,800,000 is recorded for long term debt;
- \$16,290,000 is recorded as committed for construction;
- \$1,450,950 is recorded as committed for capital expenditures for equipment for new schools and buses;
- \$9,009,778 is recorded as committed for sick leave payoff;
- \$7,989,509 is recorded as assigned for E-Rate, Computers to be purchased and other items;
- \$37,442,675 is the remaining fund balance and is recorded as unassigned.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. In addition, the school board approved several increases in appropriations to prevent budget overruns.

CAPITAL ASSETS

At the end of fiscal year 2022, the District had invested \$714,183,115 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4District's Capital Assets

		Restated	
	2022	2021	Change
Land	\$ 30,021,582	\$ 30,021,582	0%
Buildings, Net	628,094,781	627,116,043	0%
Furniture and Equipment, Net	11,181,574	8,723,213	28%
Right-to-Use Leased Assets, Net	11,068,536	1,038,292	966%
Constrction in Progress	22,402,322	27,690,429	-19%
Infrastructure, Net	11,414,320	6,210,012	84%
Governmental, capital assets, net	\$714,183,115	\$ 700,799,571	= =
			_

More detailed information about the District's capital assets is presented in Note 5 – Capital Assets.

Restated

LONG TERM OBLIGATION ACTIVITY

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ending August 31, 2022, are as follows:

Table A-5District's Long Term Det

	nestatea				
	Beginning				
	Balance	Increase /	Decrease /	Ending Balance	Amounts Due
	9/1/2021	additions	retirements	8/31/2022	in 1 Year
Total Bonds Payable	\$ 245,885,000	\$ 98,230,000	\$111,930,000	\$ 232,185,000	\$ 13,455,000
Total Notes Payable	22,380,000	-	1,310,000	21,070,000	2,608,356
Premium and Discount	25,939,415	14,811,120	14,560,481	26,190,054	-
Capital Appreciation Bond (CAB)	-	900,000	810,000	90,000	80,000
2021 CAB Accrued Interest	-	1,374,706	430,000	944,706	229,706
Sick and Vacation Leave	9,363,381	188,270	541,873	9,009,778	672,176
Net Pension Liability	115,863,091	(44,949,190)	10,177,708	60,736,193	-
Net OPEB Liability	111,483,075	11,654,064	2,444,324	120,692,815	
Total Long Term Liabilities	\$530,913,962	\$82,208,970	\$ 142,204,386	\$470,918,546	\$ 17,045,238

General Obligation Debt Ratings. The District's unlimited tax long-term debt obligations presently carry "AAA" ratings by Moody's Investor Services and Standard & Poor's by virtue of the guarantee of the corpus of the Permanent School Fund of the State of Texas and the following ratings without regard to credit enhancement: Moody's Investor Services "A1" and Standard & Poor's "A+".

Maintenance Tax Notes Ratings. The District's Qualified School Construction Notes, Taxable Series 2011 presently carry a Moody's Investor Services "A1" rating without regard to credit enhancement. The District's Limited Maintenance Tax Notes, Series 2015 and 2017 presently carry a "AA" rating by Standard & Poor's by virtue of a municipal bond insurance policy issued by Build America Mutual Assurance Company and a Moody's Investor Services "A1" rating without regard to credit enhancement.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023 budget preparation is \$5.6 billion, up \$476 million or 9.07%. The state formulas changed, and school districts are now required to estimate their current year tax values for funding purposes. There is no longer a lag in tax values used.
- The District's 2023 refined average daily attendance is expected to be 29,367.

These indicators were taken into account when adopting the general fund budget for 2023. Amounts available for appropriation in the general fund budget are \$388 million. Property values continue to rise, but at a slower pace. The district will examine the budget for 2023 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to be \$388 million in the general fund. The district anticipates using the remainder of the debt service fund balance to pay bonds. The largest increments are increased staffing and teacher/staff salary schedule adjustments and salary increases. Increased wage and cost of living adjustments were made to this year's salary schedules. These competitive salary schedule adjustments allowed the District to open the 2023 school year with fewer teacher vacancies. The District has continued our highly successful College, Career and Technology Academy, Thomas Jefferson T-Stem Early College High School and our partnership with the county Head Start program.

If these estimates are realized, the District's budgetary fund balance for the general fund is not expected to change appreciably by the close of 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, 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 Business Office.

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PHARR SAN JUAN ALAMO ISD STATEMENT OF NET POSITION AUGUST 31, 2022

1 2 3

Data		Business	
Control	Governmental		
Codes	Activities	Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 19,103,329	\$ 801,11	
1120 Current Investments	118,460,307	-	118,460,307
1220 Property Taxes Receivables, Net	4,480,503	-	4,480,503
1240 Due from Other Governments	87,127,557	-	87,127,557
1260 Internal Balances	43,894	(43,89	4) -
1290 Other Receivables, Net	1,488,047	-	1,488,047
1300 Inventories	3,687,166	-	3,687,166
1410 Prepaid Items Capital Assets:	4,510,600	-	4,510,600
1510 Land	30,021,582	_	30,021,582
1520 Buildings, Net	628,094,781	_	628,094,781
1530 Furniture and Equipment, Net	11,181,574	_	11,181,574
1550 Right-to-Use Leased Assets, Net	11,068,536	_	11,068,536
1580 Construction in Progress	22,402,322	_	22,402,322
1590 Infrastructure, Net	11,414,320	_	11,414,320
1800 Restricted Assets	2,800,000	_	2,800,000
1990 Prepaid Interest	1,379,945		1,379,945
1000 Total Assets	957,264,463	757,22	958,021,686
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	19,129,188	-	19,129,188
1705 Deferred Outflow Related to TRS Pension	49,490,887	-	49,490,887
1706 Deferred Outflow Related to TRS OPEB	39,310,901		39,310,901
1700 Total Deferred Outflows of Resources	107,930,976		107,930,976
LIABILITIES			
2110 Accounts Payable	13,578,725	9,28	4 13,588,009
2140 Interest Payable	879,971	-	879,971
2180 Due to Other Governments	31,434,976	-	31,434,976
2190 Due to Student Groups	150,093	-	150,093
2200 Accrued Expenses	26,282,375	13,34	
2300 Unearned Revenue Noncurrent Liabilities:	2,872,288	-	2,872,288
Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:	17,045,238	-	17,045,238
Bonds, Notes, Loans, Leases, etc.	272,444,300	-	272,444,300
Net Pension Liability (District's Share)	60,736,193	-	60,736,193
Net OPEB Liability (District's Share)	120,692,815		120,692,815
2000 Total Liabilities	546,116,974	22,63	1 546,139,605
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS Pension	65,035,818	-	65,035,818
2606 Deferred Inflow Related to TRS OPEB	86,652,628		86,652,628
2600 Total Deferred Inflows of Resources	151,688,446		151,688,446
NET POSITION			
3200 Net Investment in Capital Assets and Right-to-Use Lease Restricted:	447,020,643	-	447,020,643
3820 Restricted for Federal and State Programs	23,424,530	-	23,424,530
3850 Restricted for Debt Service	8,107,130	-	8,107,130
3900 Unrestricted	(111,162,284)	734,59	
3000 Total Net Position	\$ 367,390,019	\$ 734,59	368,124,611

PHARR SAN JUAN ALAMO ISD STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2022

				Program		Revenues	
Data		1		3		4	
Control						Operating	
Codes			(Charges for		Grants and	
Codes		Expenses	Services		Contributions		
Primary Government:							
GOVERNMENTAL ACTIVITIES:							
11 Instruction	\$	237,527,777	\$	103,606	\$	75,011,253	
12 Instructional Resources and Media Services		6,786,491		-		2,022,205	
13 Curriculum and Instructional Staff Development		11,532,233		-		7,246,711	
21 Instructional Leadership		10,138,686		-		3,368,532	
23 School Leadership		21,085,723		-		2,834,774	
31 Guidance, Counseling, and Evaluation Services		15,091,583		-		4,051,075	
32 Social Work Services		3,077,448		-		612,627	
33 Health Services		6,415,981		-		2,048,637	
Student (Pupil) Transportation		10,310,617		-		815,123	
Food Services		26,226,430		149,100		26,914,807	
66 Extracurricular Activities		18,392,843		4,981,308		106,136	
General Administration		10,176,848		-		9,157,374	
Facilities Maintenance and Operations		43,825,540		-		2,843,653	
Security and Monitoring Services		7,587,144		-		1,225,381	
Data Processing Services		4,127,796		-		512,637	
61 Community Services		1,904,861		-		1,710,014	
Debt Service - Interest on Long-Term Debt		6,585,506		-		10,184,638	
73 Debt Service - Bond Issuance Cost and Fees		1,002,245		-		-	
Payments Related to Shared Services Arrangements		158,673		-		-	
Other Intergovernmental Charges		807,015				-	
[TG] Total Governmental Activities:		442,761,440		5,234,014		150,665,577	
BUSINESS-TYPE ACTIVITIES:							
01 Digital Billboard Fund		5,280		255,600		_	
D2 ACT RGV		512,079		266,924		-	
[TB] Total Business-Type Activities:		517,359		522,524		-	
[TP] TOTAL PRIMARY GOVERNMENT:	\$	443,278,799	\$	5,756,538	\$	150,665,577	
Data	=				_		

Data	
Control	General Revenues:
Codes	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
GC	Grants and Contributions not Restricted
ΙE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment
NE	Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

	6		7		8
	· ·	Primar	y Government		
	overnmental	Rus	siness-type		
0	Activities		Activities		Total
	Activities	F	Cuvines		Total
\$	(162,412,918)	\$	-	\$	(162,412,918)
	(4,764,286)		-		(4,764,286)
	(4,285,522)		-		(4,285,522)
	(6,770,154)		-		(6,770,154)
	(18,250,949)		-		(18,250,949)
	(11,040,508)		-		(11,040,508)
	(2,464,821)		-		(2,464,821)
	(4,367,344)		-		(4,367,344)
	(9,495,494)		-		(9,495,494)
	837,477		-		837,477
	(13,305,399)		-		(13,305,399)
	(1,019,474)		-		(1,019,474)
	(40,981,887)		-		(40,981,887)
	(6,361,763)		-		(6,361,763)
	(3,615,159)		-		(3,615,159)
	(194,847)		-		(194,847)
	3,599,132		-		3,599,131
	(1,002,245)		-		(1,002,245)
	(158,673)		-		(158,673)
	(807,015)				(807,015)
	(286,861,849)		-		(286,861,849)
			250 220		250 220
	-		250,320		250,320
			(245,155)	_	(245,155)
			5,165		5,165
	(286,861,849)		5,165		(286,856,685)
	56,759,256		-		56,759,256
	12,217,493		-		12,217,493
	247,793,517		-		247,793,517
	1,015,914		-		1,015,914
	2,348,199		-		2,348,199
	320,134,380		-		320,134,379
	33,272,529		5,165		33,277,694
	324,042,091		729,427		324,771,518
	10,075,399		-		10,075,399
\$	367,390,019	\$	734,592	\$	368,124,611

PHARR SAN JUAN ALAMO ISD BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2022

Data		10	20	30
Contro	ol .	General	ESSER II	ESSER III
Codes		Fund	Fund	Fund
AS	SETS			
1110	Cash and Cash Equivalents	\$ 6,474,266	-	\$ -
1120	Investments	85,461,351	-	-
1220	Property Taxes Receivable, Net	3,886,460	-	-
1240	Due from Other Governments	19,041,777	35,017,345	22,778,696
1250	Accrued Interest	190	-	-
1260	Due from Other Funds	66,698,014	-	-
1290	Other Receivables	316,450	-	-
1300	Inventories	3,376,494	-	-
1410	Prepaid Items	17,174,824	-	-
1800	Restricted Assets	 2,800,000		
1000	Total Assets	\$ 205,229,826	35,017,345	\$ 22,778,696
LIA	ABILITIES			
2110	Accounts Payable	\$ 3,475,438 \$	-	\$ 3,059,013
2150	Payroll Deductions and Withholdings Payable	3,427,066	-	-
2160	Accrued Wages Payable	14,810,340	18,026	1,662,054
2170	Due to Other Funds	27,797,721	34,999,319	18,057,629
2180	Due to Other Governments	29,867,513	-	-
2190	Due to Student Groups	150,093	-	-
2300	Unearned Revenue	504,683	-	-
2000	Total Liabilities	80,032,854	35,017,345	22,778,696
DE	FERRED INFLOWS OF RESOURCES			
2601	Deferred Inflow of Resources - Property Taxes	3,428,291	-	-
2602	Deferred Inflow of Resources - SHARS	4,224,967	-	-
2600	Total Deferred Inflows of Resources	 7,653,258		
FU	ND BALANCES			
10	Nonspendable Fund Balance:			
3410	Inventories	3,376,494	_	_
3430	Prepaid Items	17,174,824	_	_
	Restricted Fund Balance:	-, - ,-		
3450	Federal or State Funds Grant Restriction	22,009,484	_	_
3480	Retirement of Long-Term Debt	2,800,000	-	-
3490	Other Restricted Fund Balance	, , , <u>-</u>	-	-
	Committed Fund Balance:			
3510	Construction	16,290,000	-	-
3530	Capital Expenditures for Equipment	1,450,950	-	-
3545	Other Committed Fund Balance	9,009,778	-	-
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	7,989,509	-	-
3600	Unassigned Fund Balance	37,442,675	-	-
3000	Total Fund Balances	 117,543,714		
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 205,229,826 \$	35,017,345	\$ 22,778,696

	50 Debt Service	60 Capital	Other		Total Governmental
_	Fund	Projects	Funds		Funds
\$	779,369	\$ 93,367	\$ 4,018,315	\$	11,365,317
	1,635,479	13,378,304	27,935		100,503,069
	594,043	-	-		4,480,503
	-	-	10,289,739		87,127,557
	-	-	1,251		1,441
	5,470,845	16,839,068	95		89,008,022
	-	1,150,000	19,861		1,486,311
	-	-	310,672		3,687,166
	-	-	-		17,174,824
		_	-	_	2,800,000
\$	8,479,736	\$ 31,460,739	\$ 14,667,868	\$	317,634,210
\$	1	\$ 6,262,653	\$ 298,611	\$	13,095,716
	-	-	-		3,427,066
	-	-	2,068,703		18,559,123
	781,144	9,976	7,335,255		88,981,044
	1,458,965	-	108,498		31,434,976
	-	-	-		150,093
		_	 2,367,605	_	2,872,288
_	2,240,110	6,272,629	 12,178,672	_	158,520,306
	499,599	-	-		3,927,890
_	-	-	 -		4,224,967
_	499,599	 -	 -		8,152,857
	_	_	_		3,376,494
	-	-	-		17,174,824
					22 000 494
	5,740,027	-	-		22,009,484 8,540,027
	3,740,027	25,188,110	_		25,188,110
	_	23,100,110	_		23,100,110
	-	-	-		16,290,000
	-	-	-		1,450,950
	-	-	2,489,196		11,498,974
	_	_	_		7,989,509
	_	_	_		37,442,675
_	5,740,027	 25,188,110	 2,489,196	_	150,961,047
\$	8,479,736	\$ 31,460,739	\$ 14,667,868	\$	317,634,210

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EXHIBIT C-2

PHARR SAN JUAN ALAMO ISD RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AUGUST 31, 2022

· · · · · · · · · · · · · · · · · · ·		
Total Fund Balances - Governmental Funds	\$	150,961,047
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, 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.		20,942,271
2 Including capital assets (Net of accumulated depreciation) in governmental activities increases in net position. However, assets held in internal service funds do not increase net position since the amounts are already included in the internal service fund net position. The net right of use assets do not increase net position since the leases related to them were prepaid in full. The net effect of including capital assets of \$714,183,115, excluding right of use assets (\$11,068,536) and net internal service fund assets (\$9,004) is to increase net position by \$703,105,575.		703,105,575
3 Prepaid interest of (\$215,744) are not financial resources, and therefore are not reported as assets in governmental funds.		(215,744)
4 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68. The net position related to TRS includes a deferred resource outflow in the amount of \$49,490,887, a deferred resource inflow in the amount of (\$65,035,818), and a net pension liability of (\$60,736,193). This resulted in a decrease in net position.		(76,281,124)
5 The District participates in the TRS-CARE plan for retirees through TRS. The District's share of TRS plan resulted in deferred resource outflow of \$39,310,901, a deferred resource inflow of (\$86,652,628), and a net OPEB liability of (\$120,692,815). This resulted in a decrease in net position.		(168,034,542)
6 Long-term liabilities, including bonds and notes payable of (\$253,255,000), premium on bonds of (\$26,190,054), accretion of CAB's of (\$1,034,706), deferred charges on refunding \$19,129,188, and vacation and sick leave payable of (\$9,009,778), are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		(270,360,350)
7 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 revenue from property taxes \$3,927,890 and certain amounts due from other governments as revenue for \$4,224,967. The net effect of these reclassifications and recognitions is to increase net position.		8,152,857
8 Accrued interest is not due and payable in current period and therefore is not reported as a liability in the governmental funds.		(879,971)
19 Net Position of Governmental Activities	\$	367,390,019
	_	

PHARR SAN JUAN ALAMO ISD STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2022

Data Con			10 General		20 ESSER II		30 ESSER III
Code	es		Fund		Fund		Fund
	REVENUES:						
5700	Total Local and Intermediate Sources	\$	59,341,894	\$	_	\$	_
5800	State Program Revenues	Ψ	257,954,377	Ψ	_	Ψ	_
5900	Federal Program Revenues		39,425,890		35,017,345		33,547,256
	Total Revenues	_	356,722,161		35,017,345		33,547,256
5020		_	330,722,101		33,017,343	_	33,347,230
J	EXPENDITURES:						
	Current:		172 225 727		21 427 700		22 420 500
0011	Instruction		172,225,797		21,436,698		22,438,509
0012	Instructional Resources and Media Services		4,756,279		613,314		1,412,001
0013	Curriculum and Instructional Staff Development		4,585,903		506,055		426,890
0021	Instructional Leadership		6,956,751		819,343		70,643
0023	School Leadership		18,666,303		2,387,974		201,012
0031	Guidance, Counseling, and Evaluation Services		11,295,608		1,291,027		412,584
0032	Social Work Services		2,426,041		326,655		324
0033	Health Services		4,374,182		569,866		471,548
0034	Student (Pupil) Transportation		12,906,302		881,687		35,172
0035	Food Services		23,962,187		1,241,562		52,687
0036	Extracurricular Activities		14,054,351		303,520		3,157
0041	General Administration		9,153,589		830,679		173,443
0051	Facilities Maintenance and Operations		40,458,428		2,509,750		447,567
0052	Security and Monitoring Services		6,454,952		769,360		67,290
0053	Data Processing Services		3,521,283		380,039		127,553
0061	Community Services		243,476		149,816		8,902
	Debt Service:						
0071	Principal on Long-Term Liabilities		1,310,627		-		-
0072	Interest on Long-Term Liabilities		662,306		-		-
0073	Bond Issuance Cost and Fees		3,730		-		-
	Capital Outlay:						
0081	Facilities Acquisition and Construction		_		_		7,197,974
0001	Intergovernmental:						,,,,,,,,
0093	Payments to Fiscal Agent/Member Districts of SSA		158,673		_		_
	Other Intergovernmental Charges		807,015		-		-
0099		_					
6030	Total Expenditures		338,983,783		35,017,345		33,547,256
1100	Excess (Deficiency) of Revenues Over (Under)		17,738,378		-		-
,	Expenditures						
(OTHER FINANCING SOURCES (USES):						
7901	Refunding Bonds Issued		-		-		-
7912	Sale of Real and Personal Property		8,851		-		-
7915	Transfers In		-		-		-
7916	Premium or Discount on Issuance of Bonds		-		-		-
8911	Transfers Out (Use)		(2,775,000)		-		-
8940	Payment to Bond Refunding Escrow Agent (Use)		-		-		-
7080	Total Other Financing Sources (Uses)		(2,766,149)		-		-
1200	Net Change in Fund Balances		14,972,229				_
	Fund Balance - September 1 (Beginning)		101,571,485				
0100					-		-
1300	Prior Period Adjustment		1,000,000		-		-
3000	Fund Balance - August 31 (Ending)	\$	117,543,714	\$	-	\$	-

	50	60		Total
	Debt Service	Capital	Other	Governmental
_	Fund	Projects	Funds	Funds
\$	12,456,656 \$	1,345,777 \$	4,694,319	\$ 77,838,646
Ф	9,677,077	1,545,777 Φ	3,344,303	270,975,757
	-	-	37,207,208	145,197,699
	22,133,733	1,345,777	45,245,830	494,012,102
	-	-	25,078,021	241,179,025
	-	-	75,903	6,857,497
	-	-	6,379,407	11,898,255
	-	-	2,601,321	10,448,058
	-	-	282,696	21,537,985
	-	-	2,568,742	15,567,961
	-	-	316,202	3,069,222
	-	-	1,081,532	6,497,128
	-	-	-	13,823,161
	-	-	47,267	25,303,703
	-	-	4,398,721	18,759,749
	-	450,753	500	10,608,964
	-	-	152,545	43,568,290
	-	-	453,870	7,745,472
	-	-	39,041	4,067,916
	-	-	1,554,499	1,956,693
	13,610,001	_	_	14,920,628
	8,847,252	_	_	9,509,558
	998,515	-	-	1,002,245
	-	13,209,506	11,972	20,419,452
	_	_	_	158,673
	_	_	_	807,015
_	23,455,768	13,660,259	45,042,239	489,706,650
_	(1,322,035)	(12,314,482)	203,591	4,305,452
_				
	99,130,000	_	-	99,130,000
	-	157,039	-	165,890
	-	2,775,000	-	2,775,000
	14,811,120	-	-	14,811,120
	-	-	-	(2,775,000)
_	(112,952,343)			(112,952,343)
	988,777	2,932,039	-	1,154,667
	(333,259)	(9,382,443)	203,591	5,460,118
	7,073,285	34,570,553	1,458,468	144,673,791
	(1,000,000)	-	827,137	827,137
\$	5,740,027 \$	25,188,110 \$	2,489,196	\$ 150,961,047
=		:		

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 5,460,118
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(1,420,310)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Capital outlays this current year adjusted for dispositions were \$25,530,491 and current year depreciation was (\$22,177,191).	3,353,300
Amortization of prepaid interest of \$447,561 and depreciation of (\$663,305) for the right-to-use assets were reported in the statement of activities.	(215,744)
Repayment of principal debt related to bonds and notes is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not expressed in the current year period.	14,920,000
The amortization of bond premiums of refunding for (\$250,639), the amortization of deferred charges of refunding for \$3,209,690, and the accretion of interest on capital appreciation bonds for (\$944,706) are reported in the statement of activities, but not in the governmental funds.	2,014,345
Current year changes due to GASB 68 increased revenues in the amount of \$13,650,559 but also increased expenditures in the amount of \$10,174,108. The net effect on the change in the ending net position was a increase in the amount of \$3,476,451.	3,476,451
Current year changes due to GASB 75 increased revenues in the amount of \$6,732,256 but also increased expenditures in the amount of \$2,443,444. The net effect on the change in the ending net position was a increase in the amount of \$4,288,812.	4,288,812
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.	51,898
Vacation and sick leave are reported in the statement of activities when earned as they do not require the use of current financial resources they are not reported as expenditures on governmental funds until they have matured. This is the amount of vacation and sick leave reported in the statement of activities in the prior year that has matured in the current year.	353,603
Property taxes and other receivables that will not be collected until after the District's fiscal year end are not considered "available" revenues and, are deferred in the governmental funds. The net effect of these reclassifications and recognitions is to increase net position.	990,058
Change in Net Position of Governmental Activities	\$ 33,272,529

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PHARR SAN JUAN ALAMO ISD STATEMENT OF NET POSITION PROPRIETARY FUNDS AUGUST 31, 2022

	Business-Type Activities -	Governmental Activities - Total Internal Service Funds	
	Total Enterprise Funds		
ASSETS	1 unus	Service I unus	
Current Assets: Cash and Cash Equivalents Investments - Current Due from Other Funds Other Receivables	\$ 801,117 - - -	\$ 7,738,012 17,957,238 16,917 295	
Total Current Assets	801,117	25,712,462	
Noncurrent Assets: Capital Assets: Furniture and Equipment Depreciation on Furniture and Equipment	- -	89,057 (80,053)	
Total Noncurrent Assets		9,004	
Total Assets	801,117	25,721,466	
LIABILITIES Current Liabilities: Accounts Payable Accrued Wages Payable	9,284 13,347	483,009 16,607	
Due to Other Funds Accrued Expenses	43,894	4,279,579	
Total Liabilities	66,525	4,779,195	
NET POSITION			
Unrestricted Net Position	734,592	20,942,271	
Total Net Position	\$ 734,592	\$ 20,942,271	

PHARR SAN JUAN ALAMO ISD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

	Business-Type Activities -	Governmental Activities -	
	Total Enterprise Funds	Total Internal Service Funds	
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 522,524	\$ 45,349,379	
Total Operating Revenues	522,524	45,349,379	
OPERATING EXPENSES:			
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	393,968 91,823 19,288 12,280	542,216 46,279,873 43,343 15,861	
Total Operating Expenses	517,359	46,881,293	
Operating Income (Loss)	5,165	(1,531,914)	
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	-	111,604	
Total Nonoperating Revenues (Expenses)	-	111,604	
Change in Net Position	5,165	(1,420,310)	
Total Net Position - September 1 (Beginning)	729,427	22,362,581	
Total Net Position - August 31 (Ending)	\$ 734,592	\$ 20,942,271	

The notes to the financial statements are an integral part of this statement.

PHARR SAN JUAN ALAMO ISD STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

	Business-Ty Activities	pe Governmental Activities -
	Total	Total
	Enterprise	Internal
	Funds	Service Funds
Cash Flows from Operating Activities:		
Cash Received from User Charges	\$ 609,5	38 \$ 45,673,228
Cash Payments to Employees for Services	(392,5	40) (537,465)
Cash Payments for Insurance Claims	•	(45,344,646)
Cash Payments for Suppliers	(103,4	34) (191,741)
Cash Payments for Other Operating Expenses	(12,2	80) (15,863)
Net Cash Provided by (Used for) Operating Activities	101,28	(416,487)
Cash Flows from Non-Capital Financing Activities:		
Increase(decrease) in Interfund Loans	36,3	- 87
Cash Flows from Investing Activities:		
Purchase of Investment Securities		(22,459,925)
Proceeds from Sale & Maturities of Securities		22,960,000
Interest and Dividends on Investments		111,604
Net Cash Provided by Investing Activities		611,679
Net Increase in Cash and Cash Equivalents	137,6	71 195,192
Cash and Cash Equivalents at Beginning of Year	663,44	7,542,820
Cash and Cash Equivalents at End of Year	\$ 801,1	\$ 7,738,012
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used for) Operating Activities:		
Operating Income (Loss):	\$ 5,1	65 \$ (1,531,914)
Effect of Increases and Decreases in Current		
Assets and Liabilities:		
Increase (decrease) in Accounts Payable	7,6	78 456,578
Increase (decrease) in Accrued Liabilities	1,4	,
Increase (decrease) in Interfund Payables	87,0	
Net Cash Provided by (Used for) Operating Activities	\$ 101,23	\$ (416,487)

PHARR SAN JUAN ALAMO ISD STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS AUGUST 31, 2022

	Total Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 40,560
Total Assets	40,560
NET POSITION	
Restricted for Student Activities	40,560
Total Net Position	\$ 40,560

The notes to the financial statements are an integral part of this statement.

PHARR SAN JUAN ALAMO ISD STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

	Total Custodial Fund
ADDITIONS:	
Enterprising Services Revenue	\$ 159,525
Total Additions	159,525
DEDUCTIONS:	
Other Deductions	149,048
Total Deductions	149,048
Change in Fiduciary Net Position	10,477
Total Net Position - September 1 (Beginning)	857,220
Prior Period Adjustment	(827,137)
Total Net Position - August 31 (Ending)	\$ 40,560

The notes to the financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Education Stabilization Fund (ESSER II and III) Fund: These funds are used to report revenues and expenditures of the ESSER Grant, a federal program under the CARES (Coronavirus Aid, Relief, and Economic Security) Act.

Debt Service Funds: This fund is used by the District to account for resources accumulated and payments made for principal and interest on long -term debt of governmental funds.

Capital Projects Funds: This fund is used by the District to account for the financial resources used to acquire and/or construct a major capital asset.

In addition, the District reports the following fund types:

Enterprise Funds: These funds are used to account for goods and services provided to the public for a fee that makes them self- supporting.

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

Custodial Fund: This fund is used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Custodial fund typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

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

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Note 1 - Summary of Significant Accounting Policies (Continued)

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Custodial funds utilize the accrual basis of accounting but do not have a measurement focus as they report only additions and deductions.

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

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

c. 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 a 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 are unobservable 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.

- The market approach uses prices generated by market transactions involving identical or comparable assets or liabilities.
- The cost approach uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- The income approach uses valuation techniques to convert future amounts to present amounts based on current market expectations.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

Note 1 - Summary of Significant Accounting Policies (Continued)

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less from the date of acquisition.

b. Investments

The District's general policy is to report money market investments, which are short-term, highly liquid debt instruments, including commercial paper, banker acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less at amortized cost. Nonparticipating interest-earning investment contracts, including repurchase agreements, are reported using a cost-based measure. However, if the fair value or an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. Investments in entities (such as investment pools) that calculate Net Asset Value per Share and follow the requirements of GASB Statement No. 79 are also reported at amortized cost. The term "short term" refers to investments, which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded as expenses when consumed rather than when purchased. In the fund financial statements, the reported amounts are equally offset by a fund balance nonspendable category, which means that they do not constitute "available spendable resources" even though they are a component of current assets.

d. Restricted Assets

These assets are set aside to pay for long term debt items. As of August 31, 2022, restricted assets of the General Fund total \$2,800,000, including interest earnings held in money market accounts for the future payment of the Qualified School Construction Loan, Series 2011.

Note 1 - Summary of Significant Accounting Policies (Continued)

e. Capital Assets

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

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

	Estimated
Asset class	useful lives
Infrastructure	30
Buildings	50
Buildings and Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

f. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide and proprietary Statements of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Outflows of Resources

In the government-wide financial statements, insurance costs arising from the issuance of debt are reported as deferred outflows and amortized over the term of the related debt. Deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and are amortized over the lesser of the life of the refunded bonds or refunding debt.

Deferred outflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. Deferred outflows result from pension and OPEB plan contributions made after the measurement date of the net pension and net OPEB liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows also include the District's proportionate share of the deferred outflows of resources of the TRS plan. These deferred outflows include the differences between expected and actual economic experience and changes in actuarial assumptions. The deferred outflows of resources related to the District's contributions which are subsequent to the measurement date will be recognized as a reduction of the net pension and net OPEB liabilities in the next fiscal year.

The other pension and OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions and OPEB through the pension and OPEB plans which is currently between 6.3082 to 9.1672 years.

Deferred Inflows of Resources

Grant amounts received in advance of meeting timing requirements and advances of revenue from imposed nonexchange transactions such as property taxes or transactions recorded as a receivable prior to the period when resources are required to be used or are available, are reported as deferred inflows of resources at the fund level and are recognized as revenues at the government-wide level. Deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and are amortized over the lesser of the life of the refunded bonds or refunding debt.

Deferred inflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. These deferred inflows result primarily from differences between projected and actual earnings on pension and OPEB plan investments. These amounts will be amortized between 5.00 to 9.1672 years.

g. Receivable and Payable Balances

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

There are no significant receivables, which are not scheduled for collection within one year of year-end.

h. Compensated Absences

On retirement or death of certain employees, the District pays any accrued leave in a lump sum payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

i. Interfund Activity

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

Note 1 - Summary of Significant Accounting Policies (Continued)

"Transfers" line on the government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide Statement of Net Position.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement actual results may differ from actual amounts.

k. Long-term Obligations

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are recorded and amortized over the term of the related debt using the effective interest method. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received and OID discounts incurred on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from debt proceeds, and underwriter's discounts are reported as debt service expenditures.

I. Data Control Codes

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

m. Fund Balances - Governmental Funds

There are two major categories of fund balances of the governmental funds, which are nonspendable and spendable:

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

There is a hierarchy of spendable fund balances based on spending constraints:

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

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees, who have delegated this responsibility to the Chief Financial Officer. Committed amounts cannot be used for any other purpose unless the Chief Financial Officer removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees.

Note 1 - Summary of Significant Accounting Policies (Continued)

Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

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

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

n. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

o. Leases

Lease contracts that provide the District with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The leased asset is recorded for the same amount as the related lease liability plus prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

p. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1 - Summary of Significant Accounting Policies (Continued)

4. Accounting System

In accordance with the Resource Guide, the District has adopted and installed an accounting system, which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by TEA in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

5. Pensions

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

6. Other Post-Employment Benefits

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

7. Recently Issued and Implemented Accounting Pronouncements

In 2022, the District implemented Statement No. 87, *Leases*, which improves the 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 the governments' leasing activities. Refer to Note 2 for implications to the financial statements in the implementation of this standard.

Statement No. 92, *Omnibus 2020*, enhances 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 was adopted in the current year, resulting in no material effect.

Note 1 - Summary of Significant Accounting Policies (Continued)

Future accounting standards possibly applicable to the District that have been issued by the Governmental Accounting Standards Board are:

- Statement No. 96, Subscription-Based Information Technology Arrangements
- Statement No. 99, Omnibus 2022
- Statement No. 101, Compensated Absences

Statement No. 96, Subscription-Based Information Technology Arrangements, 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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The District is evaluating the requirements of GASB No. 96 and the impact on reporting for future years.

Statement No. 99, *Omnibus 2022*, enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The District is evaluating the requirements of GASB No. 99 and the impact on reporting for future years.

Statement No. 101, Compensated Absences requires, that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The District is evaluating the requirements of GASB No. 101 and the impact on reporting for future years.

Note 2 - Compliance and Accountability

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, violations of finance- related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violations</u> None reported

Action Taken
Not applicable

Expenditures Exceeding Appropriations

For the year ended August 31, 2022, the District had expenditures exceeding budget by \$343,508 in function 35, \$662,306 in function 72, and \$3,730 in function 73 in the general fund.

Deficit Fund Balance or Fund Net Position of Individual Funds

The District does not have funds with a deficit balance at year-end. The district has a negative unrestricted net position in the Governmental Activities of \$110,427,692 at year-end. The result of this negative balance is due to the effect of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions implemented in the previous year (Refer to Note 16).

Adoption of GASB 87 Leases

The District adopted GASB No. 87, *Leases* as of September 1, 2021. The District evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB No. 87. The contract to lease four classrooms met the definition of a lease and the District calculated and recognized right-to-use assets \$1,038,292 and a prepaid interest of \$126,660 as of September 1, 2021 since the lease has been prepaid in advance. The contract with the City of Pharr to joint lease the use of the Natatorium occurred in the current year and also met the definition of a lease, see further detail note 17. There were no impacts to the beginning net position related to the adoption of GASB No. 87.

Note 3 - Deposits and Investments

The following is a reconciliation of the District's total cash, investments, and restricted assets with the statement of Net Position:

	Balance as of	
	Αι	gust 31, 2022
Deposits	\$	19,945,006
Money Market		2,800,000
Investments		118,460,307
Total	\$	141,205,313
Exhibit A-1		
Cash and Cash Equivalents	\$	19,904,446
Investments		118,460,307
Restricted Assets		2,800,000
Total Exhibit A-1	\$	141,164,753
Exhibit E-1		
Cash and Cash Equivalents	\$	40,560
Total Exhibit E-1	\$	40,560

Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. During the year, the depository bank maintained letters of credit with the District's agent bank to cover the bank deposits as authorized by Chapter 2257 Collateral for Public Funds of the Government Code, 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. At August 31, 2022, the carrying amount of the District's deposits (cash and money market) was \$20,904,447 and the bank balance was \$20,864,075.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's cash deposits at August 31, 2022 and during the year ended August 31, 2022 were entirely covered by letters of credit and FDIC insurance held by the District's agent bank in the District's name.

Note 3 - Deposits and Investments (Continued)

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Depository Institution: PNC Bank
- b) Amount of letters of credit pledged as of the date of the highest combined balance on deposit was \$73,600,815.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$60,160,684 and occurred during the month of January 2022.
- d) Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Additionally, a cumulative sinking fund money market account is held by BNY Mellon to provide for the payment of the Qualified School Construction Loan, Series 2011. The highest cash balance of \$2,800,000 occurred during the month of January 2022 in this money market account. The money market account is held and fully collaterized by BNY Mellon.

Investments

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

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

The Act determines the types of investments, which are allowable for the District:

- 1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
- 2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
- 3. Fully collateralized repurchase agreements as permitted by Government Code 2256.011
- 4. A securities lending program as permitted by Government Code 2256.0115
- 5. Banker's acceptances as permitted by Government Code 2256.012
- 6. Commercial paper as permitted by Government Code 2256.013
- 7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
- 8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements as established by Government Code 2256.015
- 9. Public funds investment pools as permitted by Government Code 2256.016

Note 3 - Deposits and Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. Information on the credit rating and credit risk associated with debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. Government), external investment pools, money market funds, bond mutual funds and other pooled investments of fixed-income securities at year-end is required.

State law and the District's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the District's depository.

The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the District to non-FDIC coverage requires immediate liquidation.

State law and the District's adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement.

Constant dollar, local-government investment pools, as allowed by state law (2256.016) and approved by the adopted Policy are authorized. By state law, all local government pools are rated AAA or equivalent by at least one NRSRO (Nationally Recognized Securities Ratings Organization). All pools by Policy must strive to maintain a \$1 NAV.

Debt issued by states, local governments and other political subdivisions must be general obligations of the issuer and be rated A or better by at least one NRSRO and are restricted to two (2) years to maturity.

AAA rated, SEC registered money market mutual funds are authorized if they strive to maintain a \$1 NAV.

The Qualified School Construction Note Funds are defined as a separate sub-portfolio which has a maximum stated maturity and weighted average maturity of five (5) years. The policy restricts all other investments to a maximum stated maturity of two (2) years and also restricts the portfolio to a weighted average maturity of 180 days.

Interest rate risk exists in an interest-bearing asset, such as a loan or a bond, due to the possibility of a change in the asset's value resulting from the variability of interest rates. Interest-rate risk management reduces the exposure to changes in interest rates that could adversely affect the value of investments. The District shall use final and weighted-average maturity data.

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum maturity of two (2) years. The total portfolio has a dollar weighted average maturity (WAM) limit of 180 days. The investment in the QSCN Reserve Fund has a maturity of 667 days in keeping with its specific policy and goals. The District's investment in TexPool and Texas Term are available daily.

Note 3 - Deposits and Investments (Continued)

Concentration of Credit Risk - The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act.

Public Funds Investment Pools

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

All of the investment pools that the District is invested in meet the criteria established under GASB Statement No. 79 to report their value at amortized cost. All of the investment pools strive to maintain a \$1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

Description	Re	ported Amount	Weighted Average Maturity (days)	Standard & Poor Rating	Concentration of Credit Risk
Texas Range	\$	21,168,328	60	AAAmmf	17.87%
Texas Daily		7,134	60	AAAmmf	0.01%
TexPool Investment Fund		75,565,595	16	AAAm	63.79%
Lone Star Investment Pool		16,658,472	65	AAAf/S1+	14.06%
Texas FIT		5,060,778	69	AAAf/S1+	4.28%
	\$	118,460,307			100%

Note 4 – Property Tax

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2021 tax rate was \$0.9976 for maintenance and \$0.2191 for debt service per \$100 assessed valuation. The 2021 assessed valuation was \$5,557,046,250. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Taxes Receivable at August 31, 2022, was as follows:

			Less:	Allowance for		
	Total Receivable Uncollectible Net Receiva		Total Receivable Uncollectible		t Receivable	
General Fund	\$	5,700,543	\$	1,814,083	\$	3,886,460
Debt Service Fund		1,007,809		413,766		594,043
	\$	6,708,352	\$	2,227,849	\$	4,480,503

Note 5 - Capital Assets

Capital asset activity for the year ended August 31, 2022 was as follows:

Beginning Balance Increases Decrea Governmental activities:	Ending ses Balances
	ses Balances
Governmental activities:	
Capital assets, not being depreciated:	
Land \$ 30,021,582 \$ - \$	- \$ 30,021,582
Construction in progress 27,690,429 20,419,452 (25,707)	7,559) 22,402,322
Total capital assets, not being depreciated 57,712,011 20,419,452 (25,707)	7,559) 52,423,904
Capital assets, being depreciated:	
Infrastructure 23,218,028 6,088,245	- 29,306,273
Buildings 570,473,779 -	- 570,473,779
Buildings and improvements 223,364,737 19,619,315	- 242,984,052
Furniture and equipment 45,708,042 856,540 (1,411	1,791) 45,152,791
Vehicles 16,885,460 4,306,184 (1,522	2,495) 19,669,149
Library Books 358,671 -	- 358,671
Total capital assets, being depreciated 880,008,717 30,870,284 (2,934)	1,286) 907,944,715
Less accumulated depreciation for:	
Infrastructure (17,008,016) (883,937)	- (17,891,953)
Buildings (116,265,786) (11,569,969)	- (127,835,755)
Buildings and improvements (50,456,687) (7,070,608)	- (57,527,295)
Furniture and equipment (40,838,209) (1,607,461) 1,369	9,695 (41,075,975)
Vehicles (13,032,080) (1,045,216) 1,512	2,905 (12,564,391)
Library Books (358,671) -	- (358,671)
Total accumulated depreciation (237,959,449) (22,177,191) 2,882	2,600 (257,254,040)
Total capital assets, being depreciated, net 642,049,268 8,693,093 (51	1,686) 650,690,675
Capital assets, being amortized:	
Leased assets 1,038,292 10,693,549	- 11,731,841
Less accumulated amortization - (663,305)	- (663,305)
1	(,)
Total capital assets, being amortized, net 1,038,292 10,030,244	- 11,068,536
Governmental activities, capital assets, net \$700,799,571 \$39,142,789 \$(25,759)	9,245) \$714,183,115

Note 5 - Capital Assets (Continued)

Internal Service Fund capital assets detailed below are included with the Governmental Activities in the Statement of Net Position and are included in the previous recap of governmental activities' capital assets.

	Intern	Internal Service Fund	
Furniture and Equipment	\$	89,057	
Accumulated Depreciation		80,053	
Net Capital Assets	\$	9,004	
Depreciation was charged to functions as follows:			
11 - Instruction	\$	11,967,882	
12 - Instructional Resources and Media Services		414,249	
13 - Curriculum and Instructional Staff Development		286,845	
21 - Instructional Leadership		432,389	
23 - School Leadership		1,275,373	
31 - Guidance, Counseling, and Evaluation Services		781,803	
32 - Social Work Services		173,429	
33 - Health Services		306,217	
34 - Student (Pupil) Transportation		632,246	
35 - Food Services		1,460,929	
36 - Extracurricular Activities		830,392	
41 - General Administration		611,194	
51 - Facilities Maintenance and Operations		2,366,565	
52 - Security and Monitoring Services		382,371	
53 - Data Processing Services		233,222	
61 - Community Services		22,084	
Total depreciation expense	\$	22,177,191	

Note 6 - Due To and From Other Governments and Agencies

Amounts due to and from other governments and agencies are as follows:

	Due From	Due To
General Fund		
Texas Education Agency:		
Foundation Revenues	\$ 13,037,826	\$ 29,761,354
National School Breakfast and Lunch Program	1,481,822	=
Medicaid Program (SHARS)	4,224,967	-
Other	297,162	106,159
	19,041,777	29,867,513
Major Special Revenue Fund		
Texas Education Agency:		
Education Stabilization Fund (ESSER II)	35,017,345	-
Education Stabilization Fund (ESSER III)	22,778,696	_
zadation stasinzation rana (zoszivin)	57,796,041	
Debt Service Fund		
Texas Education Agency:		4 450 005
Instructional Facilities Allotment		1,458,965
	-	1,458,965
Other Governmental Funds		
Texas Education Agency:		
Title I Grants to Local Education Agencies	3,904,584	-
Migrant Education State Grant Program	199,124	-
Special Education -Grants to States	1,109,168	-
Supporting Effective Instruction State Grants	843,582	-
English Language Acquisition State Grants	339,648	-
Title IV Grants to Local Education Agencies	119,535	-
LEP Summer School Grants	91,087	-
Textbook and Kindergarter Materials Grants	675,138	-
School Safety and Security Grants	453,870	-
Other	98,054	-
UT-RGV (Head Start)	1,058,522	-
Region 18 (TSLI Grant)	1,150,259	-
Other	247,168	108,498
	10,289,739	108,498
Exibit C-1 Totals	\$ 87 127 557	\$ 31,434,976
EXIDIT C-1 TOTALS	\$ 87,127,557	у эт,454,370
Total Due To/From Other Goverments and Agencies - Exhibit A-1	\$ 87,127,557	\$ 31,434,976

Note 7 - Interfund Balances and Activities

Due To and From Other Funds

	Due From	Due To
General Fund		
General Fund	\$ 7,667,692	\$ 7,667,692
Special Revenue Fund	58,556,055	95
Debt Service Fund	420,434	5,112,734
Capital Projects Fund	9,939	15,000,319
Internal Service Fund	-	16,881
Enterprise Funds	43,894	
Total General Fund	66,698,014	27,797,721
Special Revenue Fund		
General Fund	95	7,335,257
Total Special Revenue Fund	95	7,335,257
Major Special Revenue Fund		
General Fund	-	51,220,798
Capital Projects Fund	-	1,836,149
Total Special Revenue Fund		53,056,947
Debt Service Fund		
General Fund	5,112,734	420,434
Debt Service Fund	358,110	358,110
Capital Projects Fund	1	2,600
Total Debt Service Fund	5,470,845	781,144
Capital Projects Fund		
General Fund	15,000,319	9,939
Special Revenue Fund	1,836,149	-
Debt Service Fund	2,600	1
Internal Service Fund		36
Total Capital Projects Fund	16,839,068	9,976
Internal Service Fund		
General Fund	16,881	-
Capital Projects Fund	36	-
Total Internal Service Fund	16,917	
Enterprise Fund		
General Fund		43,894
Total Enterprise Fund	-	43,894
Total	\$ 89,024,939	\$ 89,024,939

Note 7 - Interfund Balances and Activities (Continued)

The balances resulted from a routine lag between the dates that transactions are recorded in the accounting system and in which payments between the funds are made. All amounts are scheduled to be repaid within one year.

Transfers To and From Other Funds are as followed:

Transfer From	Transfer To	Amount Reason	
General Fund	Capital Projects Fund	\$ 2,775,000 Transfers for Constructio	n
Total		\$ 2,775,000	

Note 8 - Long-Term Obligations

Bonds payable will be paid by the Debt Service Fund. The tax notes are direct obligations of the District, payable as to both principal and interest from available funds of the District, which include the maintenance tax. The District has pledged to levy a tax from the District's maintenance and operation taxing authority for the maintenance tax notes.

A federal subsidy is available to the District to reimburse the District the majority of the interest requirement for the Maintenance Tax Qualified Construction Notes. For the 2021-2022 fiscal year, the District received \$507,562 from this federal assistance. The District is required to make annual deposits into a cumulative sinking fund deposit account in order to pay the principal on these notes when they mature. The sinking fund deposits are recorded in the Debt Service Fund and restricted for that purpose.

Note 8 - Long-Term Obligations (Continued)

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2022 are as follows:

	Restated						
Barrier de Maria	Beginning	A data a	Ded allow	_		Du	e Within One
Description	Balance	Additions	Reductions	EI	nding Balance		Year
Governmental activities							
Bonds payable							
Unlimited Tax Refunding Bonds,							
Series 2014	\$ 31,100,000	\$ -	\$ 16,110,000	\$	14,990,000	\$	4,745,000
Unlimited Tax Refunding Bonds,							
Series 2015	82,585,000	-	43,740,000		38,845,000		3,230,000
Unlimited Tax Refunding Bonds,							
Series 2016	83,645,000	-	52,080,000		31,565,000		5,480,000
Unlimited Tax Refunding Bonds,							
Series 2017	8,760,000	-	-		8,760,000		-
Unlimited Tax Refunding Bonds,							
Series 2019	39,795,000	-	-		39,795,000		-
Unlimited Tax Refunding Bonds,							
Series 2021	-	98,230,000	-		98,230,000		-
Capital Appreciation Bond	-	900,000	810,000		90,000		80,000
Total bonds payable	245,885,000	99,130,000	112,740,000		232,275,000		13,535,000
Natas assable							
Notes payable							
Qualified School Construction	10.005.000				10 00E 000		1 202 256
Note, Series 2011	10,005,000	-	-		10,005,000		1,293,356
Limited Maintenance Tax Note Payable, Series 2015	10 115 000		1,105,000		9,010,000		1,110,000
Limited Maintenance Tax Note	10,115,000	-	1,103,000		9,010,000		1,110,000
Payable, Series 2017	2,260,000	_	205,000		2,055,000		205,000
rayable, Selles 2017	2,200,000		203,000		2,033,000		203,000
Total notes payable	22,380,000	-	1,310,000		21,070,000		2,608,356
2021 CAB Accrued Interest	<u>-</u>	1,374,706	430,000		944,706		229,706
Premium and Discount	25,939,415	14,811,120	14,560,481		26,190,054		
Total bands and notes							
Total bonds and notes payables, net	204 204 445	115 215 026	120 040 404		200 470 760		16 272 062
payables, flet	294,204,415	115,315,826	129,040,481		280,479,760		16,373,062
Sick and Vacation Leave	9,363,381	188,270	541,873		9,009,778		672,176
	, , -	, ,	, -		· · · · · · · · · · · · · · · · · · ·		
Governmental activities							
long-term liabilities	\$ 303,567,796	\$ 115,504,096	\$ 129,582,354	\$	289,489,538	\$	17,045,238

Note 8 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2022 are comprised of the following individual issues:

		Final			Ending Balance
Description	Original Issue	Maturity	Coupon Rate	Original Issue	8/31/2022
Unlimited Tax Refunding					
Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	\$ 46,395,000	\$ 14,990,000
Unlimited Tax Refunding					
Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	38,845,000
Unlimited Tax Refunding					
Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	31,565,000
Unlimited Tax Refunding					
Bonds, Series 2017	10/31/2017	2/1/2033	2.00-4.00%	8,860,000	8,760,000
Unlimited Tax Refuding					
Bonds, Series 2019	12/9/2019	2/1/2040	3.00-4.00%	40,595,000	39,795,000
Unlimited Tax Refuding					
Bonds, Series 2021	9/23/2021	2/1/2038	5.00-5.01%	99,130,000	98,230,000
Capital Appreciation Bond	9/23/2021	2/1/2026	0.04-1.26%	810,000	90,000
				\$ 392,470,000	\$ 232,275,000

Interest paid on bonded indebtedness during the current year was

\$ 9,509,558

Notes payable at August 31, 2022 are comprised of the following individual issues:

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Ending Balance 8/31/2022
Description	Original issue	iviacarity	Coupon nate	Original issue	0/31/2022
Qualified School Construction			5.497%-		
Note, Series 2011	2/2/2011	2/1/2026	6.247%	\$ 26,755,000	\$ 10,005,000
Limited Maintenance Tax					
Note Payable, Series 2015	6/23/2015	2/1/2030	0.39%	16,660,000	9,010,000
Limited Maintenance Tax					
Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%	3,100,000	2,055,000
				\$ 46,515,000	\$ 21,070,000

Interest paid on notes indebtedness during the current year was

\$ 2,328,804

Note 8 - Long-Term Obligations (Continued)

Debt Service Requirements

Debt service requirements on long-term debt are as follows:

Bonds Payable

Year ending				Total	
August 31	Principal	Interest	Requirement		
2023	\$ 13,535,000	\$ 8,924,147	\$	22,459,147	
2024	14,610,000	7,867,522		22,477,522	
2025	15,340,000	7,118,772		22,458,772	
2026	8,230,000	9,974,772		18,204,772	
2027	12,165,000	6,043,522		18,208,522	
2028-2032	70,690,000	21,106,412		91,796,412	
2033-2037	76,375,000	8,165,329		84,540,329	
2038-2042	21,330,000	810,053		22,140,053	
Subtotal	\$ 232,275,000	\$ 70,010,529	\$	302,285,529	

Notes Payable

Year Ending								Total
August 31	No	tes Principal		Interest	Q:	SCB Subsidy	F	Requirement
2023	\$	1,315,000	\$	657,987	\$	(506,644)	\$	1,466,343
2024		1,320,000		653,648		(506,644)		1,467,004
2025		1,325,000		649,290		(506,644)		1,467,646
2026		11,335,000		332,410		(224,660)		11,442,750
2027		1,335,000		15,503		-		1,350,503
2028-2032		4,440,000		19,966		=		4,459,966
Subtotal	\$	21,070,000	\$	2,328,804	\$	(1,744,592)	\$	21,654,212
Notes principal balance Less: Sinking fund balance as of 8/31/2022					\$	21,070,000 2,800,000		
Total Notes Payable		uo o. o, o _, _ = = =			\$	18,270,000		

Current Year Refunding

The District issued \$99,130,000 in Unlimited Tax Refunding Bonds, Series 2021, to refund \$11,595,000 of the Unlimited Tax Refunding Bonds, Series 2014, \$40,670,000 of the Unlimited Tax Refunding Bonds, Series 2015 and \$46,865,000 of the Unlimited Tax Refunding Bonds, Series 2016. The net proceeds were used to purchase U.S. government, state and local securities that were in placed in an escrow account to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statements of net assets. The reacquisition price exceeded the net carrying amounts of the old debt by \$10,279,439. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$13,505,796 and resulted in an economic gain of \$11,450,897. As a result of this current advance refunding, the amount of defeased debt outstanding of these 2014, 2015, and 2016 is \$99,130,000 at August 31, 2022.

Note 9 - Revenues from Local and Intermediate Sources

During the current year, revenues from local and intermediate sources consisted of the following:

					Total
		Debt Service	Capital		Governmental
	General Fund	Fund	Projects	Other Funds	Funds
Property Taxes	\$ 55,508,769	\$ 12,151,915	\$ -	\$ -	\$ 67,660,684
Food Sales	28,065	-	-	-	28,065
Investment Income	873,427	14,776	20,049	559	908,811
Penalties and Interest on Taxes	1,411,557	289,965	-	-	1,701,522
Co-curricular Student Activities	485,578	-	-	4,589,638	5,075,216
Other	1,034,498	-	1,325,728	104,122	2,464,348
Total	\$ 59,341,894	\$ 12,456,656	\$ 1,345,777	\$ 4,694,319	\$ 77,838,646

	Total Enterprise Funds	Total Internal Service Funds		
Insurance	\$ -	\$	45,153,549	
Other	522,524		195,830	
Total	\$ 522,524	\$	45,349,379	

Note 10 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. As of August 31, 2022, unearned revenue reported in the governmental funds consisted of \$2,872,288 for state and local grants. Unearned revenues for state and local grants represent revenues received in excess of expenditures incurred for those programs for which the project period has not yet ended.

Note 11 - Deferred Outflows and Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of August 31, 2022, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$3,927,890 and \$4,224,967, respectively, for a total of \$8,221,486.

Deferred outflows of resources reported at the government-wide financial statement level include deferred charges on refunding of bonds, deferred outflows related to pensions and deferred outflows related to OPEB. As of August 31, 2022, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$19,129,188 net of cumulative amortization of \$1,395,834. Deferred outflows of resources related to pensions and OPEB are \$49,490,887 and \$39,310,901, respectively. Deferred inflows of resources related to pensions and OPEB are \$65,035,818 and \$86,652,628, respectively.

Note 12 - General Fund Federal Source Revenues

Programs or Source	AL Number	Amount
Commodity Supplemental Food Program - noncash assistance	10.555	\$ 1,766,914
National School Lunch Program-SSO	10.553	16,037,879
National School Lunch Program - SCA	10.555	632,128
School Breakfast Program-SSO	10.553	5,303,617
Child and Adult Care Food Program	10.558	1,406,417
COVID-19 Child and Adult Care Food Program - EOC	10.558	4,631
COVID-19 State Administrative Expenses for Child Nutrition	10.560	48,099
Child Nutrition Discretionary Grants Limited Availability (Equipment Assistance)	10.579	72,000
Fresh and Fruit Vegetable Program	10.582	278,445
GEAR Up	84.334A	12,577
COVID-19 Promotion of the Humanities Public Programs	45.164	10,000
JROTC	12.U01	240,554
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	36,264
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	66,971
Subsidy	N/A	507,562
SHARS	N/A	4,839,787
Indirect Cost	N/A	8,162,045
Total	·	\$ 39,425,890

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2022, 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.

Workers' Compensation Insurance

During the year ended August 31, 2022, the District met its statutory workers compensation obligations by participating as a self-funded member of the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February the following year. The Fund's audited financial statements as of August 31, 2021, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Note 13 - Risk Management (Continued)

Health Insurance

The District sponsors a self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. During the fiscal year, the District contributed \$662 per month, per employee to the plan. The total contribution during the current period was \$37,164,619. The employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents' health insurance. Health claim payments were processed by a third party administrator acting on behalf of the District.

In accordance with State statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a third party insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect for individual (specific) claims and aggregate claims. The stop loss for individual (specific) claims is \$500,000 per covered person with an unlimited maximum. The district's aggregate point of attachment for the fiscal year was \$45,612,789. Settled claims have not exceeded the attachment point for the year ending August 31, 2022.

Claims Liabilities

The claims liabilities at August 31, 2022 for workers compensation insurance and health insurance of \$791,043 and \$3,488,536 reported in the internal service fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in claims liabilities reported in the internal service fund during the past two fiscal years are as follows:

		Workers Co	mpen	sation	Health Insurance		
	Year Ended		Year Ended		Year Ended	Year Ended	
	8/31/2021		8/31/2022		8/31/2021	8/31/2022	
Claims liability at beginning of year	\$	605,021	\$	614,961	\$ 3,045,848	\$ 3,334,000	
Incurred claims (including IBNRs)							
and adjustments		613,617		995,085	38,935,148	40,984,926	
Claims payments		(603,677)		(819,003)	(38,646,996)	(40,830,390)	
Claims liability at end of year	\$	614,961	\$	791,043	\$ 3,334,000	\$ 3,488,536	

Medicare Part D - On Behalf Payments for Reporting Entities

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants.

Note 13 - Risk Management (Continued)

For the fiscal years ended August 31, 2022, 2021 and 2020, the subsidy payments received by TRS Care on behalf of the District for Medicare Part D were \$1,038,676, \$1,069,528, and \$1,148,313 respectively.

Note 14 - 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, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (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.

Note 14 - Pension Plan (Continued)

The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the Legislature to consider a benefit enhancement, such as supplemental payment for the retirees.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment 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. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution	on Rates
	2021	2022
Member	7.7%	8.0%
Non-Employee Contributing Entity (State)	7.5%	7.8%
Employers	7.5%	7.8%
Current fiscal year employer contributions	\$	10,951,956
Current fiscal year member contributions	\$	20,691,074
2021 measurement year NECE on-behalf contributions	\$	11,561,383

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 junior 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).

Note 14 - Pension Plan (Continued)

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, including public schools, are required to pay the employer contribution rate in the following instances:

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial evaluation rolled forward to August 31, 2021 was determined using the following actuarial assumptions:

Note 14 - Pension Plan (Continued)

Valuation Date August 31, 2020 rolled forward to August 31, 2021

Actuarial Cost Method Individual Entry Age Normal

Asset Valuation Method Fair Value
Single Discount Rate 7.25%
Long-term Expected Investment Rate of Return 7.25%

Municipal Bond Rate as of August 2020 1.95% - Source for the rate is the Fixed Income

Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20- Year Municipal GO AA Index."

Last year ending August 31 in projection 2120

period (100 years)

Inflation 2.30%

Salary Increases Including Inflation 3.05% to 9.05%

Ad hoc Post-Employment Benefit Changes None

The actuarial methods and assumptions used in 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 9, 2020.

Discount Rate

The single discount rate used to measure the total pension liability was 7.250%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%.

The projection of cash flows used to determine the 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 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on 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 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 assets allocation percentage and by adding expected inflation.

Note 14 - Pension Plan (Continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 (see page 53 of the 2021 TRS Annual Comprehensive Financial Report) are summarized below:

		Long-Term Expected	Expected Contribution
	Target	Geometric Real Rate	to Long-Term Portfolio
Asset Class ₁	Allocation %2	of Return₃	Returns
Global Equity			
U.S.A	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-0.2%	0.01%
Absolute Return (Including	-	1.1%	-
Credit Sensitive Investments)			
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy and Natural Resources,	6.0%	4.7%	0.35%
and Infrastructure			
Commodities	-	1.7%	-
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag ₄			-0.95%
Expected Return	100.0%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

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 Net Pension Liability.

² Target allocations are based on the FY2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 14 - Pension Plan (Continued)

	% Decrease in iscount Rate (6.25%)	[Discount Rate (7.25%)	% Increase in iscount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 132,718,222	\$	60,736,193	\$ 2,336,919

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

At August 31, 2022, the District reported a liability of \$60,736,193 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	\$ 60,736,193
State's proportionate share that is associated with the District	68,993,376
Total	\$ 129,729,569

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.2384948302%, which was an increase of 0.0221626706% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation - There have been no changes in the actuarial assumptions and methods since the prior valuation.

For the year ended August 31, 2022, the District recognized pension expense of \$7,751,332 and revenue of \$275,827 for support provided by the State.

Note 14 - Pension Plan (Continued)

At August 31, 2022, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of
	of Resources	Resources
Differences between expected and actual actuarial experiences	\$ 101,640	\$ 4,275,876
Changes in actuarial assumptions	21,469,058	9,358,668
Differences between projected and actual investment earnings	-	50,926,510
Changes in proportion and differences between the employer's		
contributions and the proportionate share of contributions	16,968,233	474,764
Total as of August 31, 2021 measurement date	38,538,931	65,035,818
Contributions paid to TRS subsequent to the measurement date		
that will be recognized in fiscal year-end 2023	10,951,956	
Total as of fiscal year-end	\$ 49,490,887	\$ 65,035,818

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

				Р	ensi	on Expense		
Fiscal year ended August	31,						Α	mount
2023						\$		(3,580,535)
2024								(4,036,769)
2025								(8,786,374)
2026								(12,138,364)
2027								1,655,905
Thereafter								389,250
	Beg	ginning Balance					E	nding Balance
		9/1/2021		Additions		Retirements		8/31/2022
Net Pension Liability	\$	115,863,091	\$	(44,949,190)	\$	10,177,708	\$	60,736,193

Note 15 - Other Post-Employment Benefit Plans

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 with 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.

Note 15 - Other Post-Employment Benefit Plans (Continued)

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other education districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The premium rates for retires are presented in the following table:

TRS Care Plan Premium Rates

	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year.

The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate, which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate, which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2021. The following table shows contributions to the TRS-Care plan by type of contributor.

Note 15 - Other Post-Employment Benefit Plans (Continued)

Contribution Rates	2021	2022
Member	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%
Current fiscal year employer contributions		\$ 2,514,079
Current fiscal year member contributions		\$ 1,681,161
2021 measurement year NECE on-behalf contributions		\$ 3,274,849

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5.5 million in fiscal year 2021.

Actuarial Assumptions

The total OPEB liability in the August 31, 2020 actuarial valuation was rolled forward to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

Rates of Disability Incidence

Note 15 - Other Post-Employment Benefit Plans (Continued)

Additional Actuarial Methods and Assumptions:

Valuation Date August 31, 2020 rolled forward to August 31, 2021

Actuarial Cost Method Individual Entry Age Normal

Inflation 2.30%

Single Discount Rate 1.95% as of August 31, 2021 Salary Increases 3.05% to 9.05%, including inflation

Demographic Assumptions The rates of mortality, retirement, termination and disability

incidence are identical to the assumptions used to value the pension liabilities of the TRS. The demographic assumptions were developed in the experience study performed for TRS for

the period ending August 31, 2017.

Mortality Assumption The active mortality rates were based on 90% of the RP-2014

Employee Mortality Tables for males and females. The postretirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale

MP-2018.

Health Care Trend Rates Initial medical trend rates of 8.50% for Medicare retirees and

7.10% for non-Medicare retirees. Initial prescription drug

trend rate of 8.50% for all retirees.

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.

Aging Factors Based on Plan Specific Experience.

Expenses Third-party administrative expenses related to the delivery of

health care benefits are included in the age-adjusted claims

cost.

Ad Hoc Post-Employment Benefit Changes None

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability. There was a decrease of 0.38 percent 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.

Note 15 - Other Post-Employment Benefit Plans (Continued)

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.

Sensitivity of Net OPEB Liability

Discount Rate Sensitivity Analysis:

The following schedule shows the impact on the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the Net OPEB liability.

	1% [Decrease in				1% Increase in
	Discour	nt Rate (0.95%)	Discou	unt Rate (1.95%)	Disc	count Rate (2.95%)
Proportionate share of the net OPEB						
liability	\$	145,583,345	\$	120,692,815	\$	101,103,157

Healthcare Cost Trend Rates Sensitivity Analysis

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

	Current Healthcare					
		1% Decrease		Cost Trend Rate		1% Increase
Proportionate share of net OPEB						_
liability	\$	97,757,180	\$	120,692,815	\$	151,466,739

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

At August 31, 2022, the District reported a liability of \$120,692,815 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	\$ 120,692,815
State's proportionate share that is associated with the District	161,701,475
Total	\$ 282,394,290

Note 15 - Other Post-Employment Benefit Plans (Continued)

The net OPEB liability was measured as of August 31, 2021 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 portion of the net OPEB liability was based on the District's contributions to their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021, the District's proportion of the collective net OPEB liability was 0.3128826376%, which was a decrease of 0.0196181513% from its proportion measured as of August 31, 2020.

Changes in Actuarial Assumptions 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 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the TOL.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2021, the District recognized OPEB expense of \$(7,742,752) and revenue of \$(5,968,019) for support provided by the State.

At August 31, 2022, 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:

	Defe	rred Outflows of	Deferred Inflows of
		Resources	Resources
Differences between expected and actual actuarial			
experiences	\$	5,196,397	\$ 58,423,766
Changes in actuarial assumptions		13,368,146	25,524,297
Differences between projected and actual investment			
earnings		131,034	-
Changes in proportion and differences between the			
employer's contributions and the proportionate share of			
contributions		18,101,245	2,704,565
Total as of August 31, 2020 measurement date		36,796,822	86,652,628
Contributions paid to TRS subsequent to the			
measurement date that will be recognized in			
fiscal year-end 2023		2,514,079	-
Total as of fiscal year-end	\$	39,310,901	\$ 86,652,628

Note 15 - Other Post-Employment Benefit Plans (Continued)

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

Fiscal year ended August 31,		OPEE	B Expense Amount
2023		\$	(10,460,397)
2024			(10,463,352)
2025			(10,462,543)
2026			(7,285,583)
2027			(2,984,538)
Thereafter			(8,199,392)
Beginning Bal	ince		Ending Balance
9/1/2021	Additions Retireme	nts	8/31/2022

11,654,064

\$

2,444,324

120,692,815

Note 16 – Shared Service Arrangements

\$

111,483,075

\$

Net OPEB Liability

The District is a participant in a shared service arrangement with McAllen ISD, which provides deaf education services to students who are enrolled in the Regional Day School Program for the Deaf. As of August 31, 2022, McAllen ISD allocated expenditures in the amount of \$57,717.

Note 17 - Leases - Prepaid Interest

On January 22, 2016, the District entered into an Interlocal Agreement with South Texas College (STC) to lease four classrooms, consisting in the aggregate, approximately 5,800 square feet or more located at the Regional Center for Public Safety Excellence. The District prepaid the total amount of \$1,370,532 on 2018. The District determined that this lease agreement meets the definition of a lease as defined in GASB No. 87. Therefore, the District calculated and recognized right-to-use of asset of \$1,038,292 and since the District prepaid the entire amount, it recorded a prepaid interest of \$126,660 as of September 1, 2021. At that time, the District had \$1,164,952 as prepaid items in the fund level. As of August 31, 2022, prepaid interest balance is \$113,058 and is included in prepaid items of the Statement of Net Position.

On June 2020, the District entered into an interlocal agreement with City of Pharr for the joint lease use and management of the Natatorium. The term of the agreement started on the effective date, which is when the District made the payment of \$12,225,000 in advance on November 2021, and will expire on the 20th anniversary of such effective date. The District has an initial option to extend the term to additional 20 years and then second option to extend for another 10 years. The District is also required to pay one-half of the shared cost of operation, maintenance, management and repairs. District has amortized the prepaid amount over the above term and as of August 31, 2022, total amount prepaid for this agreement, net of amortization, is \$11,715,625. The District determined that this lease agreement meets the definition of a lease as defined in GASB No. 87. As of August 31, 2022, prepaid interest balance is \$1,414,714 and is included in prepaid items of the Statement of Net Position.

Note 17 - Leases - Prepaid Interest (Continued)

The prepaid interest will be amortized over the next sixteen years as follows:

Year Ending August 31,	Amount						
2023	\$	147,824					
2024		140,855					
2025		133,796					
2026		126,643					
2027		119,398					
2028-2032		484,929					
2033-2037		288,998					
2038-2042		85,326					
Total		1,527,769					
Current portion		147,824					
Prepaid long-term	\$	1,379,945					
		_					
As of August 31, 2022, prepaid items consisted of the following:							
Insurance	\$	4,362,776					
Prepaid interest - current portion		147,824					
Total prepaid items - current portion		4,510,600					
Prepaid interest - long-term portion		1,379,945					
Total prepaid items	\$	5,890,545					

Note 18 – Commitments and Contingencies

Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired.

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

Litigation

The District is involved in various legal proceedings arising from its operations. The District believes that the outcome of these proceedings, individually and in the aggregate will have no material effect on the District's financial position.

Note 18 - Commitments and Contingencies (Continued)

Construction Commitments

	Contract	Amount		Remaining
Project Name	Amount	Expended	C	Commitment
Collegiate Academy	\$ 30,600,776	\$ 30,250,776	\$	350,000
PSJA North Courtyard Drainage	1,651,860	1,611,635		40,225
LBJ MS Phase 2	9,024,024	8,607,452		416,573
PSJA ECHS HVAC Upgrade and Roofing	3,424,401	3,280,115		144,286
PSJA Memorial ECHS HVAC Upgrade	2,631,123	2,517,205		113,918
Outdoor Learning Spaces Alamo MS	322,357	310,525		11,832
Outdoor Learning Spaces Cesar Chavez Elem	237,234	229,691		7,543
Baldemar Cano Child Nutirition Canopy Addition	188,388	179,283		9,105
Dr. King C&U, Sotomayor, Bowie Annex Reroofing	393,725	378,981		14,744
Guerra Elementary Reroofing	532,910	510,052		22,858
Garcia Elementary Reroofing	691,730	662,002		29,728
Athletic Facilities Improvements 4 High Schools	4,240,368	4,049,066		191,303
Outdoor Learning Spaces Cantu and Reed Mock Elem	85,718	85,718		-
Total commitments	\$ 54,024,614	\$ 52,672,501	\$	1,352,115

Note 19 - Fund Balances

The District's governmental fund balance designations can be identified as follows:

											Other		Total
		ESS	ER II	ESS	ER III				Capital	Go	vernmental	Go	vernmental
Fund Balance Description	General	Fund		Fund		Debt Service		Projects		Funds		Funds	
Nonspendable													
Inventories	\$ 3,376,494	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,376,494
Prepaid Items	17,174,824		-		-		-		-		-		17,174,824
Restricted													
Federal/State Funds Grant	22,009,484		-		-		-		-		-		22,009,484
Retirement of Long-Term Debt	2,800,000		-		-		5,740,027		-		-		8,540,027
Construction Projects	-		-		-		-	2	5,188,110		-		25,188,110
Committed													
Construction Projects	16,290,000		-		-		-		-		-		16,290,000
Equipment for New Schools	1,450,950		-		-		-		-		-		1,450,950
Sick Leave Payoff	9,009,778		-		-		-		-		-		9,009,778
Campus Activities Fund	-		-		-		-		-		2,489,196		2,489,196
Assigned													
E-Rate and Other Items	7,989,509		-		-		-		-		-		7,989,509
Unassigned Fund Balance													
Other Unassigned Fund Balance	37,442,675		-		-		-		-		-		37,442,675
Total Nonspendable, Restricted,													
Committed and Assigned													
Governmental Fund Balances	\$ 117,543,714	\$	-	\$	-	\$	5,740,027	\$ 2	5,188,110	\$	2,489,196	\$	150,961,047

Total Nonspendable, Restricted, Committed and Assigned

Governmental Fund Balances \$ 80,101,039

Note 20 - Prior Period Adjustment

For the fiscal year ended August 31, 2022 the fund balance and the net position for prior period was adjusted as follows:

Fund	Level

Student Activities	\$ (827,137)
Net Decrease in Custodial Fund Net Position	(827,137)
Campus Activity Fund	827,137
General Fund	1,000,000
Debt Service Fund	(1,000,000)
Net Increase in Special Revenue Fund	827,137
Government Wide Level	
Adjustment to Accumulated Depreciation	(1,008,358)
Adjustment to Premium on Bonds	10,256,620
Net Increase in Net Position	\$ 10,075,399

Campus activity fund adjustment was due to a review of the District for all student and campus activities. The adjustment to general fund from debt service was to reclassify the restricted assets. The adjustments to accumulated depreciation and premium on bonds were due to the detail review of capital assets and debt, respectively, prepared in the year.

Note 21 – Subsequent Events

The District has evaluated subsequent events through January 16, 2023, which is the date these financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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PHARR SAN JUAN ALAMO ISD SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED AUGUST 31, 2022

Data Cont		Budgeted A	mounts	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or		
Code	es	 Original	Final				
		Original	Tillai			(Negative)	
5700 5800 5900	REVENUES: Total Local and Intermediate Sources State Program Revenues Federal Program Revenues	\$ 57,511,575 \$ 291,911,472 33,038,675	58,852,599 277,739,269 34,049,854	\$ 59,341,894 257,954,377 39,425,890	\$	489,295 (19,784,892) 5,376,036	
	-	 					
5020	Total Revenues	 382,461,722	370,641,723	356,722,161		(13,919,562)	
I	EXPENDITURES:						
	Current:						
0011	Instruction	201,341,970	172,361,012	172,225,797		135,215	
0012	Instructional Resources and Media Services	5,704,391	5,908,122	4,756,279		1,151,843	
0013	Curriculum and Instructional Staff Development	3,049,534	5,040,123	4,585,903		454,220	
0021	Instructional Leadership	6,671,708	9,467,509	6,956,751		2,510,758	
0023	School Leadership	20,927,525	26,395,982	18,666,303		7,729,679	
0031	Guidance, Counseling, and Evaluation Services	12,077,287	12,269,859	11,295,608		974,251	
0032	Social Work Services	2,717,914	2,685,614	2,426,041		259,573	
0033	Health Services	4,822,054	4,822,054	4,374,182		447,872	
0034	Student (Pupil) Transportation	11,450,207	14,347,107	12,906,302		1,440,805	
0035	Food Services	19,901,730	23,618,679	23,962,187		(343,508)	
0036	Extracurricular Activities	14,803,239	14,954,039	14,054,351		899,688	
0041	General Administration	10,067,875	10,136,674	9,153,589		983,085	
0051	Facilities Maintenance and Operations	43,621,564	43,526,646	40,458,428		3,068,218	
0052	Security and Monitoring Services	5,783,473	6,583,123	6,454,952		128,171	
0053	Data Processing Services	3,420,020	3,520,020	3,521,283		(1,263)	
0061	Community Services	396,648	441,532	243,476		198,056	
	Debt Service:						
0071	Principal on Long-Term Liabilities	3,303,106	3,303,106	1,310,627		1,992,479	
0072	Interest on Long-Term Liabilities	-	-	662,306		(662,306)	
0073	Bond Issuance Cost and Fees	_	_	3,730		(3,730)	
	Capital Outlay:						
0081	Facilities Acquisition and Construction Intergovernmental:	11,283,023	11,298,023	-		11,298,023	
0093	Payments to Fiscal Agent/Member Districts of SSA	203,000	158,673	158,673		-	
0095	Payments to Juvenile Justice Alternative Ed. Prg.	100,000	100,000	-		100,000	
0099	Other Intergovernmental Charges	750,000	840,000	807,015		32,985	
6030	Total Expenditures	 382,396,268	371,777,897	338,983,783		32,794,114	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	65,454	(1,136,174)	17,738,378		18,874,552	
(OTHER FINANCING SOURCES (USES):						
7912	Sale of Real and Personal Property	-	-	8,851		8,851	
8911	Transfers Out (Use)	(65,455)	(65,455)	(2,775,000)		(2,709,545)	
7080	Total Other Financing Sources (Uses)	 (65,455)	(65,455)	(2,766,149)		(2,700,694)	
1200	Net Change in Fund Balances	 (1)	(1,201,629)	14,972,229		16,173,858	
0100	Fund Balance - September 1 (Beginning)	102,572,709	102,572,709	101,571,485		(1,001,224)	
1300	Increase (Decrease) in Fund Balance	102,012,109	102,372,707	1,000,000			
		 				1,000,000	
3000	Fund Balance - August 31 (Ending)	\$ 102,572,708 \$	101,371,080	\$ 117,543,714	\$	16,172,634	

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2022

	F	FY 2022 Plan Year 2021	P	FY 2021 lan Year 2020	I	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)		0.23849483%		0.21633216%		0.195838628%
District's Proportionate Share of Net Pension Liability (Asset)	\$	60,736,193	\$	115,863,091	\$	101,803,041
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District		68,993,376		161,410,420		151,988,841
Total	\$	129,729,569	\$	277,273,511	\$	253,791,882
District's Covered Payroll	\$	244,989,442	\$	242,894,429	\$	226,002,041
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		24.79%		47.70%		45.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		88.79%		75.54%		75.24%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

_]	FY 2019 Plan Year 2018]	FY 2018 Plan Year 2017		FY 2017 Plan Year 2016]	FY 2016 Plan Year 2015	FY 2 Plan Yea	
	0.191456051%		0.19476158%		0.180818169%		0.1847826%	0.15	520838%
\$	105,382,057	\$	62,274,261	\$	68,328,497	\$	65,318,190	440,	,623,685
	161,637,767		93,127,611		116,712,800		111,329,915	96,	,703,241
\$	267,019,824	\$	155,401,872	\$	185,041,297	\$	176,648,105	\$ 537,	326,926
\$	216,648,731	\$	208,433,068	\$	201,147,880	\$	201,147,880	192,	,095,263
	48.64%		29.88%		33.97%		32.47%		21.15%
	73.74%		82.17%		78.00%		78.43%		83.25%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS TEACHER RETIREMENT SYSTEM OF TEXAS

FOR FISCAL YEAR 2022

	 2022	2021	2020
Contractually Required Contribution	\$ 10,951,956 \$	10,174,108 \$	8,924,295
Contribution in Relation to the Contractually Required Contribution	(10,951,956)	(10,174,108)	(8,924,295)
Contribution Deficiency (Excess)	\$ - \$	- \$	
District's Covered Payroll	\$ 258,638,622 \$	244,989,442 \$	242,894,429
Contributions as a Percentage of Covered Payroll	4.23%	4.15%	3.67%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

 2019	 2018	 2017	 2016
\$ 6,829,233	\$ 6,383,148	\$ 5,722,877	\$ 5,221,984
(6,829,233)	(638,348)	(5,722,877)	(5,221,984)
\$ -	\$ 5,744,800	\$ -	\$ -
\$ 226,002,041	\$ 208,433,068	\$ 201,147,880	\$ 192,095,263
3.02%	3.06%	2.85%	2.72%

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED AUGUST 31, 2022

	I	FY 2022 Plan Year 2021	 FY 2021 Plan Year 2020	 FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits		0.312882638%	0.293264486%	0.298780007%
District's Proportionate Share of Net OPEB Liability (Asset)	\$	120,692,815	\$ 111,483,075	\$ 141,296,727
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District		161,701,475	149,806,529	187,751,743
Total	\$	282,394,290	\$ 261,289,604	\$ 329,048,470
District's Covered Payroll	\$	244,989,442	\$ 242,894,429	\$ 228,465,040
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll		49.26%	45.90%	61.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		6.18%	4.99%	2.66%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	FY 2019		FY 2018					
_ F	Plan Year 2018	Plan Year 2017						
	0.289579551%		0.279306574%					
\$	144,589,721	\$	121,459,951					
	171,313,095		150,452,524					
\$	315,902,816	\$	271,912,475					
		_						
\$	216,648,731	\$	208,433,068					
	66.74%		58.27%					
	1.57%		0.91%					

SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB) TEACHER RETIREMENT SYSTEM OF TEXAS

FOR FISCAL YEAR 2022

	 2022	2021	2020		
Contractually Required Contribution	\$ 2,514,079 \$	2,443,444 \$	2,228,364		
Contribution in Relation to the Contractually Required Contribution	(2,514,079)	(2,443,444)	(2,228,364)		
Contribution Deficiency (Excess)	\$ - \$	- \$	-		
District's Covered Payroll	\$ 258,038,122 \$	244,989,442 \$	242,894,429		
Contributions as a Percentage of Covered Payroll	0.97%	1.00%	0.92%		

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2019	2018
\$ 2,120,503	\$ 6,383,148
(2,120,503)	(638,348)
\$ -	\$ 5,744,800
\$ 288,465,040	\$ 208,433,068
0.74%	3.06%

Pharr-San Juan-Alamo Independent School District Notes to Required Supplementary Information

A. Budgets

The official school original budget was prepared for adoption for required Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. 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.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law. Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. Expenditures may not legally exceed budgeted appropriations at the function level.

The Education Stabilization Funds (ESSER II and ESSER III) is a major special revenue fund, however, because the District is not required to legally adopt a budget for this grant fund, presentation of budgetary comparison information is not required.

B. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget.

C. Expenditures exceeding Appropriations

For the year ended August 31, 2022, the District had expenditures exceeding budget by \$343,508 in function 35, \$662,306 in function 72, and \$3,730 in function 73 in the general fund.

D. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

There have been no changes to the actuarial assumptions and methods since the prior valuation period.

Pharr-San Juan-Alamo Independent School District Notes to Required Supplementary Information

E. TRS OPEB Plan

Changes of Benefit Terms.

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

Changes in Assumptions

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

• The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the TOL.

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COMBINING FUND STATEMENTS

PHARR SAN JUAN ALAMO ISD COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2022

			205 211			212	224		
Data					ESEA I, A]	ESEA Title I	II	DEA - Part B
Contro	l				Improving		Part C		Formula
Codes			Head Start	В	asic Program		Migrant		
A	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$	-
1120	Investments		-		-		-		-
1240	Due from Other Governments		1,058,522		3,904,584		199,124		1,109,168
1250	Accrued Interest		-		-		-		-
1260	Due from Other Funds		95		-		-		-
1290	Other Receivables		-		13,229		-		-
1300	Inventories		-		-		-		-
1000	Total Assets	\$	1,058,617	\$	3,917,813	\$	199,124	\$	1,109,168
I	LIABILITIES								
2110	Accounts Payable	\$	28,789	\$	73,726	\$	3,099	\$	-
2160	Accrued Wages Payable		116,048		754,436		57,844		305,784
2170	Due to Other Funds		913,780		3,089,651		138,181		803,384
2180	Due to Other Governments		-		-		-		-
2300	Unearned Revenue		-		-		-		-
2000	Total Liabilities	_	1,058,617		3,917,813		199,124		1,109,168
F	FUND BALANCES								
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3000	Total Fund Balances	_	-		-	_	-	_	-
4000	Total Liabilities and Fund Balances	\$	1,058,617	\$	3,917,813	\$	199,124	\$	1,109,168

225 IDEA - Part B			244		255		263		272		274		279		284
		Career and			ESEA II,A		Title III, A		Medicaid		GEAR UP		ESSER III		IDEA B
P	reschool		Technical -		Training and		English Lang.	1	Admin. Claim				TCLAS		Formula
			Basic Grant		Recruiting		Acquisition		MAC				ARP Act		ARP Act
\$	-	\$	-	\$	-	\$	-	\$	1,142,679	\$	-	\$	-	\$	-
	13,354		- 65,146		843,582		339,649		98,054		53,264		19,707		21,701
	13,334		03,140		043,302		339,049		70,054		33,204		19,707		21,701
	_		_		_		_		_		_		_		_
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
\$	13,354	\$	65,146	\$	843,582	\$	339,649	\$	1,240,733	\$	53,264	\$	19,707	\$	21,701
\$	_	\$	_	\$	1,500	\$	_	\$	7,800	\$	-	\$	_	\$	_
	4,668		4,729		101,610		90,589		6,121		18,043		2,818		17,357
	8,686		60,417		740,472		249,060		-		35,221		16,889		4,344
	-		-		-		-		-		-		-		-
	-	_	-	_	-		-		1,226,812	_	-		-		-
	13,354	_	65,146	_	843,582	_	339,649	_	1,240,733	_	53,264	_	19,707	_	21,701
	-	_	-	_	-		-		-		-		-		-
	-	_	-	_	-	_	-	_	-	_	-	_	-	_	-
\$	13,354	\$	65,146	\$	843,582	\$	339,649	\$	1,240,733	\$	53,264	\$	19,707	\$	21,701

PHARR SAN JUAN ALAMO ISD COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2022

			288		289		397		404
Data			Teacher	Other Federal		Advanced			Student
Contro			Incentive	Special Revenue Funds			Placement		Success
Codes			Fund			Incentives			Initiative
A	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	345,223	\$	22,603	\$	-
1120	Investments		-		-		-		-
1240	Due from Other Governments		1,150,259		233,646		-		44,644
1250	Accrued Interest		-		-		-		-
1260	Due from Other Funds		-		-		-		-
1290	Other Receivables		-		3,145		-		-
1300	Inventories		-		310,672		-		-
1000	Total Assets	\$	1,150,259	\$	892,686	\$	22,603	\$	44,644
Ι	LIABILITIES								
2110	Accounts Payable	\$	-	\$	7,137	\$	-	\$	-
2160	Accrued Wages Payable		548,497		27,163		-		9,221
2170	Due to Other Funds		601,762		26,169		-		35,423
2180	Due to Other Governments		-		-		-		-
2300	Unearned Revenue		-		832,217		22,603		-
2000	Total Liabilities	_	1,150,259		892,686		22,603		44,644
F	FUND BALANCES								
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3000	Total Fund Balances	_	-		-	_	-		-
4000	Total Liabilities and Fund Balances	\$	1,150,259	\$	892,686	\$	22,603	\$	44,644

410	429		461		499		Total		
State	Other State		Campus	(Other Local		Nonmajor		
Instructional	Special		Activity		Special	(Governmental		
Materials	Revenue Funds		Funds	Re	venue Funds		Funds		
\$ -	\$ -	\$	2,460,011	\$	47,799	\$	4,018,315		
-	-		27,935		-		27,935		
675,138	456,257		-		3,940		10,289,739		
-	-		1,251		-		1,251		
-	-		-		-		95		
-	3,487		-		-		19,861		
-			-	-			310,672		
\$ 675,138	\$ 459,744	\$	2,489,197	\$	51,739	\$	14,667,868		
\$ 176,410	\$ -	\$	1	\$	149	\$	298,611		
-	3,595		-		180		2,068,703		
152,524	456,149		-		3,143		7,335,255		
108,498	-		-		-		108,498		
237,706	-		-		48,267		2,367,605		
675,138	459,744		1		51,739		12,178,672		
	_		2,489,196				2,489,196		
-	-	_	2,489,196		-		2,489,196		
\$ 675,138	\$ 459,744	\$	2,489,197	\$	51,739	\$	14,667,868		

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

		205		211	212		224	
Data				ESEA I, A	ESEA Title	I	IDEA - Part l	В
Control				Improving	Part C		Formula	
Codes		Head Start	В	Basic Program	Migrant			
REVENUES:								
5700 Total Local and Intermediate Sources	\$	_	\$	_	\$ -		\$ -	
5800 State Program Revenues	Ψ	_	Ψ	_	_		_	
5900 Federal Program Revenues		2,981,972		14,372,968	1,471,0	95	5,103,69	96
5020 Total Revenues	_	2,981,972		14,372,968	1,471,0	 95	5,103,69	
	-	<i>y y</i>				-		_
EXPENDITURES:								
Current:		2.720.407		0.520.240	257.6	20	4.771.13	27
0011 Instruction		2,728,496		9,538,348	257,6	30	4,771,13	5/
0012 Instructional Resources and Media Services		-		(864)	-		1.00.20	2.4
0013 Curriculum and Instructional Staff Development		-		698,072	5060	2.1	169,39	
0021 Instructional Leadership		46,787		1,805,864	586,3	31	163,16)5
0023 School Leadership		886		53,767	-		-	
Ouidance, Counseling, and Evaluation Services		-		745,717	611,1		-	
0032 Social Work Services		-		-	6,4	67	-	
0033 Health Services		2,747		-	-		-	
0035 Food Services		47,267		-	-		-	
0036 Extracurricular Activities		-		-	-		-	
0041 General Administration				500	-		-	
Facilities Maintenance and Operations		143,440		-	8,5	10	-	
O052 Security and Monitoring Services		-		-	-		-	
0053 Data Processing Services		-		-	-		-	
0061 Community Services		377		1,531,564	1,0	56	-	
Capital Outlay:								
one of the organization of		11,972		-	-		-	
6030 Total Expenditures	_	2,981,972		14,372,968	1,471,0	95	5,103,69) 6
1200 Net Change in Fund Balance		-		-	-		-	
0100 Fund Balance - September 1 (Beginning)		_		_	_		_	
1300 Increase (Decrease) in Fund Balance		_		_	_		_	
	_							—
3000 Fund Balance - August 31 (Ending)	\$	-	\$	-	\$ -		-	_

225 IDEA - Part I Preschool	3	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	274 GEAR UP	279 ESSER III TCLAS ARP Act	284 IDEA B Formula ARP Act
\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72,86	50	635,957	1,870,560	1,309,336	- 114,291	336,429	39,041	30,242
72,86		635,957		1,309,336				30,242
72,86	50	345,350	206,121	760,996	-	35,173	-	_
-		76,767	-	-	-	-	-	-
-		-	1,658,812	528,074		7,103	-	-
-		-	-	(826)	-	-	-	-
-		-	5,627	-	-	-	-	-
-		213,840	-	-	-	293,743	-	13,362
-		-	-	-	-	-	-	16,880
-		-	-	-	114,291	-	-	-
-		-	-	-	-	-	-	-
-		-	-	-	-	-	-	-
-		-	-	-	-	-	-	-
-		-	-	-	-	-	-	-
-		-	-	-	-	-	-	-
-		-	-	21 002	-	- 410	39,041	-
-		-	-	21,092	-	410	-	-
-		-	-	-	-	-	-	-
72,86	50	635,957	1,870,560	1,309,336	114,291	336,429	39,041	30,242
-		-	-	-	-	-	-	-
-		-	-	-	-	-	-	-
-		-	-	-	-	- -	-	<u>-</u>
\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

		288	289	397		404	
Data		Teacher	Other Federal	Advanced		Student	
Control		Incentive	Special	Placement		Success	
Codes		Fund	Revenue Funds	Incentives		Initiative	
REVENUES:							
5700 Total Local and Intermediate Sources	\$	-	\$ -	\$ -	\$	-	
5800 State Program Revenues		-	-	-		135,723	
5900 Federal Program Revenues		4,355,545	4,513,216	-		-	
5020 Total Revenues		4,355,545	4,513,216	-		135,723	
EXPENDITURES:							
Current:							
0011 Instruction		1,010,872	2,563,567	-		-	
0012 Instructional Resources and Media Services		-	-	-		-	
0013 Curriculum and Instructional Staff Development		3,122,257	14,107	-		135,723	
0021 Instructional Leadership		-	-	-		-	
0023 School Leadership		222,416	-	-		-	
Ouidance, Counseling, and Evaluation Services		-	677,598	-		-	
0032 Social Work Services		-	292,855	-		-	
0033 Health Services		-	964,494	-		-	
0035 Food Services		-	-	-		-	
0036 Extracurricular Activities		-	-	-		-	
0041 General Administration		-	-	-		-	
Facilities Maintenance and Operations		-	595	-		-	
0052 Security and Monitoring Services		-	-	-		-	
0053 Data Processing Services		-	-	-		-	
0061 Community Services		-	-	-		-	
Capital Outlay:							
Facilities Acquisition and Construction		-	-	-		-	
Total Expenditures		4,355,545	4,513,216			135,723	
1200 Net Change in Fund Balance		-	-	-		-	
0100 Fund Balance - September 1 (Beginning)		_	-	_		_	
1300 Increase (Decrease) in Fund Balance		_	_	_		_	
,	_		-				
3000 Fund Balance - August 31 (Ending)	\$	-	\$ -	\$ -	\$ ==		

	410	429	461	499	Total
	State	Other State	Campus	Other Local	Nonmajor
	Instructional	Special	Activity	Special	Governmental
	Materials	Revenue Funds	Funds	Revenue Funds	Funds
\$	-	\$ -	\$ 4,590,197	\$ 104,122	
	2,681,862	510,632	-	16,086	3,344,303
	-	-	-	-	37,207,208
	2,681,862	510,632	4,590,197	120,208	45,245,830
	2,681,862	43,381	_	62,228	25,078,021
	-	-	-	-	75,903
	-	-	-	45,865	6,379,407
	-	-	-	-	2,601,321
	-	-	-	-	282,696
	-	13,381	-	-	2,568,742
	-	-	-	-	316,202
	-	-	-	-	1,081,532
	-	-	-	-	47,267
	-	-	4,386,606	12,115	4,398,721
	-	-	-	-	500
	-	-	-	-	152,545
	-	453,870	-	-	453,870
	-	-	-	-	39,041
	-	-	-	-	1,554,499
	-	-	-	-	11,972
	2,681,862	510,632	4,386,606	120,208	45,042,239
	-	-	203,591	-	203,591
	-	-	1,458,468	-	1,458,468
	-	-	827,137	-	827,137
\$	-	\$ -	\$ 2,489,196	\$ -	\$ 2,489,196
_					

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PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS AUGUST 31, 2022

		752		753	771		772		
	F	Print Shop		Insurance	Copier	C	Workers compensation	S	Total Internal Service Funds
ASSETS									
Current Assets:									
Cash and Cash Equivalents Investments - Current Due from Other Funds	\$	133,126	\$	377,303 17,957,238 36	\$ 149,990	\$	7,077,593 - 16,881	\$	7,738,012 17,957,238 16,917
Other Receivables		-		293	2		-		295
Total Current Assets		133,126	_	18,334,870	 149,992		7,094,474	_	25,712,462
Noncurrent Assets: Capital Assets:									
Furniture and Equipment Depreciation on Furniture and Equipment		62,048 (62,049)		-	27,009 (18,004)		-		89,057 (80,053)
Total Noncurrent Assets		(1)		-	9,005		-		9,004
Total Assets		133,125		18,334,870	158,997		7,094,474		25,721,466
LIABILITIES Current Liabilities:									
Accounts Payable Accrued Wages Payable Accrued Expenses		3,338 5,208		475,702 7,218 3,488,536	3,970		(1) 4,181 791,043		483,009 16,607 4,279,579
Total Liabilities		8,546		3,971,456	 3,970		795,223		4,779,195
NET POSITION									
Unrestricted Net Position	\$	124,579	\$	14,363,414	\$ 155,027	\$	6,299,251	\$	20,942,271
Total Net Position	\$	124,579	\$	14,363,414	\$ 155,027	\$	6,299,251	\$	20,942,271

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

		752	753	771	772		
	I	Print Shop	Insurance	Copier	Workers		Total Internal
					Compensation	S	ervice Funds
OPERATING REVENUES:							
Local and Intermediate Sources	\$	190,345	\$ 43,718,737 \$	5,485	\$ 1,434,812	\$	45,349,379
Total Operating Revenues		190,345	43,718,737	5,485	1,434,812		45,349,379
OPERATING EXPENSES:			 				
Payroll Costs Professional and Contracted Services		168,384 122,098	174,700 44,865,085	- 27,449	199,132 1,265,241		542,216 46,279,873
Supplies and Materials Other Operating Costs		31,794 679	 4,514 15,182	5,914 -	1,121		43,343 15,861
Total Operating Expenses		322,955	 45,059,481	33,363	1,465,494		46,881,293
Operating Income (Loss)		(132,610)	 (1,340,744)	(27,878)	(30,682)		(1,531,914)
NONOPERATING REVENUES (EXPENSES):							
Earnings from Temporary Deposits &		=	111,604	=	-		111,604
Total Nonoperating Revenues (Expenses)		-	 111,604				111,604
Change in Net Position		(132,610)	(1,229,140)	(27,878)	(30,682)		(1,420,310)
Total Net Position - September 1 (Beginning)		257,189	 15,592,554	182,905	6,329,933		22,362,581
Total Net Position - August 31 (Ending)	\$	124,579	\$ 14,363,414 \$	155,027	\$ 6,299,251	\$	20,942,271

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

		752		753		771	772	
								Total
	I	Print Shop		Insurance		Copier	Workers	Internal
							Compensation	Service Funds
Cash Flows from Operating Activities:								
Cash Received from User Charges	\$	190,345	\$	44,037,260	\$	5,485	1,440,138	\$ 45,673,228
Cash Payments to Employees for Services	Ψ	(167,533)	Ψ	(170,821)	Ψ	-	(199,111)	(537,465)
Cash Payments for Insurance Claims		-		(44,254,000)		_	(1,090,646)	(45,344,646)
Cash Payments for Suppliers		(155,807)		-		(35,934)	-	(191,741)
Cash Payments for Other Operating Expenses		(679)		(15,184)		-	_	(15,863)
Net Cash Provided by (Used for) Operating Activities		(133,674)		(402,745)		(30,449)	150,381	(416,487)
Cash Flows from Investing Activities:								
Purchase of Investment Securities		_		(22,459,925)		_	_	(22,459,925)
Proceeds from Sale & Maturities of Securities		_		22,960,000		_	_	22,960,000
Interest and Dividends on Investments		_		111,604		-	-	111,604
Net Cash Provided by Investing	_		_	611,679				611,679
Activities		<u> </u>	_	011,079		<u> </u>		011,079
Net Increase (Decrease) in Cash and Cash Equivalents		(133,674)		208,934		(30,449)	150,381	195,192
Cash and Cash Equivalents at Beginning of Year		266,800		168,369		180,439	6,927,212	7,542,820
Cash and Cash Equivalents at End of Year	\$	133,126	\$	377,303	\$	149,990	7,077,593	\$ 7,738,012
Reconciliation of Operating Income (Loss) to Net Cash								
Provided by (Used for) Operating Activities:								
Operating Income (Loss):	\$	(132,610)	\$	(1,340,744)	\$	(27,878) \$	(30,682)	\$ (1,531,914)
Effect of Increases and Decreases in Current Assets and Liabilities:								
Increase (decrease) in Accounts Payable		(1,914)		461,063		(2,571)	_	456,578
Increase (decrease) in Accrued Liabilities		850		158,413			176,103	335,366
Increase (decrease) in Interfund Payables		-		318,523		_	4,960	323,483
Net Cash Provided by (Used for)	\$	(133,674)	\$	(402,745)	\$	(30,449)		
Operating Activities	_		-		_			

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS AUGUST 31, 2022

		711 College for All		712
				Digital
	1	tor All	Billboard	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$	30,591	\$	747,895
Total Assets		30,591		747,895
LIABILITIES		_		
Current Liabilities:				
Accounts Payable		-		-
Accrued Wages Payable		-		-
Due to Other Funds				-
Total Liabilities		-		-
NET POSITION				<u>. </u>
Unrestricted Net Position		30,591		747,895
Total Net Position	\$	30,591	\$	747,895

	713		713 714					
				Eı	nterprise			
A	ACT-RGV		mming		Funds			
\$	22,631	\$	-	\$	801,117			
	22,631		-		801,117			
	9,284		-		9,284			
	13,347		-		13,347			
	43,894		-		43,894			
	66,525		-		66,525			
	(43,894)		_		734,592			
\$	(43,894)	\$	-	\$	734,592			

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

	7	'11	712	
		ollege r All	Digital Billboard	
OPERATING REVENUES:				
Local and Intermediate Sources	\$	-	\$ 255,600	
Total Operating Revenues		-	 255,600	
OPERATING EXPENSES:			 	
Payroll Costs		_	_	
Professional and Contracted Services		-	5,280	
Supplies and Materials		-	-	
Other Operating Costs		-	-	
Total Operating Expenses		_	5,280	
Operating Income (Loss)		-	250,320	
Total Net Position - September 1 (Beginning)		30,591	 497,575	
Total Net Position - August 31 (Ending)	\$	30,591	\$ 747,895	

	713		714	Total
				Nonmajor
				Enterprise
A	ACT-RGV		Swimming	Funds
\$	266,924	\$	-	\$ 522,524
	266,924		-	 522,524
	393,968		-	393,968
	86,543		-	91,823
	19,288		-	19,288
	12,280			 12,280
	512,079		-	 517,359
	(245,155)		-	5,165
	201,261		-	729,427
\$	(43,894)	\$	-	\$ 734,592

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2022

	711		712
	College		Digital
	for All	1	Billboard
Cash Flows from Operating Activities:			
Cash Received from User Charges	\$ 87,013	\$	255,600
Cash Payments to Employees for Services	-		-
Cash Payments for Suppliers	-		(5,280)
Cash Payments for Other Operating Expenses	-		-
Net Cash Provided by (Used for) Operating Activities	 87,013		250,320
Cash Flows from Non-Capital Financing Activities:	 		
Increase(decrease) in Interfund Loans	 -		_
Net Increase (Decrease) in Cash and Cash Equivalents	87,013		250,320
Cash and Cash Equivalents at Beginning of Year	(56,422)		497,575
Cash and Cash Equivalents at End of Year	\$ 30,591	\$	747,895
Reconciliation of Operating Income (Loss) to Net Cash	 		
Provided By (Used For) Operating Activities:			
Operating Income (Loss):	\$ -	\$	250,320
Effect of Increases and Decreases in Current			
Assets and Liabilities:			
Increase (decrease) in Accounts Payable	-		-
Increase (decrease) in Accrued Liabilities	-		-
Increase (decrease) in Interfund Payables	87,013		-
Net Cash Provided by (Used for) Operating Activities	\$ 87,013	\$	250,320

713		714	715		Total
					Nonmajor
]	Enterprise
 ACT-RGV		Swimming			Funds
\$ 266,925	\$	-	\$ -	\$	609,538
(392,540)		-	-		(392,540)
(98,154)		-	-		(103,434)
(12,280)		-	-		(12,280)
(236,049)			-		101,284
43,894		(7,507)	 -		36,387
(192,155)		(7,507)	-		137,671
214,786		7,507	-		663,446
\$ 22,631	\$	-	\$ -	\$	801,117
\$ (245,155)	\$	-	\$ -	\$	5,165
7,678		-	-		7,678
1,428		-	-		1,428
 	_		 		87,013
\$ (236,049)	\$	-	\$ -	\$	101,284

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OTHER INFORMATION

PHARR SAN JUAN ALAMO ISD SCHEDULE OF DELINQUENT TAXES RECEIVABLE FISCAL YEAR ENDED AUGUST 31, 2022

	(1)	(2)	(3) Assessed/Appraised		
Last 10 Years Ended	Tax F	Tax Rates			
August 31	Maintenance	Debt Service	Value for School Tax Purposes		
2013 and prior years	Various	Various	\$ Various		
2014	1.170000	0.189200	3,594,699,916		
015	1.170000	0.189200	3,840,693,698		
016	1.170000	0.229200	3,913,771,066		
017	1.170000	0.229200	4,095,443,046		
018	1.170000	0.219200	4,397,907,616		
019	1.170000	0.209200	4,549,434,603		
020	1.068300	0.204200	4,824,721,849		
021	1.050700	0.216800	5,123,571,044		
022 (School year under audit)	0.997600	0.219100	5,557,046,250		
000 TOTALS					

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	Maintenance Debt Service		(50) Ending Balance 8/31/2022
\$ 2,064,262	\$ -	\$ 166,152	\$ 25,	497 \$ (28,005)	1,844,607
194,903	-	21,322	3,	448 (315)	169,818
226,238	-	27,941	4,	518 (2,034)	191,745
239,183	-	27,437	5,	375 (2,396)	203,976
270,913	-	43,651	8,	551 (2,806)	215,905
449,993	-	104,321	19,	546 (72,730)	253,395
603,654	-	170,703	30,	527 10,202	412,627
989,649	-	314,231	60,	355 (75,970)	539,092
2,386,054	-	1,067,702	220,	238 (257,858)	840,257
-	66,168,839	53,690,450	11,793,	694 1,352,236	2,036,931
\$ 7,424,849	\$ 66,168,839	\$ 55,633,910	\$ 12,171,	749 \$ 920,323	\$ 6,708,352

PHARR SAN JUAN ALAMO ISD SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND FOR THE YEAR ENDED AUGUST 31, 2022

Data Control	Budgeted Amounts		Actual Amounts (GAAP BASIS)		Variance With Final Budget Positive or (Negative)		
Codes	Original Final						
REVENUES:							
5700 Total Local and Intermediate Sources5800 State Program Revenues	\$	12,001,261 11,271,751	\$ 12,445,761 8,971,751	\$	12,456,656 9,677,077	\$	10,895 705,326
5020 Total Revenues EXPENDITURES:		23,273,012	 21,417,512		22,133,733	_	716,221
Debt Service:							
 0071 Principal on Long-Term Liabilities 0072 Interest on Long-Term Liabilities 0073 Bond Issuance Cost and Fees 		23,273,012	 13,905,000 11,079,362 56,150		13,610,001 8,847,252 998,515		295,000 2,232,110 (942,365)
6030 Total Expenditures		23,273,012	25,040,512		23,455,768		1,584,745
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures OTHER FINANCING SOURCES (USES):		-	 (3,623,000)	· 	(1,322,035)	_	2,300,966
7901 Refunding Bonds Issued		_	_		99,130,000		99,130,000
7915 Transfers In		-	9,200,000		-		(9,200,000)
7916 Premium or Discount on Issuance of Bonds		-	-		14,811,120		14,811,120
8940 Payment to Bond Refunding Escrow Agent (Use)		-	 -		(112,952,343)	_	(112,952,343)
7080 Total Other Financing Sources (Uses)		-	 9,200,000		988,777		(8,211,223)
1200 Net Change in Fund Balances		-	5,577,000		(333,257)		(5,910,257)
0100 Fund Balance - September 1 (Beginning)		5,903,157	5,903,157		7,073,285		1,170,128
1300 Prior Period Adjustment					(1,000,000)		(1,000,000)
3000 Fund Balance - August 31 (Ending)	\$	5,903,157	\$ 11,480,157	\$	5,740,027	\$	(5,740,129)

PHARR SAN JUAN ALAMO ISD

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES FOR THE YEAR ENDED AUGUST 31, 2022

	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.	42,016,054
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	35,536,674
	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.	7,317,358
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	5,312,514

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SINGLE AUDIT SECTION

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Carr, Riggs & Ingram, LLC 4100 N. 23rd St. McAllen, TX 78504

(956) 686-3701 (956) 686-6830 (fax) CRIcpa.com

INDEPENDENT AUDITORS' 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
Pharr-San Juan-Alamo Independent School District

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent District (the "District") as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 16, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control.

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

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

Report on Compliance and Other Matters

Carr, Riggs & Chypan, L.L.C.

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

McAllen, Texas

January 16, 2023



Carr, Riggs & Ingram, LLC 4100 N. 23rd St. McAllen, TX 78504

(956) 686-3701 (956) 686-6830 (fax) CRIcpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Pharr-San Juan-Alamo Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pharr-San Juan-Alamo Independent School District's (the "District") compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pharr-San Juan-Alamo 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 each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

McAllen, Texas

January 16, 2023

Carr, Riggs & Ungram, L.L.C.

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Section I - Summary of Auditors' Results Financial Statements Type of auditor's report issued: Unmodified Internal control over financial reporting: Material weakness (es) identified? _____ yes <u>X</u> no Significant deficiency (ies) identified that are _____ yes <u>X</u> none reported not considered to be material weaknesses? Noncompliance material to financial statements noted? _____ yes <u>X</u> no Federal Awards Internal control over major programs: Material weakness (es) identified? ____ yes <u>X</u> no Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes X none reported Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes <u>X</u> no Type of auditors' report issued on compliance for major programs: Unmodified

Identification of major programs: Assistance Listing Number(s) Name of Federal Program or Cluster 32.009 COVID-19 Emergency Connectivity Fund Program COVID-19 Education Stabilization Fund -84.425D/84.425U **ESSER** Texas Teacher and School Leader Incentive 84.374A Project 93.323 COVID-19 Epidemiology and Laboratory **Capacity for Infectious Diseases** Dollar threshold used to distinguish between type A and type B programs: \$3,000,000 Auditee qualified as low-risk auditee? X yes ____ no

Section II – Financial Statement Findings

None findings noted.

Section III – Federal Award Findings and Questioned Cost

None findings noted.

Section IV – Prior Findings and Questioned Costs for Federal Awards

None findings noted.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT ESTIMATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2022

FEDERAL AGENCY PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES (\$)	PAYMENTS TO SUBRECIPIENTS
J. S. DEPARTMENT OF AGRICULTURE		<u> </u>	Esta Esta Francisco (4)	
Passed Through Texas Department of Agriculture				
*School Breakfast Program-SSO	10.553	DLP7FE6162B5	\$ 6,566,931	
Total AL Number 10.553			6,566,931	
*National School Lunch Program - Noncash Assistance	10.555	DLP7FE6162B5	1,766,914	-
*National School Lunch Program-SSO	10.555	DLP7FE6162B5	16,037,879	-
*National School Lunch Program - SCA	10.555	DLP7FE6162B5	632,128	
Total AL Number 10.555			18,436,921	
*Fresh Fruit & Vegetable Program	10.582	DLP7FE6162B5	278,445	_
Total AL Number 10.582	10.502	51.7.1010255	278,445	
Total Child Nutrition Cluster			25,282,297	-
Child and Adult Care Food Program	10.558	DLP7FE6162B5	1,406,417	-
COVID-19 Child and Adult Care Food Program - EOC Unaffiliated	10.558	DLP7FE6162B5	4,631	
Total AL Number 10.558			1,411,048	
COVID-19 State Administrative Expenses for Child Nutrition	10.560	DLP7FE6162B5	48,099	_
Total AL Number 10.560	10.500	51.7.2010255	48,099	-
Child Nutrition Discretionary Grants Limited Availability	10.579	DLP7FE6162B5	72,000	
Total AL Number 10.579			72,000	-
Total Passed Through Texas Department of Agriculture			26,813,444	
TOTAL U.S. DEPARTMENT OF AGRICULTURE			26,813,444	
J.S. DEPARTMENT OF DEFENSE				
Direct Program	12.1101	100000	240 554	
Junior Reserve Officer Training Corps Total Direct Program	12.U01	108909	240,554 240,554	
TOTAL U.S. DEPARTMENT OF DEFENSE			240,554	
IATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed Through American Library Association COVID-19 Promotion of the Humanities Public Programs	45.164	2090207	10,000	
Total AL Number 45.164	45.104	2030207	10,000	
TOTAL NATIONAL ENDOWMENT FOR THE HUMANTIES			10,000	
EDERAL COMMUCATIONS COMMISSION				
<u>Direct Program</u>				
COVID-19 Emergency Connectivity Fund Program	32.009	ECF2190000453	1,902,700	-
COVID-19 Emergency Connectivity Fund Program	32.009 32.009	ECF2190000459 ECF2190000364	499,800	-
COVID-19 Emergency Connectivity Fund Program Total AL Number 32.009	32.009	ECF2190000364	1,895,349 4,297,849	
Total Direct Program			4,297,849	
TOTAL FEDERAL COMMUCATIONS COMMISSION			4,297,849	-
J.S. DEPARTMENT OF EDUCATION				
Passed Through Region One ESC			40.700	
Career and Technical Education - Basic Grants to States	84.048A	214200287110001	18,729	-
Career and Technical Education - Basic Grants to States Total AL Number 84.048A	84.048A	224200287110002	16,300 35,029	
Otal AL INUMBEL 04.040A			33,029	
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-20	925	-
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-21	348,080	-
Total AL Number 84.334A			349,005	-
Total Passed Through Region One ESC			384,034	-

EXHIBIT K-1

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT ESTIMATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2022

FEDERAL AGENCY ASSISTANCE PASS-THROUGH GRANTOR/ LISTING CONTRACT/ **PAYMENTS TO** PROGRAM TITLE NUMBER **GRANT NUMBER EXPENDITURES (\$)** SUBRECIPIENTS Passed Through Region 18 ESC Teacher and School Leader Incentive Grant 84.374A U374A170083-17A 4,355,545 Total AL Number 84.374A 4,355,545 Total Passed Through Region 18 ESC 4,355,545 Passed Through State Department of Education *Special Education Grants to States 84.027A 225350011089095350 31,354 *Special Education Grants to States 84.027A 226600011089096600 4.988.109 *Special Education Grants to States 84.027A 236600011089096600 305,784 5.325.247 Total AL Number 84.027A *Special Education Preschool Grants 84.173A 226610011089096610 70,882 *Special Education Preschool Grants 84.173A 236610011089096610 4,668 Total AL Number 84.173A 75,550 Total Special Education (IDEA) Cluster 5,400,797 Title I Grants to Local Education Agencies 84.010A 20610101108909 969,840 Title I Grants to Local Education Agencies 84.010A 21610101108909 450,660 22610101108909 Title I Grants to Local Education Agencies 84 010A 13.322.428 Title I Grants to Local Education Agencies 84.010A 23610101108909 45,800 21610141108909 Title I Grants to Local Education Agencies 84.010A 4.742 Title I Grants to Local Education Agencies 84.010A 22610141108909 6,206 216101627110025 Title I Grants to Local Education Agencies 84.010A 56,618 Title I Grants to Local Education Agencies 84.010A 216101627110027 102,406 Total AL Number 84.010A 14,958,700 84.011A 21615001108909 Migrant Education State Grant Program 29,784 84 011A 22615001108909 Migrant Education State Grant Program 1 003 599 Migrant Education State Grant Program 84.011A 23615001108909 53,402 Migrant Education State Grant Program 216150147110001 84.011A 386 Migrant Education State Grant Program 226150147110001 84.011A 430,420 1.517.591 Total AL Number 84.011A Career and Technical Education - Basic Grants to States 84.048A 22420006108909 612,498 Career and Technical Education - Basic Grants to States 84.048A 23420006108909 4,729 Total AL Number 84.048A 617,227 21671001108909 **English Language Acquisition State Grants** 84.365A 47,065 22671001108909 English Language Acquisition State Grants 84 365A 1,229,593 **English Language Acquisition State Grants** 84.365A 23671001108909 79,744 Total AL Number 84.365A 1,356,402 20694501108909 Supporting Effective Instruction State Grants 84.367A 26,615 **Supporting Effective Instruction State Grants** 84.367A 21694501108909 60,411 Supporting Effective Instruction State Grants 22694501108909 1,489,625 84.367A **Supporting Effective Instruction State Grants** 84.367A 23694501108909 82.510 216945677110014 **Supporting Effective Instruction State Grants** 84.367A 294,513 Total AL Number 84.367A 1,953,674 Student Support and Academic Enrichment Program 84.424A 20680101108909 288,932 Student Support and Academic Enrichment Program 84.424A 21680101108909 33,841 22680101108909 Student Support and Academic Enrichment Program 84.424A 842,700 Total AL Number 84.424A 1,165,473

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT ESTIMATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2022

FEDERAL AGENCY ASSISTANCE PASS-THROUGH GRANTOR/ LISTING CONTRACT/ **PAYMENTS TO** PROGRAM TITLE NUMBER GRANT NUMBER **EXPENDITURES (\$)** SUBRECIPIENTS COVID-19 Education Stabilization Fund- ESSER Fund 84.425D 20521001108909 4,602 COVID-19 Education Stabilization Fund- ESSER Fund 21521001108909 84.425D 35.017.345 COVID-19 Education Stabilization Fund- ESSER Fund 84.425U 21528001108909 39,397,170 COVID-19 Education Stabilization Fund- ESSER Fund 84.425U 21528042108909 39,041 Total AL Number 84.425 74,458,158 Total Passed Through State Department of Education 101,428,022 TOTAL U.S. DEPARTMENT OF EDUCATION 106.167.601 U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through State Department of Education COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases 93.323 2742977 725,814 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases-Noncash Assistance 93.323 6NU50CK000501-02-06 169.328 Total AL Number 93.323 895.142 COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response 93.354 223934017110001 91,087 91,087 Total AL Number 93,354 Total Passed Through State Department of Education 986,229 **Direct Program** COVID-19 Provider Relief Fund and American Rescue Plan (ARP) 93,498 HHS-17989782054 4,774 Total AL Number 93.498 4,774 Total Direct Program 4,774 Passed Through Texas Workforce Commission Temporary Assistance for Needy Families 93.558 2201TXTANE 23,524 Total AL Number 93.558 23,524 Total Passed Through Texas Workforce Commission 23,524 Passed Through University of Texas - Rio Grande Valley *Head Start 93.600 06HP000334-02 61,915 *Head Start 06HP000334-03 93.600 2.922.283 Total AL Number 93.600 2,984,198 2,984,198 Total Head Start Cluster Total Passed Through University of Texas - Rio Grande Valley 2,984,198 Passed Through Texas Health and Human Services Commission *Medicaid Administrative Claiming Program HHS000537900210 114,291 114.291 Total Medicaid Cluster Total Passed Through Texas Health and Human Services 114,291 TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES 4,113,016 U.S. DEPARTMENT OF HOMELAND SECURITY Passed Through Texas Division of Emergency Management COVID-19 Disaster Grants - Public Assistance (Presidentially Declared 97.036 4485DRTXP0000001 36,264 Disaster Grants - Public Assistance (Presidentially Declared Disasters) 97.036 4586PATXP0000001 66.971 Total AL Number 97.036 103,235 Total Passed Through Texas Division of Emergency Management 103,235 TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY 103,235 TOTAL EXPENDITURES OF FEDERAL AWARDS 141,745,699

^{*}Clustered Programs

Pharr-San Juan-Alamo Independent School District Notes to the Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2: INDIRECT COST RATE

Pharr-San Juan-Alamo Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for the Child Nutrition Program.

Note 3: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Pharr-San Juan-Alamo Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: SUB-RECIPIENTS

During the year ended August 31, 2022, the District had no sub-recipients.

Note 5: FEDERAL LOAN AND LOAN GUARANTEES

During the year ended August 31, 2022, the District had no outstanding federal loans payable or loan guarantees.

Note 6: FEDERALLY FUNDED INSURANCE

During the year ended August 31, 2022, the District had no outstanding federally funded insurance.

Note 7: NONCASH AWARDS

During the year ended August 31, 2022, the District received the following non-cash assistance:

National School Lunch Program- Noncash Assistance (Assistance Listing Number 10.555) \$ 1,766,914

COVID-19 Emergency Connectivity Fund Program (Assistance Listing Number 32.009) 1,895,349

COVID-19 Epidemiology & Laboratory Capacity for Infectious Diseases

(Assistance Listing Number 93.323) 169,328

\$ 3,831,591

Pharr-San Juan-Alamo Independent School District Notes to the Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2022

Note 8: CONTINGENCIES

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the District does not believe that such disallowance, if any, would have a material effect on the financial position of the District.

Note 9: FEDERAL PASS-THROUGH FUNDS

The District is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

Note 10: PRIOR YEAR EXPENDITURES

The following are prior year expenditures listed on the Schedule of Expenditures of Federal Awards:

COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$ 36,264
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	 66,971
	\$ 103,235

Note 11: RECONCILIATION FROM THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE EXHIBIT C-3

Total Federal Awards Expended	\$141,745,699
Federal subsidy	507,562
SHARS	4,839,787
Emergency Connectivity Fund Program - non-cash amounts	(1,895,349)
	\$145,197,699

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SCHOOLS FIRST QUESTIONNAIRE

Pharr San Juan Alamo ISD Fiscal Year 2022

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?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	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 Govenment Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the 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.	944,706