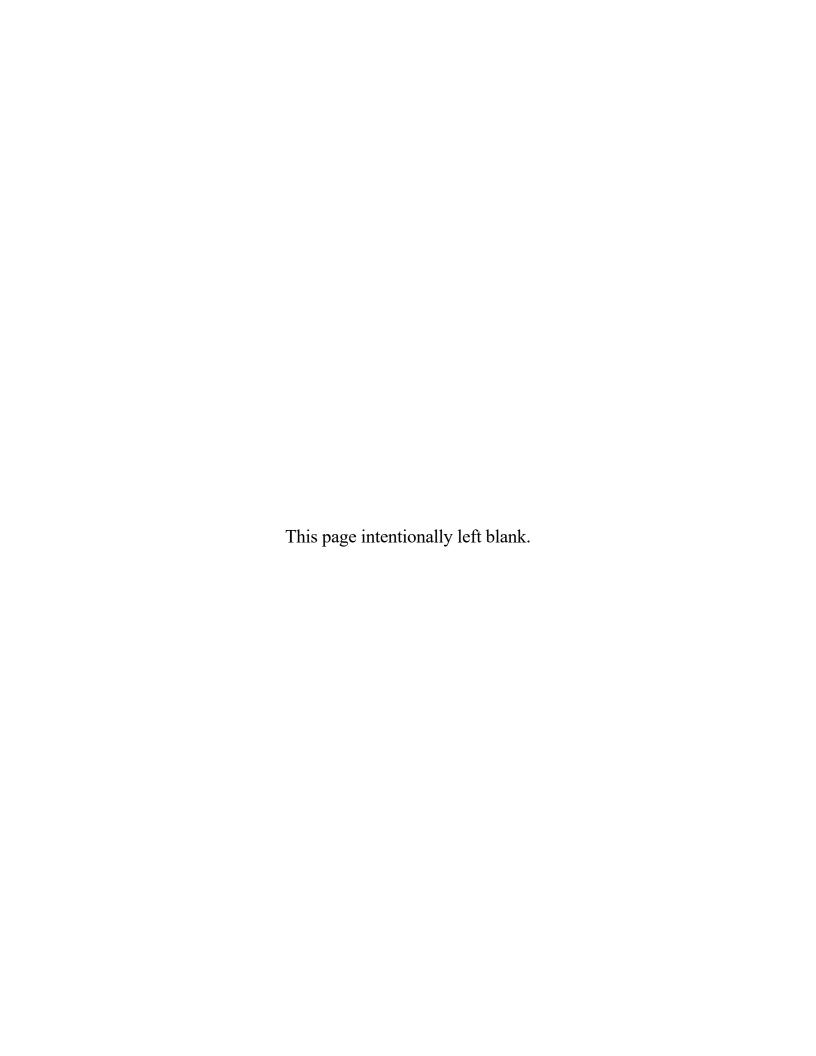
PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2020





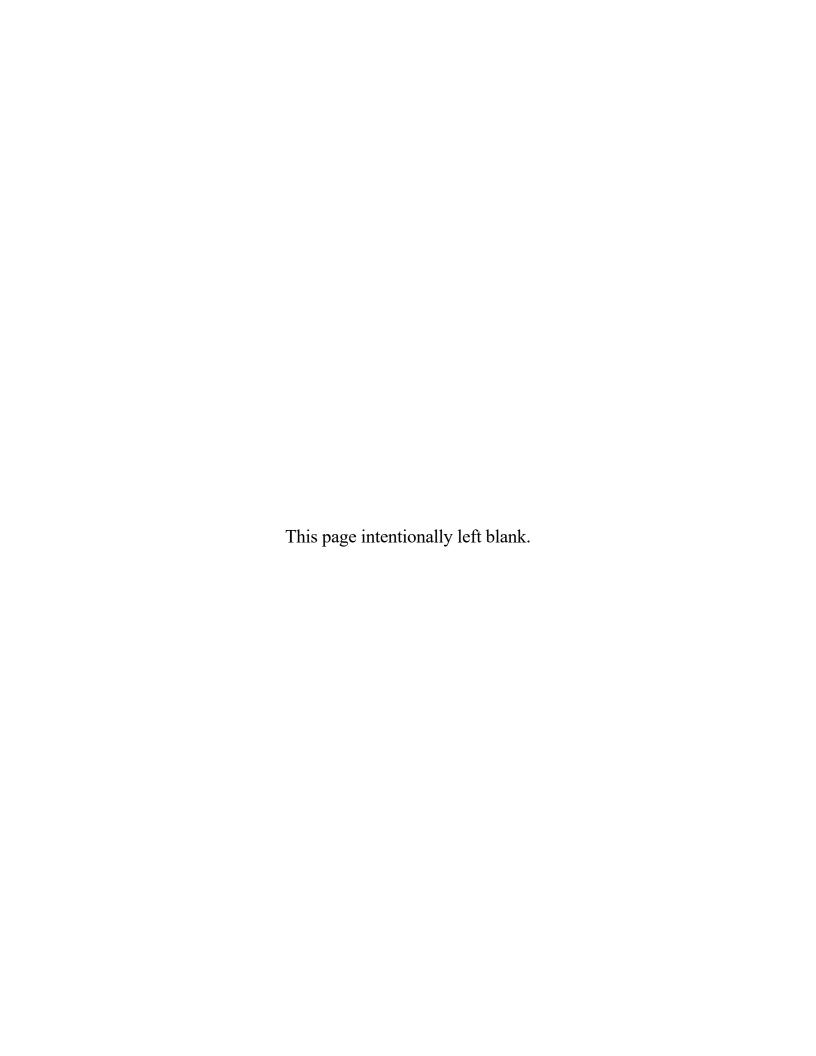
PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT Table of Contents August 31, 2020

	PAG
<u>EXHIBIT</u>	NO
INTRODUCTORY SECTION	
List of Principal Officials	1
Certificate of the Board.	3
FINANCIAL SECTION	
Independent Auditors' Report	7
Management's Discussion and Analysis.	11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Governmental Funds	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,	
and Changes in Fund Balances to the Statement of Activities	32
Statement of Net Position – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in	
Fund Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Net Position – Fiduciary Funds E-1	36
Notes to the Financial Statements	37
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – General Fund	79
Schedule of the District's Proportionate Share of the Net Pension	
Liability – Teacher Retirement System of Texas	80
Schedule of District's Contributions for Pensions –	
Teacher Retirement System of Texas	82
Schedule of the District's Proportionate Share of the Net OPEB	
Liability – Teacher Retirement System of Texas	84
Schedule of the District's Contributions for Other Postemployment Benefits (OPEB) –	
Teacher Retirement System of Texas	85
Notes to Required Supplementary Information	86

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT Table of Contents August 31, 2020

EXHIBIT	PAGE NO.
<u>DAIIDIT</u>	110.
Combining Fund Statements:	
Combining Balance Sheet –	
Nonmajor Governmental FundsH-1	90
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances – Nonmajor Governmental Funds	94
Combining Statement of Net Position –	
Internal Service Funds H-3	99
Combining Statement of Revenues, Expenses and Changes	400
in Fund Net Position – Internal Service Funds	100
Combining Statement of Cash Flows – Internal Service Funds	101
Combining Statement of Net Position – Nonmajor Enterprise Funds	102
Combining Statement of Revenues, Expenses and Changes in	400
Fund Net Position – Nonmajor Enterprise Funds	103
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	104
Combining Statement of Changes in Assets and Liabilities –	40.
All Agency FundsH-9	105
Other Supplementary Information:	
Schedule of Delinquent Taxes Receivable	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – Debt Service Fund	110
SINGLE AUDIT SECTION	
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	113
Independent Auditors' Report on Compliance for Each Major Program	
and on Internal Control Over Compliance Required by the Uniform Guidance	115
Schedule of Findings and Questioned Costs	117
Status of Prior Year Findings	120
Schedule of Expenditures of Federal Awards	121
Notes to Schedule of Expenditures of Federal Awards	123
Schools FIRST OuestionnaireK-2	124





PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT List of Principal Officials August 31, 2020

November 2019 – November 2020

Elected Officials

Liected Offici	1013
Name	Office
Mr. Jorge "George" Palacios	President
Mr. Jorge L. Zambrano	Vice – President
Mr. Jesus "Jesse" Vela, Jr.	Secretary – Treasurer
Mr. Ricardo "Rick" Pedraza	Assistant Secretary – Treasure
Mr. Victor Perez	Member
Mr. Carlos G. Villegas, Jr.	Member
Mr. Jesus "Jesse" A. Zambrano	Member
November 2020 – Nov	ember 2021
Elected Offici	ials
Name	Office
Mr. Jorge L. Zambrano	President
Mr. Jesus "Jesse" Vela, Jr.	Vice – President
Mr. Jorge "George" Palacios	Secretary – Treasurer
Mrs. Cynthia A. Gutierrez	Assistant Secretary – Treasure
Mr. Ricardo "Rick" Pedraza	Member
Mr. Carlos G. Villegas, Jr.	Member
Mr. Jesus "Jesse" A. Zambrano	Member
Appointed Offi	cials
Name	Position
Dr. Jorge L. Arredondo	Superintendent of Schools

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 report of the above named	local education
agency for the year ended August 31, 2020 was reviewed and	_ approved
disapproved at a meeting of the Board of such local education agency on the	day of
February, 2021.	

Signature of Board President Jorge Zambrano Signature of Board Secretary-Treasurer Jorge "George" Palacios

FINANCIAL SECTION



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 Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2020, 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.

Other Matters

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

Other 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 introductory section, combining fund statements, and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The Schedule of Delinquent Taxes Receivable (Exhibit J-1), the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund (Exhibit J-2), and the Schools FIRST Questionnaire (Exhibit K-2) are presented for purposes of additional analysis as required by the Texas Education Agency, and are also not a required part of the basic financial statements.

The combining fund financial statements, the Schedule of Expenditures of Federal Awards, Exhibits J-1, J-2, and K-2, are the responsibility of management and were derived from and

relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, the Schedule of Expenditures of Federal Awards, and Exhibits J-1, J-2, and K-2, as listed in the table of contents, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the District's internal control over financial reporting and compliance.

Cau, Rigge & Ingram, L.L.C. McAllen, Texas

February 10, 2021

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2020

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, 2020. 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 \$311,960,404 for fiscal year ending August 31, 2020. This amounted to an increase of \$27,022,130, from last year's total of \$284,938,274 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$27,022,130 less than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$13,848,760 less than revenues.
- The general fund reported a fund balance this year of \$93,841,783, with \$41,678,448 of this amount unassigned.

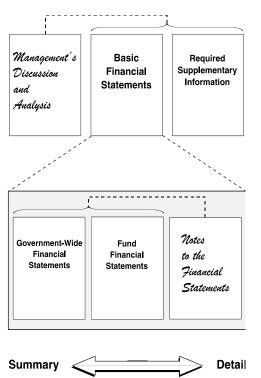
OVERVIEW OF THE FINANCIAL STATEMENTS

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 \$311,960,404 on August 31, 2020. (See Table A-1).

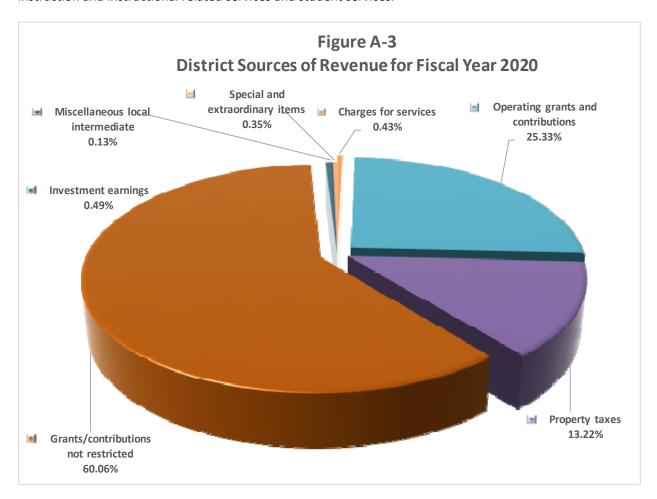
	Government	Governmental Activities Bus		e Activities	Total		
	2020	2019	2020	2019	2020	2019	
Current and Other Assets	\$ 187,634,494	\$ 170,085,277	\$ 856,172	\$ 579,355	\$ 188,490,666	\$ 170,664,632	
Capital and Non-							
Current Assets	741,090,752	723,698,560			741,090,752	723,698,560	
Total Assets	928,725,246	893,783,837	856,172	579,355	929,581,418	894,363,192	
Deferred Outflows							
of Resources	92,721,110	88,165,945		_	92,721,110	88,165,945	
		_				_	
Current Liabilities	42,174,068	33,088,580	38,164	8,584	42,212,232	33,097,164	
	500 504 005	644.070.406			500 504 005	644.070.406	
Long Term Liabilities	589,581,905	611,979,486			589,581,905	611,979,486	
Total Liabilities	631,755,973	645,068,066	38,164	8,584	631,794,137	645,076,650	
Deferred Inflows of							
Resources	78,547,987	52,509,937			78,547,987	52,509,937	
Net Position:							
Net Investment in							
Capital Assets	404,328,982	373,880,352	-	-	404,328,982	373,880,352	
Restricted	34,994,389	29,960,633	-	-	34,994,389	29,960,633	
Unresticted	(128,180,975)	(119,469,206)	818,008	570,771	(127,362,967)	(118,898,435)	
•		<u> </u>	,			<u> </u>	
Total Net Position	\$ 311,142,396	\$ 284,371,779	\$ 818,008	\$ 570,771	\$ 311,960,404	\$ 284,942,550	

Net position of the District's Governmental activities is \$311,142,396. 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 (\$128,180,975) at the end of this year because of the implementation of GASB Statement No. 75, which left the District in a negative balance.

The net position of the District's business-type activities is \$818,008. 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, and the ACT/RGV program.

Changes in net position. The District's total general revenues were \$463,522,687. A significant portion (85%) of the District's total revenue comes from grants and contributions (See Figure A-3.).

The total cost of all governmental programs and services was \$436,747,794; of these costs 78% are for instruction and instructional related services and student services.



Governmental Activities

- Investment earnings decreased by approximately 50% from \$4.3 million to \$2.3 million due to the decreases in interest rates.
- The total tax rate for 2019-20 was \$1.2725. For 2020-21, the tax rate will be reduced to \$1.2675. This reduction in 2020-21 is partially due to legislative action that compressed Texas school district tax rates. The maintenance and operations tax rate was \$1.0683 in 2019-20 and will be reduced to \$1.0507 in 2020-21. The debt service tax rate was \$.2042 in 2019-20 and will be increased to \$.2168 for 2020-21. 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 2020-21. 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 2020-21 fiscal year, surplus funds will be transferred from the General Fund to the Debt Service Fund to meet 2020-21 principal and interest requirements on bonded debt.

Changes in District's Net Position

	Govermental Activities		Business-ty	pe Activities	Total		
	2020	2019	2020	2019	2020	2019	
Program revenues:							
Charges for services	\$ 1,986,812	\$ 2,766,811	\$ 829,265	\$ 814,471	\$ 2,816,077	\$ 3,581,282	
Operating grants and contributions	117,414,928	111,757,298	-	-	117,414,928	111,757,298	
Capital grants and contributions	-	-	-	-	-	-	
General revenues:							
Property taxes	61,257,285	62,571,630	-	-	61,257,285	62,571,630	
Grants/contributions not restricted	278,373,727	253,720,680	-	-	278,373,727	253,720,680	
Investment earnings	2,257,042	4,262,103	-	-	2,257,042	4,262,103	
Miscellaneous local intermediate	590,859	735,703	-	-	590,859	735,703	
Special and extraordinary items	1,642,034	(170,000)	-	-	1,642,034	(170,000)	
Total Revenues	463,522,687	435,644,225	829,265	814,471	464,351,952	436,458,696	
	_						
Expenses							
Instruction	239,798,465	230,865,531	-	-	239,798,465	230,865,531	
Instructional Resources And Media							
Services	6,319,069	7,020,223	-	-	6,319,069	7,020,223	
Curriculum And Staff Development	12,590,762	13,826,307	-	-	12,590,762	13,826,307	
Instructional Leadership	10,710,893	10,488,490	-	-	10,710,893	10,488,490	
School Leadership	21,775,414	21,130,589	-	-	21,775,414	21,130,589	
Guidance, Counseling And Evaluation							
Services	16,210,341	14,858,497	-	-	16,210,341	14,858,497	
Social Services	3,043,573	2,785,829	-	-	3,043,573	2,785,829	
Health Services	5,232,171	4,488,177	-	-	5,232,171	4,488,177	
Student (Pupil) Transportation	9,010,669	9,900,675	-	-	9,010,669	9,900,675	
Food Services	23,525,798	25,410,739	-	-	23,525,798	25,410,739	
Extracurricular Activities	15,692,727	15,734,101	-	-	15,692,727	15,734,101	
General Administration	10,064,169	8,824,434	-	-	10,064,169	8,824,434	
Facilities Maintenance and Operations	38,024,824	37,323,264	-	-	38,024,824	37,323,264	
Security And Monitoring Services	6,084,498	5,616,389	-	-	6,084,498	5,616,389	
Data Processing Services	4,055,733	3,414,243	-	-	4,055,733	3,414,243	
Community Services	2,035,947	2,196,445	-	-	2,035,947	2,196,445	
Interest On Long Term Debt	11,387,149	12,624,187	-	-	11,387,149	12,624,187	
Bond Issuance Cost And Fees	226,075	18,945	-	-	226,075	18,945	
Payments Related To Shared Services							
Arrangement	173,837	198,675	-	-	173,837	198,675	
Payments To Juvenile Justice Alternative							
Ed. Program	11,979	62,658	-	-	11,979	62,658	
Other Intergovernmental Charges	773,701	771,746	-	-	773,701	771,746	
PSJA Enterprise Fund	-	-	180,599	197,246	180,599	197,246	
Digital Billboard Fund	-	-	10,997	5,280	10,997	5,280	
ACT RGV	-	-	389,674	373,397	389,674	373,397	
Swimming USA		- 427.560.444	758		758	- 420 426 067	
Total Expenses	436,747,794	427,560,144	582,028	575,923	437,329,822	428,136,067	
Increase (Decrease) in Net Besition	26 774 902	0.004.004	247 227	220 E40	27 022 420	0 222 620	
Increase (Decrease) in Net Position	26,774,893	8,084,081	247,237	238,548	27,022,130	8,322,629	
Transfer In (Out)	76 774 902	5,526,131	247 227	220 540	77 022 420	5,526,131	
Total Increase (Decrease)	26,774,893	13,610,212	247,237 570,771	238,548	27,022,130	13,848,760	
Net Position – Beginning	284,367,503	262,178,158	570,771	332,223	284,938,274	262,510,381	
Prior Year Adjustment Net Position - Ending	\$ 311,142,396	\$,583,409	\$ 818,008	\$ 570,771	\$ 311,960,404	\$,583,409 \$ 284,942,550	
Met Fosition - Elianig	311,142,350	۲ ۱٫۱۱/۲ ب	010,000 ج	370,771 ډ	404,005,115 ب	204,342,330 ب	

The net cost of all *governmental* activities this year was \$317,346,054. 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		
			%			%
	2020	2019	Change	2020	2019	Change
Instruction	\$ 239,798,465	\$ 230,865,531	3.9%	\$ 184,973,288	\$ 183,867,816	0.6%
School Leadership	21,775,414	21,130,589	3.1%	19,544,128	19,272,963	1.4%
Guidance, Counseling						
and Evaluation Services	16,210,341	14,858,497	9.1%	12,360,421	11,283,416	9.5%
Food Services	23,525,798	25,410,739	-7.4%	1,870,272	492,874	279.5%
Extracurricular	15,692,727	15,734,101	-0.3%	12,816,334	12,620,092	1.6%
Facilities Maintenance						
and Operations	\$ 38,024,824	\$ 37,323,264	1.9%	\$ 36,388,227	\$ 36,650,437	-0.7%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from all governmental funds totaled \$451,519,403. The increase in local revenues is a result of increased property values. The increase in state revenues is a result of increased state aid due to House Bill 3, increased students and formula changes. The increase in the federal program revenues was due to various increases in most grants.

The General Fund is the chief operating fund of the district. As of August 31, 2020, the fund balance of the general fund was \$93,841,783. The unassigned balance of \$41,678,448 or 44.41% 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:

- \$2,599,720 is recorded as nonspendable for inventories and deferred expenditures;
- \$2,710,468 is recorded as a prepaid item
- \$6,888,896 is recorded as Restricted; \$670,768 in Food Service and \$6,218,128 in other State programs;
- \$21,290,000 is recorded as committed for Construction;
- \$1,450,950 is recorded as committed for capital expenditures for equipment for new schools and buses;
- \$9,233,792 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;
- \$41,678,448 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 2020, the District had invested \$724,413,156 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4District's Capital Assets

		% Change		
		2020	 2019	2020-19
Land	\$	30,021,582	\$ 30,021,582	0.0%
Buildings and improvements		758,705,403	748,397,175	1.4%
Furniture and Equipment		45,960,404	44,668,493	2.9%
Vehicles		18,433,664	17,096,540	7.8%
Library Books		358,671	358,671	0.0%
Construction in Progress		63,606,338	40,988,882	55.2%
Infrastructure		20,333,241	 19,585,033	3.8%
Total Capital Assets at Historical Cost		937,419,303	 901,116,376	4.0%
Less: Accumulated Depreciation		213,006,147	 192,320,412	10.8%
Net Capital Assets	\$	724,413,156	\$ 708,795,964	2.2%

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

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, 2020, are as follows:

Table A-5District's Long-Term Debt

	Beginning				Amounts Due
	Balance			Ending Balance	Within One
	9/1/2019	Increase	Decrease	8/31/2020	Year
Total Bonds Payable	\$ 271,490,000	\$ 40,595,000	\$ 53,995,000	\$ 258,090,000	\$ 12,205,000
Total Notes Payable	41,750,000	-	1,310,000	40,440,000	18,060,000
Premium and Discount	39,331,181	1,885,899	2,498,735	38,718,345	-
Sick and Vacation Leave	9,436,527	210,509	413,244	9,233,792	678,718
Net Pension Liability	105,382,057	3,275,572	6,854,588	101,803,041	-
Net OPEB Liability	144,589,721	(1,172,483)	2,120,511	141,296,727	
Total Long-Term Liabilities	\$ 611,979,486	\$ 44,794,497	\$ 67,192,078	\$ 589,581,905	\$ 30,943,718

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 2021 budget preparation is \$5.0 billion, up \$342 million or 7.41%. 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 2020 refined average daily attendance is expected to be 31,412. A slight decrease of 296 students is projected due to COVID-19.

These indicators were taken into account when adopting the general fund budget for 2021. Amounts available for appropriation in the general fund budget are \$377 million. Property values continue to rise, but at a slower pace. The district will examine the budget for 2021 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to rise to \$377 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 2021 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 2021.

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.

BASIC FINANCIAL STATEMENTS

PHARR SAN JUAN ALAMO ISD STATEMENT OF NET POSITION AUGUST 31, 2020

2 3

			Prim	ary Government		
Data				Business		
Contro	ol .	Governmental		Туре		
Codes		Activities		Activities		Total
ASSE	IS					
1110	Cash and Cash Equivalents	\$ 18,932,443	\$	776,666	\$	19,709,109
1120	Investments	118,622,199		-		118,622,199
1220	Property Taxes Receivables, Net	6,426,439		-		6,426,439
1240	Due from Other Governments	37,602,689		-		37,602,689
1260	Internal Balances	(79,506)		79,506		-
1290	Other Receivables, Net	820,042		-		820,042
1300	Inventories	2,599,720		-		2,599,720
1410	Prepayments Capital Assets:	2,710,468		-		2,710,468
1510	Land	30,021,582		_		30,021,582
1520	Buildings, Net	616,231,248		_		616,231,248
1530	Furniture and Equipment, Net	10,752,200		_		10,752,200
1560	Library Books and Media, Net	916		_		916
1580	Construction in Progress	63,606,338		_		63,606,338
1590	Infrastructure, Net	3,800,872		_		3,800,872
1800	Restricted Assets	16,677,596		-	_	16,677,596
1000	Total Assets	928,725,246		856,172		929,581,418
DEFE	RRED OUTFLOWS OF RESOURCES					
1701	Deferred Charge for Refunding	17,164,170		-		17,164,170
1705	Deferred Outflow Related to TRS Pension	48,513,725		-		48,513,725
1706	Deferred Outflow Related to TRS OPEB	27,043,215		-		27,043,215
1700	Total Deferred Outflows of Resources	92,721,110			_	92,721,110
LIABI	LITIES					
2110	Accounts Payable	7,480,668		11,480		7,492,148
2140	Interest Payable	1,053,592		-		1,053,592
2177	Due to Fiduciary Funds	137,848		-		137,848
2180	Due to Other Governments	8,107,463		-		8,107,463
2190	Due to Student Groups	1,468		-		1,468
2200	Accrued Expenses	20,405,678		26,684		20,432,362
2300	Unearned Revenue Noncurrent Liabilities:	4,987,351		-		4,987,351
2501	Due Within One Year	30,943,718		-		30,943,718
2502	Due in More Than One Year	315,538,419		_		315,538,419
2540	Net Pension Liability (District's Share)	101,803,041		-		101,803,041
2545	Net OPEB Liability (District's Share)	141,296,727		-		141,296,727
2000	Total Liabilities	631,755,973		38,164		631,794,137
DEFE	RRED INFLOWS OF RESOURCES					
2605	Deferred Inflow Related to TRS Pension	17,420,925		-		17,420,925
2606	Deferred Inflow Related to TRS OPEB	61,127,062		-		61,127,062
2600	Total Deferred Inflows of Resources	78,547,987		-		78,547,987
NET P	OSITION					
3200	Net Investment in Capital Assets Restricted:	404,328,982		-		404,328,982
3820	Restricted for Federal and State Programs	12,253,186		_		12,253,186
3850	Restricted for Debt Service	22,741,203		_		22,741,203
3900	Unrestricted	(128,180,975)		818,008		(127,362,967)
3000	Total Net Position	\$ 311,142,396	\$	818,008	\$	311,960,404
					_	

PHARR SAN JUAN ALAMO ISD STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2020

POK		AK ENDED AUG	IU.S	51 51, 2020		Progran	n Re	venues
Data				1		3		4
Control								Operating
Codes				-		Charges for		Grants and
				Expenses		Services		Contributions
Primary Government:								
GOVERNMENTAL ACTIVITIES:								
11 Instruction		;	\$	239,798,465	\$	121,629	\$	54,703,548
12 Instructional Resources and Media Services				6,319,069		-		558,977
13 Curriculum and Instructional Staff Development				12,590,762		-		7,551,323
21 Instructional Leadership				10,710,893		-		3,815,137
23 School Leadership				21,775,414		-		2,231,286
31 Guidance, Counseling, and Evaluation Services				16,210,341		-		3,849,920
32 Social Work Services				3,043,573		-		340,966
33 Health Services				5,232,171		-		513,656
34 Student (Pupil) Transportation				9,010,669		-		526,656
35 Food Services				23,525,798		249,689		21,405,837
36 Extracurricular Activities				15,692,727		1,615,494		1,260,899
41 General Administration				10,064,169				1,766,906
51 Facilities Maintenance and Operations				38,024,824		-		1,636,597
52 Security and Monitoring Services				6,084,498		_		464,754
53 Data Processing Services				4,055,733		_		464,363
61 Community Services				2,035,947		_		1,572,778
72 Debt Service - Interest on Long-Term Debt				11,387,149		_		14,751,325
73 Debt Service - Bond Issuance Cost and Fees				226,075		_		
93 Payments Related to Shared Services Arrangeme	nts			173,837		_		_
95 Payments to Juvenile Justice Alternative Ed. Pr				11,979		_		_
99 Other Intergovernmental Charges	5.			773,701		_		_
[TG] Total Governmental Activities:		-		436,747,794	_	1,986,812	_	117,414,928
		-		430,747,794	_	1,960,612	_	117,414,926
BUSINESS-TYPE ACTIVITIES:				100 500		100 500		
01 PSJA Enterprise Fund				180,599		180,598		-
02 Digital Billboard Fund				10,997		218,800		-
03 ACT RGV				389,674		429,759		-
04 Swimming USA		-		758	_	108	_	-
[TB] Total Business-Type Activities:		-		582,028	_	829,265	_	-
[TP] TOTAL PRIMARY GOVERNMENT:			\$	437,329,822	\$	2,816,077	\$	117,414,928
	Data	General Revenue	·c ·					
	Control	Taxes:	٥.					
	Codes		т-	T:- 1 £	C	1 D		
	MT DT	1 2		xes, Levied for		1		
				xes, Levied for				
	GC			ibutions not Res	iricie	cu		
	IE MI	Investment Ea		_	1:_4_	D		
				cal and Intermed	mate	Revenue		
	S2	Special Item - Lav			[+			
	TR	Total General Rev		•				
	CN		_	e in Net Positio	n			
	NB	Net Position - Be	egiı	nning				
	NE	Net Position - Er	ndi	ng				

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

Net (Expense) Revenue and Changes in Net Position

Changes in Net Position							
6		7 Primary Government			8		
	Governmental		iness Type				
Activities			ctivities		Total		
_	Activities		etivities		1 Otal		
\$	(184,973,288)	\$	-	\$	(184,973,288)		
	(5,760,092)		-		(5,760,092)		
	(5,039,439)		-		(5,039,439)		
	(6,895,756)		-		(6,895,756)		
	(19,544,128)		-		(19,544,128)		
	(12,360,421)		-		(12,360,421)		
	(2,702,607)		-		(2,702,607)		
	(4,718,515)		-		(4,718,515)		
	(8,484,013)		-		(8,484,013)		
	(1,870,272)		-		(1,870,272)		
	(12,816,334)		-		(12,816,334)		
	(8,297,263)		-		(8,297,263)		
	(36,388,227)		-		(36,388,227)		
	(5,619,744)		-		(5,619,744)		
	(3,591,370)		-		(3,591,370)		
	(463,169)		-		(463,169)		
	3,364,176		-		3,364,176		
	(226,075)		-		(226,075)		
	(173,837)		-		(173,837)		
	(11,979)		-		(11,979)		
	(773,701)		-		(773,701)		
	(317,346,054)		-		(317,346,054)		
			(1)		(1)		
	-		(1)		(1)		
	-		207,803		207,803		
	-		40,085		40,085		
_	-		(650)	_	(650)		
_			247,237	_	247,237		
_	(317,346,054)		247,237	_	(317,098,817)		
	51,436,895		-		51,436,895		
	9,820,390		-		9,820,390		
	278,373,727		-		278,373,727		
	2,257,042		-		2,257,042		
	590,859		-		590,859		
	1,642,034		-		1,642,034		
_	344,120,947		-	_	344,120,947		
	26,774,893		247,237	_	27,022,130		
	284,367,503		570,771		284,938,274		
\$	311,142,396	\$	818,008	\$	311,960,404		
_				_			

PHARR SAN JUAN ALAMO ISD BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2020

Data		10	50	60
Contro	ol .	General	Debt Service	Capital
Codes		Fund	Fund	Projects
AS	SETS			
1110	Cash and Cash Equivalents	\$ 851,370		\$ 1,515
1120	Investments	99,607,721	1,623,644	-
1220	Property Taxes Receivables, Net	5,445,471	980,968	-
1240	Due from Other Governments	15,705,541	1,260,802	-
1250	Accrued Interest	147,736	<u>-</u>	-
1260	Due from Other Funds	20,218,748	1,358,001	19,164,919
1290	Other Receivables, Net	561,566	34,764	-
1300	Inventories	2,599,720	-	-
1410	Prepayments	2,710,468	-	-
1800	Restricted Assets	-	16,677,596	-
1000	Total Assets	\$ 147,848,341	\$ 26,178,494	\$ 19,166,434
LIA	ABILITIES		-	
2110	Accounts Payable	\$ 2,577,942	\$ (1)	\$ 3,827,390
2150	Payroll Deductions and Withholdings Payable	2,616,978	-	-
2160	Accrued Wages Payable	12,909,954	-	-
2170	Due to Other Funds	20,578,785	1,636,038	9,976
2180	Due to Other Governments	7,132,834	747,662	-
2190	Due to Student Groups	1,468	-	-
2300	Unearned Revenue	 297,047		
2000	Total Liabilities	 46,115,008	2,383,699	3,837,366
DE	FERRED INFLOWS OF RESOURCES			
2601	Deferred Inflow of Resources - Property Taxes	5,069,328	910,334	_
2602	Deferred Inflow of Resources - SHARS	2,822,222		-
2600	Total Deferred Inflows of Resources	 7,891,550	910,334	
FU	ND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	2,599,720	-	-
3430	Prepaid Items	2,710,468	-	-
	Restricted Fund Balance:	, ,		
3450	Federal or State Funds Grant Restriction	6,888,896	_	_
3480	Retirement of Long-Term Debt	-	22,884,461	-
3490	Other Restricted Fund Balance	-	-	15,329,068
	Committed Fund Balance:			, ,
3510	Construction	21,290,000	-	-
3530	Capital Expenditures for Equipment	1,450,950	-	_
3545	Other Committed Fund Balance	9,233,792	-	-
	Assigned Fund Balance:	, ,		
3590	Other Assigned Fund Balance	7,989,509	_	_
3600	Unassigned Fund Balance	41,678,448	-	_
3000	Total Fund Balances	 93,841,783	22,884,461	15,329,068
2000		 		
4000	Total Liabilities, Deferred Inflows and Fund Balances	\$ 147,848,341	\$ 26,178,494	\$ 19,166,434

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

Other Funds		Total Governmental Funds
\$ 5,999,260 - - 20,636,346 - 1,507 237 - - -	\$	11,094,864 101,231,365 6,426,439 37,602,689 147,736 40,743,175 596,567 2,599,720 2,710,468 16,677,596
\$ 26,637,350	\$	219,830,619
\$ 332,911 - 1,215,675 19,059,261 226,967 - 4,690,304	\$	6,738,242 2,616,978 14,125,629 41,284,060 8,107,463 1,468 4,987,351
25,525,118	Ξ	77,861,191
- -		5,979,662 2,822,222 8,801,884
54,102 - - - 1,058,130		2,599,720 2,710,468 6,942,998 22,884,461 15,329,068 21,290,000 1,450,950 10,291,922 7,989,509 41,678,448
 1,112,232	-	133,167,544
\$ 26,637,350	\$	219,830,619

EXHIBIT C-2

PHARR SAN JUAN ALAMO ISD RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AUGUST 31, 2020

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. 2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$901,027,316 and the accumulated depreciation was (\$192,240,357). In addition, long-term liabilities, including boads and notes payable and interest payable for (\$363,132,557), and deferred charge for refunding of \$17,664,371 are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. Note: Beginning balances related to TRS are not included in this amount. 3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is to increase net position. 4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$48,513,725, a deferred resource inflow in the amount of (\$17,420,925), and a net pension liability of (\$101,803,041). This resulted in a decrease in net position. 5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 68. The net	Total Fund Balances - Governmental Funds	\$ 133,167,544
reported in governmental funds. At the beginning of the year, the cost of these assets was \$901,027,316 and the accumulated depreciation was (\$192,240,357). In addition, long-term liabilities, including bonds and notes payable and interest payable for (\$363,132,557), and deferred charge for refunding of \$17,664,371 are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. Note: Beginning balances related to TRS are not included in this amount. 3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is to increase net position. 4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$48,513,725, a deferred resource inflow in the amount of \$(\$17,420,925), and a net pension liability of (\$101,803,041). This resulted in a decrease in net position. 5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$27,043,215, a deferred resource inflow in the amount of \$(\$61,127,062), and a net OPEB liability in the amount of \$(\$141,296,727). This resulted in a decrease in net position. 6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. 7 Various other reclassifications and eliminations are	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.	21,231,190
financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is to increase net position. 4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$48,513,725, a deferred resource inflow in the amount of (\$17,420,925), and a net pension liability of (\$101,803,041). This resulted in a decrease in net position. 5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$27,043,215, a deferred resource inflow in the amount of (\$61,127,062), and a net OPEB liability in the amount of (\$141,296,727). This resulted in a decrease in net position. 6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. 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 for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to increase net position.	reported in governmental funds. At the beginning of the year, the cost of these assets was \$901,027,316 and the accumulated depreciation was (\$192,240,357). In addition, long-term liabilities, including bonds and notes payable and interest payable for (\$363,132,557), and deferred charge for refunding of \$17,664,371 are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. Note: Beginning balances related to TRS are not included in this	363,318,773
net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$48,513,725, a deferred resource inflow in the amount of (\$17,420,925), and a net pension liability of (\$101,803,041). This resulted in a decrease in net position. 5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$27,043,215, a deferred resource inflow in the amount of (\$61,127,062), and a net OPEB liability in the amount of (\$141,296,727). This resulted in a decrease in net position. 6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. 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 for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to increase net position.	financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the	51,573,334
net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$27,043,215, a deferred resource inflow in the amount of (\$61,127,062), and a net OPEB liability in the amount of (\$141,296,727). This resulted in a decrease in net position. 6 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. 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 for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to increase net position.	net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$48,513,725, a deferred resource inflow in the amount of (\$17,420,925), and a net pension liability of (\$101,803,041). This resulted in a decrease in net	(70,710,241)
year's depreciation is to decrease net position. 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 for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to increase net position.	net OPEB liability required by GASB 75. The net position related to OPEB included a deferred resource outflow in the amount of \$27,043,215, a deferred resource inflow in the amount of (\$61,127,062), and a net OPEB liability in the amount of (\$141,296,727). This resulted in a	(175,380,574)
accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to increase net position.	1 1	(20,859,514)
19 Net Position of Governmental Activities \$ 311,142,396	accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes for \$5,979,662 and certain due from other government as revenue for \$2,822,222. The net effect of these reclassifications and recognitions is to	8,801,884
	19 Net Position of Governmental Activities	\$ 311,142,396

PHARR SAN JUAN ALAMO ISD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2020

Data			10		50		60
Control			General		Debt Service		Capital
Codes			Fund		Fund		Projects
	REVENUES:						
5700	Local and Intermediate Sources	\$	55,368,694	\$	10,049,379	\$	29,090
5800	State Program Revenues		293,954,525		13,403,660		-
5900	Federal Program Revenues		26,537,465		1,347,665		-
5020	Total Revenues	_	375,860,684		24,800,704		29,090
	EXPENDITURES:	_					
	Current:						
0011	Instruction		182,442,196		_		_
0012	Instructional Resources and Media Services		6,314,948		-		_
0013	Curriculum and Instructional Staff Development		4,372,758		-		_
0021	Instructional Leadership		6,591,480		-		_
0023	School Leadership		19,442,190		-		-
0031	Guidance, Counseling, and Evaluation Services		11,918,054		-		-
0032	Social Work Services		2,643,807		-		-
0033	Health Services		4,668,069		-		-
0034	Student (Pupil) Transportation		9,638,158		-		-
0035	Food Services		22,270,868		-		-
0036	Extracurricular Activities		12,658,756		-		-
0041	General Administration		9,317,241		-		-
0051	Facilities Maintenance and Operations		36,076,671		-		-
0052	Security and Monitoring Services		5,828,983		-		-
0053	Data Processing Services		3,555,306		-		88,490
0061	Community Services		336,653		-		-
	Debt Service:						
0071	Principal on Long-Term Debt		470		13,770,000		-
0072	Interest on Long-Term Debt		-		12,721,190		-
0073	Bond Issuance Cost and Fees		-		226,075		-
	Capital Outlay:						
0081	Facilities Acquisition and Construction		240,873		-		33,450,576
	Intergovernmental:						
0093	Payments to Fiscal Agent/Member Districts of SSA		173,837		-		-
0095	Payments to Juvenile Justice Alternative Ed. Prg.		11,979		-		-
0099	Other Intergovernmental Charges		773,701		-		-
6030	Total Expenditures	_	339,276,998		26,717,265		33,539,066
1100	Excess (Deficiency) of Revenues Over (Under)	_	36,583,686		(1,916,561)		(33,509,976)
	Expenditures	_			<u> </u>	_	<u> </u>
	OTHER FINANCING SOURCES (USES):						
7911	Proceeds for Capital Related Debt Issued		-		40,595,000		-
7912	Sale of Real and Personal Property		2,200		-		-
7915	Transfers In		-		4,002,515		41,000,000
7916	Premium or Discount on Issuance of Bonds		-		1,885,899		-
7949	Other Resources		- (45,000,515)		-		1,642,034
8911	Transfers Out (Use)		(45,002,515)		- (42.270.200)		-
8940	Payment to Bond Refunding Escrow Agent (Use)	_			(42,270,280)	_	
7080	Total Other Financing Sources (Uses)	_	(45,000,315)		4,213,134		42,642,034
1200	Net Change in Fund Balances		(8,416,629)		2,296,573		9,132,058
0100	Fund Balance - September 1 (Beginning)		102,258,412		20,587,888	_	6,197,010
3000	Fund Balance - August 31 (Ending)	\$	93,841,783	\$	22,884,461	\$	15,329,068

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

		Total
	Other	Governmental
	Funds	Funds
_		
\$	1,522,389	\$ 66.969.552
φ	1,732,175	\$ 66,969,552 309,090,360
	47,574,361	75,459,491
_		
	50,828,925	451,519,403
	33,987,848	216,430,044
	41,604	6,356,552
	7,078,345	11,451,103
	3,201,014	9,792,494
	230,292	19,672,482
	2,593,208	14,511,262
	141,327	2,785,134
	104,842	4,772,911
	104.700	9,638,158
	104,780 1,388,457	22,375,648
	1,388,437	14,047,213
	170,037	9,487,278
	137,020	36,214,291 5,968,262
	139,279	3,643,796
	1,545,125	1,881,778
	1,5 15,125	1,001,770
	_	13,770,470
	_	12,721,190
	-	226,075
	-	33,691,449
	-	173,837
	-	11,979
		773,701
	50,863,778	450,397,107
	(34,853)	1,122,296
	(31,033)	
		40.505.000
	-	40,595,000
	-	2,200
	-	45,002,515 1,885,899
	-	, ,
	<u>-</u>	1,642,034 (45,002,515)
	<u>-</u>	(42,270,280)
		1.854.853
		1,854,853
	(34,853)	2,977,149
	1,147,085	130,190,395
¢	1 112 222	¢ 122 167 544
\$	1,112,232	\$ 133,167,544

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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 2,977,149
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 of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	10,369,213
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to increase net position.	51,573,334
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(20,859,514)
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 as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy for (\$833,586), and other revenues unavailable for (\$2,341,029). The net effect of these reclassifications and recognitions is to decrease net position.	(3,174,615)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$8,924,295. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling (\$6,829,233). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$13,275,989). The net result is an decrease in the change in net position.	(11,180,927)
GASB 75 required that certain plan expenditures be de-expended and recorded as a deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,228,364. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling (\$2,120,503). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by (\$3,037,609). The net results is a decrease in the change in net position.	2,929,748
Change in Net Position of Governmental Activities	\$ 26,774,893

PHARR SAN JUAN ALAMO ISD STATEMENT OF NET POSITION PROPRIETARY FUNDS AUGUST 31, 2020

	Business-Type Activities -	Governmental Activities -
	Total	Total
	Enterprise	Internal
	Funds	Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 776,666	\$ 7,837,579
Investments	-	17,390,834
Due from Other Funds	87,013	326,306
Other Receivables	 _	75,739
Total Current Assets	863,679	25,630,458
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	-	89,057
Depreciation on Furniture and Equipment		(80,053)
Total Noncurrent Assets		9,004
Total Assets	863,679	25,639,462
LIABILITIES		
Current Liabilities:		
Accounts Payable	11,480	742,427
Accrued Wages Payable	26,684	12,201
Due to Other Funds	7,507	2,775
Accrued Expenses		3,650,869
Total Liabilities	45,671	4,408,272
NET POSITION		
Unrestricted Net Position	818,008	21,231,190
Total Net Position	\$ 818,008	\$ 21,231,190

PHARR SAN JUAN ALAMO ISD STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2020

		Business-Type Activities - Total Enterprise Funds		Governmental Activities - Total Internal Service Funds	
OPERATING REVENUES:					
Local and Intermediate Sources	\$	829,265	\$	51,865,272	
Total Operating Revenues		829,265		51,865,272	
OPERATING EXPENSES:					
Payroll Costs Professional and Contracted Services		391,487 139,395		172,382 41,342,431	
Supplies and Materials Other Operating Costs		8,622		71,786	
Total Operating Expenses		42,524 582,028		15,756 41,602,355	
Operating Income		247,237		10,262,917	
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits and Investments		-		106,296	
Total Nonoperating Revenues (Expenses)				106,296	
Change in Net Position		247,237		10,369,213	
Total Net Position - September 1 (Beginning)		570,771		10,861,977	
Total Net Position - August 31 (Ending)	\$	818,008	\$	21,231,190	

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, 2020

	Business-Type Activities	Governmental Activities -
	Total	Total
	Enterprise	Internal
	Funds	Service Funds
Cash Flows from Operating Activities:		
Cash Received from Fund and Customers	\$ 742,252	\$ 51,565,373
Cash Payments to Employees for Services	(372,585)	(163,954)
Cash Payments for Claims and Admin Costs	-	(39,711,609)
Cash Payments for Goods and Services	(137,339)	(211,792)
Cash Payments for Other Operating Expenses	(42,524)	(15,755)
Net Cash Provided by Operating Activities	189,804	11,462,263
Cash Flows from Non-Capital Financing Activities: Interfund Loan or Loan Repayments Received	300,641	
Cash Flows from Investing Activities:		
Purchase of Investment Securities	-	(44,166,907)
Proceeds from Sale and Maturities of Securities	-	30,271,000
Interest and Dividends on Investments		106,296
Net Cash Provided by (Used for) Investing Activities		(13,789,611
Net Increase (Decrease) in Cash and Cash Equivalents	490,445	(2,327,348)
Cash and Cash Equivalents at Beginning of Year	286,221	10,164,927
Cash and Cash Equivalents at End of Year	\$ 776,666	\$ 7,837,579
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income:	\$ 247,237	\$ 10,262,917
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Other Receivables	-	(75,736)
Increase (decrease) in Accounts Payable	10,680	515,065
Increase (decrease) in Accrued Wages Payable	18,900	987,821
Increase (decrease) in Due to / from Other Funds	(87,013)	(227,804)
Net Cash Provided by Operating Activities	\$ 189,804	\$ 11,462,263

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

PHARR SAN JUAN ALAMO ISD STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS AUGUST 31, 2020

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 1,350,336
Investments	27,935
Due from Other Funds	143,969
Other Receivables	6,106
Total Assets	\$ 1,528,346
LIABILITIES	
Accounts Payable	\$ 85
Due to Other Funds	6,122
Due to Other Governments	93,287
Due to Student Groups	1,428,852
Total Liabilities	\$ 1,528,346

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

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.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the 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.

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.

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

Fiduciary funds: These 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. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

which all eligibility requirements have been satisfied. Agency funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

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, 2020, restricted assets of the Debt Service Fund total \$16,677,596, 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 5.00 to 9.04 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 9.04 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.

i. 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.

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. 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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. New Accounting Standards Adopted

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

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

- Statement No. 84, Fiduciary Activities
- Statement No. 87, Leases
- Statement No. 92, Omnibus 2020
- Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 1 - Summary of Significant Accounting Policies (Continued)

Statement No. 87 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 governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 97 increases the consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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, 2020, the District did not have expenditures exceeding appropriated amounts.

Note 2 - Compliance and Accountability (Continued)

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 \$128,180,975 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 19).

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		
	Au	gust 31, 2020	
Deposits	\$	20,264,445	
Cash with Paying Agent		795,000	
Money Market		16,677,596	
Investments		118,650,134	
Total	\$	156,387,175	
Exhibit A-1 Cash and Cash Equivalents Investments Restricted Assets Total Exhibit A-1	\$	19,709,109 118,622,199 16,677,596 155,008,904	
Total Exhibit // I	<u> </u>	133,000,304	
Exhibit E-1			
Cash and Cash Equivalents	\$	1,350,336	
Investments		27,935	
Total Exhibit E-1	\$	1,378,271	

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, 2020, the carrying amount of the District's deposits (cash and money market) was \$37,737,041 and the bank balance was \$38,292,165.

Note 3 - Deposits and Investments (Continued)

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, 2020 and during the year ended August 31, 2020 were entirely covered by letters of credit and FDIC insurance held by the District's agent bank in the District's name.

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

- a) Depository Institution: BBVA Compass
- b) Amount of letters of credit pledged as of the date of the highest combined balance on deposit was \$65,000,000.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$62,827,712 and occurred during the month of November 2019.
- 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 \$16,677,596 occurred during the month of August 2020 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

Note 3 - Deposits and Investments (Continued)

- 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

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.

Note 3 - Deposits and Investments (Continued)

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.

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.

Note 3 - Deposits and Investments (Continued)

The District's investments at August 31, 2020 are shown below:

			Weighted		
		Reported	Average	Standard &	Concentration
Reported At Description		Amount	Maturity (days)	Poor Rating	of Credit Risk
Amortized Cost Texas Term Dec 20	\$	5,160,612	49	AAAf / AAAkf	4.35%
Amortized Cost Texas Term Daily		10,816,729	48	AAAm	9.12%
Amortized Cost Texpool Investment Fund		70,301,337	53	AAAm	59.25%
Amortized Cost Lone Star Investment Poo	:	16,502,282	84	AAAf/S1+	13.91%
Amortized Cost Texas FIT		5,024,590	112	AAAmmf	4.23%
Market Value Certificate of Deposit		10,844,585	N/A	N/A	9.14%
	\$	118,650,134	<u>.</u>		100.00%

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 2019 tax rate was \$1.683 for maintenance and \$.2042 for debt service per \$100 assessed valuation. The 2019 assessed valuation was \$4,824,721,849. 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, 2020, was as follows:

То		al Receivable	Uncollectible		Net Receivable	
General Fund	\$	6,369,804	\$	924,333	\$	5,445,471
Debt Service Fund		1,117,883		136,915		980,968
	\$	7,487,687	\$	1,061,248	\$	6,426,439

Note 5 - Capital Assets

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

		Restated						
	Beginning							
		Balance		Increases		Decreases	Er	iding Balances
Governmental activities:								
Capital assets, not being depreciated:								
Land	\$	30,021,582	\$	-	\$	-	\$	30,021,582
Construction in progress		40,988,882		32,934,463		10,317,007		63,606,338
Total capital assets, not being depreciated		71,010,464		32,934,463		10,317,007		93,627,920
Capital assets, being depreciated:								
Infrastructure		19,585,033		748,208		-		20,333,241
Buildings		563,679,941		10,317,007		-		573,996,948
Buildings and improvements		184,708,455		-		-		184,708,455
Furniture and equipment		44,677,272		1,460,026		176,896		45,960,402
Vehicles		17,096,540		1,337,124		-		18,433,664
Library Books		358,671		-		-		358,671
Total capital assets, being depreciated		830,105,912		13,862,365		176,896		843,791,381
Less accumulated depreciation for:								
Infrastructure		15,953,032		579,337		-		16,532,369
Buildings		92,499,173		11,421,148		-		103,920,321
Buildings and improvements		33,223,564		5,330,270		-		38,553,834
Furniture and equipment		37,608,414		2,474,833		173,781		39,909,466
Vehicles		12,679,849		1,052,551		-		13,732,400
Library Books		356,380		1,375		-		357,755
Total accumulated depreciation		192,320,412		20,859,514		173,781		213,006,145
Total capital assets, being depreciated, net		637,785,500		(6,997,149)		3,115		630,785,236
Governmental activities, capital assets, net	\$	708,795,964	\$	25,937,314	\$	10,320,122	\$	724,413,156

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	al 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	\$	11,256,800
12 - Instructional Resources and Media Services		389,636
13 - Curriculum and Instructional Staff Development		269,802
21 - Instructional Leadership		406,699
23 - School Leadership		1,199,596
31 - Guidance, Counseling, and Evaluation Services		735,352
32 - Social Work Services		163,124
33 - Health Services		288,023
34 - Student (Pupil) Transportation		594,681
35 - Food Services		1,374,127
36 - Extracurricular Activities		781,053
41 - General Administration		574,879
51 - Facilities Maintenance and Operations		2,225,954
52 - Security and Monitoring Services		359,652
53 - Data Processing Services		219,364
61 - Community Services		20,772
Total depreciation expense	\$	20,859,514

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	\$ 12,442,628	\$ 7,120,095
National School Breakfast and Lunch Program	607,247	-
Medicaid Program (SHARS)	2,644,075	-
Other	11,591	12,739
	15,705,541	7,132,834
Debt Service Fund		
Texas Education Agency:		
Instructional Facilities Allotment	584,814	735,818
Interest Subsidy	675,988	11,844
	1,260,802	747,662
	1,200,002	7 17 7002
Other Govermental Funds		
Texas Education Agency:		
Title I Grants to Local Education Agencies	1,604,091	-
Migrant Education State Grant Program	340,729	-
Special Education -Grants to States	718,092	-
Special Education - Preschool Grants	5,427	-
Career and Technical Education - Basic Grants to States	120,208	-
English Language Acquisition State Grants	252,220	-
Supporting Effective Instruction State Grants	161,176	-
School Improvement Grants	72,980	=
Education Stabilization Fund	11,176,119	-
Other	229,115	-
UT-RGV (Head Start)	4,680,652	-
Region 18 (TSLI Grant)	1,041,216	41,999
Other	234,322	184,968
	20,636,346	226,967
Exibit C-1 Totals	\$ 37,602,689	\$ 8,107,463
Total Due To/From Other Goverments and Agencies - Exhibit A-1	\$ 37,602,689	\$ 8,107,463

Note 7 - Interfund Balances and Activities

Due To and From Other Funds

		Due From	 Due To
General Fund		_	
General Fund	\$	712,710	\$ 712,710
Special Revenue Fund		19,059,261	1,507
Debt Service Fund		420,434	144,997
Capital Projects Fund		9,939	19,162,319
Internal Service Fund		2,775	326,270
Enterprise Funds		7,507	87,013
Fiduciary Fund		6,122	143,969
Total General Fund		20,218,748	 20,578,785
Special Revenue Fund			
General Fund		1,507	 19,059,261
Total Special Revenue Fund		1,507	19,059,261
Debt Service Fund			
General Fund		144,997	420,434
Debt Service Fund		1,213,004	1,213,004
Capital Projects Fund		-	2,600
Total Debt Service Fund	- <u></u>	1,358,001	1,636,038
Capital Projects Fund			
General Fund		19,162,319	9,939
Debt Service Fund		2,600	-
Internal Service Fund		-	36
Total Capital Projects Fund		19,164,919	9,975
Internal Service Fund			
General Fund		326,270	2,775
Capital Projects Fund		36	 -
Total Internal Service Fund		326,306	2,775
Enterprise Fund			
General Fund		87,013	 7,507
Total Enterprise Fund		87,013	7,507
Fiduciary Fund			
General Fund		143,969	 6,122
Total Fiduciary Fund		143,969	6,122
Total	\$	41,300,463	\$ 41,300,463

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	\$ 41,000,000	Transfers for Construction
			Transfers for QSCN, QZAN and
General Fund	Debt Service Fund	4,002,515	QZA Bond
			_
	Т	otal \$ 45,002,515	- -

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 2019-2020 fiscal year, the District received \$1,347,665 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.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2020 are as follows:

Note 8 - Long-Term Obligations (Continued)

Description	Beginning Balance 9/1/2019 Increase Decrease				Ending Balance 8/31/2020		Amounts Due Within One Year			
Description Rends Revable		9/1/2019		Increase		Decrease		0/31/2020		real
Bonds Payable										
Unlimited Tax Building Bonds,	۲.	42 000 000	۲.		,	42 000 000	۲.		,	
Series 2010	\$	43,990,000	\$	-	\$	43,990,000	\$	-	\$	-
Unlimited Tax Refunding Bonds,		20 405 200				4 005 000		25 400 000		4 222 222
Series 2014		39,485,000		-		4,085,000		35,400,000		4,300,000
Unlimited Tax Refunding Bonds,										
Series 2015		88,285,000		-		2,780,000		85,505,000		2,920,000
Unlimited Tax Refunding Bonds,		00.070.000				2 2 4 2 2 2 2		00 600 000		4 005 000
Series 2016		90,970,000		-		2,340,000		88,630,000		4,985,000
Unlimited Tax Refunding Bonds,										
Series 2017		8,760,000		-		-		8,760,000		-
Unlimited Tax Refunding Bonds				40 505 000		000 000		22 725 222		
Series 2019		-		40,595,000		800,000		39,795,000		-
Total Bonds Payable		271,490,000		40,595,000		53,995,000		258,090,000		12,205,000
Notes Devolute										
Notes Payable										
Qualified School Construction		26 755 000						26 755 000		16 750 000
Note, Series 2011		26,755,000		-		-		26,755,000		16,750,000
Limited Maintenance Tax Note		12 245 000				1 100 000		11 215 000		1 100 000
Payable, Series 2015		12,315,000		-		1,100,000		11,215,000		1,100,000
Limited Maintenance Tax Note		2 600 000				240.000		2 470 000		240.000
Payable, Series 2017		2,680,000		-		210,000		2,470,000		210,000
Total Notes Payable		41,750,000		-		1,310,000		40,440,000		18,060,000
Premium and Discount		39,331,181		1,885,899		2,498,735		38,718,345		-
Total Payables, Net		352,571,181		42,480,899		57,803,735		337,248,345		30,265,000
•		· ·								· ·
Other Long-Term Liabilities										
Sick and Vacation Leave		9,436,527		210,509		413,244		9,233,792		678,718
Total Other Long-Term Liabilities		9,436,527		210,509		413,244		9,233,792		678,718
Total Governmental Activities	\$	362,007,708	\$	42,691,408	\$	58,216,979	\$	346,482,137	\$	30,943,718

Note 8 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2020 are comprised of the following individual issues:

	Original	Final			Ending Balance
Description	Issue	Maturity	Coupon Rate	Original Issue	8/31/2020
Unlimited Tax Building					
Bonds, Series 2010	2/1/2011	8/31/2040	1.50-5.00%	\$ 104,475,000	\$ -
Unlimited Tax Refunding					
Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	46,395,000	35,400,000
Unlimited Tax Refunding					
Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	85,505,000
Unlimited Tax Refunding					
Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	88,630,000
Unlimited Tax Refunding					
Bonds, Series 2017	10/31/2017	2/1/2033	2.00-4.00%	8,860,000	8,760,000
Unlimited Tax Refunding					
Bonds, Series 2019	12/9/2019	2/1/2040	3.00-4.00%	40,595,000	39,795,000
				\$ 397,005,000	\$ 258,090,000
Interest paid on bonded indeb	tedness during	the current y	ear was		\$ 11,133,856

Notes payable at August 31, 2020 are comprised of the following individual issues:

	Original	Final			Ending Balance
Description	Issue	Maturity	Coupon Rate	Original Issue	8/31/2020
Qualified School					
Construction Note, Series			5.497%-		
2011	2/2/2011	2/1/2026	6.247%	\$ 26,755,000	\$ 26,755,000
Limited Maintenance Tax					
Note Payable, Series 2015	6/23/2015	2/1/2030	0.39%	16,660,000	11,215,000
Limited Maintenance Tax					
Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%	3,100,000	2,470,000
				\$ 46,515,000	\$ 40,440,000
Interest paid on notes indebte	edness during tl	ne current yea	ar was		\$ 1,587,332

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
2021	\$ 12,205,000	\$ 11,054,362	\$ 23,259,362
2022	12,800,000	10,454,162	23,254,162
2023	13,455,000	9,797,787	23,252,787
2024	14,165,000	9,107,287	23,272,287
2025	14,870,000	8,381,412	23,251,412
2026-2030	62,325,000	33,031,185	95,356,185
2031-2035	77,920,000	18,105,593	96,025,593
2036-2040	50,350,000	 3,486,158	 53,836,158
Subtotal	\$ 258,090,000	\$ 103,417,946	\$ 361,507,946

Notes Payable

Year Ending							Total
August 31	No	tes Principal	Interest	Q	SCB Subsidy	R	Requirement
2020	\$	18,060,000	\$ 1,126,979	\$	(921,864)	\$	18,265,115
2021		1,310,000	662,306		(501,810)		1,470,496
2022		1,315,000	657,987		(501,810)		1,471,177
2023		1,320,000	653,648		(501,810)		1,471,838
2024		1,325,000	649,290		(501,810)		1,472,480
2025-2029		16,695,000	367,879		(250,905)		16,811,974
2030-2034		415,000					415,000
	\$	40,440,000	\$ 4,118,089	\$	(3,180,009)	\$	41,378,080

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			Go	vernmental
	General Fund	F	und	Projects	Oth	er Funds		Funds
Property Taxes	\$ 50,935,418	\$ 9,	717,486	\$ -	\$	-	\$	60,652,904
Food Sales	166,497		-	-		-		166,497
Investment Income	2,037,749		104,802	1,692		-		2,144,243
Penalties and Interest on Taxes	1,210,875		227,091	-		-		1,437,966
Co-curricular Student Activities	279,035		-	-	1	,353,604		1,632,639
Insurance	102,650		-	-		-		102,650
Other	636,470		-	27,398		168,785		832,653
	\$ 55,368,694	\$ 10,	049,379	\$ 29,090	\$ 1	,522,389	\$	66,969,552

	Total Enterprise Funds	Tota	al Internal Service Funds
Insurance	\$	- \$	51,575,782
Other	829,26	5	289,490
	\$ 829,26	5 \$	51,865,272

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, 2020, unearned revenue reported in the governmental funds consisted of \$4,987,351 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, 2020, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$5,979,662 and \$2,822,222, respectively, for a total of \$8,801,884.

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, 2020, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$17,164,170 net of cumulative amortization of \$5,428,143. Deferred outflows of resources related to pensions and OPEB are \$53,608,845 and \$27,046,305, respectively. Deferred inflows of resources related to pensions and OPEB are \$22,516,045 and \$61,130,152, respectively.

Note 12 - General Fund Federal Source Revenues

<u>Programs or Source</u>	CFDA Number	<u>Amount</u>
School Breakfast Program	10.553	\$ 5,146,297
National School Lunch Program - Cash Assistance	10.555	10,058,566
National School Lunch Program - Non-Cash Assistance	10.555	1,853,979
Child and Adult Care Food Program	10.558	1,520,865
Fresh Fruit and Vegetable Program	10.582	176,809
Summer Food Service Program for Children	10.559	2,402,678
Child Nutrition Discretionary Grants Limited Availability	10.579	39,000
School Health And Related Services (SHARS)	N/A	3,873,303
Junior Reserve Officer Training Corps (JROTC)	12.U01	261,968
E-Rate	N/A	271,129
Indirect Costs	Various	932,871
		\$ 26,537,465

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 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Workers' Compensation Insurance

During the year ended August 31, 2020, 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, 2019, 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 \$716 per month, per employee to the plan. The total contribution during the current period was \$41,860,085. 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 aggregate loss in excess of \$500,000 individual claim limit and \$10,000,000 maximum aggregate claim limit. Settled claims have not exceeded the commercial coverage during the current year.

Claims Liabilities

The claims liabilities at August 31, 2020 for workers compensation insurance and health insurance of \$605,021 and \$3,045,849 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	sation	Health Insurance				
	Ye	ear Ended	Υe	ar Ended	Year Ended		Υ	ear Ended
	8,	8/31/2019		/31/2020	8/31/2019		8	3/31/2020
Claims liability at beginning of year Incurred claims (including IBNRs)	\$ 843,815		\$	499,878	\$ 1,950	,718	\$	2,171,598
and adjustments		978,850		903,141	36,337,194		35,149,33	
Claims payments		(1,322,787)		(797,998)	(36,116	,314)	(34,275,084)
Claims liability at end of year	\$	\$ 499,878		605,021	\$ 2,171	,598	\$	3,045,849

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, 2020, 2019 and 2018, the subsidy payments received by TRSCare on behalf of the District for Medicare Part D were \$1,148,313, \$839,015, and \$652,164 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov; 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.

Note 14 - Pension Plan (Continued)

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. 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 Rates	
	2019	2020
Member	7.7%	7.7%
Non-Employee Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Current fiscal year employer contributions	\$	8,924,295
Current fiscal year member contributions	\$	18,906,355
2019 measurement year NECE on-behalf contributions	\$	10,233,259

Note 14 - Pension Plan (Continued)

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).

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, 2018 actuarial evaluation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Note 14 - Pension Plan (Continued)

Valuation Date August 31, 2018 rolled forward to August 31, 2019

Actuarial Cost Method Individual Entry Age Normal

Asset Valuation Method Market Value

Single Discount Rate 7.25% Long-term Expected Investment Rate of Return 7.25%

Municipal Bond Rate as of August 2019 2.63% - 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 period (100 2116

years)

Inflation 2.3%

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, 2018. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. 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, 2019 (see page 52 of the TRS CAFR) are summarized below:

	Target	New Target	Expected Geometric
Asset Class	Allocation ₁	Allocation ₂	Real Rate Return₃
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	0.0%	0.0%
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries4	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Real Return			
Global Inflation Linked Bonds4	3.0%	0.0%	0.0%
Real Assets	14.0%	15.0%	8.5%
Energy and Natural Resources	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8/6.5% ⁵
Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	0.0%	6.0%	2.7%
Expected Return	100.0%	100.0%	7.2%

¹ Target allocations are based on the Strategic Asset Allocation as of FY 2019.

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.

	19	% Decrease in			1	% Increase in
	D	iscount Rate	D	iscount Rate	D	iscount Rate
		(6.25%)		(7.25%)		(8.25%)
District's proportionate share of the net						
pension liability	\$	156,486,063	\$	101,803,041	\$	57,499,238

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

 $^{^3}$ 10-Year amortized geometric nominal returns include the real rate of return and inflation of 2.1%

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

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

Note 14 - Pension Plan (Continued)

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

At August 31, 2020, the District reported a liability of \$101,803,041 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	\$ 101,803,041
State's proportionate share that is associated with the District	151,988,841
Total	\$ 253,791,882

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2018 through August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was 0.1958386277%, which was an increase of 0.0043825764% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation - There were changes to the actuarial assumptions of other inputs that affected measurement of the total pension liability since the prior measurement period:

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

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

For the year ended August 31, 2019, the District recognized pension expense of \$43,980,528 and revenue of \$23,875,306 for support provided by the State.

Note 14 - Pension Plan (Continued)

At August 31, 2020, 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 of		De	eferred Inflows of
		Resources		Resources
Differences between expected and actual actuarial experiences	\$	427,664	\$	3,534,763
Changes in actuarial assumptions		31,584,303		13,052,128
Differences between projected and actual investment earnings		1,022,220		-
Changes in proportion and differences between the employer's				
contributions and the proportionate share of contributions		6,555,243		834,034
Total as of August 31, 2019 measurement date		39,589,430		17,420,925
Contributions paid to TRS subsequent to the measurement date		8,924,295		<u>-</u>
Total as of fiscal year-end	\$	48,513,725	\$	17,420,925

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:

	Pen	sion Expense
Fiscal year ended August 31,		Amount
2021	\$	5,122,722
2022		4,051,014
2023		6,214,115
2024		5,804,624
2025		1,819,128
Thereafter		(843,098)
Beginning	E	Ending Balance

Additions

3,275,572 \$

Retirements

6,854,588 \$

8/31/2020

101,803,041

Note 15 - Other Post-Employment Benefit Plans

Balance 9/01/2019

105,382,057 \$

Plan Description

Net Pension Liability

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

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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov; 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

	<u>Medicare</u>	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% of the employee's salary. Section 1575.203 establishes the active employee's rate, which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 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% of each active employee's pay for fiscal year 2019. The following table shows contributions to the TRS-Care plan by type of contributor.

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

Contribution Rates	2019	2020
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		\$ 2,228,364
Current fiscal year member contributions		\$ 1,595,991
2019 measurement year NECE on-behalf contributions		\$ 2,817,515

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.

With Senate Bill 1, 85th Legislature, Regular Session, TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity (NECE) in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

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

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

Rates of Mortality General Inflation
Rates of Retirement Wage Inflation

Rates of Termination Expected Payroll Growth

Rates of Disability Incidence

Additional Actuarial Methods and Assumptions:

Valuation Date August 31, 2018 rolled forward to August 31, 2019

Actuarial Cost Method Individual Entry Age Normal

Inflation 2.30%

Single Discount Rate 2.63% as of August 31, 2019
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

Election Rates Normal Retirement: 65% participation prior to age 65 and 50%

participation after age 65. 25% of pre-65 retirees are assumed

to discontinue coverage at age 65.

Projected Salary Increases 3.05% to 9.05%

Ad hoc Post-Employment Benefit Changes None

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

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

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 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. 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 (2.63%) in measuring the Net OPEB liability.

	1% [Decrease in	1% Increase in			
	Discoun	t Rate (1.63%)	Discoun	t Rate (2.63%)	Discoun	t Rate (3.63%)
Proportionate share of the net OPEB						_
liability	\$	170,590,485	\$	141,296,727	\$	118,380,190

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 of 8.5%.

	Current Healthcare					
		1% Decrease	(Cost Trend Rate		1% Increase
Proportionate share of net OPEB						
liability	\$	115,264,912	\$	141,296,727	\$	176,167,402

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

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

At August 31, 2020, the District reported a liability of \$141,296,727 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	\$ 141,296,727
State's proportionate share that is associated with the District	187,751,743
Total	\$ 329,048,470

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's 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, 2018 through August 31, 2019.

At August 31, 2019, the District's proportion of the collective net OPEB liability was 0.29878000710%, which was an increase of .0092004561% from its proportion measured as of August 31, 2018.

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

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

For the year ended August 31, 2020, the District recognized OPEB expense of \$10,106,476 and revenue of \$4,948,365 for support provided by the State.

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

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

	Deferred Outflows of		Deferre	ed Inflows of
		Resources	Resources	
Differences between expected and actual actuarial				_
experiences	\$	6,931,805	\$	23,121,711
Changes in actuarial assumptions		7,847,931		38,005,351
Differences between projected and actual investment				
earnings		15,244		-
Changes in proportion and differences between the				
employer's contributions and the proportionate share				
of contributions		10,019,871		_
Total as of August 31, 2019 measurement date		24,814,851		61,127,062
Contributions paid to TRS subsequent to the				
measurement date		2,228,364		_
Total as of fiscal year-end	\$	27,043,215	\$	61,127,062

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 A	ugust 31,		0	OPEB Expense Amount		
2021			\$	(6,462,235)		
2022				(6,462,235)		
2023				(6,467,169)		
2024				(6,469,991)		
2025				(6,469,218)		
Thereafter				(3,981,363)		
	Beginning Balance			Ending Balance		
	9/01/2019	Additions	Retirements	8/31/2020		

Note 16 - Shared Services Arrangements

144,589,721 \$

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, 2020, McAllen ISD allocated expenditures in the amount of \$140,177.

(1,172,483) \$

2,120,511 \$

141,296,727

Note 17 - Operating Lease Commitments

The District leases office equipment under operating (noncapitalized) lease agreements. Total costs for such leases were \$1,820,033 for the year ended August 31, 2020. The future minimum payments for these leases are as follows:

Year Ended August 31	 Amount
2021	\$ 1,560,343
2022	791,229
2023	163,709
Total Minimum Rentals	\$ 2,515,281

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.

Construction Commitments

	Contract	Remaining	
Project Name	Amount	Expended	Commitment
Ballew/CCTA Parking Lot and Renovations	\$ 1,157,279	\$ 1,118,554	\$ 38,725
Baseball and Softball Turf	4,345,277	4,141,349	203,928
Carman Elem and Santos Livas Elem Parks	2,097,893	2,051,523	46,370
Collegiate Academy	30,588,066	29,765,479	822,587
Collegiate Academy Sci Lab Renovations	1,570,436	1,500,373	70,063
HVAC Installations to Doedyns, Clover, Garcia	3,293,718	3,127,233	166,485
LBJ MS Phase 2	341,536	266,536	75,000
Memorial High School Swimming Pool	6,357,374	5,833,676	523,698
Old Franklin Renovation	30,469	19,805	10,664
PSJA High School Swimming Pool	6,354,821	5,838,643	516,178
PSJA North Courtyard Drainage	1,632,900	1,568,162	64,738
PSJA North Restroom Renovations	1,666,723	1,596,660	70,063
Re-Roofing Buell Central	725,176	692,844	32,332
Re-Roofing Cover Elementary	675,850	643,518	32,332
Re-Roofing Memorial and PSJA High ECHS Gym	3,259,899	3,105,529	154,370
Safety Route	170,000	162,500	7,500
	\$ 64,267,417	\$ 61,432,384	\$ 2,835,033

Note 19 - Fund Balances

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

							Other Construction Governmental					Total
Fund Palance Description		General	Debt Service	(Fund	Governmental Funds		G	overnmental Funds			
Fund Balance Description		General	Dept 3el vice		ruliu		rulius		ruiius			
Nonspendable	,	2 500 720	¢	4		,		,	2 500 720			
Inventories	\$	2,599,720	\$ -	\$	-	\$	-	\$	2,599,720			
Prepaid Items		2,710,468	-		=		-		2,710,468			
Restricted												
Federal/State Funds Grant		6,888,896	-		-		54,102		6,942,998			
Retirement of Long-Term Debt		-	22,884,461		-		-		22,884,461			
Construction Projects		-	-		15,329,068		-		15,329,068			
Committed												
Construction Projects		21,290,000	-		-		-		21,290,000			
Equipment for New Schools		1,450,950	-		-		-		1,450,950			
Sick Leave Payoff		9,233,792	-		-		_		9,233,792			
Campus Activities Fund		-	-		_		1,058,130		1,058,130			
Assigned							,,		,,			
E-Rate and Other Items		7,989,509	_		_		_		7,989,509			
Unassigned Fund Balance		,,505,505							7,505,505			
Other Unassigned Fund Balance		41,678,448	_		_		_		41,678,448			
Total Nonspendable, Restricted,		41,070,440							41,070,440			
Committed and Assigned												
_	,	02 044 702	ć 22.00 <i>4.46</i> 4	۲.	45 220 000	4	4 442 222	,	122 167 544			
Governmental Fund Balances	\$	93,841,783	\$ 22,884,461	<u> </u>	15,329,068	>	1,112,232	>	133,167,544			
Total Nonspendable, Restricted,												
Committed and Assigned												
Governmental Fund Balances	\$	52,163,335										

Note 20 - Subsequent Events

The District has evaluated subsequent events through February 10, 2021, which is the date these financial statements were available to be issued.

REQUIRED	SUPPLEMI	ENTARY I	NFORMAT	ION

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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, 2020

Data Control	Budgeted A	Amounts	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)		
Codes	Original	Final				
REVENUES:						
5700 Local and Intermediate Sources	\$ 53,621,901			\$ 1,429,980		
5800 State Program Revenues	291,599,502	290,084,315	293,954,525	3,870,210		
5900 Federal Program Revenues	29,693,846	30,070,727	26,537,465	(3,533,262)		
5020 Total Revenues	374,915,249	374,093,756	375,860,684	1,766,928		
EXPENDITURES:						
Current:	400 400 500		100 110 106			
0011 Instruction	198,439,560	189,375,773	182,442,196	6,933,577		
0012 Instructional Resources and Media Services	5,226,550	6,710,006	6,314,948	395,058		
0013 Curriculum and Instructional Staff Development	4,388,596	5,121,151	4,372,758	748,393		
0021 Instructional Leadership	6,331,480	6,950,812	6,591,480	359,332		
0023 School Leadership	18,262,679	19,988,694	19,442,190	546,504		
0031 Guidance, Counseling, and Evaluation Services	11,051,044	12,481,944	11,918,054	563,890		
0032 Social Work Services	2,934,699	2,736,341	2,643,807	92,534		
0033 Health Services	4,493,655	4,674,885	4,668,069	6,816		
0034 Student (Pupil) Transportation	12,184,594	12,144,594	9,638,158	2,506,436		
0035 Food Services	21,586,587	24,020,064	22,270,868	1,749,196		
0036 Extracurricular Activities	12,360,718	13,930,546	12,658,756	1,271,790		
0041 General Administration	8,616,052	9,592,309	9,317,241	275,068		
O051 Facilities Maintenance and Operations	37,366,824	38,286,906	36,076,671	2,210,235		
0052 Security and Monitoring Services	5,356,824	6,377,123	5,828,983	548,140		
0053 Data Processing Services	3,404,408	3,907,138	3,555,306	351,832		
0061 Community Services	349,410	407,010	336,653	70,357		
Debt Service:						
0071 Principal on Long-Term Debt	12,000	12,000	470	11,530		
Capital Outlay:						
0081 Facilities Acquisition and Construction	18,133,664	453,473	240,873	212,600		
Intergovernmental:						
0093 Payments to Fiscal Agent/Member Districts of SSA	225,000	223,850	173,837	50,013		
0095 Payments to Juvenile Justice Alternative Ed. Prg.	100,000	100,000	11,979	88,021		
0099 Other Intergovernmental Charges	750,000	900,000	773,701	126,299		
Total Expenditures	371,574,344	358,394,619	339,276,998	19,117,621		
1100 Excess of Revenues Over Expenditures	3,340,905	15,699,137	36,583,686	20,884,549		
OTHER FINANCING SOURCES (USES):						
7912 Sale of Real and Personal Property	-	-	2,200	2,200		
7915 Transfers In	58,372,305	58,640,967	· -	(58,640,967)		
8911 Transfers Out (Use)	-	(74,371,339)	(45,002,515)	29,368,824		
7080 Total Other Financing Sources (Uses)	58,372,305	(15,730,372)	(45,000,315)	(29,269,943)		
OTHER FINANCING SOURCES (USES):						
8912 Special Item - (Use)		(28,000,000)		28,000,000		
1200 Net Change in Fund Balances	61,713,210	(28,031,235)	(8,416,629)	19,614,606		
0100 Fund Balance - September 1 (Beginning)	102,258,412	102,258,412	102,258,412			
3000 Fund Balance - August 31 (Ending)	\$ 163,971,622	\$ 74,227,177	\$ 93,841,783	\$ 19,614,606		

PHARR SAN JUAN ALAMO ISD

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

FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019			FY 2019 Plan Year 2018	F	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)		0.195838627%		0.191456051%		0.19476158%
District's Proportionate Share of Net Pension Liability (Asset)	\$	101,803,041	\$	105,382,057	\$	62,274,261
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District		151,988,841		161,637,767		93,127,611
Total	\$	253,791,882	\$	267,019,824	\$	155,401,872
District's Covered Payroll	\$	226,002,041	\$	216,648,731	\$	208,433,068
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		45.05%		48.64%		29.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		75.24%		73.74%		82.17%

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, 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 2017 Plan Year 2016		FY 2016 Plan Year 2015	FY 2015 Plan Year 201				
	0.180818169%	0.1847826%		0.1520838%			
\$	68,328,497	\$ 65,318,190	\$	40,623,685			
	116,712,800	111,329,915		96,703,241			
\$	185,041,297	\$ 176,648,105	\$	137,326,926			
\$	201,147,880	\$ 201,147,880	\$	192,095,263			
	33.97%	32.47%		21.15%			
	78.00%	78.43%		83.25%			

PHARR SAN JUAN ALAMO ISD SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS TEACHER RETIREMENT SYSTEM OF TEXAS

FOR FISCAL YEAR 2020

	 2020	2019	2018
Contractually Required Contribution	\$ 8,924,295 \$	6,829,233 \$	6,383,148
Contribution in Relation to the Contractually Required Contribution	(8,924,295)	(6,829,233)	(6,383,148)
Contribution Deficiency (Excess)	\$ - \$	- \$	_
District's Covered Payroll	\$ 242,894,429 \$	226,002,041 \$	208,433,068
Contributions as a Percentage of Covered Payroll	3.67%	3.02%	3.06%

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.

2016	2017	
5,221,984	\$ 5,722,877	\$
(5,221,984)	(5,722,877)	
-	\$ -	\$
192,095,263	\$ 201,147,880	\$
2.72%	2.85%	

PHARR SAN JUAN ALAMO ISD

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2020

]	FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits		0.298780007%		0.289579551%		0.279306574%
District's Proportionate Share of Net OPEB Liability (Asset)	\$	141,296,727	\$	144,589,721	\$	121,459,951
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District		187,751,743		171,313,095		150,452,524
Total	\$	329,048,470	\$	315,902,816	\$	271,912,475
District's Covered Payroll	\$	228,465,040	\$	216,648,731	\$	208,433,068
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll		61.85%		66.74%		58.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		2.66%		1.57%		0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2020 are for the measurement date of August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the 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.

PHARR SAN JUAN ALAMO ISD

	 2020	2019	2018
Contractually Required Contribution	\$ 2,228,364 \$	2,120,503 \$	6,383,148
Contribution in Relation to the Contractually Required Contribution	(2,228,364)	(2,120,503)	(6,383,148)
Contribution Deficiency (Excess)	\$ - \$	- \$	-
District's Covered Payroll	\$ 242,894,429 \$	288,465,040 \$	208,433,068
Contributions as a Percentage of Covered Payroll	0.92%	0.93%	3.06%

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.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2020

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.

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. 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 were no changes in benefit terms that affected measurement of the total pension liability during the measurement period. The single discount rate was a blended rate of 6.907% as of August 31, 2018 and that has changed to the long-term rate of return of 7.25% as of August 31, 2019. With the enactment of SB 3 by the 2019 Texas Legislature, as assumption has been made about how this would impact future salaries.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2020

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

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increase or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

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COMBINING FUND STATEMENTS

PHARR SAN JUAN ALAMO ISD COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2020

Data			205		211		212	223
Contro	1				ESEA I, A	ES	SEA Title I	TANF
Codes	71				mproving		Part C	Family
		I	Head Start	Ba	sic Program		M igrant	Assistance
Α	ASSETS							
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$ -
1240	Due from Other Governments		4,680,652		1,604,091		272,869	-
1260	Due from Other Funds		-		693		814	-
1290	Other Receivables, Net		-		-		-	-
1000	Total Assets	\$	4,680,652	\$	1,604,784	\$	273,683	\$
L	IABILITIES							
2110	Accounts Payable	\$	95,294	\$	90,982	\$	879	\$ =
2160	Accrued Wages Payable		115,218		311,414		84,737	-
2170	Due to Other Funds		4,470,140		1,202,388		188,067	-
2180	Due to Other Governments		-		-		-	-
2300	Unearned Revenue		-		-		-	-
2000	Total Liabilities		4,680,652		1,604,784		273,683	-
F	UND BALANCES							
	Restricted Fund Balance:							
3450	Federal or State Funds Grant Restriction		_		_		_	_
	Committed Fund Balance:							
3545	Other Committed Fund Balance		-		-		-	-
3000	Total Fund Balances		-	_	-	_	-	-
4000	Total Liabilities and Fund Balances	\$	4,680,652	\$	1,604,784	\$	273,683	\$ -

224		225			244		255		263		266		272		274
	A - Part B		A - Part B		areer and		SEA II,A		tle III, A		SER -School	M edicaid		G	EAR UP
F	ormula	Pro	eschool		echnical -		aining and	_	dish Lang.	ŀ	Emergency	A	lmin. Claim		
				Ва	sic Grant	K	ecruiting	Ac	equisition		Relief		MAC		
\$	_	\$	_	\$	-	\$	-	\$	_	\$	-	\$	783,949	\$	_
	718,092		5,427		120,208		161,176		252,219		11,176,119		-		132,920
	-		-		=		=		-		-		-		=
										_					-
\$	718,092	\$	5,427	\$	120,208	\$	161,176	\$	252,219	\$	11,176,119	\$	783,949	\$	132,920
\$	-	\$	-	\$	29,751	\$	7,693	\$	-	\$	-	\$	8,540	\$	2,057
	246,714		-		2,707		66,882		77,297		-		201		26,180
	471,378		5,427		87,750		86,601		174,922		11,176,119		-		104,683
	-		-		-		-		-		-		-		-
	-				-		-		-	_	-	_	775,208		-
	718,092		5,427		120,208		161,176		252,219	_	11,176,119	_	783,949		132,920
	-		=		-		-		-		-		-		_
	<u>-</u>		<u>-</u>		_		-		<u>-</u>		<u>-</u>		_		<u>-</u>
	-		-		-		-		-	_	-				-
\$	718,092	\$	5,427	\$	120,208	\$	161,176	\$	252,219	\$	11,176,119	\$	783,949	\$	132,920

PHARR SAN JUAN ALAMO ISD COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2020

		276		280	288		289
Data	Tit	le I - SIP	,	Title I	Teacher	Ot	her Federal
Control	A	cademy	N	1 igrant	Incentive		Special
Codes		Grant	In	terstate	Fund	Rev	enue Funds
ASSETS							
1110 Cash and Cash Equivalents	\$	_	\$	_	\$ _	\$	_
1240 Due from Other Governments		72,980		67,860	1,041,216		234,203
1260 Due from Other Funds		-		-	-		-
1290 Other Receivables, Net		-		-	-		-
1000 Total Assets	\$	72,980	\$	67,860	\$ 1,041,216	\$	234,203
LIABILITIES							
2110 Accounts Payable	\$	241	\$	2,282	\$ =	\$	14,275
2160 Accrued Wages Payable		36,818		1,958	199,288		30,000
2170 Due to Other Funds		35,921		63,620	799,809		189,812
2180 Due to Other Governments		-		-	42,119		-
2300 Unearned Revenue		-		-	=		116
2000 Total Liabilities		72,980		67,860	1,041,216		234,203
FUND BALANCES							
Restricted Fund Balance:							
3450 Federal or State Funds Grant Restriction		-		-	-		-
Committed Fund Balance:							
Other Committed Fund Balance		-		-	-		-
3000 Total Fund Balances		_		_	-		-
4000 Total Liabilities and Fund Balances	\$	72,980	\$	67,860	\$ 1,041,216	\$	234,203

	397		409		410		429		461		484		499	Total	
A	dvanced	Hig	h School		State	О	ther State		Campus			Other Local		Nonmajor	
Pl	acement	Coı	mp letion	In	structional		Special		Activity	W	orkforce		Special	G	overnmental
In	centives	and	Success]	Materials	Rev	enue Funds		Funds	Cor	nmission	Rev	enue Funds		Funds
\$	7,798	\$	-	\$	3,718,506	\$	252,591	\$	1,058,130	\$	46,060	\$	132,226	\$	5,999,260
	(1,997)		2,387		-		91,984		-		3,940		-		20,636,346
	-		-		-		-		-		-		-		1,507
	-		237		-		-		-		-		-		237
\$	5,801	\$	2,624	\$	3,718,506	\$	344,575	\$	1,058,130	\$	50,000	\$	132,226	\$	26,637,350
								_		-					
\$	-	\$	-	\$	32,758	\$	1,784	\$	_	\$	-	\$	46,375	\$	332,911
	-		-		-		16,261		-		-		-		1,215,675
	-		2,624		-		-		-		-		-		19,059,261
	-		-		184,848		-		-		-		-		226,967
	-		-		3,500,899		326,530		-		50,000		37,551		4,690,304
	-		2,624		3,718,505		344,575		-		50,000		83,926		25,525,118
	5,801		-		1		-		-		-		48,300		54,102
	-		-		-		_		1,058,130		-		_		1,058,130
	5,801				1			_	1,058,130	-	-		48,300	_	1,112,232
\$	5,801	\$	2,624	\$	3,718,506	\$	344,575	\$	1,058,130	\$	50,000	\$	132,226	\$	26,637,350

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2020

	205	211	212	223
Data		ESEA I, A	ESEA Title I	TANF
Control		Improving	Part C	Family
Codes	Head Start	Basic Program	M igrant	Assistance
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ - 5	\$ - 5	s -
5800 State Program Revenues	-	-	_	-
5900 Federal Program Revenues	4,848,343	12,806,793	2,299,678	40,434
5020 Total Revenues	4,848,343	12,806,793	2,299,678	40,434
EXPENDITURES:				
Current:				
0011 Instruction	4,537,657	8,399,053	853,915	_
0012 Instructional Resources and Media Services	-	(32,605)	-	-
0013 Curriculum and Instructional Staff Development	-	523,794	-	-
0021 Instructional Leadership	55,865	1,753,860	217,748	-
0023 School Leadership	51	3,424	-	-
0031 Guidance, Counseling, and Evaluation Services	-	650,978	1,209,949	-
0032 Social Work Services	-	-	17,124	36,325
0033 Health Services	20,010	-	-	-
0035 Food Services	104,780	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	129,858	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	122	1,508,289	942	4,109
6030 Total Expenditures	4,848,343	12,806,793	2,299,678	40,434
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ - 5	\$ - 5	-

224 EA - Part B Formula	225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	272 M edicaid Admin. Claim MAC	274 GEAR UP
\$ -	\$ - 5	S - \$	-	\$ -	\$ -	\$ - \$	_
5,070,664	- 62,977	- 896,056	1,503,512	- 1,402,174	- 11,176,119	- 142,852	- 434,925
 5,070,664	62,977	896,056	1,503,512	1,402,174	11,176,119	142,852	434,925
4,907,991	62,977	549,746 74,209	-	699,631	11,176,119	-	115,506
_	- -	74,207	1,499,512	491,747	-	- -	17,241
162,466	-	72,481	-	205,455	-	-	-
´-	_	´-	4,000	-	-	-	-
207	-	199,620	-	-	-	58,020	302,178
-	-	-	-	-	-	-	-
-	-	-	-	-	-	84,832	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
 -		<u> </u>		5,341			-
 5,070,664	62,977	896,056	1,503,512	1,402,174	11,176,119	142,852	434,925
-	-	-	-	-	-	-	-
 -				-			-
\$ -	\$ - 5	5 - 5	S -	\$ -	\$ -	\$ - \$	_

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	270 Title I Acade Gra	- SIP emy	280 Title I Migrant Interstate	288 Teacher Incentive Fund	289 Other Federal Special Revenue Funds
REVENUES: 5700 Local and Intermediate Sources 5800 State Program Revenues 5900 Federal Program Revenues 5020 Total Revenues	-	- \$ - 69,911 69,911	524,828 524,828	5,013,505 5,013,505	\$ - 481,590 481,590
EXPENDITURES: Current: 0011 Instruction 0012 Instructional Resources and Media Services 0013 Curriculum and Instructional Staff Development 0021 Instructional Leadership 0023 School Leadership 0031 Guidance, Counseling, and Evaluation Services 0032 Social Work Services 0033 Health Services 0035 Food Services 0036 Extracurricular Activities 0041 General Administration 0051 Facilities Maintenance and Operations 0052 Security and Monitoring Services 0061 Community Services	1 1	60,357 - 29,929 71,022 12,366 00,090 69,825 - - - - - - - - - - - - -	- - 517,066 - - - - - - 7,762 - - 524,828	780,657 - 3,852,144 216 210,451 170,037 5,013,505	278,085 - 37,533 - - 8,640 18,053 - - - - 139,279 - 481,590
1200 Net Change in Fund Balance 0100 Fund Balance - September 1 (Beginning)		-	-	-	-
3000 Fund Balance - September 1 (Beginning)	\$	- \$	- \$	} -	\$ -

Adv Plac	397 vanced cement entives	409 High School Completion and Success	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	484 Workforce Commission	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$	-	\$ -	\$ -	\$ - \$	1,353,604 \$	-	\$ 168,785	
	-	-	870,921	861,254	-	-	-	1,732,175
	-			<u> </u>	<u> </u>	-		47,574,361
	-		870,921	861,254	1,353,604	-	168,785	50,828,925
			870,921	375,798			19,435	33,987,848
	-	-	870,921	373,790	-	-	19,433	41,604
	_	_	-	377,095	-	_	149,350	7,078,345
	_	_	_	44,835	_		147,550	3,201,014
	_	_	_			_		230,292
	_	_	_	63,526	_	_	_	2,593,208
	_	_	_	-	_	_	_	141,327
	_	_	_	_	_	_	_	104,842
	_	_	_	_	_	_	_	104,780
	_	_	_	_	1,388,457	_	_	1,388,457
	_	_	-	-	-	-	-	170,037
	_	_	_	-	-	_	-	137,620
	-	-	-	-	-	-	-	139,279
	-	-	-	-	-	-	-	1,545,125
	-	-	870,921	861,254	1,388,457	-	168,785	50,863,778
	-	-	-	-	(34,853)	-	-	(34,853)
	5,801		1		1,092,983	-	48,300	1,147,085
\$	5,801	\$ -	\$ 1	\$ - \$	1,058,130 \$	3 -	\$ 48,300	\$ 1,112,232

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PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS AUGUST 31, 2020

	7	752	753	771		772		
								Total
	Prin	t Shop	Insurance	Copier	V	Vorkmen's		Internal
					Co	mpensation	S	ervice Funds
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$	151,074	\$ 800,474	\$ 196,532	\$	6,689,499	\$	7,837,579
Investments		-	17,390,834	-		-		17,390,834
Due from Other Funds		-	323,903	-		2,403		326,306
Other Receivables		-	75,737	2		-		75,739
Total Current Assets		151,074	 18,590,948	196,534		6,691,902		25,630,458
Noncurrent Assets:								
Capital Assets:								
Furniture and Equipment		62,048	_	27,009		_		89,057
Depreciation on Furniture and Equipment		(62,048)	-	(18,004)		-		(80,052)
Total Noncurrent Assets		-	 -	 9,005		-		9,005
Total Assets		151,074	18,590,948	205,539		6,691,902		25,639,463
LIABILITIES								
Current Liabilities:								
Accounts Payable		8,417	693,835	1,232		38,942		742,426
Accrued Wages Payable		3,630	4,732	-		3,840		12,202
Due to Other Funds		-	-	-		2,775		2,775
Accrued Expenses		-	 3,045,848	 -		605,021		3,650,869
Total Liabilities		12,047	 3,744,415	 1,232		650,578		4,408,272
NET POSITION								
Unrestricted Net Position	\$	139,027	\$ 14,846,532	\$ 204,307	\$	6,041,324	\$	21,231,190
Total Net Position	\$	139,027	\$ 14,846,532	\$ 204,307	\$	6,041,324	\$	21,231,190

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, 2020

	752	753	771	772	
	Print Shop	Insurance	Copier	Workmen's Compensation	Total Internal Service Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 280,081	\$ 48,956,329 \$	9,409	\$ 2,619,453	\$ 51,865,272
Total Operating Revenues	280,081	48,956,329	9,409	2,619,453	51,865,272
OPERATING EXPENSES:					
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	163,810 106,472 65,172	4,732 40,012,171 -	26,437 6,614	3,840 1,197,351	172,382 41,342,431 71,786
Total Operating Expenses	335,454	40,032,659	33,051	1,201,191	15,756 41,602,355
Operating Income (Loss)	(55,373)		(23,642)	1,418,262	10,262,917
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temp. Dep. and Inv.	-	106,296	_	-	106,296
Total Nonoperating Revenues (Expenses)	_	106,296	-	<u>-</u>	106,296
Change in Net Position	(55,373)	9,029,966	(23,642)	1,418,262	10,369,213
Total Net Position - September 1 (Beginning)	194,400	5,816,566	227,949	4,623,062	10,861,977
Total Net Position - August 31 (Ending)	\$ 139,027	\$ 14,846,532 \$	204,307	\$ 6,041,324	\$ 21,231,190

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2020

		752		753	771	772		
	P	rint Shop		Insurance	Copier	Workmen's Compensation	S	Total Internal ervice Funds
Cash Flows from Operating Activities:								
Cash Received from Fund and Customers Cash Payments to Employees for Services Cash Payments for Claims and Admin Costs Cash Payments for Goods and Services Cash Payments for Other Operating Expenses Net Cash Provided by (Used for) Operating	\$	280,003 (163,954) - (175,197)		48,556,725 \$ - (38,655,438) - (15,755)	9,409 - - (36,595) -	\$ 2,719,236 - (1,056,171) - -		51,565,373 (163,954) (39,711,609) (211,792) (15,755)
Activities		(59,148)		9,885,532	(27,186)	1,663,065		11,462,263
Cash Flows from Investing Activities:								
Purchase of Investment Securities Proceeds from Sale and Maturities of Securities Interest and Dividends on Investments		- - -	((44,166,907) 30,271,000 106,296	-	- - -		(44,166,907) 30,271,000 106,296
Net Cash Used For Investing Activities		-		(13,789,611)	-	-		(13,789,611)
Net Increase (Decrease) in Cash and Cash Equivalent Cash and Cash Equivalents at Beginning of Year	ts	(59,148) 210,222		95,921 704,553	(27,186) 223,718	(2,336,935) 9,026,434		(2,327,348) 10,164,927
Cash and Cash Equivalents at End of Year	\$	151,074	\$	800,474 \$	196,532	\$ 6,689,499	\$	7,837,579
Reconciliation of Operating Income (Loss) to Net Case Provided by (Used for) Operating Activities: Operating Income (Loss):	<u>sh</u> \$	(55,373)	\$	8,923,670 \$	(23,642)	\$ 1,418,262	\$	10,262,917
Effect of Increases and Decreases in Current Assets and Liabilities: Decrease (increase) in Other Receivables Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Wages Payable Increase (decrease) in Due to / from Other Funds		(3,553) (144) (78)		(75,736) 483,220 878,982 (324,604)	- (3,544) - -	38,942 108,983 96,878		(75,736) 515,065 987,821 (227,804)
Net Cash Provided by (Used for) Operating Activities	\$	(59,148)	\$	9,885,532 \$	(27,186)	\$ 1,663,065	\$	11,462,263
- r o - 1000	<u> </u>	(, -)	÷	// *	(., , , , ,	. ,,-	÷	, - ,

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS AUGUST 31, 2020

	711	712	713	714	Total Nonmajor
	College	Digital			Enterprise
	for All	Billboard	ACT-RGV	Swimming	Funds
ASSETS Current Assets:					
Cash and Cash Equivalents	\$ (57,347)	\$ 448,741	\$ 378,415	\$ 6,857	\$ 776,666
Due from Other Funds	 87,013	-			87,013
Total Assets	 29,666	448,741	378,415	6,857	863,679
LIABILITIES Current Liabilities:					
Accounts Payable	-	1,758	9,722	-	11,480
Accrued Wages Payable	-	-	26,684	-	26,684
Due to Other Funds	 	-	. <u>-</u>	7,507	7,507
Total Liabilities	 	1,758	36,406	7,507	45,671
NET POSITION					
Unrestricted Net Position	\$ 29,666	\$ 446,983	\$ 342,009	\$ (650)	\$ 818,008
Total Net Position	\$ 29,666	\$ 446,983	\$ 342,009	\$ (650)	\$ 818,008

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, 2020

	711	712	713	714	Total Nonmajor
	College	Digital			Enterprise
	for All	Billboard	ACT-RGV	Swimming	Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 180,598 \$	218,800	\$ 429,759	\$ 108	\$ 829,265
Total Operating Revenues	180,598	218,800	429,759	108	829,265
OPERATING EXPENSES:					
Payroll Costs	147,947	_	243,539	-	391,486
Professional and Contracted Services	2,549	5,280	131,566	-	139,395
Supplies and Materials	3,873	-	4,089	660	8,622
Other Operating Costs	 26,229	5,717	10,480	98	42,524
Total Operating Expenses	 180,598	10,997	389,674	758	582,027
Operating Income (Loss)	-	207,803	40,085	(650)	247,238
Total Net Position - September 1 (Beginning)	 29,667	239,180	301,924		570,771
Total Net Position - August 31 (Ending)	\$ 29,667 \$	446,983	\$ 342,009	\$ (650)	\$ 818,009

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2020

		711		712	7	13		714	Total Nonmajor
		College		Digital					Enterprise
		for All		Billboard	ACT	-RGV	5	Swimming	Funds
Cash Flows from Operating Activities:									
Cash Received from Fund and Customers	\$	93,585	\$	218,800	\$	129,759	\$	108	\$ 742,252
Cash Payments to Employees for Services		(152,842)		-	(2	219,743)		-	(372,585)
Cash Payments for Goods and Services		(6,490)		(3,522)	(1	26,667)		(660)	(137,339)
Cash Payments for Other Operating Expenses		(26,229)		(5,717)		(10,480)		(98)	(42,524)
Net Cash Provided by (Used for) Operating			_						
Activities		(91,976)		209,561		72,869		(650)	189,804
<u>Cash Flows from Non-Capital Financing Activities:</u>									
Interfund Loan or Loan Repayments Received		(85)	. <u></u>	-		300,726		-	 300,641
Net Increase (Decrease) in Cash and Cash Equivalent	S	(92,060)		209,561		373,595		(650)	490,446
Cash and Cash Equivalents at Beginning of Year		34,714		239,180		4,820		7,507	286,221
Cash and Cash Equivalents at End of Year	\$	(57,346)	\$	448,741	\$	378,415	\$	6,857	\$ 776,667
Reconciliation of Operating Income (Loss) to Net Case Provided by (Used for) Operating Activities:	s <u>h</u>								
Operating Income (Loss):	\$	-	\$	207,803	\$	40,085	\$	(650)	\$ 247,238
Effect of Increases and Decreases in Current Assets and Liabilities:									
Increase (decrease) in Accounts Payable		(67)		1,758		8,989		_	10,680
Increase (decrease) in Accrued Wages Payable		(4,895)		-		23,795		-	18,900
Increase (decrease) in Due to / from Other Funds		(87,013)		-		-		-	(87,013)
Net Cash Provided by (Used for)	_								
Operating Activities	\$	(91,975)	\$	209,561	\$	72,869	\$	(650)	\$ 189,805

PHARR SAN JUAN ALAMO ISD COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

AUGUST 31, 2020

	_	BALANCE PTEMBER 1						ALANCE UGUST 31
	2019		A	ADDITIONS		DEDUCTIONS		2020
General Agency & Trust								
Assets:								
Cash and Temporary Investments	\$	895,880	\$	885,624	\$	403,233	\$	1,378,271
Other Receivables		152,394		148,961		151,280		150,075
Total Assets	\$	1,048,274	\$	1,034,585	\$	554,513	\$	1,528,346
Liabilities:								
Due to various/other	\$	1,048,274	\$	1,115,679	\$	635,607	\$	1,528,346

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OTHER	SUPPLEM	ENTARY	' INFORM	ATION

PHARR SAN JUAN ALAMO ISD SCHEDULE OF DELINQUENT TAXES RECEIVABLE FISCAL YEAR ENDED AUGUST 31, 2020

	(1)	(2)	(3) Assessed/Appraised				
Last 10 Years Ended	Tax F	Tax Rates					
August 31	Maintenance	Debt Service	Value for School Tax Purposes				
011 and prior years	Various	Various	\$ 3,428,758,885				
012	1.170000	0.189200	3,454,074,798				
013	1.170000	0.189200	3,470,999,451				
014	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				
O20 (School year under audit)	1.068300	0.204200	4,824,721,849				
000 TOTALS							

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections		Maintenance Debt Service		(40) Entire Year's Adjustments		(50) Ending Balance 8/31/2020	
\$ 2,058,128	\$ -	\$ 77,451	\$	11,618	\$	(94,119)	\$ 1,	874,940		
238,651	-	11,100		1,795		(3,931)	:	221,825		
226,636	-	13,917		2,250		(1,819)		208,650		
257,794	-	20,181		3,263	(1,714)		:	232,636		
400,990	-	126,201		20,408		27,975		282,356		
593,393	-	159,647		31,273		(93,746)		308,727		
666,616	-	208,054	208,054		7,755 15,62		28 43			
984,639	-	282,740		52,976		(80,855)	568,0			
2,479,050	-	1,007,563	180,181		(293,383)		Ģ	997,922		
-	60,614,493	48,653,014		9,301,738	(300,61		2,	359,128		
\$ 7,905,896	\$ 60,614,493	\$ 50,559,868	\$	9,646,257	\$	(826,576)	\$ 7,	487,687		

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, 2020

Data Control		Budgeted	Ama	nints	Actual Amounts (GAAP BASIS)		Variance With Final Budget	
Codes		Original	Final				Positive or	
		Original		rillai				(Negative)
REVENUES: 5700 Local and Intermediate Sources 5800 State Program Revenues 5900 Federal Program Revenues	\$	9,446,367 14,145,271 -	\$	9,446,367 14,145,271 -	\$	10,049,379 13,403,660 1,347,665	\$	603,012 (741,611) 1,347,665
5020 Total Revenues		23,591,638		23,591,638		24,800,704		1,209,066
EXPENDITURES: Debt Service:								
0071 Principal on Long-Term Debt		14,221,500		14,221,500		13,770,000		451,500
0072 Interest on Long-Term Debt		12,699,043		12,699,043		12,721,190		(22,147)
0073 Bond Issuance Cost and Fees		12,000		12,000		226,075		(214,075)
6030 Total Expenditures		26,932,543		26,932,543		26,717,265		215,278
1100 Excess (Deficiency) of Revenues Over (Under)		(3,340,905)		(3,340,905)		(1,916,561)		1,424,344
Expenditures		(, , ,					_	, ,-
OTHER FINANCING SOURCES (USES): 7911 Proceeds for Capital Related Debt Issued 7915 Transfers In 7916 Premium or Discount on Issuance of Bonds 8940 Payment to Bond Refunding Escrow Agent (Use)		3,340,905 - -		3,340,905 - -		40,595,000 4,002,515 1,885,899 (42,270,280)		40,595,000 661,610 1,885,899 (42,270,280)
7080 Total Other Financing Sources (Uses)		3,340,905		3,340,905		4,213,134		872,229
1200 Net Change in Fund Balances		-		-		2,296,573		2,296,573
0100 Fund Balance - September 1 (Beginning)		20,069,209		20,587,888		20,587,888		-
3000 Fund Balance - August 31 (Ending)	\$	20,069,209	\$	20,587,888	\$	22,884,461	\$	2,296,573

SINGLE AUDIT SECTION

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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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 10, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 may exist that have not been identified.

Compliance and Other Matters

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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

February 10, 2021

Can Rigge & Ingram, L.L.C.



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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

We have audited Pharr-San Juan-Alamo Independent School District's (the "District") compliance with the types of compliance requirements described 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, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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, 2020.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

McAllen, Texas

February 10, 2021

Can, Rigge & Ingram, L.L.C.

Pharr-San Juan-Alamo Independent School District Schedule of Findings and Questioned Costs For the Year Ended August 31, 2020

Section I - Summary of Auditors' Results Financial Statements Type of auditor's report issued: Unmodified Internal control over financial reporting: _____ yes <u>X</u> no Material weakness (es) identified? Significant deficiency (ies) identified that are not considered to be material weaknesses? ____ yes <u>X</u> none reported 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 <u>X</u> none reported Any audit findings disclosed that are required to be reported in accordance with 2 CFR section ___ yes <u>__X</u> no 200.516(a)? Type of auditors' report issued on compliance for major programs: Unmodified Identification of major programs: CFDA Number(s) Name of Federal Program or Cluster 84.010 Title I Grants to Local Educational Agencies 84.425D Covid-19 Education Stabilization Fund – ESSER 84.365 **English Language Acquisition State Grants** 84.048 Career and Technical Education—Basic Grants to States Dollar threshold used to distinguish between type A and type B programs: \$ 2,099,022

Auditee qualified as low-risk auditee?

<u>X</u> yes ____ no

Pharr-San Juan-Alamo Independent School District Schedule of Findings and Questioned Costs For the Year Ended August 31, 2020

Section II – Financial Statement Findings

None noted.

Pharr-San Juan-Alamo Independent School District Schedule of Findings and Questioned Costs For the Year Ended August 31, 2020

Section III – Federal Award Findings and Questioned Cost

None noted.

Pharr-San Juan-Alamo Independent School District Schedule of Findings and Questioned Costs Status of Prior Year Findings

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2019-001	General Ledger Year-End Maintenance for Annual Financial Statement Requirements
	The District ensured that all reclassifications and adjustments were reviewed and reconciled before year end.
	We consider this finding to be resolved as of August 31, 2020.

	DESCRIPTION
Reference No.: 2019-002	Compliance Finding- Excess Expenditures Over Appropriations
	The District closely monitored the budget so that functions were not exceeded.
	We consider this finding to be resolved as of August 31, 2020.

Federal Award Findings:

None.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2020

(1) FEDERAL GRANTER/	(2) Federal	(3) Pass-Through	(4) Passed	(5) Federal
PASS-THROUGH GRANTOR/	CFDA	Entity Identifying	Through to	Expenditures
PROGRAM or CLUSTER TITLE	Number	Number	Subrecipients	
. S. DEPARTMENT OF AGRICULTURE				
Passed Through Texas Education Agency				
*School Breakfast Program	10.553	806780706	\$ -	\$ 5,146,29
*COVID-19 School Breakfast Program - SSO	10.553	806780706		926,99
Total CFDA Number 10.553			-	6,073,28
*National School Lunch Program - Cash Assistance	10.555	806780706	-	10,058,56
*National School Lunch Program - Non-Cash Assistance	10.555	806780706	-	1,853,97
*COVID-19 National School Lunch Program - SSO	10.555	806780706		1,475,68
Total CFDA Number 10.555 Total Child Nutrition Cluster			<u> </u>	13,388,2 19,461,5
Total Passed Through Texas Education Agency				19,461,5
Passed Through Texas Department of Agriculture				
Child and Adult Care Food Program	10.558	806780706	_	1,520,8
Fresh Fruit & Vegetable Program	10.582	806780706	-	176,8
Child Nutrition Discretionary Grants Limited Availability	10.579	806780706		39,0
Total Passed Through Texas Department of Agriculture				1,736,6
TOTAL U.S. DEPARTMENT OF AGRICULTURE				21,198,1
S. DEPARTMENT OF DEFENSE				
<u>Direct Programs</u>				
Junior Reserve Officer Training Corps	12.U01	108909		261,9 261.9
Total Direct Programs TOTAL U.S. DEPARTMENT OF DEFENSE			-	261,9
				201,5
S. DEPARTMENT OF LABOR Passed Through Texas Workforce Commission				
Workforce Innovation and Opportunity Act Adult Program	17.258	2319HJT001	_	19,3
Total Passed Through Texas Workforce Commission	17.230	2313111001		19,3
TOTAL U.S. DEPARTMENT OF THE LABOR				19,3
.S. DEPARTMENT OF EDUCATION				
Passed Through Region One ESC				
Education Innovation and Research	84.411C	U411C160117	-	53,6
Career and Technical Education - Basic Grants to States	84.048A	204200287110072	-	13,5
Gaining Early Awareness and Readiness for Undergraduate Programs Total Passed Through Region One ESC	84.334A	P334A180025		434,92
Passed Through Region 18 ESC				
Teacher and School Leader Incentive Grants	84.374A	U374A170083-17A	_	5,013,5
Total Passed Through Region 18 ESC	0	007 11.170000 1771	-	5,013,5
Passed Through Texas Education Agency				
*Special Education - Grants to States	84.027A	196600011089096600	-	183,4
*Special Education - Grants to States	84.027A	206600011089096600	-	4,823,9
*Special Education - Grants to States	84.027A	216600011089096600		246,7
Total CFDA Number 84.027A			-	5,254,1
*Special Education - Preschool Grants	84.173A	196610011089096610	-	1,9
*Special Education - Preschool Grants	84.173A	206610011089096610		62,9
Total CFDA Number 84.173A Total Special Education (IDEA) Cluster			-	5,319,0
	04.040	1001010110000		
Title I Grants to Local Education Agencies Title I Grants to Local Education Agencies	84.010A 84.010A	19610101108909 20610101108909	-	520,4 12,496,3
Title I Grants to Local Education Agencies	84.010A	21610101108909	-	310,4
Total CFDA Number 84.010A	0.1010/1	21010101100503	<u> </u>	13,327,2
Migrant Education State Grant Program	84.011A	19615001108909	-	68,9
Migrant Education State Grant Program	84.011A	20615001108909	-	2,271,2
Migrant Education State Grant Program	84.011A	21615001108909	-	28,3
Migrant Education State Grant Program	84.011A	206150147110001		545,6
Total CFDA Number 84.011A			-	2,914,2
Career and Technical Education - Basic Grants to States	84.048A	204200287110068	-	540,5
Career and Technical Education - Basic Grants to States	84.048A	20420006108909	-	351,5
Career and Technical Education - Basic Grants to States	84.048A	21420006108909		4,2
Total CFDA Number 84.048A			_	896,2

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2020

(1) FEDERAL GRANTER/	(2) Federal	(3) Pass-Through	(4) Passed	(5) Federal
PASS-THROUGH GRANTOR/	CFDA	Entity Identifying	Through to	Expenditures
PROGRAM or CLUSTER TITLE	Number	Number	Subrecipients	
English Language Acquisition State Grants	84.365A	19671001108909	-	48,041
English Language Acquisition State Grants	84.365A	20671001108909	-	1,324,876
English Language Acquisition State Grants	84.365A	21671001108909		77,297
Total CFDA Number 84.365A			-	1,450,215
Supporting Effective Instruction State Grants	84.367A	19694501108909	-	47,106
Supporting Effective Instruction State Grants	84.367A	20694501108909	-	1,478,988
Supporting Effective Instruction State Grants	84.367A	69451971	-	1,000
Supporting Effective Instruction State Grants	84.367A	21694501108909	-	23,525
Total CFDA Number 84.367A			<u> </u>	1,550,618
School Improvement Grants	84.377A	176107327110009	_	869,911
Total CFDA Number 84.377A	04.3777	170107327110003	-	869,911
Student Support and Academic Enrichment Program	84.424A	19680101108909	=	28,253
Student Support and Academic Enrichment Program	84.424A	20680101108909	=	352,179
Student Support and Academic Enrichment Program	84.424A	21680101108909		12,458
Total CFDA Number 84.424A				392,890
Grant For State Assessments and Related Activities	84.369A	69551902	-	43,961
COVID-19-Education Stabilization Fund- ESSER Fund	84.425D	20521001108909	<u> </u>	11,176,119
Total Passed Through Texas Education Agency			-	37,940,637
TOTAL U.S. DEPARTMENT OF EDUCATION			_	43,456,241
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Workforce Commission				
Temporary Assistance for Needy Families (TANF)	93.558	2317TAN003	-	40,433
Total Passed Through Texas Workforce Commission			-	40,433
Passad Through University of Toyon Rie Crande Valley				
Passed Through University of Texas - Rio Grande Valley *Head Start	93.600	06HP0020-04-01		4,848,343
Total Head Start Cluster	93.000	06HP0020-04-01		4,848,343
Total Passed Through University of Texas - Rio Grande Valley				4,848,343
Passed Through Texas Health and Human Services *Medical Assistance Program	93.778	529-07-0157-00226		142,852
Total Medicaid Cluster	33.778	222-01-0131-00220		142,852
Total Passed Through Texas Health and Human Services				142,852
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				5,031,628
TOTAL EXPENDITURES OF FEDERAL AWARDS			Ş -	\$ 69,967,394

^{*}Clustered Programs

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2020

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.

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.

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.

Sub-recipients:

During the year ended August 31, 2020, the District had no sub-recipients.

Federal Loans and Loan Guarantees:

During the year ended August 31, 2020, the District had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended August 31, 2020, the District had no outstanding federally funded insurance.

Noncash awards:

During the year ended August 31, 2020, the District received \$1,853,979 as non-cash assistance under the National School Lunch Program (CDFA 10.555).

Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-2

\$ 69,967,394
271,129
3,873,303
1,347,665
\$ 75,459,491

SCHOOLS FIRST QUESTIONNAIRE

Pharr San Juan Alamo ISD		Fiscal Year 2020
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.	