



Pharr-San Juan-Alamo Independent School District

FINANCIAL STATEMENTS

August 31, 2021

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INTRODUCTORY SECTION



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Pharr-San Juan-Alamo Independent School District
Principal Officials
August 31, 2021

Board of Trustees

President	Ricardo "Rick" Pedraza
Vice President	Jorge "George" Palacios
Secretary	Jesus A. "Jesse" Zambrano
Assistant Secretary	Jesus "Jesse" Vela, Jr.
Member	Cynthia A. Gutierrez
Member	Carlos G. Villegas, Jr.
Member	Jorge Zambrano

Administration

Superintendent	Jorge L. Arredondo
Chief Financial Officer	Rebecca Gonzales

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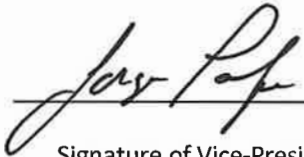
**Pharr-San Juan-Alamo Independent School District
Certificate of the Board
For the Year Ended August 31, 2021**

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, 2021 was reviewed and X approved disapproved at a meeting of the Board of such local education agency on the 17th day of January 2022.



Signature of Vice-President
Jorge Palacios



Signature of Board Secretary
Jesus A. "Jesse" Zambrano

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FINANCIAL SECTION



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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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 and 21 to the financial statements, the prior year financial statements have been restated in the amount of \$909,370 in the custodial funds related to the implementation of GASB Statement No. 84, *Fiduciary Activities* and \$4,966,959 in the governmental activities related mainly to corrections made for capital assets. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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, other supplementary information, and the Schools FIRST Questionnaire 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 combining fund statements and the other supplementary information, as listed in the table of contents, 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 and other supplementary information as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to

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

The introductory section and the Schools FIRST Questionnaire (Exhibit K-2) have 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 January 17, 2022, 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.

Carr, Rigg & Ingram, L.L.C.

McAllen, Texas
January 17, 2022

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PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2021

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, 2021. 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 \$324,771,515 for fiscal year ending August 31, 2021. This amounted to an increase of \$12,811,113, from last year's total of \$311,960,402 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$17,778,072 less than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$27,022,130 less than revenues.
- The general fund reported a fund balance this year of \$101,571,485, with \$40,729,925 of this amount unassigned.

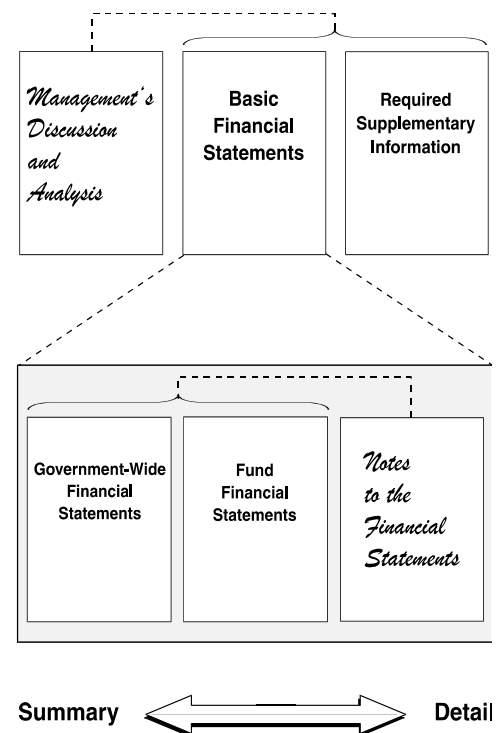
OVERVIEW OF THE FINANCIAL STATEMENTS

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.
- *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.

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



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.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	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
<i>Required financial statements</i>	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ 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
<i>Accounting basis and measurement focus</i>	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
<i>Type of asset/liability information</i>	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
<i>Type of inflow/outflow information</i>	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 \$324,771,515 on August 31, 2021. (See Table A-1).

Table A-1
District's Net Position

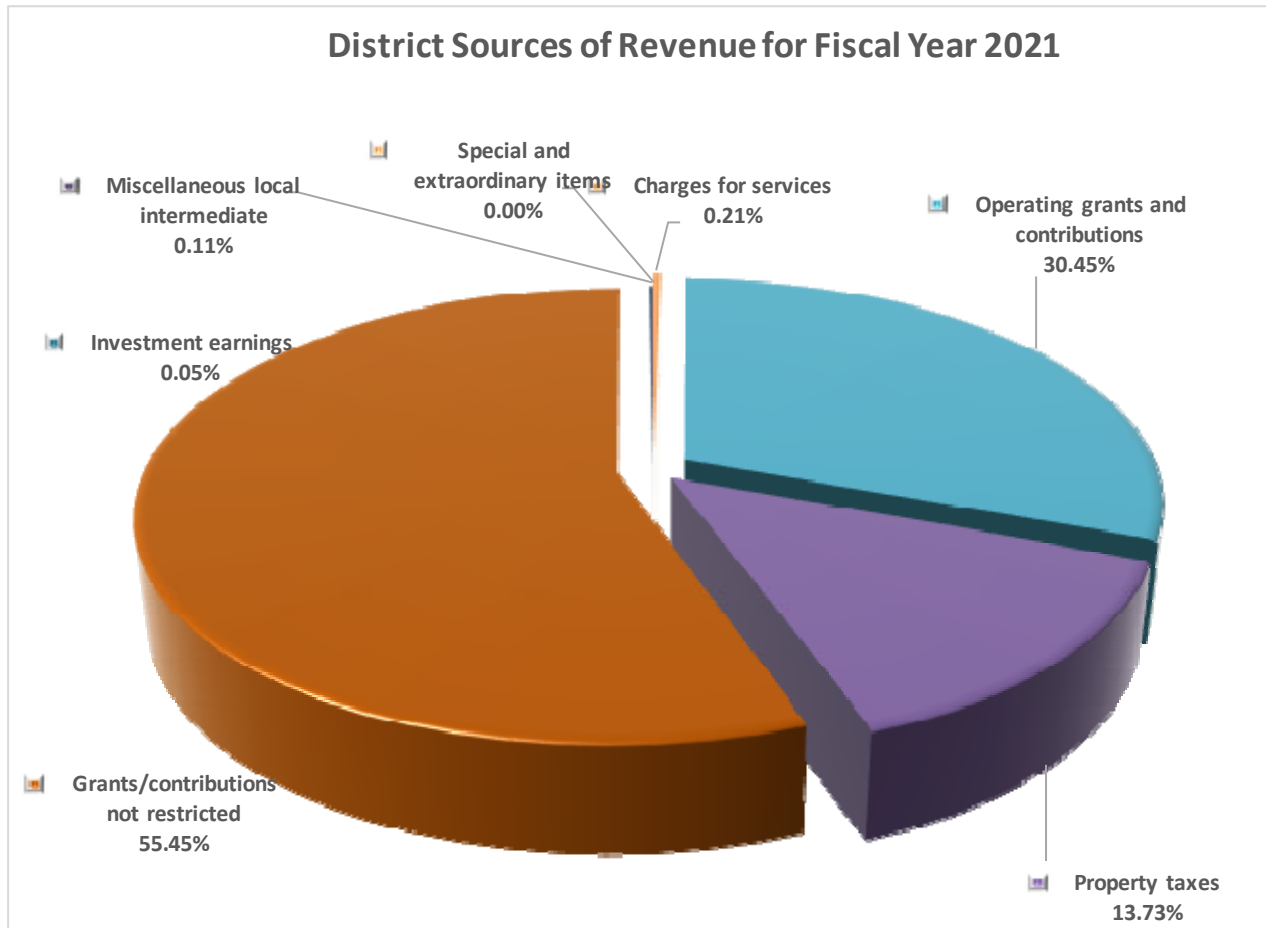
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 226,658,414	\$ 187,634,494	\$ 742,952	\$ 856,172	\$ 227,401,366	\$ 188,490,666
Capital and Non-Current Assets	701,769,638	741,090,752	-	-	701,769,638	741,090,752
Total Assets	<u>928,428,052</u>	<u>928,725,246</u>	<u>742,952</u>	<u>856,172</u>	<u>929,171,004</u>	<u>929,581,418</u>
Deferred Outflows of Resources	<u>91,222,047</u>	<u>92,721,110</u>	<u>-</u>	<u>-</u>	<u>91,222,047</u>	<u>92,721,110</u>
Current Liabilities	69,188,836	42,174,068	13,525	38,164	69,202,361	42,212,232
Long Term Liabilities	526,381,864	589,581,905	-	-	526,381,864	589,581,905
Total Liabilities	<u>595,570,700</u>	<u>631,755,973</u>	<u>13,525</u>	<u>38,164</u>	<u>595,584,225</u>	<u>631,794,137</u>
Deferred Inflows of Resources	<u>100,037,312</u>	<u>78,547,987</u>	<u>-</u>	<u>-</u>	<u>100,037,312</u>	<u>78,547,987</u>
Net Position:						
Net Investment in Capital Assets	410,492,796	404,328,982	-	-	410,492,796	404,328,982
Restricted	21,865,880	34,994,389	-	-	21,865,880	34,994,389
Unrestricted	<u>(108,316,588)</u>	<u>(128,180,977)</u>	<u>729,427</u>	<u>818,008</u>	<u>(107,587,161)</u>	<u>(127,362,969)</u>
Total Net Position	<u>\$ 324,042,088</u>	<u>\$ 311,142,394</u>	<u>\$ 729,427</u>	<u>\$ 818,008</u>	<u>\$ 324,771,515</u>	<u>\$ 311,960,402</u>

Net position of the District's Governmental activities is \$324,042,088. 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 (\$108,316,588) at the end of this year primarily due to the impact of the net pension and net OPEB liabilities, which left the District in a negative balance.

The net position of the District's business-type activities is \$729,427. 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 \$474,164,566. A significant portion (86%) 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 \$456,297,913; of these costs 78% are for instruction and instructional related services and student services.



Governmental Activities

- Investment earnings decreased by approximately 89% from \$2,257,042 to \$242,706 due to the decreases in interest rates.
- The total tax rate for 2020-21 was \$1.2675. For 2021-22, the tax rate will be reduced to \$1.2167. This reduction in 2021-22 is partially due to legislative action that compressed Texas school district tax rates. The maintenance and operations tax rate was \$1.0507 in 2020-21 and will be reduced to \$.9976 in 2021-22. The debt service tax rate was \$.2168 in 20-21 and will be increased to \$.2191 for 2021-22. 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.

Table A-2
Changes in District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 986,760	\$ 1,986,812	\$ 355,379	\$ 829,265	\$ 1,342,139	\$ 2,816,077
Operating grants and contributions	144,377,960	117,414,928	-	-	144,377,960	117,414,928
General revenues:						
Property taxes	65,102,441	61,257,285	-	-	65,102,441	61,257,285
Grants/contributions not restricted	262,923,619	278,373,727	-	-	262,923,619	278,373,727
Investment earnings	242,706	2,257,042	-	-	242,706	2,257,042
Miscellaneous local intermediate	531,080	590,859	-	-	531,080	590,859
Special and extraordinary items	-	1,642,034	-	-	-	1,642,034
Total Revenues	474,164,566	463,522,687	355,379	829,265	474,519,945	464,351,952
Expenses						
Instruction	258,088,265	239,798,465	-	-	258,088,265	239,798,465
Instructional Resources And Media Services	6,455,883	6,319,069	-	-	6,455,883	6,319,069
Curriculum And Staff Development	12,508,633	12,590,762	-	-	12,508,633	12,590,762
Instructional Leadership	10,667,257	10,710,893	-	-	10,667,257	10,710,893
School Leadership	22,710,319	21,775,414	-	-	22,710,319	21,775,414
Guidance, Counseling And Evaluation Services	16,554,837	16,210,341	-	-	16,554,837	16,210,341
Social Services	3,155,617	3,043,573	-	-	3,155,617	3,043,573
Health Services	5,422,968	5,232,171	-	-	5,422,968	5,232,171
Student (Pupil) Transportation	8,680,126	9,010,669	-	-	8,680,126	9,010,669
Food Services	23,722,306	23,525,798	-	-	23,722,306	23,525,798
Extracurricular Activities	12,896,744	15,692,727	-	-	12,896,744	15,692,727
General Administration	10,859,454	10,064,169	-	-	10,859,454	10,064,169
Facilities Maintenance and Operations	40,438,559	38,024,824	-	-	40,438,559	38,024,824
Security And Monitoring Services	6,296,252	6,084,498	-	-	6,296,252	6,084,498
Data Processing Services	4,006,650	4,055,733	-	-	4,006,650	4,055,733
Community Services	2,060,616	2,035,947	-	-	2,060,616	2,035,947
Interest On Long Term Debt	10,782,607	11,387,149	-	-	10,782,607	11,387,149
Bond Issuance Cost And Fees	16,130	226,075	-	-	16,130	226,075
Payments Related To Shared Services Arrangement	167,445	173,837	-	-	167,445	173,837
Payments To Juvenile Justice Alternative Ed. Program	-	11,979	-	-	-	11,979
Other Intergovernmental Charges	807,245	773,701	-	-	807,245	773,701
PSJA Enterprise Fund	-	-	-	180,599	-	180,599
Digital Billboard Fund	-	-	11,483	10,997	11,483	10,997
ACT RGV	-	-	432,477	389,674	432,477	389,674
Swimming USA	-	-	-	758	-	758
Total Expenses	456,297,913	436,747,794	443,960	582,028	456,741,873	437,329,822
Total Increase (Decrease) in Net Position	17,866,653	26,774,893	(88,581)	247,237	17,778,072	27,022,130
Net Position – Beginning	311,142,394	284,367,501	818,008	570,771	311,960,402	284,938,272
Prior Year Adjustment	(4,966,959)	-	-	-	(4,966,959)	-
Net Position - Ending	\$ 324,042,088	\$ 311,142,394	\$ 729,427	\$ 818,008	\$ 324,771,515	\$ 311,960,402

The net cost of all *governmental* activities this year was \$310,933,913. 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-3					
Net Cost of District's Governmental Activities					
	Cost		%	Net Cost	
	2021	2020		2021	2020
Instruction	\$ 258,088,265	\$ 239,798,465	7.6%	\$ 180,049,009	\$ 184,973,288
School Leadership	22,710,319	21,775,414	4.3%	18,913,097	19,544,128
Guidance, Counseling					
and Evaluation Services	16,554,837	16,210,341	2.1%	11,309,104	12,360,421
Food Services	23,722,306	23,525,798	0.8%	2,410,020	1,870,272
Extracurricular Activities	12,896,744	15,692,727	-17.8%	11,524,404	12,816,334
Facilities Maintenance					
and Operations	40,438,559	38,024,824	6.3%	37,239,415	36,388,227

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from all governmental funds totaled \$471,286,634. 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, 2021, the fund balance of the general fund was \$101,571,485. The unassigned balance of \$40,729,925 or 40.09% 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:

- \$2,946,298 is recorded as nonspendable for inventories and deferred expenditures;
- \$2,810,257 is recorded as a prepaid items;
- \$14,991,165 is recorded as restricted for 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;
- \$9,363,381 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;
- \$40,729,925 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 2021, the District had invested \$700,769,638 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4
District's Capital Assets

	Governmental Activities	
	2021	Restated 2020
Land	\$ 30,021,582	\$ 30,021,582
Buildings and improvements	763,587,740	758,119,579
Furniture and Equipment	45,708,044	45,943,325
Vehicles	16,885,459	18,433,664
Library Books	358,671	358,671
Construction in Progress	57,941,206	64,334,378
Infrastructure	23,218,028	20,208,583
Total Capital Assets at Historical Cost	937,720,730	937,419,782
Less: Accumulated Depreciation	236,951,092	218,355,898
Net Capital Assets	<u>\$ 700,769,638</u>	<u>\$ 719,063,884</u>

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, 2021, are as follows:

Table A-5
District's Long-Term Debt

	Beginning Balance 9/1/2020	Increase	Decrease	Ending Balance 8/31/2021	Amounts Due Within One Year
Total Bonds Payable	\$ 258,090,000	\$ -	\$ 12,205,000	\$ 245,885,000	\$ 12,800,000
Total Notes Payable	40,440,000	-	18,060,000	22,380,000	1,310,000
Premium and Discount	38,718,345	-	2,522,310	36,196,035	-
Sick and Vacation Leave	9,233,792	1,033,705	904,116	9,363,381	678,718
Net Pension Liability	101,803,041	22,985,974	8,925,924	115,863,091	-
Net OPEB Liability	141,296,727	(27,584,637)	2,229,015	111,483,075	-
Total Long-Term Liabilities	<u>\$ 589,581,905</u>	<u>\$ (3,564,958)</u>	<u>\$ 44,846,365</u>	<u>\$ 541,170,582</u>	<u>\$ 14,788,718</u>

More detailed information about the District is presented in Note 6 – Capital Assets, Note 9 – Long-Term Obligations, Note 15 – Pension Plan, and Note 16 – Other Post-Employment Benefit Plans.

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 2022 budget preparation is \$5.6 billion, up \$476 million or 9.07%. The state formulas changed, and school districts are now required to estimate their current year tax values for funding purposes. There is no longer a lag in tax values used.
- The District's 2021 refined average daily attendance is expected to be 28,443. A decrease of 1,815 students is projected due to COVID-19.

These indicators were taken into account when adopting the general fund budget for 2022. 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 2022 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to rise to \$390 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 2022 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.

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PHARR SAN JUAN ALAMO ISD
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT A-1

		1	2	3
		Primary Government		
Data			Business	
Control		Governmental	Type	
Codes		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 17,100,726	\$ 663,446	\$ 17,764,172
1120	Investments	135,879,755	-	135,879,755
1220	Property Taxes Receivable	5,105,808	-	5,105,808
1240	Due from Other Governments	62,553,297	-	62,553,297
1260	Internal Balances	(79,506)	79,506	-
1290	Other Receivables, Net	341,779	-	341,779
1300	Inventories	2,946,298	-	2,946,298
1410	Prepayments	2,810,257	-	2,810,257
	Capital Assets:			
1510	Land	30,021,582	-	30,021,582
1520	Buildings, Net	597,873,625	-	597,873,625
1530	Furniture and Equipment, Net	8,723,213	-	8,723,213
1580	Construction in Progress	57,941,206	-	57,941,206
1590	Infrastructure, Net	6,210,012	-	6,210,012
1800	Restricted Assets	1,000,000	-	1,000,000
1000	Total Assets	928,428,052	742,952	929,171,004
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	15,919,498	-	15,919,498
1705	Deferred Outflow Related to TRS Pension	51,423,546	-	51,423,546
1706	Deferred Outflow Related to TRS OPEB	23,879,003	-	23,879,003
1700	Total Deferred Outflows of Resources	91,222,047	-	91,222,047
LIABILITIES				
2110	Accounts Payable	3,888,207	1,606	3,889,813
2140	Interest Payable	931,869	-	931,869
2180	Due to Other Governments	21,141,984	-	21,141,984
2190	Due to Student Groups	126,977	-	126,977
2200	Accrued Expenses	26,133,999	11,919	26,145,918
2300	Unearned Revenue	2,177,081	-	2,177,081
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, etc.	14,788,718	-	14,788,718
	Due in More than One Year:			
2502	Bonds, Notes etc.	299,035,698	-	299,035,698
2540	Net Pension Liability (District's Share)	115,863,091	-	115,863,091
2545	Net OPEB Liability (District's Share)	111,483,075	-	111,483,075
2000	Total Liabilities	595,570,699	13,525	595,584,224
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	15,318,030	-	15,318,030
2606	Deferred Inflow Related to TRS OPEB	84,719,282	-	84,719,282
2600	Total Deferred Inflows of Resources	100,037,312	-	100,037,312
NET POSITION				
3200	Net Investment in Capital Assets	410,492,796	-	410,492,796
	Restricted:			
3820	Restricted for Federal and State Programs	15,000,480	-	15,000,480
3850	Restricted for Debt Service	6,865,400	-	6,865,400
3900	Unrestricted	(108,316,588)	729,427	(107,587,161)
3000	Total Net Position	\$ 324,042,088	\$ 729,427	\$ 324,771,515

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

PHARR SAN JUAN ALAMO ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 258,088,265	\$ 64,554	\$ 77,974,702
12 Instructional Resources and Media Services	6,455,883	-	1,043,384
13 Curriculum and Instructional Staff Development	12,508,633	-	7,699,677
21 Instructional Leadership	10,667,257	-	3,914,160
23 School Leadership	22,710,319	-	3,797,222
31 Guidance, Counseling, and Evaluation Services	16,554,837	-	5,245,733
32 Social Work Services	3,155,617	-	702,917
33 Health Services	5,422,968	-	996,048
34 Student (Pupil) Transportation	8,680,126	-	1,008,041
35 Food Services	23,722,306	225,942	21,086,344
36 Extracurricular Activities	12,896,744	696,264	676,076
41 General Administration	10,859,454	-	1,255,517
51 Facilities Maintenance and Operations	40,438,559	-	3,199,144
52 Security and Monitoring Services	6,296,252	-	780,791
53 Data Processing Services	4,006,650	-	486,437
61 Community Services	2,060,616	-	1,821,851
72 Debt Service - Interest on Long-Term Debt	10,782,607	-	12,689,916
73 Debt Service - Bond Issuance Cost and Fees	16,130	-	-
93 Payments Related to Shared Services Arrangements	167,445	-	-
99 Other Intergovernmental Charges	807,245	-	-
[TG] Total Governmental Activities:	456,297,913	986,760	144,377,960
BUSINESS-TYPE ACTIVITIES:			
01 PSJA Enterprise Fund	-	925	-
02 Digital Billboard Fund	11,483	62,075	-
03 ACT RGV	432,477	291,729	-
04 Swimming USA	-	650	-
[TB] Total Business-Type Activities:	443,960	355,379	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 456,741,873	\$ 1,342,139	\$ 144,377,960
Data			
Control	General Revenues:		
Codes	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous		
TR	Total General Revenues		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Prior Period Adjustment		
NE	Net Position - Ending		

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (180,049,009)	\$ -	\$ (180,049,009)
(5,412,499)	-	(5,412,499)
(4,808,956)	-	(4,808,956)
(6,753,097)	-	(6,753,097)
(18,913,097)	-	(18,913,097)
(11,309,104)	-	(11,309,104)
(2,452,700)	-	(2,452,700)
(4,426,920)	-	(4,426,920)
(7,672,085)	-	(7,672,085)
(2,410,020)	-	(2,410,020)
(11,524,404)	-	(11,524,404)
(9,603,937)	-	(9,603,937)
(37,239,415)	-	(37,239,415)
(5,515,461)	-	(5,515,461)
(3,520,213)	-	(3,520,213)
(238,765)	-	(238,765)
1,907,309	-	1,907,309
(16,130)	-	(16,130)
(167,445)	-	(167,445)
(807,245)	-	(807,245)
(310,933,193)	-	(310,933,193)
-	925	925
-	50,592	50,592
-	(140,748)	(140,748)
-	650	650
-	(88,581)	(88,581)
(310,933,193)	(88,581)	(311,021,774)
53,920,623	-	53,920,623
11,181,818	-	11,181,818
262,923,619	-	262,923,619
242,706	-	242,706
531,080	-	531,080
328,799,846	-	328,799,846
17,866,653	(88,581)	17,778,072
311,142,394	818,008	311,960,402
(4,966,959)	-	(4,966,959)
\$ 324,042,088	\$ 729,427	\$ 324,771,515

PHARR SAN JUAN ALAMO ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes	10 General Fund	20 ESSER III Fund	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 3,525,908	\$ -	\$ 2,723,826
1120 Investments	115,768,888	-	1,625,619
1220 Property Taxes Receivables, Net	6,280,996	-	1,143,943
1230 Allowance for Uncollectible Taxes	(2,025,841)	-	(293,290)
1240 Due from Other Governments	16,482,820	35,815,652	430,315
1250 Accrued Interest	1,120	-	-
1260 Due from Other Funds	46,068,128	9,671	5,100,602
1290 Other Receivables	339,435	-	-
1300 Inventories	2,946,298	-	-
1410 Prepayments	2,810,257	-	-
1800 Restricted Assets	-	-	1,000,000
1000 Total Assets	<u>\$ 192,198,009</u>	<u>\$ 35,825,323</u>	<u>\$ 11,731,015</u>
LIABILITIES			
2110 Accounts Payable	\$ 1,634,125	\$ 80,539	\$ -
2150 Payroll Deductions and Withholdings Payable	3,356,123	-	-
2160 Accrued Wages Payable	14,628,749	2,868,273	-
2170 Due to Other Funds	44,847,130	32,876,511	2,220,851
2180 Due to Other Governments	19,191,974	-	1,712,894
2190 Due to Student Groups	126,977	-	-
2300 Unearned Revenue	402,632	-	-
2000 Total Liabilities	<u>84,187,710</u>	<u>35,825,323</u>	<u>3,933,745</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Deferred Inflow of Resources - Property Taxes	3,589,360	-	723,985
2602 Deferred Inflow of Resources - SHARS	2,849,454	-	-
2600 Total Deferred Inflows of Resources	<u>6,438,814</u>	<u>-</u>	<u>723,985</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	2,946,298	-	-
3430 Prepaid Items	2,810,257	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	14,991,165	-	-
3480 Retirement of Long-Term Debt	-	-	7,073,285
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3510 Construction	21,290,000	-	-
3530 Capital Expenditures for Equipment	1,450,950	-	-
3545 Other Committed Fund Balance	9,363,381	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	7,989,509	-	-
3600 Unassigned Fund Balance	40,729,925	-	-
3000 Total Fund Balances	<u>101,571,485</u>	<u>-</u>	<u>7,073,285</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 192,198,009</u>	<u>\$ 35,825,323</u>	<u>\$ 11,731,015</u>

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 596	\$ 3,307,576	\$ 9,557,906
-	27,935	117,422,442
-	-	7,424,939
-	-	(2,319,131)
-	9,824,510	62,553,297
-	692	1,812
36,308,239	1,809	87,488,449
-	237	339,672
-	-	2,946,298
-	-	2,810,257
-	-	1,000,000
<u>\$ 36,308,835</u>	<u>\$ 13,162,759</u>	<u>\$ 289,225,941</u>
\$ 1,728,307	\$ 418,804	\$ 3,861,775
-	-	3,356,123
-	1,320,035	18,817,057
9,976	7,953,887	87,908,355
-	237,116	21,141,984
-	-	126,977
-	1,774,449	2,177,081
<u>1,738,283</u>	<u>11,704,291</u>	<u>137,389,352</u>
-	-	4,313,345
-	-	2,849,454
-	-	7,162,799
-	-	2,946,298
-	-	2,810,257
-	-	14,991,165
-	-	7,073,285
34,570,552	-	34,570,552
-	-	21,290,000
-	-	1,450,950
-	1,458,468	10,821,849
-	-	7,989,509
-	-	40,729,925
<u>34,570,552</u>	<u>1,458,468</u>	<u>144,673,790</u>
<u>\$ 36,308,835</u>	<u>\$ 13,162,759</u>	<u>\$ 289,225,941</u>

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PHARR SAN JUAN ALAMO ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 144,673,790
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.	22,362,581
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 \$937,330,725 and the accumulated depreciation was (\$218,275,845). In addition, long-term liabilities, including bonds and notes payable, premium on bonds, sick leave and interest payable (\$347,535,729) and deferred charge for refunding of \$17,164,170 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.	388,683,321
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 2021 capital outlays and debt principal payments is to increase net position.	34,508,939
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 includes a deferred resource outflow in the amount of \$51,423,546, a deferred resource inflow in the amount of (\$15,318,030) and a net pension liability in the amount of (\$115,863,091). This resulted in a decrease in net position.	(79,757,575)
5 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a deferred resource outflow of \$23,879,003, a deferred resource inflow of (\$84,719,282), and a net OPEB liability in the amount of (\$111,483,075). This resulted in a decrease in net position.	(172,323,354)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(21,268,412)
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 \$4,313,345 and certain amounts due from other governments as revenue for \$2,849,454. The net effect of these reclassifications and recognitions is to increase net position.	7,162,799
19 Net Position of Governmental Activities	\$ 324,042,088

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

PHARR SAN JUAN ALAMO ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	10 General Fund	20 ESSER III Fund	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 56,459,189	\$ -	\$ 11,376,328
5800 State Program Revenues	274,834,182	-	11,753,773
5900 Federal Program Revenues	28,458,548	35,815,652	936,142
5020 Total Revenues	359,751,919	35,815,652	24,066,243
EXPENDITURES:			
Current:			
0011 Instruction	181,708,921	23,618,409	-
0012 Instructional Resources and Media Services	5,343,002	650,422	-
0013 Curriculum and Instructional Staff Development	4,496,894	436,604	-
0021 Instructional Leadership	6,488,457	749,796	-
0023 School Leadership	18,438,709	2,270,124	-
0031 Guidance, Counseling, and Evaluation Services	10,905,975	1,173,712	-
0032 Social Work Services	2,340,802	287,749	-
0033 Health Services	4,332,990	561,412	-
0034 Student (Pupil) Transportation	7,284,133	730,378	-
0035 Food Services	21,100,497	1,000,018	-
0036 Extracurricular Activities	10,978,047	285,951	-
0041 General Administration	9,169,934	784,048	-
0051 Facilities Maintenance and Operations	35,741,975	2,189,277	-
0052 Security and Monitoring Services	5,306,303	586,058	-
0053 Data Processing Services	3,371,122	354,949	-
0061 Community Services	176,468	136,745	-
Debt Service:			
0071 Principal on Long-Term Debt	627	-	30,265,000
0072 Interest on Long-Term Debt	-	-	12,181,341
0073 Bond Issuance Cost and Fees	-	-	16,130
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	167,445	-	-
0099 Other Intergovernmental Charges	807,245	-	-
6030 Total Expenditures	328,159,546	35,815,652	42,462,471
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	31,592,373	-	(18,396,228)
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	12,382	-	-
7915 Transfers In	-	-	2,585,053
8911 Transfers Out (Use)	(23,875,053)	-	-
7080 Total Other Financing Sources (Uses)	(23,862,671)	-	2,585,053
1200 Net Change in Fund Balances	7,729,702	-	(15,811,175)
0100 Fund Balance - September 1 (Beginning)	93,841,783	-	22,884,460
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ 101,571,485	\$ -	\$ 7,073,285

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

60 Capital Projects	Other Funds	Total Governmental Funds
\$ 2 \$	784,483 \$	68,620,002
-	4,669,804	291,257,759
-	46,198,531	111,408,873
2	51,652,818	471,286,634
-	35,391,253	240,718,583
-	73,838	6,067,262
-	6,922,705	11,856,203
-	2,765,749	10,004,002
-	229,626	20,938,459
-	3,277,181	15,356,868
-	300,769	2,929,320
-	153,161	5,047,563
-	-	8,014,511
-	54,280	22,154,795
-	697,365	11,961,363
-	-	9,953,982
-	114,659	38,045,911
-	-	5,892,361
-	-	3,726,071
-	1,672,394	1,985,607
-	-	30,265,627
-	-	12,181,341
-	-	16,130
2,048,518	35,917	2,084,435
-	-	167,445
-	-	807,245
2,048,518	51,688,897	460,175,084
(2,048,516)	(36,079)	11,111,550
-	-	12,382
21,290,000	-	23,875,053
-	-	(23,875,053)
21,290,000	-	12,382
19,241,484	(36,079)	11,123,932
15,329,068	1,112,232	133,167,543
-	382,315	382,315
\$ 34,570,552 \$	1,458,468 \$	144,673,790

PHARR SAN JUAN ALAMO ISD
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, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 11,123,932
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.	1,131,392
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 2021 capital outlays and debt principal payments is to increase net position.	34,508,938
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.	(21,268,412)
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 (\$1,666,317), and other revenues unavailable for \$27,234. The net effect of these reclassifications and recognitions is to decrease net position.	(1,639,083)
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 \$10,174,108. 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 (\$8,924,294). 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 (\$10,297,148). The net result is a decrease in the change in net position.	(9,047,334)
GASB 75 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 \$2,443,443. 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 (\$2,228,364). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$2,842,140. The net result is a increase in the change in net position.	3,057,220
Change in Net Position of Governmental Activities	\$ 17,866,653

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

PHARR SAN JUAN ALAMO ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2021

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 663,446	\$ 7,542,820
Investments - Current	-	18,457,313
Due from Other Funds	87,013	340,766
Other Receivables	-	295
Total Current Assets	<u>750,459</u>	<u>26,341,194</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	-	89,057
Depreciation on Furniture and Equipment	-	(80,053)
Total Noncurrent Assets	<u>-</u>	<u>9,004</u>
Total Assets	<u>750,459</u>	<u>26,350,198</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,606	26,432
Accrued Wages Payable	11,919	11,858
Due to Other Funds	7,507	366
Accrued Expenses	-	3,948,961
Total Liabilities	<u>21,032</u>	<u>3,987,617</u>
NET POSITION		
Unrestricted Net Position	<u>729,427</u>	<u>22,362,581</u>
Total Net Position	<u><u>\$ 729,427</u></u>	<u><u>\$ 22,362,581</u></u>

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

PHARR SAN JUAN ALAMO ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 355,379	\$ 45,879,942
Total Operating Revenues	<u>355,379</u>	<u>45,879,942</u>
OPERATING EXPENSES:		
Payroll Costs	297,314	590,361
Professional and Contracted Services	125,264	44,081,948
Supplies and Materials	11,303	85,364
Other Operating Costs	<u>10,079</u>	<u>12,602</u>
Total Operating Expenses	<u>443,960</u>	<u>44,770,275</u>
Operating Income (Loss)	<u>(88,581)</u>	<u>1,109,667</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	<u>-</u>	<u>21,725</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>21,725</u>
Change in Net Position	(88,581)	1,131,392
Total Net Position - September 1 (Beginning)	<u>818,008</u>	<u>21,231,189</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 729,427</u></u>	<u><u>\$ 22,362,581</u></u>

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

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 355,379	\$ 45,940,924
Cash Payments to Employees for Services	(312,080)	(590,705)
Cash Payments for Insurance Claims	-	(44,368,699)
Cash Payments for Suppliers	(146,440)	(218,923)
Cash Payments for Other Operating Expenses	(10,079)	(12,601)
Net Cash Provided by (Used for) Operating Activities	(113,220)	749,996
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investment Securities	-	(33,366,480)
Proceeds from Sale & Maturities of Securities	-	32,300,000
Interest and Dividends on Investments	-	21,725
Net Cash Provided by (Used for) Investing Activities	-	(1,044,755)
Net Decrease in Cash and Cash Equivalents	(113,220)	(294,759)
Cash and Cash Equivalents at Beginning of Year	776,666	7,837,579
Cash and Cash Equivalents at End of Year	\$ 663,446	\$ 7,542,820
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ (88,581)	\$ 1,109,667
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Other Current Assets	-	75,444
Increase (decrease) in Accounts Payable	(9,874)	(715,994)
Increase (decrease) in Accrued Liabilities	(14,765)	-
Increase (decrease) in Accrued Liabilities	-	297,749
Increase (decrease) in Interfund Payables	-	(16,870)
Net Cash Provided by (Used for) Operating Activities	\$ (113,220)	\$ 749,996

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, 2021

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 857,220
Total Assets	<u>857,220</u>
NET POSITION	
Restricted for Student Activities	<u>857,220</u>
Total Net Position	<u>\$ 857,220</u>

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

PHARR SAN JUAN ALAMO ISD
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Custodial Fund
ADDITIONS:	
Miscellaneous Revenue - Student	\$ 628,688
Total Additions	<u>628,688</u>
DEDUCTIONS:	
Other Deductions	<u>680,838</u>
Total Deductions	<u>680,838</u>
Change in Fiduciary Net Position	(52,150)
 Total Net Position - September 1 (Beginning)	 -
Prior Period Adjustment	<u>909,370</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 857,220</u></u>

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

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Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The District reports the following major governmental funds:

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

Education Stabilization Fund (ESSER) Fund: This fund is used to report revenues and expenditures of the ESSER Grant, a federal program under the CARES (Coronavirus Aid, Relief, and Economic Security) Act.

In addition, the District reports the following fund types:

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.

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

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

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Custodial 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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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 of 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, 2021, restricted assets of the Debt Service Fund total \$1,000,000, including interest earnings held in money market accounts for the future payment of the Qualified School Construction Loan, Series 2011.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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:

Asset class	Estimated 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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

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

j. Use of Estimates

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

k. Long-term Obligations

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

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

l. 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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

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. Recently Issued and Implemented Accounting Pronouncements

In 2021, the District implemented GASB 84, Fiduciary Activities, which 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. See Note 2 for change in accounting principle resulted from this implementation.

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

- Statement No. 87, Leases
- Statement No. 96, Subscription-Based Information Technology Arrangements

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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

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. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Note 2 – Change in Accounting Principle

In fiscal year 2021, the District implemented GASB Statement No. 84, Fiduciary Activities. As a result of this implementation, the District has a prior period adjustment of \$430,615 to restate the beginning fund balance of the campus activity fund and \$909,370 to restate the beginning net position of the custodial funds.

Note 3 - 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>	<u>Action Taken</u>
None reported	Not applicable

Expenditures Exceeding Appropriations

For the year ended August 31, 2021, the District did not have expenditures exceeding appropriated amounts.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 3 - 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 \$108,316,588 at year-end. The result of this negative balance is due to the effect of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* implemented in the previous year (Refer to Note 16).

Note 4 - 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 August 31, 2021
Deposits	\$ 18,621,391
Money Market	1,000,000
Investments	135,879,756
Total	<u>\$ 155,501,147</u>
 Exhibit A-1	
Cash and Cash Equivalents	\$ 17,764,172
Investments	135,879,755
Restricted Assets	1,000,000
Total Exhibit A-1	<u>\$ 154,643,927</u>
 Exhibit E-1	
Cash and Cash Equivalents	\$ 857,220
Total Exhibit E-1	<u>\$ 857,220</u>

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, 2021, the carrying amount of the District's deposits (cash and money market) was \$19,621,391 and the bank balance was \$20,336,588.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 4 - 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, 2021 and during the year ended August 31, 2021 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 \$61,000,000.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$54,435,277 and occurred during the month of June 2021.
- 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 \$1,000,000 occurred during the month of August 2021 in this money market account. The money market account is held and fully collateralized 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

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 4 - 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.

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 4 - 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.

Description	Reported Amount	Weighted Average Maturity (days)	Standard & Poor Rating	Concentration of Credit Risk
Texas TERM Dec 21	\$ 16,049,000	55	AAAf / AAAkf	11.81%
Texas Daily	7,549	53	AAAm	0.01%
TexPool Investment Fund	98,236,608	53	AAAm	72.30%
Lone Star Investment Pool	16,552,995	82	AAAf/S1+	12.18%
Texas FIT	5,033,603	100	AAAf/S1+	3.70%
	<u>\$ 135,879,755</u>			<u>100.00%</u>

Pharr-San Juan-Alamo Independent School District
Notes to Financial Statements

Note 5 – 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 2020 tax rate was \$1.0507 for maintenance and \$.2168 for debt service per \$100 assessed valuation. The 2020 assessed valuation was \$5,123,571,044. 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, 2021, was as follows:

	Total Receivable	Less: Allowance for Uncollectible	Net Receivable
General Fund	\$ 6,280,996	\$ 2,025,842	\$ 4,255,154
Debt Service Fund	1,143,943	293,289	850,654
	<u>\$ 7,424,939</u>	<u>\$ 2,319,131</u>	<u>\$ 5,105,808</u>

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 6 - Capital Assets

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

	Restated Beginning Balance	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 30,021,582	\$ -	\$ -	\$ 30,021,582
Construction in progress	64,334,378	2,084,434	8,477,606	57,941,206
 Total capital assets, not being depreciated	 94,355,960	 2,084,434	 8,477,606	 87,962,788
Capital assets, being depreciated:				
Infrastructure	20,208,583	3,009,445	-	23,218,028
Buildings	570,473,779	-	-	570,473,779
Buildings and improvements	187,645,800	5,468,161	-	193,113,961
Furniture and equipment	45,943,325	804,196	1,039,477	45,708,044
Vehicles	18,433,664	91,242	1,639,447	16,885,459
Library Books	358,671	-	-	358,671
Total capital assets, being depreciated	843,063,822	9,373,044	2,678,924	849,757,942
Less accumulated depreciation for:				
Infrastructure	16,533,782	474,234	-	17,008,016
Buildings	104,695,818	11,569,969	-	116,265,787
Buildings and improvements	43,049,009	6,399,319	-	49,448,328
Furniture and equipment	39,991,702	1,880,281	1,033,774	40,838,209
Vehicles	13,727,832	943,696	1,639,447	13,032,081
Library Books	357,755	916	-	358,671
Total accumulated depreciation	218,355,898	21,268,415	2,673,221	236,951,092
 Total capital assets, being depreciated, net	 624,707,924	 (11,895,371)	 5,703	 612,806,850
Governmental activities, capital assets, net	\$ 719,063,884	\$ (9,810,937)	\$ 8,483,309	\$ 700,769,638

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 6 - 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.

	Internal Service Fund
Furniture and Equipment	\$ 89,057
Accumulated Depreciation	80,053
Net Capital Assets	<u>\$ 9,004</u>

Depreciation was charged to functions as follows:

11 - Instruction	\$ 11,477,463
12 - Instructional Resources and Media Services	397,274
13 - Curriculum and Instructional Staff Development	275,091
21 - Instructional Leadership	414,671
23 - School Leadership	1,223,111
31 - Guidance, Counseling, and Evaluation Services	749,767
32 - Social Work Services	166,322
33 - Health Services	293,669
34 - Student (Pupil) Transportation	606,338
35 - Food Services	1,401,063
36 - Extracurricular Activities	796,364
41 - General Administration	586,148
51 - Facilities Maintenance and Operations	2,269,588
52 - Security and Monitoring Services	366,702
53 - Data Processing Services	223,664
61 - Community Services	21,179
Total depreciation expense	<u>\$ 21,268,415</u>

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 7 - Due To and From Other Governments and Agencies

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

	<u>Due From</u>	<u>Due To</u>
<u>General Fund</u>		
Texas Education Agency:		
Foundation Revenues	\$ 9,894,036	\$ 19,079,426
National School Breakfast and Lunch Program	3,737,715	6,521
Medicaid Program (SHARS)	2,849,454	-
Other	1,615	106,027
	<u>16,482,820</u>	<u>19,191,974</u>
 <u>ESSER III Fund</u>		
Texas Education Agency:		
Education Stabilization Fund	35,815,652	-
	<u>35,815,652</u>	<u>-</u>
 <u>Debt Service Fund</u>		
Texas Education Agency:		
Instructional Facilities Allotment	430,315	1,712,894
	<u>430,315</u>	<u>1,712,894</u>
 <u>Other Governmental Funds</u>		
Texas Education Agency:		
Title I Grants to Local Education Agencies	2,724,247	-
Migrant Education State Grant Program	501,331	-
Special Education -Grants to States	981,877	-
Special Education - Preschool Grants	19,816	-
Career and Technical Education - Basic Grants to States	162,054	-
English Language Acquisition State Grants	287,384	-
Supporting Effective Instruction State Grants	920,968	-
Education Stabilization Fund	1,018,713	-
Other	527,980	-
UT-RGV (Head Start)	1,494,777	-
Region 18 (TSLI Grant)	830,438	52,268
Other	354,925	184,848
	<u>9,824,510</u>	<u>237,116</u>
	<u><u>Exhibit C-1 Totals</u></u>	<u><u>\$ 21,141,984</u></u>
	<u>\$ 62,553,297</u>	<u>\$ 21,141,984</u>
Total Due To/From Other Governments and Agencies - Exhibit A-1	<u>\$ 62,553,297</u>	<u>\$ 21,141,984</u>

Pharr-San Juan-Alamo Independent School District
Notes to Financial Statements

Note 8 - Interfund Balances and Activities

Due To and From Other Funds

	<u>Due From</u>	<u>Due To</u>
General Fund		
General Fund	\$ 4,799,484	\$ 4,799,484
Special Revenue Fund	40,830,398	11,479
Debt Service Fund	420,434	3,302,785
Capital Projects Fund	9,939	36,305,639
Internal Service Fund	366	340,730
Enterprise Funds	7,507	87,013
Total General Fund	<u>46,068,128</u>	<u>44,847,130</u>
Special Revenue Fund		
General Fund	1,809	7,953,887
Total Special Revenue Fund	<u>1,809</u>	<u>7,953,887</u>
ESSER III Fund		
General Fund	9,671	32,876,511
Total Special Revenue Fund	<u>9,671</u>	<u>32,876,511</u>
Debt Service Fund		
General Fund	3,302,785	420,434
Debt Service Fund	1,797,817	1,797,817
Capital Projects Fund	-	2,600
Total Debt Service Fund	<u>5,100,602</u>	<u>2,220,851</u>
Capital Projects Fund		
General Fund	36,305,639	9,940
Debt Service Fund	2,600	-
Internal Service Fund	-	36
Total Capital Projects Fund	<u>36,308,239</u>	<u>9,976</u>
Internal Service Fund		
General Fund	340,730	366
Capital Projects Fund	36	-
Total Internal Service Fund	<u>340,766</u>	<u>366</u>
Enterprise Fund		
General Fund	87,013	7,507
Total Enterprise Fund	<u>87,013</u>	<u>7,507</u>
Total	<u>\$ 87,916,228</u>	<u>\$ 87,916,228</u>

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 8 - 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	\$ 21,290,000	Transfers for Construction
General Fund	Debt Service Fund	2,585,053	Transfers for QSCN, QZAN and QZA Bond
		Total	<u>\$ 23,875,053</u>

Note 9 - 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 2020-2021 fiscal year, the District received \$936,142 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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 9 - Long-Term Obligations (Continued)

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2021 are as follows:

Description	Beginning Balance 9/1/2020	Increase	Decrease	Ending Balance 8/31/2021	Amounts Due Within One Year
<u>Bonds Payable</u>					
Unlimited Tax Refunding Bonds, Series 2014	\$ 35,400,000	\$ -	\$ 4,300,000	\$ 31,100,000	\$ 4,515,000
Unlimited Tax Refunding Bonds, Series 2015	85,505,000	-	2,920,000	82,585,000	3,070,000
Unlimited Tax Refunding Bonds, Series 2016	88,630,000	-	4,985,000	83,645,000	5,215,000
Unlimited Tax Refunding Bonds, Series 2017	8,760,000	-	-	8,760,000	-
Unlimited Tax Refunding Bonds, Series 2019	39,795,000	-	-	39,795,000	-
Total Bonds Payable	258,090,000	-	12,205,000	245,885,000	12,800,000
<u>Notes Payable</u>					
Qualified School Construction Note, Series 2011	26,755,000	-	16,750,000	10,005,000	-
Limited Maintenance Tax Note Payable, Series 2015	11,215,000	-	1,100,000	10,115,000	1,100,000
Limited Maintenance Tax Note Payable, Series 2017	2,470,000	-	210,000	2,260,000	210,000
Total Notes Payable	40,440,000	-	18,060,000	22,380,000	1,310,000
Premium and Discount	38,718,345	-	2,522,310	36,196,035	-
Total Payables, Net	337,248,345	-	32,787,310	304,461,035	14,110,000
<u>Other Long-Term Liabilities</u>					
Sick and Vacation Leave	9,233,792	1,033,705	904,116	9,363,381	678,718
Total Other Long-Term Liabilities	9,233,792	1,033,705	904,116	9,363,381	678,718
Total Governmental Activities	\$ 346,482,137	\$ 1,033,705	\$ 33,691,426	\$ 313,824,416	\$ 14,788,718

Pharr-San Juan-Alamo Independent School District
Notes to Financial Statements

Note 9 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2021 are comprised of the following individual issues:

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Ending Balance 8/31/2021
Unlimited Tax Refunding Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	\$ 46,395,000	\$ 31,100,000
Unlimited Tax Refunding Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	82,585,000
Unlimited Tax Refunding Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	83,645,000
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
				<u>\$ 292,530,000</u>	<u>\$ 245,885,000</u>
Interest paid on bonded indebtedness during the current year was					<u>\$ 11,054,363</u>

Notes payable at August 31, 2021 are comprised of the following individual issues:

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Ending Balance 8/31/2021
Qualified School Construction Note, Series 2011	2/2/2011	2/1/2026	5.497%- 6.247%	\$ 26,755,000	\$ 10,005,000
Limited Maintenance Tax Note Payable, Series 2015	6/23/2015	2/1/2030	0.39%	16,660,000	10,115,000
Limited Maintenance Tax Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%	3,100,000	2,260,000
				<u>\$ 46,515,000</u>	<u>\$ 22,380,000</u>
Interest paid on notes indebtedness during the current year was					<u>\$ 1,126,980</u>

Pharr-San Juan-Alamo Independent School District
Notes to Financial Statements

Note 9 - Long-Term Obligations (Continued)

Debt Service Requirements

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

Bonds Payable

Year ending August 31	Principal	Interest	Total Requirement
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	11,270,000	7,727,913	18,997,913
2027-2031	65,395,000	30,165,940	95,560,940
2032-2036	79,590,000	14,823,044	94,413,044
2037-2040	34,340,000	1,906,038	36,246,038
Subtotal	<u>\$ 245,885,000</u>	<u>\$ 92,363,583</u>	<u>\$ 338,248,583</u>

Notes Payable

Year Ending August 31	Notes Principal	Interest	QSCB Subsidy	Total Requirement
2022	\$ 1,310,000	\$ 662,306	\$ (501,810)	\$ 1,470,496
2023	1,315,000	657,987	(501,810)	1,471,177
2024	1,320,000	653,648	(501,810)	1,471,838
2025	1,325,000	649,290	(501,810)	1,472,480
2026	11,335,000	332,410	(250,905)	11,416,505
2027-2031	5,565,000	35,469	-	5,600,469
2032-2036	210,000	-	-	210,000
Subtotal	<u>\$ 22,380,000</u>	<u>\$ 2,991,110</u>	<u>\$ (2,258,145)</u>	<u>\$ 23,112,965</u>

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 10 - Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects	Other Funds	Total Governmental Funds
Property Taxes	\$ 53,866,067	\$ 11,077,818	\$ -	\$ -	\$ 64,943,885
Food Sales	2,028	-	-	-	2,028
Investment Income	212,127	8,160	2	-	220,289
Penalties and Interest on Taxes	1,534,524	290,350	-	-	1,824,874
Co-curricular Student Activities	252,635	-	-	537,236	789,871
Other	591,808	-	-	247,247	839,055
	<u>\$ 56,459,189</u>	<u>\$ 11,376,328</u>	<u>\$ 2</u>	<u>\$ 784,483</u>	<u>\$ 68,620,002</u>

	Total Enterprise Funds	Total Internal Service Funds
Insurance	\$ -	\$ 45,396,891
Other	355,379	483,051
	<u>\$ 355,379</u>	<u>\$ 45,879,942</u>

Note 11 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. As of August 31, 2021, unearned revenue reported in the governmental funds consisted of \$2,177,081 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 12 - 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, 2021, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$4,313,345 and \$2,849,454, respectively, for a total of \$7,162,799.

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, 2021, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$15,919,498 net of cumulative amortization of \$7,848,960. Deferred outflows of resources related to pensions and OPEB are \$51,423,546 and \$23,879,003, respectively. Deferred inflows of resources related to pensions and OPEB are \$15,318,030 and \$84,719,282, respectively.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 13 - General Fund Federal Source Revenues

<u>Programs or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
COVID-19 National School Lunch Program - EOC	10.555	\$ 2,324,468
COVID-19 State Administrative Expenses for Child Nutrition	10.560	24,888
Commodity Supplemental Food Program	10.555	1,673,801
Child and Adult Care Food Program	10.558	72,313
COVID-19 Child and Adult Care Food Program	10.558	216,016
Child Nutrition Discretionary Grants Limited Availability	10.579	107,000
Fresh and Fruit Vegetable Program	10.582	99,028
National School Lunch Program - SSO	10.555	9,613,612
School Breakfast Program-SSO	10.553	5,795,344
JROTC	12.U01	277,544
COVID-19-Coronavirus Relief Fund - TEA	21.019	300,000
COVID-19- Operational Connectivity Bulk Purchase Program	21.019	1,632,244
COVID-19-Coronavirus Relief Fund - HIDALGO COUNTY	21.019	300,000
COVID-19-Coronavirus Relief Fund - TDEM	21.019	512,662
SHARS	N/A	3,150,006
Indirect Cost	N/A	2,359,622
		<u>\$ 28,458,548</u>

Note 14 - 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 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Workers' Compensation Insurance

During the year ended August 31, 2021, 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, 2020, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 14 - 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 \$640 per month, per employee to the plan. The total contribution during the current period was \$36,767,219. The employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents' health insurance. Health claim payments were processed by a third party administrator acting on behalf of the District.

In accordance with State statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a third party insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect for individual (specific) claims and aggregate claims. The stop loss for individual (specific) claims is \$500,000 per covered person with an unlimited maximum. The district's aggregate point of attachment for the fiscal year was \$40,801,850. Settled claims have not exceeded the attachment point for the year ending August 31, 2021.

Claims Liabilities

The claims liabilities at August 31, 2021 for workers compensation insurance and health insurance of \$614,961 and \$3,334,000 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 Compensation		Health Insurance	
	Year Ended 8/31/2020	Year Ended 8/31/2021	Year Ended 8/31/2020	Year Ended 8/31/2021
Claims liability at beginning of year	\$ 499,878	\$ 605,021	\$ 2,171,598	\$ 3,045,848
Incurred claims (including IBNRs) and adjustments	903,141	613,617	35,149,334	38,935,148
Claims payments	(797,998)	(603,677)	(34,275,084)	(38,646,996)
Claims liability at end of year	<u>\$ 605,021</u>	<u>\$ 614,961</u>	<u>\$ 3,045,848</u>	<u>\$ 3,334,000</u>

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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 14 - Risk Management (Continued)

For the fiscal years ended August 31, 2021, 2020 and 2019, the subsidy payments received by TRS Care on behalf of the District for Medicare Part D were \$1,069,528, \$1,148,313, and \$839,015 respectively.

Note 15 - Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 15 - Pension Plan (Continued)

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

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2020	2021
Member	7.7%	7.7%
Non-Employee Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
Current fiscal year employer contributions	\$	10,174,108
Current fiscal year member contributions	\$	19,070,556
2020 measurement year NECE on-behalf contributions	\$	12,434,804

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).

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 15 - Pension Plan (Continued)

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

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

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

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

Actuarial Assumptions

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

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 15 - Pension Plan (Continued)

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33% - 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 years)	2119
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, 2019. For a full description of these assumptions, please see the actuarial valuation report dated November 14, 2019.

Discount Rate

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

The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 15 - 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, 2020 (see page 53 of the 2020 TRS Annual Comprehensive Financial Report) are summarized below:

Asset Class	Target Allocation % ₁	Long-Term Expected Geometric Real Rate of Return ₂	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.A	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	-	1.8%	-
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy and Natural Resources, and Infrastructure	6.0%	6.0%	0.42%
Commodities	-	0.8%	-
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag ₃			-0.67%
Expected Return	100.0%		7.33%

¹ Target allocations are based on the FY 2020 policy model.

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

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

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

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 15 - Pension Plan (Continued)

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 178,658,813	\$ 115,863,091	\$ 64,842,943

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

At August 31, 2021, the District reported a liability of \$115,863,091 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	\$ 115,863,091
State's proportionate share that is associated with the District	161,410,420
Total	<u>\$ 277,273,511</u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2019 thru August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net pension liability was .216321596%, which was an increase of .0204935319% from its proportion measured as of August 31, 2019.

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

For the year ended August 31, 2020, the District recognized pension expense of \$38,635,531 and revenue of \$19,414,089 for support provided by the State.

At August 31, 2021, 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:

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 15 - Pension Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 211,557	\$ 3,233,431
Changes in actuarial assumptions	26,884,359	11,431,042
Differences between projected and actual investment earnings	2,345,549	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	11,807,973	653,557
Total as of August 31, 2019 measurement date	41,249,438	15,318,030
Contributions paid to TRS subsequent to the measurement date that will be recognized in fiscal year-end 2022	10,174,108	
Total as of fiscal year-end	<u>\$ 51,423,546</u>	<u>\$ 15,318,030</u>

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:

Fiscal year ended August 31,	Pension Expense Amount
2022	\$ 5,708,865
2023	8,218,258
2024	7,786,310
2025	3,433,709
2026	388,634
Thereafter	395,632

	Beginning Balance 9/01/2020	Additions	Retirements	Ending Balance 8/31/2021
Net Pension Liability	\$ 101,803,041	\$ 22,985,974	\$ 8,925,924	\$ 115,863,091

Note 16 - Other Post-Employment Benefit Plans

Plan Description

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

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

TRS Care Plan Premium Rates			
		<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$	135	\$ 200
Retiree and Spouse		529	689
Retiree or Surviving Spouse and Children		468	408
Retiree and Family		1,020	999

Contributions

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

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate, which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate, which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2020. The following table shows contributions to the TRS-Care plan by type of contributor.

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

Contribution Rates	2020	2021
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		\$ 2,443,444
Current fiscal year member contributions		\$ 1,609,972
2020 measurement year NECE on-behalf contributions		\$ 2,995,220

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020.

Actuarial Assumptions

The total OPEB liability in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020. 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, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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:

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Salary Increases	3.05% to 9.05%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017
Mortality Assumption	The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using ultimate improvement rates from the most recently published projection scale "U-MP")
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
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

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:

- 2019 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 2.33% 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.

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability

Discount Rate Sensitivity Analysis:

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

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Proportionate share of the net OPEB liability	\$ 133,779,435	\$ 111,483,075	\$ 93,872,151

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.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 91,067,389	\$ 111,483,075	\$ 138,673,883

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

At August 31, 2021, the District reported a liability of \$111,483,075 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	\$ 111,483,075
State's proportionate share that is associated with the District	149,806,529
Total	<u>\$ 261,289,604</u>

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

The net OPEB liability was measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's 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, 2019 thru August 31, 2020.

At August 31, 2020, the District's proportion of the collective net OPEB liability was 0.2932644863%, which was a decrease of .0055155208% from its proportion measured as of August 31, 2019.

Changes in Actuarial Assumptions since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The participation rate for employees who retire after the age of 65 was lowered from 50 percent to 40 percent. This change lowered the TOL.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the TOL.

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

For the year ended August 31, 2021, the District recognized OPEB expense of \$(1,653,976) and revenue of \$(1,040,200) for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 5,837,210	\$ 51,020,355
Changes in actuarial assumptions	6,876,188	30,613,828
Differences between projected and actual investment earnings	36,228	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	8,685,933	3,085,099
Total as of August 31, 2020 measurement date	21,435,559	84,719,282
Contributions paid to TRS subsequent to the measurement date that will be recognized in fiscal year-end 2022	2,443,444	-
Total as of fiscal year-end	\$ 23,879,003	\$ 84,719,282

Pharr-San Juan-Alamo Independent School District Notes to Financial Statements

Note 16 - Other Post-Employment Benefit Plans (Continued)

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

Fiscal year ended August 31,	OPEB Expense Amount
2022	\$ (10,526,407)
2023	(10,531,250)
2024	(10,534,020)
2025	(10,533,262)
2026	(7,555,503)
Thereafter	(13,603,281)

	Beginning Balance 9/01/2020	Additions	Retirements	Ending Balance 8/31/2021
Net OPEB Liability	\$ 141,296,727	\$ (27,584,637)	\$ 2,229,015	\$ 111,483,075

Note 17 - Shared Services Arrangements

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, 2021, McAllen ISD allocated expenditures in the amount of \$50,759.

Note 18 - Operating Lease Commitments

The District leases office equipment under operating (noncapitalized) lease agreements. Total costs for such leases were \$984,224 for the year ended August 31, 2021. The future minimum payments for these leases are as follows:

Year Ended August 31	Amount
2022	\$ 812,361
2023	315,429
2024	90,993
Total Minimum Rentals	<u>\$ 1,218,783</u>

Note 19 - 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.

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 19 - Commitments and Contingencies (Continued)

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

Project Name	Contract Amount	Amount Expended	Remaining Commitment
Baseball And Softball Turf	\$ 4,354,997	\$ 4,151,069	\$ 203,928
Collegiate Academy	30,600,776	30,250,776	350,000
Collegiate Academy Sci Lab Renovations	1,617,778	1,602,577	15,201
LBJ MS Phase 2	1,212,720	1,182,507	30,213
Memorial High School Swimming Pool	6,330,578	6,184,435	146,143
PSJA High School Swimming Pool	6,383,609	6,237,466	146,143
PSJA North Courtyard Drainage	1,651,860	1,611,635	40,225
PSJA North Restroom Renovations	1,655,674	1,640,473	15,201
	<u>\$ 53,807,992</u>	<u>\$ 52,860,938</u>	<u>\$ 947,054</u>

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 20 - Fund Balances

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

Fund Balance Description	General	ESSER III Fund	Debt Service	Construction Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventories	\$ 2,946,298	\$ -	\$ -	\$ -	\$ -	\$ 2,946,298
Prepaid Items	2,810,257	-	-	-	-	2,810,257
Restricted						
Federal/State Funds Grant	14,991,165	-	-	-	-	14,991,165
Retirement of Long-Term Debt	-	-	7,073,285	-	-	7,073,285
Construction Projects	-	-	-	34,570,552	-	34,570,552
Committed						
Construction Projects	21,290,000	-	-	-	-	21,290,000
Equipment for New Schools	1,450,950	-	-	-	-	1,450,950
Sick Leave Payoff	9,363,381	-	-	-	-	9,363,381
Campus Activities Fund	-	-	-	-	1,458,468	1,458,468
Assigned						
E-Rate and Other Items	7,989,509	-	-	-	-	7,989,509
Unassigned Fund Balance						
Other Unassigned Fund Balance	40,729,925	-	-	-	-	40,729,925
Total Nonspendable, Restricted, Committed and Assigned						
Governmental Fund Balances	\$ 101,571,485	\$ -	\$ 7,073,285	\$ 34,570,552	\$ 1,458,468	\$ 144,673,790
Total Nonspendable, Restricted, Committed and Assigned Governmental Fund Balances	\$ 60,841,560					

Note 21 – Prior Period Adjustment

For the fiscal year ended August 31, 2021 the fund balance and the net position for prior period was adjusted as follows:

	Total
<u>Fund Level</u>	
Student Activities	\$ 909,370
Net Increase in Custodial Fund Net Position	\$ 909,370
Campus Activity Fund	\$ 430,615
Local Source Fund	(48,300)
Net Increase in Fund Balance	382,315
<u>Government Wide Level</u>	
Adjustment for Construction in Progress	728,040
Adjustment for Capital Assets	(727,561)
Adjustment to Accumulated Depreciation	(5,349,753)
Net Decrease in Net Position	\$ (4,966,959)

Campus activity fund adjustment was due to the implementation to GASB 84, Student activities affecting custodial fund and also campus activity fund (see also Note 2). The rest of adjustments are due to the detail review of capital assets prepared in the year.

Pharr-San Juan-Alamo Independent School District
Notes to Financial Statements

Note 22 - Subsequent Events

The District has evaluated subsequent events through January 17, 2022, which is the date these financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On September 23, 2021, the District issued its \$99,130,000 Unlimited Tax Refunding Bonds, Taxable Series 2021 to refund portions of the Unlimited Tax Refunding Bonds, Series 2014, 2015, and 2016.



REQUIRED SUPPLEMENTARY INFORMATION



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PHARR SAN JUAN ALAMO ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 52,721,443	\$ 56,324,936	\$ 56,459,189	\$ 134,254
5800	State Program Revenues	289,492,681	290,131,817	274,834,182	(15,297,635)
5900	Federal Program Revenues	25,766,699	29,406,067	28,458,548	(947,519)
5020	Total Revenues	367,980,823	375,862,820	359,751,919	(16,110,901)
EXPENDITURES:					
Current:					
0011	Instruction	202,123,939	208,329,620	181,708,921	26,620,699
0012	Instructional Resources and Media Services	5,599,764	6,503,370	5,343,002	1,160,368
0013	Curriculum and Instructional Staff Development	3,890,821	7,683,408	4,496,894	3,186,514
0021	Instructional Leadership	6,650,866	6,671,587	6,488,457	183,130
0023	School Leadership	20,172,760	20,192,081	18,438,709	1,753,372
0031	Guidance, Counseling, and Evaluation Services	12,214,383	11,932,483	10,905,975	1,026,508
0032	Social Work Services	2,692,699	2,792,699	2,340,802	451,897
0033	Health Services	4,708,937	4,855,889	4,332,990	522,899
0034	Student (Pupil) Transportation	11,316,051	14,822,552	7,284,133	7,538,419
0035	Food Services	19,704,711	22,859,079	21,100,497	1,758,582
0036	Extracurricular Activities	12,878,900	12,854,882	10,978,047	1,876,835
0041	General Administration	9,395,542	9,971,894	9,169,934	801,960
0051	Facilities Maintenance and Operations	42,804,941	41,679,738	35,741,975	5,937,763
0052	Security and Monitoring Services	5,724,702	6,379,377	5,306,303	1,073,074
0053	Data Processing Services	3,369,340	3,775,277	3,371,122	404,155
0061	Community Services	392,466	492,337	176,468	315,869
Debt Service:					
0071	Principal on Long-Term Debt	12,000	12,000	627	11,373
Capital Outlay:					
0081	Facilities Acquisition and Construction	113,054	237,054	-	237,054
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	162,500	184,207	167,445	16,762
0095	Payments to Juvenile Justice Alternative Ed. Prg.	100,000	100,000	-	100,000
0099	Other Intergovernmental Charges	750,000	929,000	807,245	121,755
6030	Total Expenditures	364,778,376	383,258,534	328,159,546	55,098,988
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	3,202,447	(7,395,714)	31,592,373	38,988,087
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	12,382	12,382
7915	Transfers In	8,904,779	8,904,779	-	(8,904,779)
8911	Transfers Out (Use)	(12,107,229)	(33,397,229)	(23,875,053)	9,522,176
7080	Total Other Financing Sources (Uses)	(3,202,450)	(24,492,450)	(23,862,671)	629,779
1200	Net Change in Fund Balances	(3)	(31,888,164)	7,729,702	39,617,866
0100	Fund Balance - September 1 (Beginning)	94,081,030	93,841,783	93,841,783	-
3000	Fund Balance - August 31 (Ending)	\$ 94,081,027	\$ 61,953,619	\$ 101,571,485	\$ 39,617,866

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, 20201

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.21633216%	0.195838628%	0.191456051%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 115,863,091	\$ 101,803,041	\$ 105,382,057
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	161,410,420	151,988,841	161,637,767
Total	<u>\$ 1,277,273,511</u>	<u>\$ 253,791,882</u>	<u>\$ 267,019,824</u>
District's Covered Payroll	\$ 242,894,429	\$ 226,002,041	\$ 216,648,731
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	47.70%	45.05%	48.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

FY 2018 Plan Year 2017		FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
0.19476158%		0.180818169%		0.1847826%		0.1520838%	
\$	62,274,261	\$	68,328,497	\$	65,318,190	\$	40,623,685
93,127,611		116,712,800		111,329,915		96,703,241	
\$	155,401,872	\$	185,041,297	\$	176,648,105	\$	137,326,926
\$	208,433,068	\$	201,147,880	\$	201,147,880	\$	192,095,263
29.88%		33.97%		32.47%		21.15%	
82.17%		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 2021

	2021	2020	2019
Contractually Required Contribution	\$ 10,174,108	\$ 8,924,295	\$ 6,829,233
Contribution in Relation to the Contractually Required Contribution	(10,174,108)	(8,924,295)	(6,829,233)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 244,989,442	\$ 242,894,429	\$ 226,002,041
Contributions as a Percentage of Covered Payroll	4.15%	3.67%	3.02%

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.

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

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, 2021

	FY 2021 Plan Year 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	0.293264486%	0.298780007%	0.289579551%	\$ 0.279306574%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 111,483,075	\$ 141,296,727	\$ 144,589,721	\$ 121,459,951
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	149,806,529	187,751,743	171,313,095	\$ 150,452,524
Total	<u>\$ 261,289,604</u>	<u>\$ 329,048,470</u>	<u>\$ 315,902,816</u>	<u>\$ 271,912,475</u>
District's Covered Payroll	\$ 242,894,429	\$ 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	45.90%	61.85%	66.74%	\$ 58.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	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 2021 are for the measurement date of August 31, 2020. The amounts 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
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 2,443,444	\$ 2,228,364	\$ 2,120,503	\$ 6,383,148
Contribution in Relation to the Contractually Required Contribution	(2,443,444)	(2,228,364)	(2,120,503)	(638,348)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,744,800</u>
District's Covered Payroll	\$ 224,989,442	\$ 242,894,429	\$ 288,465,040	\$ 208,433,068
Contributions as a Percentage of Covered Payroll	1.00%	0.92%	0.74%	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

A. Budgets

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

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

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

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

B. Encumbrances

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

C. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

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

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.

Pharr-San Juan-Alamo Independent School District

Notes to Required Supplementary Information

Changes in Assumptions

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the TOL.
- The participation rate for employees who retire after the age of 65 was lowered from 50 percent to 40 percent. This change lowered the TOL.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the TOL.

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COMBINING FUND STATEMENTS



PHARR SAN JUAN ALAMO ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes		205	211	212
		Head Start	ESEA I, A Improving Basic Program	ESEA Title I Part C Migrant
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments	-	-	-
1240	Due from Other Governments	1,494,777	2,724,247	454,180
1250	Accrued Interest	-	-	-
1260	Due from Other Funds	45	64	-
1290	Other Receivables	-	-	-
1000	Total Assets	<u>\$ 1,494,822</u>	<u>\$ 2,724,311</u>	<u>\$ 454,180</u>
LIABILITIES				
2110	Accounts Payable	\$ 179,836	\$ 120,911	\$ 226
2160	Accrued Wages Payable	112,370	470,525	56,450
2170	Due to Other Funds	1,202,616	2,132,875	397,504
2180	Due to Other Governments	-	-	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>1,494,822</u>	<u>2,724,311</u>	<u>454,180</u>
FUND BALANCES				
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,494,822</u>	<u>\$ 2,724,311</u>	<u>\$ 454,180</u>

224 IDEA - 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 Medicaid Admin. Claim MAC	274 GEAR UP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920,534	\$ -
-	-	-	-	-	-	-	-
981,878	19,816	162,055	920,969	287,383	1,018,713	85,230	126,898
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 981,878</u>	<u>\$ 19,816</u>	<u>\$ 162,055</u>	<u>\$ 920,969</u>	<u>\$ 287,383</u>	<u>\$ 1,018,713</u>	<u>\$ 1,005,764</u>	<u>\$ 126,898</u>
\$ -	\$ 2,038	\$ -	\$ 13,202	\$ -	\$ -	\$ 1,548	\$ 1,999
288,449	3,664	3,463	50,504	76,977	-	327	24,467
693,429	14,114	158,592	857,263	210,406	1,018,713	-	100,432
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,003,889	-
<u>981,878</u>	<u>19,816</u>	<u>162,055</u>	<u>920,969</u>	<u>287,383</u>	<u>1,018,713</u>	<u>1,005,764</u>	<u>126,898</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 981,878</u>	<u>\$ 19,816</u>	<u>\$ 162,055</u>	<u>\$ 920,969</u>	<u>\$ 287,383</u>	<u>\$ 1,018,713</u>	<u>\$ 1,005,764</u>	<u>\$ 126,898</u>

PHARR SAN JUAN ALAMO ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes		276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	280 Title I Migrant Interstate	288 Teacher Incentive Fund
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from Other Governments	-	-	47,151	830,438
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,151</u>	<u>\$ 830,438</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 442	\$ 88,000
2160	Accrued Wages Payable	-	-	2,879	167,275
2170	Due to Other Funds	-	-	43,830	522,895
2180	Due to Other Governments	-	-	-	52,268
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>47,151</u>	<u>830,438</u>
FUND BALANCES					
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,151</u>	<u>\$ 830,438</u>

289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	404 Student Success Initiative	409 High School Completion and Success	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	484 Workforce Commission
\$ -	\$ 7,798	\$ -	\$ -	\$ 753,809	\$ 56,908	\$ 1,429,841	\$ 71,400
-	-	-	-	-	-	27,935	-
527,977	-	144,548	2,387	2,018	-	-	18,130
-	-	-	-	-	-	692	-
600	-	-	-	-	-	-	1,100
-	-	-	237	-	-	-	-
<u>\$ 528,577</u>	<u>\$ 7,798</u>	<u>\$ 144,548</u>	<u>\$ 2,624</u>	<u>\$ 755,827</u>	<u>\$ 56,908</u>	<u>\$ 1,458,468</u>	<u>\$ 90,630</u>
\$ 10,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
59,039	-	-	-	-	3,646	-	-
454,046	-	144,548	2,624	-	-	-	-
-	-	-	-	184,848	-	-	-
4,890	7,798	-	-	570,979	53,262	-	90,630
<u>528,577</u>	<u>7,798</u>	<u>144,548</u>	<u>2,624</u>	<u>755,827</u>	<u>56,908</u>	<u>-</u>	<u>90,630</u>
-	-	-	-	-	-	1,458,468	-
-	-	-	-	-	-	1,458,468	-
<u>\$ 528,577</u>	<u>\$ 7,798</u>	<u>\$ 144,548</u>	<u>\$ 2,624</u>	<u>\$ 755,827</u>	<u>\$ 56,908</u>	<u>\$ 1,458,468</u>	<u>\$ 90,630</u>

PHARR SAN JUAN ALAMO ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data Control Codes		499	Total
		Other Local	Nonmajor
		Special	Governmental
		Revenue Funds	Funds
ASSETS			
1110	Cash and Cash Equivalents	\$ 67,286	\$ 3,307,576
1120	Investments	-	27,935
1240	Due from Other Governments	(24,285)	9,824,510
1250	Accrued Interest	-	692
1260	Due from Other Funds	-	1,809
1290	Other Receivables	-	237
1000	Total Assets	<u>\$ 43,001</u>	<u>\$ 13,162,759</u>
LIABILITIES			
2110	Accounts Payable	\$ -	\$ 418,804
2160	Accrued Wages Payable	-	1,320,035
2170	Due to Other Funds	-	7,953,887
2180	Due to Other Governments	-	237,116
2300	Unearned Revenue	43,001	1,774,449
2000	Total Liabilities	<u>43,001</u>	<u>11,704,291</u>
FUND BALANCES			
Committed Fund Balance:			
3545	Other Committed Fund Balance	-	1,458,468
3000	Total Fund Balances	<u>-</u>	<u>1,458,468</u>
4000	Total Liabilities and Fund Balances	<u>\$ 43,001</u>	<u>\$ 13,162,759</u>

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PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	4,209,618	14,252,904	1,798,001
5020 Total Revenues	4,209,618	14,252,904	1,798,001
EXPENDITURES:			
Current:			
0011 Instruction	3,953,639	9,587,208	419,750
0012 Instructional Resources and Media Services	-	-	-
0013 Curriculum and Instructional Staff Development	-	546,962	-
0021 Instructional Leadership	55,156	1,761,509	219,842
0023 School Leadership	-	3,423	-
0031 Guidance, Counseling, and Evaluation Services	-	681,464	1,158,011
0032 Social Work Services	-	-	398
0033 Health Services	1,038	-	-
0035 Food Services	54,280	-	-
0036 Extracurricular Activities	-	-	-
0051 Facilities Maintenance and Operations	109,532	-	-
0061 Community Services	56	1,672,338	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	35,917	-	-
6030 Total Expenditures	4,209,618	14,252,904	1,798,001
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-
1300 Prior Period Adjustment	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -

224 IDEA - 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 Medicaid Admin. Claim MAC	274 GEAR UP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
5,299,539	73,500	597,514	2,125,015	1,219,423	326,872	152,123	417,398
5,299,539	73,500	597,514	2,125,015	1,219,423	326,872	152,123	417,398
5,124,497	73,500	310,580	14,087	617,636	326,872	-	97,961
-	-	73,838	-	-	-	-	-
12,061	-	5,554	2,110,928	554,961	-	-	13,232
162,981	-	-	-	46,826	-	-	-
-	-	-	-	-	-	-	-
-	-	207,542	-	-	-	-	306,205
-	-	-	-	-	-	-	-
-	-	-	-	-	-	152,123	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,299,539	73,500	597,514	2,125,015	1,219,423	326,872	152,123	417,398
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes		276 Title I - SIP Academy Grant	277 Coronavirus Relief Fund CARES	280 Title I Migrant Interstate	288 Teacher Incentive Fund
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	304,687	8,362,131	368,608	5,282,673
5020	Total Revenues	304,687	8,362,131	368,608	5,282,673
EXPENDITURES:					
Current:					
0011	Instruction	86,397	8,362,131	-	1,634,622
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	15,104	-	-	3,421,827
0021	Instructional Leadership	111,937	-	363,481	21
0023	School Leadership	-	-	-	226,203
0031	Guidance, Counseling, and Evaluation Services	91,249	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	5,127	-
0061	Community Services	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	304,687	8,362,131	368,608	5,282,673
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
1300	Prior Period Adjustment	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	404 Student Success Initiative	409 High School Completion and Success	410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	484 Workforce Commission
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,088	\$ 74,545
-	-	221,560	-	3,948,214	365,227	-	134,803
1,408,525	-	-	-	-	-	-	-
1,408,525	-	221,560	-	3,948,214	365,227	667,088	209,348
433,896	5,801	-	-	3,948,215	186,446	-	208,015
-	-	-	-	-	-	-	-
-	-	177,564	-	-	20,329	-	1,333
-	-	43,996	-	-	-	-	-
-	-	-	-	-	-	-	-
674,258	-	-	-	-	158,452	-	-
300,371	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	697,365	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,408,525	5,801	221,560	-	3,948,215	365,227	697,365	209,348
-	(5,801)	-	-	(1)	-	(30,277)	-
-	5,801	-	-	1	-	1,058,130	-
-	-	-	-	-	-	430,615	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,458,468	\$ -

PHARR SAN JUAN ALAMO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

		499	Total
Data		Other Local	Nonmajor
Control		Special	Governmental
Codes		Revenue Funds	Funds
REVENUES:			
5700	Total Local and Intermediate Sources	\$ 42,850	\$ 784,483
5800	State Program Revenues	-	4,669,804
5900	Federal Program Revenues	-	46,198,531
5020	Total Revenues	42,850	51,652,818
EXPENDITURES:			
Current:			
0011	Instruction	-	35,391,253
0012	Instructional Resources and Media Services	-	73,838
0013	Curriculum and Instructional Staff Development	42,850	6,922,705
0021	Instructional Leadership	-	2,765,749
0023	School Leadership	-	229,626
0031	Guidance, Counseling, and Evaluation Services	-	3,277,181
0032	Social Work Services	-	300,769
0033	Health Services	-	153,161
0035	Food Services	-	54,280
0036	Extracurricular Activities	-	697,365
0051	Facilities Maintenance and Operations	-	114,659
0061	Community Services	-	1,672,394
Capital Outlay:			
0081	Facilities Acquisition and Construction	-	35,917
6030	Total Expenditures	42,850	51,688,897
1200	Net Change in Fund Balance	-	(36,079)
0100	Fund Balance - September 1 (Beginning)	48,300	1,112,232
1300	Prior Period Adjustment	(48,300)	382,315
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 1,458,468

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PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2021

	752	753	771	772	Total
	Print Shop	Insurance	Copier	Workmen's Compensation	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 266,800	\$ 168,369	\$ 180,439	\$ 6,927,212	\$ 7,542,820
Investments - Current	-	18,457,313	-	-	18,457,313
Due from Other Funds	-	318,559	-	22,207	340,766
Other Receivables	-	293	2	-	295
Total Current Assets	266,800	18,944,534	180,441	6,949,419	26,341,194
Noncurrent Assets:					
Capital Assets:					
Furniture and Equipment	62,048	-	27,009	-	89,057
Depreciation on Furniture and Equipment	(62,049)	-	(18,004)	-	(80,053)
Total Noncurrent Assets	(1)	-	9,005	-	9,004
Total Assets	266,799	18,944,534	189,446	6,949,419	26,350,198
LIABILITIES					
Current Liabilities:					
Accounts Payable	5,252	14,639	6,541	-	26,432
Accrued Wages Payable	4,358	3,341	-	4,159	11,858
Due to Other Funds	-	-	-	366	366
Accrued Expenses	-	3,334,000	-	614,961	3,948,961
Total Liabilities	9,610	3,351,980	6,541	619,486	3,987,617
NET POSITION					
Unrestricted Net Position	\$ 257,189	\$ 15,592,554	\$ 182,905	\$ 6,329,933	\$ 22,362,581
Total Net Position	\$ 257,189	\$ 15,592,554	\$ 182,905	\$ 6,329,933	\$ 22,362,581

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, 2021

	752	753	771	772	Total Internal Service Funds
	Print Shop	Insurance	Copier	Workmen's Compensation	
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 476,146	\$ 44,038,180	\$ 6,905	\$ 1,358,711	\$ 45,879,942
Total Operating Revenues	476,146	44,038,180	6,905	1,358,711	45,879,942
OPERATING EXPENSES:					
Payroll Costs	165,223	170,499	-	254,639	590,361
Professional and Contracted Services	114,358	43,129,086	24,161	814,343	44,081,948
Supplies and Materials	78,403	1,696	4,145	1,120	85,364
Other Operating Costs	-	12,602	-	-	12,602
Total Operating Expenses	357,984	43,313,883	28,306	1,070,102	44,770,275
Operating Income (Loss)	118,162	724,297	(21,401)	288,609	1,109,667
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits &	-	21,725	-	-	21,725
Total Nonoperating Revenues (Expenses)	-	21,725	-	-	21,725
Change in Net Position	118,162	746,022	(21,401)	288,609	1,131,392
Total Net Position - September 1 (Beginning)	139,027	14,846,532	204,306	6,041,324	21,231,189
Total Net Position - August 31 (Ending)	\$ 257,189	\$ 15,592,554	\$ 182,905	\$ 6,329,933	\$ 22,362,581

PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	752	753	771	772	Total
	Print Shop	Insurance	Copier	Workmen's Compensation	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Cash Received from User Charges	\$ 476,146	\$ 44,118,967	\$ 6,905	\$ 1,338,906	\$ 45,940,924
Cash Payments to Employees for Services	(164,495)	(171,890)	-	(254,320)	(590,705)
Cash Payments for Insurance Claims	-	(43,521,826)	-	(846,873)	(44,368,699)
Cash Payments for Suppliers	(195,925)	-	(22,998)	-	(218,923)
Cash Payments for Other Operating Expenses	-	(12,601)	-	-	(12,601)
Net Cash Provided by (Used for) Operating Activities	115,726	412,650	(16,093)	237,713	749,996
<u>Cash Flows from Investing Activities:</u>					
Purchase of Investment Securities	-	(33,366,480)	-	-	(33,366,480)
Proceeds from Sale & Maturities of Securities	-	32,300,000	-	-	32,300,000
Interest and Dividends on Investments	-	21,725	-	-	21,725
Net Cash Used For Investing Activities	-	(1,044,755)	-	-	(1,044,755)
Net Increase (Decrease) in Cash and Cash Equivalents	115,726	(632,105)	(16,093)	237,713	(294,759)
Cash and Cash Equivalents at Beginning of Year	151,074	800,474	196,532	6,689,499	7,837,579
Cash and Cash Equivalents at End of Year	<u>\$ 266,800</u>	<u>\$ 168,369</u>	<u>\$ 180,439</u>	<u>\$ 6,927,212</u>	<u>\$ 7,542,820</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>					
<u>Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss):	\$ 118,162	\$ 724,297	\$ (21,401)	\$ 288,609	\$ 1,109,667
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (increase) in Other Current Assets	-	75,444	-	-	75,444
Increase (decrease) in Accounts Payable	(3,164)	(679,196)	5,308	(38,942)	(715,994)
Increase (decrease) in Accrued Liabilities	728	286,761	-	10,260	297,749
Increase (decrease) in Interfund Payables	-	5,344	-	(22,214)	(16,870)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 115,726</u>	<u>\$ 412,650</u>	<u>\$ (16,093)</u>	<u>\$ 237,713</u>	<u>\$ 749,996</u>

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PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AUGUST 31, 2021

	711	712
	College for All	Digital Billboard
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ (56,422)	\$ 497,575
Due from Other Funds	87,013	-
Total Assets	<u>30,591</u>	<u>497,575</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	-
Accrued Wages Payable	-	-
Due to Other Funds	-	-
Total Liabilities	<u>-</u>	<u>-</u>
NET POSITION		
Unrestricted Net Position	<u>30,591</u>	<u>497,575</u>
Total Net Position	<u><u>\$ 30,591</u></u>	<u><u>\$ 497,575</u></u>

713	714	Total Nonmajor Enterprise Funds
ACT-RGV	Swimming	
\$ 214,786	\$ 7,507	\$ 663,446
-	-	87,013
<u>214,786</u>	<u>7,507</u>	<u>750,459</u>
1,606	-	1,606
11,919	-	11,919
-	7,507	7,507
<u>13,525</u>	<u>7,507</u>	<u>21,032</u>
201,261	-	729,427
<u>\$ 201,261</u>	<u>\$ -</u>	<u>\$ 729,427</u>

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, 2021

	711	712
	College for All	Digital Billboard
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 925	\$ 62,075
Total Operating Revenues	<u>925</u>	<u>62,075</u>
OPERATING EXPENSES:		
Payroll Costs	-	-
Professional and Contracted Services	-	6,180
Supplies and Materials	-	5,047
Other Operating Costs	<u>-</u>	<u>256</u>
Total Operating Expenses	<u>-</u>	<u>11,483</u>
Operating Income (Loss)	925	50,592
Total Net Position - September 1 (Beginning)	<u>29,666</u>	<u>446,983</u>
 Total Net Position - August 31 (Ending)	 <u><u>\$ 30,591</u></u>	 <u><u>\$ 497,575</u></u>

713	714	Total
ACT-RGV	Swimming	Nonmajor Enterprise Funds
<u>\$ 291,729</u>	<u>\$ 650</u>	<u>\$ 355,379</u>
<u>291,729</u>	<u>650</u>	<u>355,379</u>
297,314	-	297,314
119,084	-	125,264
6,256	-	11,303
<u>9,823</u>	<u>-</u>	<u>10,079</u>
<u>432,477</u>	<u>-</u>	<u>443,960</u>
(140,748)	650	(88,581)
<u>342,009</u>	<u>(650)</u>	<u>818,008</u>
<u><u>\$ 201,261</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 729,427</u></u>

PHARR SAN JUAN ALAMO ISD
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	711	712
	College for All	Digital Billboard
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 925	\$ 62,075
Cash Payments to Employees for Services	-	-
Cash Payments for Suppliers	-	(12,985)
Cash Payments for Other Operating Expenses	-	(256)
Net Cash Provided by (Used for) Operating Activities	<u>925</u>	<u>48,834</u>
Net Increase (Decrease) in Cash and Cash Equivalents	925	48,834
Cash and Cash Equivalents at Beginning of Year	(57,347)	448,741
Cash and Cash Equivalents at End of Year	<u><u>\$ (56,422)</u></u>	<u><u>\$ 497,575</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ 925	\$ 50,592
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable	-	(1,758)
Increase (decrease) in Accrued Liabilities	-	-
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 925</u></u>	<u><u>\$ 48,834</u></u>

713	714	Total Nonmajor Enterprise Funds
ACT-RGV	Swimming	
\$ 291,729	\$ 650	\$ 355,379
(312,080)	-	(312,080)
(133,455)	-	(146,440)
(9,823)	-	(10,079)
<u>(163,629)</u>	<u>650</u>	<u>(113,220)</u>
(163,629)	650	(113,220)
378,415	6,857	776,666
<u>\$ 214,786</u>	<u>\$ 7,507</u>	<u>\$ 663,446</u>
\$ (140,748)	\$ 650	\$ (88,581)
(8,116)	-	(9,874)
(14,765)	-	(14,765)
<u>\$ (163,629)</u>	<u>\$ 650</u>	<u>\$ (113,220)</u>

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OTHER INFORMATION



PHARR SAN JUAN ALAMO ISD
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ Various
2013	1.170000	0.189200	3,470,999,451
2014	1.170000	0.189200	3,594,699,916
2015	1.170000	0.189200	3,840,693,698
2016	1.170000	0.229200	3,913,771,066
2017	1.170000	0.229200	4,095,443,046
2018	1.170000	0.219200	4,397,907,616
2019	1.170000	0.209200	4,549,434,603
2020	1.068300	0.204200	4,824,721,849
2021 (School year under audit)	1.050700	0.216800	5,123,571,044
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 2,096,751	\$ -	\$ 121,723	\$ 17,766	\$ (65,514)	\$ 1,891,749
208,650	-	28,567	4,620	(3,757)	171,707
232,638	-	28,371	4,588	(3,981)	195,698
282,355	-	41,906	6,777	(7,434)	226,238
308,727	-	52,684	10,320	(6,540)	239,183
433,435	-	81,436	15,952	(65,133)	270,913
568,168	-	154,977	29,037	65,939	450,093
997,923	-	361,072	64,570	31,373	603,654
2,359,129	-	1,131,172	216,423	(21,885)	989,649
-	63,835,097	51,786,256	10,682,087	1,019,299	2,386,055
<u>\$ 7,487,776</u>	<u>\$ 63,835,097</u>	<u>\$ 53,788,163</u>	<u>\$ 11,052,139</u>	<u>\$ 942,365</u>	<u>\$ 7,424,939</u>

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, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)		
	Original	Final				
REVENUES:						
5700	Total Local and Intermediate Sources		\$ 11,594,119	\$ 11,594,119	\$ 11,376,328	\$ (217,791)
5800	State Program Revenues		11,678,893	11,678,893	11,753,773	74,880
5900	Federal Program Revenues		-	-	936,142	936,142
5020	Total Revenues		23,273,012	23,273,012	24,066,243	793,231
EXPENDITURES:						
Debt Service:						
0071	Principal on Long-Term Debt		26,564,118	26,564,118	30,265,000	(3,700,882)
0072	Interest on Long-Term Debt		-	-	12,181,341	(12,181,342)
0073	Bond Issuance Cost and Fees		-	-	16,130	(16,130)
6030	Total Expenditures		26,564,118	26,564,118	42,462,471	(15,898,354)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		(3,291,106)	(3,291,106)	(18,396,228)	(15,105,123)
OTHER FINANCING SOURCES (USES):						
7915	Transfers In		3,291,106	3,291,106	2,585,053	(706,053)
1200	Net Change in Fund Balances		-	-	(15,811,175)	(15,811,176)
0100	Fund Balance - September 1 (Beginning)		22,884,460	22,884,460	22,884,460	-
3000	Fund Balance - August 31 (Ending)		\$ 22,884,460	\$ 22,884,460	\$ 7,073,285	\$ (15,811,176)



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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 17, 2022.

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

Purpose of this Report

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

Carr, Rigg & Ingram, L.L.C.

McAllen, Texas
January 17, 2022

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, 2021. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, 2021.

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.

Carr, Rigg & Ingram, L.L.C.

McAllen, Texas
January 17, 2022

Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? _____ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? _____ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes X no

Type of auditors' report issued on compliance for major programs: Unmodified

Identification of major programs:

CFDA Number(s)

84.027/84.173
84.425D/84.425U
21.019
10.553/10.555/10.579

Name of Federal Program or Cluster

Special Education (IDEA) Cluster
Covid-19 Education Stabilization Fund – ESSER
Covid-19 Coronavirus Relief Fund
Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? X yes _____ no

**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2021**

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, 2021**

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:

None.

Federal Award Findings:

None.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

FEDERAL AGENCY PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES (\$)	PAYMENTS TO SUBRECIPIENTS
U. S. DEPARTMENT OF AGRICULTURE				
<u>Passed Through Texas Department of Agriculture</u>				
*School Breakfast Program-SSO	10.553	806780706	\$ 5,145,683	\$ -
*School Breakfast Program-SSO	10.553	806780706	649,661	-
Total Assistance Listing Number 10.553			5,795,344	-
*National School Lunch Program - Noncash Assistance	10.555	806780706	1,673,802	-
*National School Lunch Program - SSO	10.555	806780706	8,277,286	-
*National School Lunch Program - SSO	10.555	806780706	1,336,326	-
*COVID-19 National School Lunch Program - EOC	10.555	806780706	2,324,468	-
Total Assistance Listing Number 10.555			13,611,882	-
*Child Nutrition Discretionary Grants Limited Availability	10.579	806780706	107,000	-
Total Child Nutrition Cluster			19,514,226	-
Child and Adult Care Food Program	10.558	806780706	72,313	-
COVID-19 Child and Adult Care Food Program	10.558	806780706	216,016	-
Total Assistance Listing Number 10.558			288,329	-
COVID-19 State Administrative Expenses for Child Nutrition	10.560	806780706	24,888	-
Fresh Fruit & Vegetable Program	10.582	806780706	99,028	-
Total Passed Through Texas Department of Agriculture			19,926,471	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			19,926,471	-
U.S. DEPARTMENT OF DEFENSE				
<u>Direct Programs</u>				
Junior Reserve Officer Training Corps	12.U01	108909	277,544	-
Total Direct Programs			277,544	-
TOTAL U.S. DEPARTMENT OF DEFENSE			277,544	-
U.S. DEPARTMENT OF TREASURY				
<u>Passed Through Texas Education Agency</u>				
COVID-19 Coronavirus Relief Fund	21.019	52202003	8,362,131	-
COVID-19 Coronavirus Relief Fund	21.019	52202002	300,000	-
COVID-19 Coronavirus Relief Fund	21.019	205220017110001	1,632,244	-
Total Passed Through Texas Education Agency			10,294,375	-
<u>Passed through Hidalgo County</u>				
COVID-19 Coronavirus Relief Fund	21.019	ICA 108909	300,000	-
Total Passed Through Hidalgo County			300,000	-
<u>Passed through Texas Division of Emergency Management (TDEM)</u>				
COVID-19 Coronavirus Relief Fund	21.019	2020-CF-21019	512,662	-
Total Passed Through Texas Division of Emergency Management (TDEM)			512,662	-
Total Assistance Listing Number 21.019			11,107,037	-
TOTAL U.S. DEPARTMENT OF TREASURY			11,107,037	-
U.S. DEPARTMENT OF EDUCATION				
<u>Passed Through Region One ESC</u>				
Career and Technical Education - Basic Grants to States	84.048	204200287110072	5,906	-
Career and Technical Education - Basic Grants to States	84.048	214200287110001	14,860	-
Total Assistance Listing Number 84.048			20,766	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180025-19	19,359	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A180025-20	431,299	-
Total Assistance Listing Number 84.334			450,658	-
Total Passed Through Region One ESC			471,424	-
<u>Passed Through Region 18 ESC</u>				
Teacher and School Leader Incentive Grant	84.374	U374A170083-17A	5,282,673	-
Total Passed Through Region 18 ESC			5,282,673	-
<u>Passed Through Texas Education Agency</u>				
*Special Education - Grants to States	84.027	206600011089096600	227,775	-
*Special Education - Grants to States	84.027	216600011089096600	5,192,855	-
*Special Education - Grants to States	84.027	226600011089096600	288,449	-
Total Assistance Listing Number 84.027			5,709,079	-
*Special Education - Preschool Grants	84.173	206610011089096610	15,942	-
*Special Education - Preschool Grants	84.173	216610011089096610	59,301	-

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021

FEDERAL AGENCY PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES (\$)	PAYMENTS TO SUBRECIPIENTS
*Special Education - Preschool Grants	84.173	226610011089096610	3,664	-
Total Assistance Listing Number 84.173			78,907	-
Total Special Education (IDEA) Cluster			5,787,986	-
Title I Grants to Local Education Agencies	84.010	20610101108909	3,472,203	-
Title I Grants to Local Education Agencies	84.010	21610101108909	10,908,422	-
Title I Grants to Local Education Agencies	84.010	22610101108909	350,972	-
Title I Grants to Local Education Agencies	84.010	21610141108909	40,052	-
Total Assistance Listing Number 84.010			14,771,649	-
Migrant Education State Grant Program	84.011	20615001108909	1,155,868	-
Migrant Education State Grant Program	84.011	21615001108909	744,460	-
Migrant Education State Grant Program	84.011	22615001108909	12,788	-
Migrant Education State Grant Program	84.011	216150147110001	382,633	-
Total Assistance Listing Number 84.011			2,295,749	-
Career and Technical Education - Basic Grants to States	84.048	204200287110068	40,449	-
Career and Technical Education - Basic Grants to States	84.048	21420006108909	553,934	-
Career and Technical Education - Basic Grants to States	84.048	22420006108909	3,463	-
Total Assistance Listing Number 84.048			597,846	-
English Language Acquisition State Grants	84.365	20671001108909	20,072	-
English Language Acquisition State Grants	84.365	21671001108909	1,142,446	-
English Language Acquisition State Grants	84.365	22671001108909	76,977	-
Total Assistance Listing Number 84.365			1,239,495	-
Supporting Effective Instruction State Grants	84.367	20694501108909	546,836	-
Supporting Effective Instruction State Grants	84.367	21694501108909	1,555,208	-
Supporting Effective Instruction State Grants	84.367	22694501108909	26,193	-
Supporting Effective Instruction State Grants	84.367	216945677110014	55,487	-
Total Assistance Listing Number 84.367			2,183,724	-
School Improvement Grants	84.377	176107327110009	287,145	-
School Improvement Grants	84.377	17610740108909	55,832	-
Total Assistance Listing Number 84.377			342,977	-
Student Support and Academic Enrichment Program	84.424	20680101108909	534,897	-
Student Support and Academic Enrichment Program	84.424	21680101108909	865,608	-
Student Support and Academic Enrichment Program	84.424	22680101108909	21,759	-
Total Assistance Listing Number 84.424			1,422,264	-
COVID-19 Education Stabilization Fund- ESSER Fund	84.425D	20521001108909	1,344,243	-
COVID-19 Education Stabilization Fund- ESSER Fund	84.425U	21528001108909	35,815,652	-
Total Assistance Listing Number 84.425			37,159,895	-
Total Passed Through Texas Education Agency			65,801,585	-
TOTAL U.S. DEPARTMENT OF EDUCATION			71,555,682	-
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed Through University of Texas - Rio Grande Valley</u>				
*Head Start	93.600	06HP000334-01-00	15,166	-
*Head Start	93.600	06HP000334-02-00	4,288,702	-
Total Head Start Cluster			4,303,868	-
Total Passed Through University of Texas - Rio Grande Valley			4,303,868	-
<u>Passed Through Texas Health and Human Services Commission</u>				
*Medicaid Administrative Claiming Program	93.778	HHS000537900210	152,123	-
Total Medicaid Cluster			152,123	-
Total Passed Through Texas Health and Human Services Commission			152,123	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES COMMISSION			4,455,991	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 107,322,725	\$ -

*Clustered Programs

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2021**

Note 1- Summary of Significant Accounting Policies

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

Note 2- Indirect Cost Rate:

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

Note 3- Basis of Presentation:

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

Note 4- Sub-recipients:

During the year ended August 31, 2021, the District had no sub-recipients.

Note 5: Federal Loans and Loan Guarantees:

During the year ended August 31, 2021, the District had no outstanding federal loans payable or loan guarantees.

Note 6: Federally Funded Insurance:

During the year ended August 31, 2021, the District had no outstanding federally funded insurance.

Note 7: Noncash awards:

During the year ended August 31, 2021, the District received \$1,673,802 as non-cash assistance under the National School Lunch Program (Assistance Listing Number 10.555).

Note 8: Contingencies

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

Note 9: Federal Pass-through Funds:

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

Note 10: Prior Year Expenditures:

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

COVID-19- Coronavirus Relief Fund - TEA	\$	300,000
COVID-19- Coronavirus Relief Fund - HIDALGO COUNTY		300,000
COVID-19- Coronavirus Relief Fund - TDEM		512,662
COVID-19- Coronavirus Relief Fund - BULK PURCHASE PROGRAM		1,632,244
	\$	<u>2,744,906</u>

Note 11: Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-3:

Total Federal Awards Expended	\$	107,322,725
Federal subsidy		936,142
SHARS		3,150,006
	\$	<u>111,408,873</u>

SCHOOLS FIRST QUESTIONNAIRE

Pharr San Juan Alamo ISD

Fiscal Year 2021

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 Government 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.	