Pharr-San Juan-Alamo Independent School District

FINANCIAL STATEMENTS

August 31, 2023

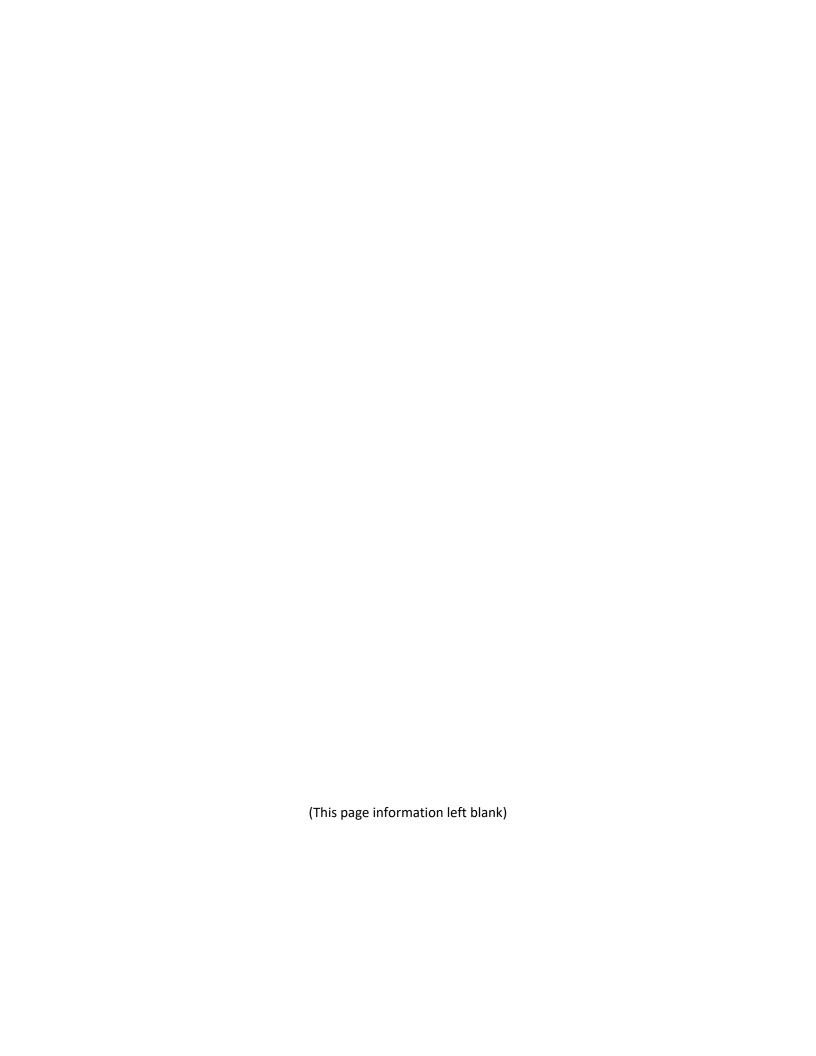


Table of Contents

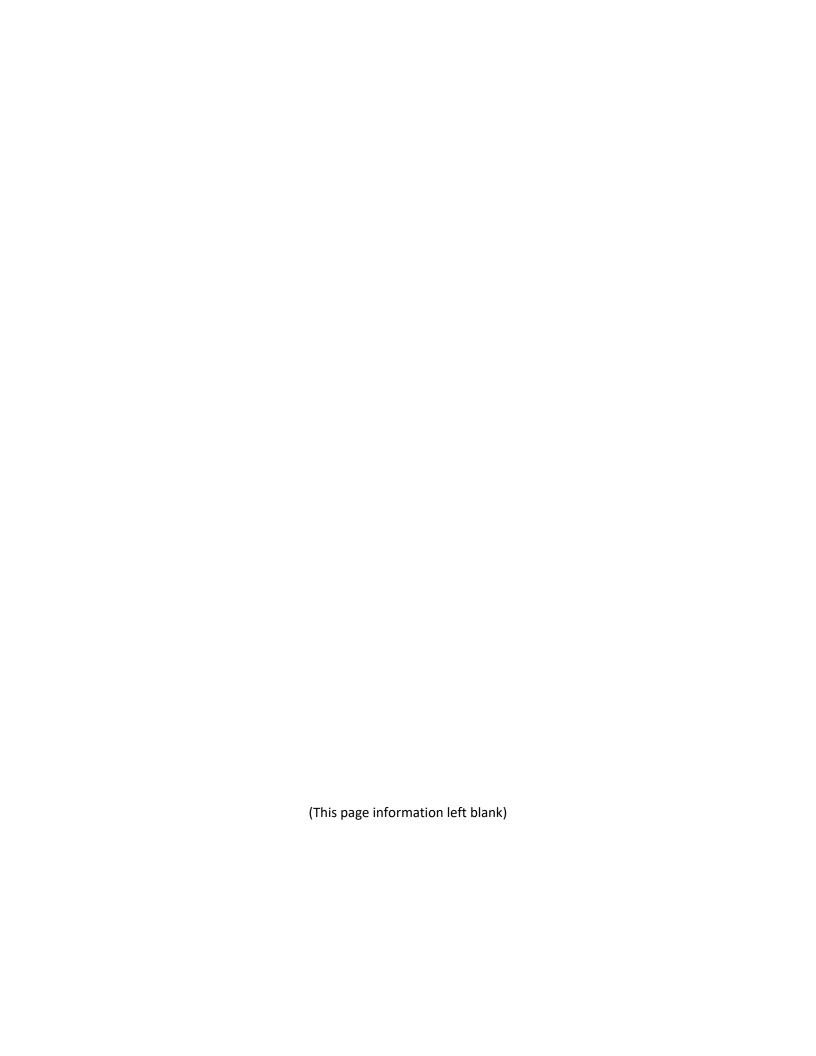
		PAGE
<u>EXH</u>	<u>IIBIT</u>	NO.
INTRODUCTORY SECTION		
List of Principal Officials		1 3
FINANCIAL SECTION		
Independent Auditors' Report		7
Management's Discussion and Analysis		11
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	21
Statement of Activities	B-1	22
Balance Sheet – Governmental Funds	C-1	24
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	C-2	27
Statement of Revenues, Expenditures, and Changes in	C^{2}	28
Fund Balances – Governmental Funds	C-3	28
and Changes in Fund Balances to the Statement of Activities	C-4	30
Statement of Net Position – Proprietary Funds		31
Statement of Revenues, Expenses, and Changes in		51
Fund Net Position – Proprietary Funds	D-2	32
Statement of Cash Flows – Proprietary Funds		33
Statement of Fiduciary Net Position – Fiduciary Funds		34
Statement of Changes in Fiduciary Net Position – Fiduciary Funds		34
Notes to Financial Statements		37
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – General Fund	G-1	79
Schedule of the District's Proportionate Share of the Net Pension		
Liability – Teacher Retirement System of Texas	G-2	80
Schedule of District's Contributions for Pensions –		
Teacher Retirement System of Texas	G-3	82
Schedule of the District's Proportionate Share of the Net OPEB		
Liability – Teacher Retirement System of Texas	G-4	84
Schedule of the District's Contributions for Other Postemployment Benefits (OPEB) –		
Teacher Retirement System of Texas	G-5	86
Notes to Required Supplementary Information		88

Table of Contents

	PAGE
<u>EXHIBIT</u>	NO.
Combining Fund Statements:	
Combining Balance Sheet –	
Nonmajor Governmental FundsH-1	92
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances – Nonmajor Governmental Funds	96
Combining Statement of Net Position –	
Internal Service Funds	101
Combining Statement of Revenues, Expenses and Changes	
in Fund Net Position – Internal Service Funds	
Combining Statement of Cash Flows – Internal Service Funds	
Combining Statement of Net Position – Nonmajor Enterprise Funds	104
Combining Statement of Revenues, Expenses and Changes in	
Fund Net Position – Nonmajor Enterprise Funds	
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	3 107
Other Supplementary Information:	
Schedule of Delinquent Taxes Receivable	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
Budget and Actual – Debt Service Fund	114
State Compensatory Education and Bilingual	
Education Program Expenditures J-2	115
SINGLE AUDIT SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	119
Independent Auditors' Report on Compliance for Each Major Program	117
and on Internal Control Over Compliance Required by the Uniform Guidance	121
Schedule of Findings and Questioned Costs	125
Status of Prior Year Findings	128
Corrective Action Plan	129
Schedule of Expenditures of Federal Awards	
Notes to Schedule of Expenditures of Federal Awards	133
Schools FIRST Questionnaire	135



INTRODUCTORY SECTION



Pharr-San Juan-Alamo Independent School District List of Principal Officials August 31, 2023

Board of Trustees

President Carlos G. Villegas, Jr.

Vice President Diana Serna

Secretary Yolanda Castillo

Assistant Secretary Jesus "Jesse" Vela, Jr.

Member Dr. Cynthia A. Gutierrez

Member Jesus A. "Jesse" Zambrano

Member Jorge Zambrano

Administration

Superintendent Dr. Alejandro Elias

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, 2023

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, 2023 was reviewed and	X approved disapproved at
a meeting of the Board of such local education agency	on the <u>22nd</u> day of <u>January 2024.</u>
Signature of Board Vice-President Diana Serna	Yolanda Castillo

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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District (the "District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District, as of August 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Restatement of Net Position

As discussed in Note 20 to the financial statements, the prior year statements have been restated in the amount of \$451,089 in the government activities and (\$11,715,625) in the governmental funds to reflect changes per addendum agreement made in the current year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023, on our consideration of the District's internal control over financial reporting and on our tests

of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

McAllen, Texas

January 22, 2024

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

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2023

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, 2023. 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 \$378,931,068 for fiscal year ending August 31, 2023. This amounted to an increase of \$10,806,457 from last year's total of \$368,124,611 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$10,355,368 less than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$33,277,694 less than revenues.
- The general fund reported a fund balance this year of \$110,615,805 with \$37,433,866 of this amount unassigned.

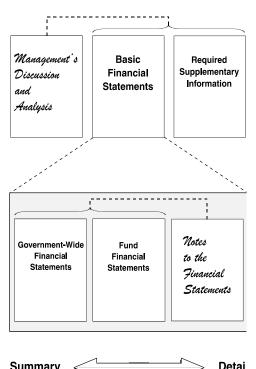
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



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

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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$378,931,068 on August 31, 2023. (See Table A-1).

Table A-1District's Net Position

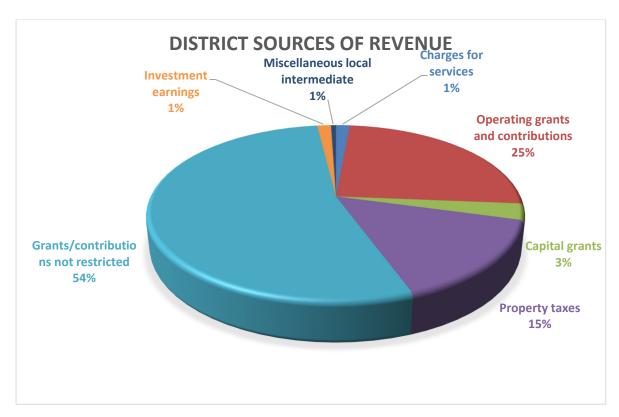
	Governmen	tal Activities	Business-Type Activities			tivities	Total		
	'	Restated						Restated	
	2023	2022	2	2023		2022	2023	2022	
Current and Other Assets	\$ 202,872,557	\$ 238,766,461	\$	821,616	\$	757,223	\$ 203,694,173	\$ 239,523,684	
Capital and Non-Current									
Assets	733,472,706	718,949,091		-		-	733,472,706	718,949,091	
Total Assets	936,345,263	957,715,552		821,616		757,223	937,166,879	958,472,775	
Deferred Outflows of		40-000							
Resources	117,857,754	107,930,976		-		-	117,857,754	107,930,976	
Current Liabilities	64,867,431	75,198,428		15,155		22,631	64,882,586	75,221,059	
Long Term Liabiliities	482,164,048	470,918,546		-		-	482,164,048	470,918,546	
	547,031,479	546,116,974		15,155		22,631	547,046,634	546,139,605	
Deferred Inflows of									
Resources	129,046,931	151,688,446		-		-	129,046,931	151,688,446	
Net Position: Net Investment in									
Capital Assets	488,760,955	448,886,447		-		-	488,760,955	448,886,447	
Restricted	33,936,497	31,531,660		-		-	33,936,497	31,531,660	
Unrestricted	(144,572,845)	(112,576,999)		806,461		734,592	(143,766,384)	(111,842,407)	
	\$ 378,124,607	\$ 367,841,108	\$	806,461	\$	734,592	\$ 378,931,068	\$ 368,575,700	

Net position of the District's Governmental activities is \$378,124,607. 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 (\$144,572,845) at the end of this year because of the impact of changes on the pension and OPEB balances in the year, which left the District in a negative balance.

The net position of the District's business-type activities is \$806,461. These resources cannot be used in governmental activities. The District generally can only use these funds to finance the continuing operation for programs such as the College for All Conference, the District Billboard/Scoreboard, and the ACT/RGV program.

Changes in net position. The District's total general revenues and program revenues were \$475,648,669. A significant portion (53%) 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 \$465,365,170; of these costs 52% are for instruction and instructional related services and student services.



Governmental Activities

- Investment earnings increased from \$1.015 million to \$6.772 million due to the increase in interest rates.
- The total tax rate for 2022-23 was \$1.1837. For 2023-24, the tax rate will be reduced to \$1.0183. This reduction in 2022-23 is partially due to legislative action that compressed Texas school district tax rates. The maintenance and operations tax rate was reduced to \$.9746 in 2022-23 and \$.7892 in 23-24. The debt service tax rate was \$.2091 for 2022-23 and was increased to \$.2291 in 23-24 for the early retirement of debt. The district had a successful Tax Ratification Election in August 2011, at which time the debt service rate was .3192. Taxes, state funds, balances in the debt service fund and transfers from the general operating budget will continue to pay debt service payments for 2022-23. Since the District is required by the provisions of TEC 45.001(2) to levy and collect annual ad valorem taxes sufficient to pay the principal and interest on the bonds that will come due during the 2022-23 fiscal year, surplus funds will be transferred from the General Fund to the Debt Service Fund to meet 2022-23 principal and interest requirements on bonded debt.

Table A-2 Changes in District's Net Position

	Governmer	ntal Activities	В	usiness-Type Ac	tivities	Te	otal
		Restated					Restated
	2023	2022	202	3	2022	2023	2022
Program Revenues:							
Charges for services	\$ 6,772,468	\$ 5,234,014	\$	607,841 \$	522,524	\$ 7,380,309	\$ 5,756,538
Operating grants and contributions	118,367,420	150,665,577		-	-	118,367,420	150,665,577
Capital grants and contributions	14,161,682	-		-	-	14,161,682	-
General Revenues:							
Property taxes	72,154,446	68,976,749		-	-	72,154,446	68,976,749
Grants/contributions not restricted	255,010,682	247,793,517		-	-	255,010,682	247,793,517
Investment earnings	6,771,689	1,015,914		-	-	6,771,689	1,015,914
Miscellaneous local intermediate	2,410,282	2,348,199		-	-	2,410,282	2,348,199
Special and extraordinary items		-		-	-		-
Total Revenues	475,648,669	476,033,970		607,841	522,524	476,256,510	476,556,494
Expenses:							
Instruction	243,954,115	237,076,689		-	_	243,954,115	237,076,689
Instructional Resources and Media Services	7,416,557	6,786,491		-	_	7,416,557	6,786,491
Curriculum and Staff Development	12,027,707	11,532,233		-	_	12,027,707	11,532,233
Instructional Leadership	9,936,223	10,138,686		-	_	9,936,223	10,138,686
School Leadership	22,188,334	21,085,723		-	-	22,188,334	21,085,723
Guidance, Counseling and Evaluation Services	15,822,665	15,091,583		-	_	15,822,665	15,091,583
Social Services	3,243,877	3,077,448		-	_	3,243,877	3,077,448
Health Services	6,720,375	6,415,981		-	_	6,720,375	6,415,981
Student (Pupil) Transportation	12,050,772	10,310,617		-	_	12,050,772	10,310,617
Food Services	30,381,964	26,226,430		-	-	30,381,964	26,226,430
Extracurricular Activities	21,030,937	18,392,843		-	-	21,030,937	18,392,843
General Administration	12,806,429	10,176,848		-	_	12,806,429	10,176,848
Facilities Maintenance & Operations	46,664,913	43,825,540		-	_	46,664,913	43,825,540
Security & Monitoring Services	8,011,636	7,587,144		-	-	8,011,636	7,587,144
Data Processing Services	3,930,722	4,127,796		-	-	3,930,722	4,127,796
Community Services	1,794,405	1,904,861		-	-	1,794,405	1,904,861
Interest on Long Term Debt	6,335,113	6,585,506		-	-	6,335,113	6,585,506
Bond Issuance Cost and Fees	16,500	1,002,245		-	-	16,500	1,002,245
Payments related to Shared Services Arrangement	-	158,673		-	-	-	158,673
Other Intergovernmental Charges	118,957	807,015		-	-	118,957	807,015
Digital Billboard/Scoreboard	50,400	-		27,423	5,280	77,823	5,280
ACT RGV	862,569	-		452,340	512,079	1,314,909	512,079
Other activities	-	-		56,209	-	56,209	-
Total Expenses:	465,365,170	442,310,352		535,972	517,359	465,901,142	442,827,711
Increase (Decrease) in Net Position	10,283,499	33,723,618		71,869	5,165	10,355,368	33,728,783
Transfer In (Out)		-		-	-	-	-
Total Increase (Decrease)	10,283,499	33,723,618		71,869	5,165	10,355,368	33,728,783
Net Position - Beginning	367,841,108	334,117,490		734,592	729,427	368,575,700	334,846,917
Net Position - Ending	\$ 378,124,607	\$ 367,841,108	\$	806,461 \$	734,592	\$ 378,931,068	\$ 368,575,700

The net cost of all *governmental* activities this year was \$326,063,600. 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

	Co	ost		Cost		
	2023	2022	Change	2023	2022	Change
Instruction	\$ 243,954,115	\$ 237,527,777	3%	\$ 199,157,926	\$ 162,412,918	18%
School Leadership	22,188,334	21,085,723	5%	21,317,942	18,250,949	14%
Guidance, Counseling and Evaluator	15,822,665	15,091,583	5%	13,291,561	11,040,508	17%
Food Services	30,381,964	26,226,430	14%	1,410,135	13,305,399	-844%
Extracurricular Activities	21,030,937	18,392,843	13%	14,481,839	1,019,474	93%
Facilities Maintenance & Operations	46,664,913	43,825,540	6%	38,856,360	40,981,887	-5%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from all governmental funds totaled \$490,697,230. The increase in local revenues is a result of increased property values. The increase in federal revenues is a result of the ESSER funds and various increases in most grants.

The General Fund is the chief operating fund of the district. As of August 31, 2023, the fund balance of the general fund was \$110,615,805. The unassigned balance of \$37,433,866 or 34% of this total amount is available for spending at the government's discretion. Of the current ending fund balances, the following categories are recorded and for the primary use noted in accordance with GASB No. 54:

- \$3,725,852 is recorded as nonexpendable for inventories and deferred expenditures;
- \$7,386,155 is recorded as a prepaid item
- \$23,401,220 is recorded as Restricted
- \$8,346,308 is recorded for Long Term Debt
- \$16,290,000 is recorded as committed for Construction;
- \$1,450,950 is recorded as committed for capital expenditures for equipment for schools and buses;
- \$11,068,506 is recorded as committed for sick leave payoff;
- \$7,989,509 is recorded as assigned for E-Rate, Computers to be purchased and other items;
- \$37,433,866 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 2023, the District had invested \$728,784,684 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4District's Capital Assets

		Restated	
	2023	2022	Change
Land	\$ 30,021,582	\$ 30,021,582	0%
Buildings, Net	622,815,325	640,060,048	-3%
Furniture and Equipment, Net	11,383,970	11,181,574	2%
Right-to-Use Leased Assets, Net	899,854	969,073	-8%
Constrction in Progress	53,411,503	22,402,322	58%
Infrastructure, Net	10,252,450	11,414,320	-11%
	\$ 728,784,684	\$ 716,048,919	

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

LONG TERM OBLIGATION ACTIVITY

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ending August 31, 2023, are as follows:

Table A-5District's Long Term Det

	Beginning Balance				Ending Balance	Α	mounts Due
	9/1/2022	Increase	Decrease		rease 8/31/2023		in 1 Year
Total Bonds Payable	\$ 232,185,000	\$ -	\$	13,455,000	\$ 218,730,000	\$	14,610,000
Total Notes Payable	22,380,000	-		1,315,000	21,065,000		2,613,356
Premium and Discount	26,190,054	-		4,890,694	21,299,360		-
Capital Appreciation Bond (CAB)	90,000			80,000	10,000		-
2021 CAB Accrued Interest	944,706	813,057		355,000	1,402,763		-
Sick and Vacation Leave	9,009,778	-		671,525	8,338,253		669,207
Net Pension Liability	60,736,193	89,553,154		10,951,956	139,337,391		-
Net OPEB Liability	120,692,815	(44,887,455)		(2,514,079)	73,291,281		-
Total Long Term Liabilities	\$ 472,228,546	\$ 45,478,756	\$	29,205,096	\$ 483,474,048	\$	17,892,563

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2023 budget preparation is \$7.1 billion, up \$1.1 billion or 17%. 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 2024 refined average daily attendance is expected to be 29,300.

These indicators were taken into account when adopting the general fund budget for 2023. Amounts available for appropriation in the general fund budget are \$391 million. Property values continue to rise, but at a slower pace. The district will examine the budget for 2023 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to be \$391 million in the general fund. The district anticipates using the remainder of the debt service fund balance to pay bonds. The largest increments are increased staffing and teacher/staff salary schedule adjustments and salary increases. Increased wage and cost of living adjustments were made to this year's salary schedules. These competitive salary schedule adjustments allowed the District to open the 2023 school year with fewer teacher vacancies. The District has continued our highly successful College, Career and Technology Academy, Thomas Jefferson T-Stem Early College High School and our partnership with the county Head Start program.

If these estimates are realized, the District's budgetary fund balance for the general fund is not expected to change appreciably by the close of 2024.

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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3

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION AUGUST 31, 2023

2

			1	Prin	ary Government		3
Data					Business		
Contro	ol .	(Carramanantal				
Codes		(Governmental Activities		Type Activities		Total
ASSE	TS						
1110	Cash and Cash Equivalents	\$	21,439,924	\$	1,095,176	\$	22,535,100
1120	Current Investments	,	106,950,943	*	-	•	106,950,943
1225	Property Taxes Receivable, Net		5,266,670		_		5,266,670
1240	Due from Other Governments		58,528,870		_		58,528,870
1260	Internal Balances		273,560		(273,560)		-
1290	Other Receivables, Net		316,330		(273,300)		316,330
1300	Inventories		3,725,852		_		3,725,852
1410	Prepayments		6,370,408		_		6,370,408
1410	Capital Assets:		0,570,400				0,570,400
1510	Land		30,021,582				30,021,582
1520	Buildings, Net		622,815,325		_		622,815,325
1530	Furniture and Equipment, Net		11,383,970		-		11,383,970
1550					-		
	Right-to-Use Leased Assets, Net		899,854		-		899,854
1580	Construction in Progress		53,411,503		-		53,411,503
1590	Infrastructure, Net		10,252,450		-		10,252,450
1800	Restricted Assets		4,600,000		-		4,600,000
1990	Other Assets		88,022		-	_	88,022
1000	Total Assets		936,345,263		821,616		937,166,879
	RRED OUTFLOWS OF RESOURCES						
1701	Deferred Charge for Refunding		17,733,354		-		17,733,354
1705	Deferred Outflow Related to TRS Pension		66,662,741		-		66,662,741
1706	Deferred Outflow Related to TRS OPEB		33,461,659		_		33,461,659
1700	Total Deferred Outflows of Resources		117,857,754			_	117,857,754
LIABI	LITIES						
2110	Accounts Payable		8,587,068		2,532		8,589,600
2140	Interest Payable		724,614		-		724,614
2180	Due to Other Governments		26,672,631		-		26,672,631
2190	Due to Student Groups		228,476		-		228,476
2200	Accrued Expenses		24,828,830		12,623		24,841,453
2300	Unearned Revenue		3,825,812		-		3,825,812
	Noncurrent Liabilities:						
2501	Due Within One Year: Loans, Note, Leases, etc.		17,892,563		-		17,892,563
	Due in More than One Year:						
2502	Bonds, Notes, Loans, Leases, etc.		251,642,813		-		251,642,813
2540	Net Pension Liability (District's Share)		139,337,391		-		139,337,391
2545	Net OPEB Liability (District's Share)		73,291,281				73,291,281
2000	Total Liabilities		547,031,479		15,155	_	547,046,634
DEFE	RRED INFLOWS OF RESOURCES						
2605	Deferred Inflow Related to TRS Pension		11,147,722		-		11,147,722
2606	Deferred Inflow Related to TRS OPEB		117,899,209		-		117,899,209
2600	Total Deferred Inflows of Resources		129,046,931		-		129,046,931
NET I	POSITION				_	_	
3200	Net Investment in Capital Assets and Right-to-Use Lease		488,760,955		-		488,760,955
	Restricted:						
3820	Restricted for Federal and State Programs		25,317,912		-		25,317,912
3850	Restricted for Debt Service		8,618,585		-		8,618,585
3900	Unrestricted		(144,572,845)		806,461		(143,766,384)
3000	Total Net Position	\$	378,124,607	\$	806,461	\$	378,931,068

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

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2023

					Program Revenues	
Data		1		3	4	5
Control					Operating	Capital
				Charges for	Grants and	Grants and
Codes	I	Expenses	benses Services		Contributions	Contributions
Primary Government:						
GOVERNMENTAL ACTIVITIES:						
11 Instruction	\$	243,954,115	\$	157,795	\$ 44,638,394	\$ -
12 Instructional Resources and Media Services	Ф	7,416,557	Φ	137,773	1,710,662	φ - -
13 Curriculum and Instructional Staff Development		12,027,707		_	6,511,839	_
21 Instructional Leadership		9,936,223		_	2,799,748	_
23 School Leadership		22,188,334		_	870,392	_
Guidance, Counseling, and Evaluation Services		15,822,665		_	2,531,104	_
22 Social Work Services		3,243,877		_	372,416	_
3 Health Services		6,720,375		_	2,096,565	_
34 Student (Pupil) Transportation		12,050,772		_	59,493	_
Food Services		30,381,964		179,627	28,792,202	-
36 Extracurricular Activities		21,030,937		6,435,046	114,052	-
41 General Administration		12,806,429			9,925,861	-
Facilities Maintenance and Operations		46,664,913		-	7,808,553	-
2 Security and Monitoring Services		8,011,636		-	298,818	-
Data Processing Services		3,930,722		-	215,752	-
1 Community Services		1,794,405		-	1,429,999	-
2 Debt Service - Interest on Long-Term Debt		6,335,113		-	8,191,570	-
Debt Service - Bond Issuance Cost and Fees		16,500		-	-	-
31 Capital Outlay		-		-	-	14,161,682
Payments Related to Shared Services Arrangements	S	118,957		-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.		50,400		-	-	-
Of Other Intergovernmental Charges		862,569		-	-	-
[TG] Total Governmental Activities:		465,365,170		6,772,468	118,367,420	14,161,682
BUSINESS-TYPE ACTIVITIES:						
		2.270		2.500		
Ol College for All		2,370		3,500	-	-
Digital Billboard		27,423		172,675	-	-
OA Seriousia		452,340		222,674	-	-
04 Swimming 06 Natatorium		5,960 47,879		15,672 193,320	-	-
		47,079				
[TB] Total Business-Type Activities:		535,972		607,841		
[TP] TOTAL PRIMARY GOVERNMENT:	\$	465,901,142	\$	7,380,309	\$ 118,367,420	\$ 14,161,682
Data						
Comtral	1.0					
Codes	neral Revenu	es:				
	Taxes:					
MT		Taxes, Levied 1			es	
DT		Taxes, Levied				
		ontributions no	t Res	stricted		
	Investment E			t' . P		
MI]		s Local and In		ediate Kevenu	2	
TR	Total Ger	neral Revenues				
CN		Change in N	et Po	sition		

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

NB

PA NE Net Position - Beginning Prior Period Adjustment

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

		Char	iges in Net Positio	n			
	6		7		8		
_		Prin	nary Government				
Governmental Business-type							
	Activities		Activities		Total		
	Activities		Activities		Total		
\$	(199,157,926)	\$	-	\$	(199,157,926)		
	(5,705,895)		-		(5,705,895)		
	(5,515,868)		-		(5,515,868)		
	(7,136,475)		-		(7,136,475)		
	(21,317,942)		-		(21,317,942)		
	(13,291,561)		-		(13,291,561)		
	(2,871,461)		-		(2,871,461)		
	(4,623,810)		-		(4,623,810)		
	(11,991,279)		-		(11,991,279)		
	(1,410,135)		-		(1,410,135)		
	(14,481,839)		-		(14,481,839)		
	(2,880,568)		-		(2,880,568)		
	(38,856,360)		-		(38,856,360)		
	(7,712,818)		-		(7,712,818)		
	(3,714,970)		-		(3,714,970)		
	(364,406)		-		(364,406)		
	1,856,457 (16,500)		-		1,856,457		
	(, ,		-		(16,500) 14,161,682		
14,161,682 (118,957) (50,400)			-		(118,957)		
			-		(50,400)		
	(862,569)		-		(862,569)		
_							
_	(326,063,600)				(326,063,600)		
	-		1,130		1,130		
	-		145,252		145,252		
	-		(229,666)		(229,666)		
	-		9,712 145,441		9,712 145,441		
_				_			
			71,869		71,869		
	(326,063,600)		71,869		(325,991,731)		
	59,037,687		_		59,037,687		
			-		13,116,759		
13,116,759 255,010,682			-		255,010,682		
	6,771,689		-		6,771,689		
	2,410,282		_		2,410,282		
_	336,347,099				336,347,099		
_			71.060				
	10,283,499		71,869		10,355,368		
	367,390,019		734,592		368,124,611		
	451,089				451,089		
\$	378,124,607	\$	806,461	\$	378,931,068		

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2023

Data			10		50
Contro	1		General	ESSER II	Debt Service
Codes			Fund	Fund	Fund
	SSETS				
1110	Cash and Cash Equivalents	\$	7,408,156 \$	-	\$ 3,088,439
1120	Current Investments		89,883,485	-	1,711,342
1225	Property Taxes Receivable, Net		4,150,863	-	1,115,807
1240	Due from Other Governments		18,332,237	18,603,546	-
1250	Accrued Interest		190	-	-
1260	Due from Other Funds		41,852,056	-	2,598,624
1290	Other Receivables		313,780	-	-
1300	Inventories		3,725,852	-	-
1410	Prepaid Items		7,386,155	-	-
1800	Restricted Assets		4,600,000	_	
1000	Total Assets	\$	177,652,774 \$	18,603,546	\$ 8,514,212
LL	ABILITIES				
2110	Accounts Payable	\$	2,770,223 \$	-	\$ 1
2150	Payroll Deductions and Withholdings Payable		3,363,487	-	-
2160	Accrued Wages Payable		13,845,934	-	-
2170	Due to Other Funds		17,121,401	18,603,546	527,511
2180	Due to Other Governments		23,237,036	-	3,243,501
2190	Due to Student Groups		228,476	-	-
2300	Unearned Revenue		666,552	-	-
2000	Total Liabilities		61,233,109	18,603,546	3,771,013
DE	EFERRED INFLOWS OF RESOURCES				
2601	Deferred Inflow of Resources - Property Taxes		3,584,877	-	996,891
2602	Deferred Inflow of Resources - SHARS		2,218,983	-	-
2600	Total Deferred Inflows of Resources		5,803,860	-	996,891
FU	IND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories		3,725,852	-	-
3430	Prepaid Items		7,386,155	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction		23,401,220	-	-
3480	Retirement of Long-Term Debt		4,600,000	-	3,746,308
3490	Other Restricted Fund Balance		-	-	-
2510	Committed Fund Balance:		1 (200 000		
3510	Construction		16,290,000	-	-
3530	Capital Expenditures for Equipment		1,450,950	-	-
3545	Other Committed Fund Balance Assigned Fund Balance:		8,338,253	-	-
3590	Other Assigned Fund Balance		7,989,509		
3600	Unassigned Fund Balance		7,989,309 37,433,866	-	-
	6			-	2.746.200
3000	Total Fund Balances	_	110,615,805	-	3,746,308
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$	177,652,774 \$	18,603,546	\$ 8,514,212

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

6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,751 ,934 ,670 ,870 ,015 ,039 ,017 ,852
Projects Funds Funds \$ 283 \$ 3,601,873 \$ 14,098 4,627,747 27,360 96,249 - - 5,266 - 21,593,087 58,528 - 1,825 2 2 6,136,385 53,974 50,641 - 237 314 - - 3,725 - 7,386	,751 ,934 ,670 ,870 ,015 ,039 ,017 ,852 ,155
\$ 283 \$ 3,601,873 \$ 14,098 4,627,747 27,360 96,249 5,266 - 21,593,087 58,528 - 1,825 2 6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,934 ,670 ,870 ,015 ,039 ,017 ,852 ,155
4,627,747 27,360 96,249 5,266 - 21,593,087 58,528 - 1,825 2 6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,934 ,670 ,870 ,015 ,039 ,017 ,852 ,155
4,627,747 27,360 96,249 - - 5,266 - 21,593,087 58,528 - 1,825 2 6,136,385 53,974 50,641 - 237 314 - - 3,725 - 7,386	,934 ,670 ,870 ,015 ,039 ,017 ,852 ,155
- 5,266 - 21,593,087 58,528 - 1,825 2 6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,670 ,870 ,015 ,039 ,017 ,852 ,155
- 21,593,087 58,528 - 1,825 2 6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,870 ,015 ,039 ,017 ,852 ,155
- 1,825 2 6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,015 ,039 ,017 ,852 ,155
6,136,385 53,974 50,641 - 237 314 3,725 - 7,386	,039 ,017 ,852 ,155
- 237 314 3,725 - 7,386	,017 ,852 ,155
3,725 7,386	,852 ,155
7,386	,155
- 4600	,000
	202
<u>\$ 10,764,415</u> <u>\$ 25,278,356</u> <u>\$ 240,813</u>	,303
© 2500 470 © 2,000 112 © 0,440	907
\$ 2,590,470 \$ 3,089,113 \$ 8,449	
- 3,363 - 3,934,265 17,780	
3,509,263 12,173,371 51,935	
- 192,094 26,672	
	,476
- 3,159,260 3,825	
6,099,733 22,548,103 112,255	,304
4,581	768
2,218	
6,800	
	,/31
3,725	,852
- 7,386	,155
23,401	220
8,346	
4,664,682 - 4,664	
- 16,290	
- 1,450	
- 2,730,253 11,068	,506
7,989	,509
- 37,433	
4,664,682 2,730,253 121,757	
\$ 10,764,415 \$ 25,278,356 \$ 240,813	-

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PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AUGUST 31, 2023

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 121,757,048
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.	15,796,692
2 Including capital assets (Net of accumulated depreciation) in governmental activities increases in net position. However, assets held in internal service funds do not increase net position since the amounts are already included in the internal service fund net position. The net right of use assets do not increase net position since the leases related to them were prepaid in full. The net effect of including capital assets of \$728,784,684, excluding right of use assets (\$899,854) and net internal service fund assets (\$9,004) is to increase net position by \$727,875,823.	727,875,826
3 Prepaid interest of (\$27,871) are not financial resources, and therefore are not reported as assets in governmental funds.	(27,871)
4 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68. The net position related to TRS includes a deferred resource outflow in the amount of \$66,662,741, a deferred resource inflow in the amount of (\$11,147,722), and a net pension liability of (\$139,337,391). This resulted in a decrease in net position.	(83,822,372)
5 The District participates in the TRS-CARE plan for retirees through TRS. The District's share of TRS plan resulted in deferred resource outflow of \$33,461,659, a deferred resource inflow of (\$117,899,209), and a net OPEB liability of (\$73,291,281). This resulted in a decrease in net position.	(157,728,831)
6 Long-term liabilities, including bonds and notes payable of (\$238,495,000), premium on bonds of (\$21,299,360), accretion of CAB's of (\$1,402,763), deferred charges on refunding \$17,733,354, and vacation and sick leave payable of (\$8,338,253), are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(251,802,022)
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 \$4,581,768 and certain amounts due from other governments as revenue for \$2,218,983. The net effect of these reclassifications and recognitions is to increase net position.	6,800,751
8 Accrued interest is not due and payable in current period and therefore is not reported as a liability in the governmental funds.	(724,614)
19 Net Position of Governmental Activities	\$ 378,124,607

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

FOR THE YEAR ENDED AUGUST 31, 2023

Name	Data		10		50
REVENUES:	Cont	rol	General	ESSER II	Debt Service
1	Code	es	Fund	Fund	Fund
5800 State Program Revenues 267,421,363 — 7,684,31 5900 Federal Program Revenues 43,794,294 14,768,435 — 7 EXPENDITURES: Current: Current: Support of the Algorithm of the Algorithm of the Algorithm of		REVENUES:			
5900 Federal Program Revenues 43,794,294 14,768,435 - 5020 Total Revenues 377,704,163 14,768,435 20,477,64 EXPENDITURES:	5700	Total Local and Intermediate Sources	\$ 66,488,506	-	\$ 12,793,32
Total Revenues 377,704,163 14,768,435 20,477,64 EXPENDITURES:	5800			-	7,684,319
EXPENDITURES:	5900	Federal Program Revenues	 43,794,294	14,768,435	
Current:	5020	Total Revenues	 377,704,163	14,768,435	20,477,64
0011 Instruction 196,597,402 5,290,73	I	EXPENDITURES:			
6012 of Instructional Resources and Media Services 5,967,577 197,474 - 013 Curriculum and Instructional Staff Development 5,206,096 89,151 - 0021 Instructional Leadership 6,964,725 25,133 - 0031 Guidance, Counseling, and Evaluation Services 13,155,432 144,011 - 0033 Health Services 2,774,444 - - 0034 Student (Pupil) Transportation 11,629,131 1,630 - 0035 Food Services 28,689,199 1,124 - 0040 Student (Pupil) Transportation 36,956,711 7,553,540 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0054 Evrices 276,789 354 - 0055 Principal on Long-Term Liabilities 1,315,784 - 13,535,00 071 Principal on Long-Term Liabilities 65,9987 - - 072 Payments to Long-Term Liabilities		Current:			
0013 Curriculum and Instructional Staff Development 5,206,096 89,151 - 0021 Instructional Leadership 6,964,725 25,133 - 003 School Leadership 21,064,521 18,551 - 003 Social Work Services 2,774,444 - - 003 Social Work Services 4,596,939 33,188 - 003 Health Services 2,869,939 33,188 - 003 Food Gervices 2,869,939 1,124 - 003 Food Services 2,869,939 1,124 - 0035 Food Services 2,869,939 1,124 - 0036 Food Services 2,869,939 1,124 - 0036 Food Services 2,869,939 1,124 - - 0036 Food Services 2,869,939 1,124 - - - 0041 General Administration 9,779,474 1,402,507 - - 0052 Security and Monito	0011	Instruction	196,597,402	5,290,973	-
	0012	Instructional Resources and Media Services	5,967,577	197,474	-
	0013	Curriculum and Instructional Staff Development	5,206,096	89,151	_
0023 School Leadership 21,064,521 18,551 - 0031 Guidance, Counseling, and Evaluation Services 13,155,432 144,011 - 0032 Social Work Services 2,774,444 - - 0034 Student (Pupil) Transportation 11,629,131 1,630 - 0035 Food Services 28,89,199 1,124 - 0036 Extracurricular Activities 14,825,258 227 - 0041 General Administration 9,779,474 1,402,507 - 0052 Security and Monitoring Services 7,808,492 586 - 0052 Security and Monitoring Services 3,623,494 9,986 - 0053 Data Processing Services 276,789 354 - 0052 Security and Monitoring Services 3,623,494 9,986 - 0053 Data Processing Services 276,789 354 - 0061 Community Services 276,789 354 - Debt Services 1,	0021		6,964,725		-
031 Guidance, Counseling, and Evaluation Services 13,155,432 144,011 - 032 Social Work Services 2,774,444 - - 033 Health Services 4,596,939 33,188 - 034 Student (Pupil) Transportation 11,629,131 1,630 - 035 Food Services 28,689,199 1,124 - 036 Extracurricular Activities 14,825,258 227 - 041 General Administration 9,779,474 1,402,507 - 0515 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0525 Security and Monitoring Services 3,623,494 9,986 - 0505 Facilities Maintenance and Operations 3,623,494 9,986 - 0506 Community Services 276,789 354 - 0507 Date Processing Services 276,789 354 - 071 Principal on Long-Term Liabilities 13,157,844 - 13,535,00 072 <td>0023</td> <td>School Leadership</td> <td>21,064,521</td> <td></td> <td>_</td>	0023	School Leadership	21,064,521		_
0032 Social Work Services 2,774,444 - - 0033 Health Services 4,596,939 33,188 - 0034 Student (Pupil) Transportation 11,629,131 1,630 - 0035 Food Services 28,689,199 1,124 - 0036 Extracurricular Activities 14,825,258 227 - 0041 General Administration 9,779,474 1,402,507 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0050 Data Processing Services 276,789 354 - 0061 Community Services 276,789 354 - 0061 Community Services 13,157,844 - 13,535,00 0061 Term Services 4,500 - 12,00 Capital Unity 1,000 -					-
0033 Health Services 4,596,939 33,188 - 0034 Student (Pupil) Transportation 11,629,131 1,630 - 0035 Food Services 28,689,199 1,124 - 0036 Extracurricular Activities 14,825,258 227 - 0041 General Administration 9,779,474 1,402,507 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - 0061 Community Services 276,789 354 - 0071 Principal on Long-Term Liabilities 1315,784 - 13,535,00 0072 Interest on Long-Term Liabilities 657,987 - 8,294,14 0073 Bond Issuance Cost and Fees 4,500 - 12,00 081 Faciliti		· •			_
0034 Student (Pupil) Transportation 11,629,131 1,630				33.188	_
0035 Food Services 28,689,199 1,124 - 0036 Extracurricular Activities 14,825,258 227 - 0041 General Administration 9,779,474 1,402,507 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 3,623,494 9,986 - 0063 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - 0605 Debt Services - 13,15,784 - 13,535,00 0071 Principal on Long-Term Liabilities 657,987 - 8,924,14 0072 Interest on Long-Term Liabilities 657,987 - 8,924,14 0073 Bond Issuance Cost and Fees 4,500 - - - 074 Paricular Construction 3,262 - - - 081 Facilities Acquisition and Construction 3,262 - -				,	_
0036 Extracurricular Activities 14,825,258 227 - 0041 General Administration 9,779,474 1,402,507 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - Debt Service: Debt Service: - - 13,15,784 - 13,535,00 0071 Principal on Long-Term Liabilities 657,987 - 8,924,14 0073 Bond Issuance Cost and Fees 4,500 - 12,00 Capital Outlay: - - - 0081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - 0092 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - 0093 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - <td< td=""><td></td><td></td><td></td><td></td><td>_</td></td<>					_
0041 General Administration 9,779,474 1,402,507 - 0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - Debt Service: - - - 0071 Principal on Long-Term Liabilities 657,987 - 8,924,14 0072 Interest on Long-Term Liabilities 657,987 - 8,924,14 0073 Bond Issuance Cost and Fees 4,500 - 12,00 Capital Outlay: - - - 0081 Facilities Acquisition and Construction 3,262 - - 1ntergovernmental: - - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 862,569 - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,14 <tr< td=""><td></td><td></td><td></td><td></td><td>_</td></tr<>					_
0051 Facilities Maintenance and Operations 36,956,711 7,553,540 - 0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - 061 Community Services 354 - 071 Principal on Long-Term Liabilities 1,315,784 - 13,535,00 072 Interest on Long-Term Liabilities 657,987 - 8,924,14 073 Bond Issuance Cost and Fees 4,500 - 12,00 Capital Outlay: - - - - 081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - - 082 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - - 093 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - - 095 Payments to Juvenile Justice Alternative Ed. Prg. 37,2926,143					_
0052 Security and Monitoring Services 7,805,492 586 - 0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - 0071 Principal on Long-Term Liabilities 1,315,784 - 13,535,00 0072 Interest on Long-Term Liabilities 657,987 - 8,924,14 0073 Bond Issuance Cost and Fees 4,500 - 12,00 Capital Outlay: Capital Outlay: - - - - - - 0081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - - 0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 372,926,143 14,768,435 22,471,14 1100 Excess (Deficiency) of Revenues Over (Under)					
0053 Data Processing Services 3,623,494 9,986 - 0061 Community Services 276,789 354 - 0071 Principal on Long-Term Liabilities 1,315,784 - 13,535,00 0072 Interest on Long-Term Liabilities 657,987 - 8,924,14 0073 Bond Issuance Cost and Fees 4,500 - 12,00 Capital Outlay: - - - 0081 Facilities Acquisition and Construction 3,262 - - Intergovernmental: - - - - 0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - - 0099 Other Intergovernmental Charges 862,569 - - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,14 1100 Excess (Deficiency) of Revenues Over (Under) 4,778,020 - -					_
0061 Debt Service: 276,789 Debt Service: 354 Debt Service: - 0071 Principal on Long-Term Liabilities 1,315,784 - 13,555,00 - 13,555,00 0072 Interest on Long-Term Liabilities 657,987 - 8,924,14 - 12,00 0073 Bond Issuance Cost and Fees 4,500 - 12,00 - 12,00 Capital Outlay: 0081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - 0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0095 Payments to Justice Alternative Ed. Prg. 50,400 - - - 0096 Total Expenditures 372,926,143 14,768,					-
Debt Service:					-
Interest on Long-Term Liabilities	0061		270,769	334	-
Interest on Long-Term Liabilities 657,987 - 8,924,144	0071	Principal on Long-Term Liabilities	1,315,784	_	13,535,00
Bond Issuance Cost and Fees Capital Outlay: Capital Facilities Acquisition and Construction 3,262 - - -				_	
Capital Outlay: 0081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - 0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0099 Other Intergovernmental Charges 862,569 - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,14 1100 Excess (Deficiency) of Revenues Over (Under) 4,778,020 - (1,993,500) Expenditures OTHER FINANCING SOURCES (USES): 5 -				_	
0081 Facilities Acquisition and Construction Intergovernmental: 3,262 - - - 0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - - 0099 Other Intergovernmental Charges 862,569 - - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,14 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures OTHER FINANCING SOURCES (USES): 4,778,020 - (1,993,500) 7912 Sale of Real and Personal Property 9,477 - - - 7915 Transfers In 219 - - - 8911 Transfers Out (Use) - - (219 7080 Total Other Financing Sources (Uses) 9,696 - (219 1200 Net Change in Fund Balances 4,787,716 - (1,993,719) 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,022 1300 Prior Period Adjustment (11,715,625) - - -	0075		1,5 1 1		,
Intergovernmental:	0001		3 262	_	_
0093 Payments to Fiscal Agent/Member Districts of SSA 118,957 - - 0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 - - 0099 Other Intergovernmental Charges 862,569 - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,14 1100 Excess (Deficiency) of Revenues Over (Under) 4,778,020 - (1,993,500) Expenditures OTHER FINANCING SOURCES (USES): -	0001	•	3,202		
0095 Payments to Juvenile Justice Alternative Ed. Prg. 50,400 -	0093	-	118.957	_	_
0099 Other Intergovernmental Charges 862,569 - - 6030 Total Expenditures 372,926,143 14,768,435 22,471,144 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures 4,778,020 - (1,993,500 or 1,993,500 or 1,99				_	_
1100 Excess (Deficiency) of Revenues Over (Under) 4,778,020 - (1,993,500				-	-
1100 Excess (Deficiency) of Revenues Over (Under) 4,778,020 - (1,993,500	6030	Total Expenditures	 372,926,143	14,768,435	22,471,14
Expenditures OTHER FINANCING SOURCES (USES): 7912 Sale of Real and Personal Property 7915 Transfers In 8911 Transfers Out (Use) 7080 Total Other Financing Sources (Uses) 7080 Vet Change in Fund Balances 7090 Vet Change in Fund Balances 7090 Fund Balance - September 1 (Beginning) 7090 Prior Period Adjustment 7090 Prior Period Perio	1100		 		(1 993 500
OTHER FINANCING SOURCES (USES): 7912 Sale of Real and Personal Property 9,477 - - 7915 Transfers In 219 - - 8911 Transfers Out (Use) - (219 7080 Total Other Financing Sources (Uses) 9,696 - (219 1200 Net Change in Fund Balances 4,787,716 - (1,993,719 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,022 1300 Prior Period Adjustment (11,715,625) - -	1100		 4,770,020		(1,773,300
7912 Sale of Real and Personal Property 9,477 - - 7915 Transfers In 219 - - 8911 Transfers Out (Use) - (219 7080 Total Other Financing Sources (Uses) 9,696 - (219 1200 Net Change in Fund Balances 4,787,716 - (1,993,719 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,022 1300 Prior Period Adjustment (11,715,625) - -	(
7915 Transfers In 219 - - 8911 Transfers Out (Use) - (219 7080 Total Other Financing Sources (Uses) 9,696 - (219 1200 Net Change in Fund Balances 4,787,716 - (1,993,719 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,02 1300 Prior Period Adjustment (11,715,625) - -			9.477	_	_
8911 Transfers Out (Use) - - (219) 7080 Total Other Financing Sources (Uses) 9,696 - (219) 1200 Net Change in Fund Balances 4,787,716 - (1,993,719) 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,022 1300 Prior Period Adjustment (11,715,625) - - -		* *		_	_
7080 Total Other Financing Sources (Uses) 9,696 - (219) 1200 Net Change in Fund Balances 4,787,716 - (1,993,719) 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,02 1300 Prior Period Adjustment (11,715,625) - - -			-	_	(219
1200 Net Change in Fund Balances 4,787,716 - (1,993,719 0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,02 1300 Prior Period Adjustment (11,715,625) - -			 9.696		
0100 Fund Balance - September 1 (Beginning) 117,543,714 - 5,740,02 1300 Prior Period Adjustment (11,715,625) - -			 -		
1300 Prior Period Adjustment (11,715,625)				-	
	0100	1	117,543,714	-	5,740,02
3000 Fund Balance - August 31 (Ending) \$ 110,615,805 \$ - \$ 3,746,300	1300	Prior Period Adjustment	(11,715,625)	-	-
	3000	Fund Balance - August 31 (Ending)	\$ 110,615,805	-	\$ 3,746,30

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

60		Total
Capital	Other	Governmental
Projects	Funds	Funds
	-	
s 2,213,080	\$ 6,205,866	\$ 87,700,780
\$ 2,213,080	3,156,299	278,261,981
_	66,171,740	124,734,469
2 212 000		
2,213,080	75,533,905	490,697,230
-	36,798,327	238,686,702
-	1,443,478	7,608,529
-	6,252,698	11,547,945
-	2,659,472	9,649,330
-	680,282	21,763,354
-	2,220,908	15,520,351
-	350,344	3,124,788
-	2,016,811	6,646,938
-	-	11,630,761
-	63,909	28,754,232
-	5,757,013	20,582,498
923,701	904,162	13,009,844
16,165	131,724	44,658,140
_	263,828	8,069,906
_	186,335	3,819,815
-	1,401,875	1,679,018
_	_	14,850,785
-	_	9,582,133
-	-	16,500
21,796,642	14,161,682	35,961,586
-	-	118,957
-	-	50,400
		862,569
22,736,508	75,292,848	508,195,081
(20,523,428)	241,057	(17,497,851)
		0.455
-	-	9,477
-	-	219
		(219)
		9,477
(20,523,428)	241,057	(17,488,374)
25,188,110	2,489,196	150,961,047
		(11,715,625)
\$ 4,664,682	\$ 2,730,253	\$ 121,757,048

EXHIBIT C-4

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT 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, 2023

Total Net Change in Fund Balances - Governmental Funds	\$ (17,488,374)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(5,145,579)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Capital outlays this current year adjusted for dispositions were \$38,051,375 and current year depreciation was (\$25,246,391).	12,804,984
Amortization of prepaid interest of (\$12,882) and depreciation of (\$69,219) for the right-to-use assets plus the fund level prepaid amortization of \$68,527 were reported in the statement of activities.	(13,574)
Repayment of principal debt related to bonds and notes is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not expressed in the current year period.	14,850,000
The amortization of bond premiums of refunding for \$4,890,694, the amortization of deferred charges of refunding for (\$1,395,834), and net change in interest accretion on capital appreciation bonds for (\$458,057) are reported in the statement of activities, but not in the governmental funds.	3,036,803
Current year changes due to GASB 68 decreased revenues in the amount of \$1,866,392 but also increased expenditures in the amount of (\$9,407,640). The net effect on the change in the ending net position was a decrease in the amount of (\$7,541,248).	(7,541,248)
Current year changes due to GASB 75 increased revenues in the amount of (\$15,538,112) but also increased expenditures in the amount of \$25,843,823. The net effect on the change in the ending net position was a increase in the amount of \$10,305,711.	10,305,711
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.	155,357
Vacation and sick leave are reported in the statement of activities when earned as they do not require the use of current financial resources they are not reported as expenditures on governmental funds until they have matured. This is the amount of vacation and sick leave reported in the statement of activities in the prior year that has matured in the current year.	671,525
Property taxes and other receivables that will not be collected until after the District's fiscal year end are not considered "available" revenues and, are deferred in the governmental funds. The net effect of these reclassifications and recognitions is to decrease net position.	(1,352,106)
Change in Net Position of Governmental Activities	\$ 10,283,499

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

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION PROPRIETARY FUNDS AUGUST 31, 2023

	Е	Total Enterprise Funds		Total
	Е			
		Funds		Internal
		1 unus	Se	ervice Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$	1,095,176	\$	7,341,173
Investments - Current		-		10,701,009
Due from Other Funds		-		2,068,075
Other Receivables	_	-		295
Total Current Assets		1,095,176		20,110,552
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment. Net		-		9,004
Total Noncurrent Assets		-		9,004
Total Assets		1,095,176		20,119,556
LIABILITIES				
Current Liabilities:				
Accounts Payable		2,532		137,261
Accrued Wages Payable		12,623		16,284
Due to Other Funds		273,560		500,459
Accrued Expenses				3,668,860
Total Liabilities		288,715		4,322,864
NET POSITION				
Unrestricted Net Position		806,461		15,796,692
Total Net Position	\$	806,461	\$	15,796,692

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

FOR THE YEAR ENDED AUGUST 31, 2023

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 607,841	\$ 46,539,711
Total Operating Revenues	607,841	46,539,711
OPERATING EXPENSES:		
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	420,724 66,739 28,399 20,110	629,629 51,590,786 86,698 2,552
Total Operating Expenses	535,972	52,309,665
Operating Income (Loss)	71,869	(5,769,954)
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	624,375
Total Nonoperating Revenues (Expenses)		624,375
Change in Net Position	71,869	(5,145,579)
Total Net Position - September 1 (Beginning)	734,592	20,942,271
Total Net Position - August 31 (Ending)	\$ 806,461	\$ 15,796,692

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

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

	Business-Type Activities		Governmental Activities -	
		Total Enterprise		Total
				Internal
		Funds	S	ervice Funds
Cash Flows from Operating Activities:				
Cash Received from User Charges	\$	607,841	\$	44,986,744
Cash Payments to Employees for Services		(421,447)		(629,952)
Cash Payments for Insurance Claims		-		(52,425,733)
Cash Payments for Suppliers		(101,891)		(205,950)
Cash Payments for Other Operating Expenses		(20,110)		(2,552)
Net Cash Provided by (Used for) Operating Activities		64,393		(8,277,443)
Cash Flows from Non-Capital Financing Activities:				
Transfers In		229,666		-
Cash Flows from Investing Activities:				
Purchase of Investment Securities		-		(25,458,771)
Proceeds from Sale & Maturities of Securities		-		32,715,000
Interest and Dividends on Investments		-	_	624,375
Net Cash Provided by Investing Activities		-	_	7,880,604
Net Increase (Decrease) in Cash and Cash Equivalents		294,059		(396,839)
Cash and Cash Equivalents at Beginning of Year		801,117		7,738,012
Cash and Cash Equivalents at End of Year	\$	1,095,176	\$	7,341,173
Reconciliation of Operating Income (Loss) to Net Cash				
Provided by (Used for) Operating Activities:				
Operating Income (Loss):	\$	71,869	\$	(5,769,954)
Effect of Increases and Decreases in Current				
Assets and Liabilities:				
Increase (decrease) in Accounts Payable		(6,753)		(345,748)
Increase (decrease) in Accrued Liabilities		(723)		(611,042)
Increase (decrease) in Interfund Payables		-		(1,550,699)
Net Cash Provided by (Used for) Operating Activities	\$	64,393	\$	(8,277,443)
			_	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS AUGUST 31, 2023

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 55,152
Total Assets	55,152
NET POSITION	
Restricted for Campus Activities	55,152
Total Net Position	\$ 55,152

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

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

	Total Custodial Funds
ADDITIONS:	
Enterprising Services Revenue	\$ 370,998
Total Additions	370,998
DEDUCTIONS:	
Other Deductions	356,406
Total Deductions	356,406
Change in Fiduciary Net Position	14,592
Total Net Position September 1 (Beginning)	40,560
Total Net Position August 31 (Ending)	\$ 55,152

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

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Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The District reports the following major governmental funds:

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

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

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

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

In addition, the District reports the following fund types:

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

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

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

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

b. Measurement Focus, Basis of Accounting

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

c. Fair Value Measurements

GASB Statement No. 72, Fair Value Measurement and Application defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value.

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

Note 1 - Summary of Significant Accounting Policies (Continued)

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

b. Investments

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

c. Inventories and Prepaid Items

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

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

d. Restricted Assets

These assets are set aside to pay for long term debt items. As of August 31, 2022, restricted assets of the General Fund total \$4,600,000, including interest earnings held in money market accounts for the future payment of the Qualified School Construction Loan, Series 2011.

Note 1 - Summary of Significant Accounting Policies (Continued)

e. Capital Assets

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

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

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

f. Deferred Outflows and Inflows of Resources

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

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

Deferred Outflows of Resources

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Deferred Inflows of Resources

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

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

g. Receivable and Payable Balances

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

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

h. Compensated Absences

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

i. Interfund Activity

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

j. Use of Estimates

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

k. Long-term Obligations

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

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

I. Data Control Codes

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

m. Fund Balances - Governmental Funds

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

n. Net Position Flow Assumption

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

o. Leases

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

p. Fund Balance Flow Assumptions

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

4. Accounting System

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

5. Pensions

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

6. Other Post-Employment Benefits

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

7. Recently Issued and Implemented Accounting Pronouncements

In 2023, the District implemented Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment, improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement was adopted in the current year, resulting in no material effect.

The District also implemented Statement No. 96, Subscription-Based Information Technology Arrangements, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Note 1 - Summary of Significant Accounting Policies (Continued)

This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription assetan 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. This Statement was adopted in the current year, resulting in no material effect.

The District also implemented Statement No. 99, *Omnibus 2022*, enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. This Statement was adopted in the current year, resulting in no material effect.

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

• Statement No. 101, Compensated Absences

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

Note 2 - Compliance and Accountability

Finance-Related Legal and Contractual Provisions

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

<u>Violations</u>	Action Taken
None reported	Not applicable

Expenditures Exceeding Appropriations

For the year ended August 31, 2023, the District had expenditures exceeding budget by \$5,567,015 in function 11, \$177,224 in function 12, and \$92,204 in function 23, in the general fund.

Deficit Fund Balance or Fund Net Position of Individual Funds

The District does not have funds with a deficit balance at year-end. The district has a negative unrestricted net position in the Governmental Activities of \$144,572,845 at year-end. The result of this negative balance is due to the current year effect from pension and OPEB balances (Refer to Note 16).

Note 3 - Deposits and Investments

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

	Balance as of	
	Au	gust 31, 2023
Deposits	\$	22,590,252
Money Market		4,600,000
Investments		106,950,943
Total	\$	134,141,195
Exhibit A-1		
Cash and Cash Equivalents	\$	22,535,100
Investments		106,950,943
Restricted Assets		4,600,000
Total Exhibit A-1	\$	134,086,043
Exhibit E-1		
Cash and Cash Equivalents	\$	55,152
Total Exhibit E-1	\$	55,152
TOTAL EXHIBIT L-1	-	33,132

Note 3 - Deposits and Investments (Continued)

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, 2023, the carrying amount of the District's deposits (cash and money market) was \$22,590,252 and the bank balance was \$26,561,738.

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, 2023 and during the year ended August 31, 2022 were entirely covered by letters of credit and FDIC insurance held by the District's agent bank in the District's name.

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

- a) Depository Institution: PNC Bank
- b) Amount of letters of credit pledged as of the date of the highest combined balance on deposit was \$71,701,838.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$70,935,837 and occurred during the month of September 2022.
- d) Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Additionally, a cumulative sinking fund money market account is held by BNY Mellon to provide for the payment of the Qualified School Construction Loan, Series 2011. The highest cash balance of \$4,600,000 occurred during the month of January 2023 in this money market account. The money market account is held and fully collaterized by BNY Mellon.

Investments

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

Note 3 - Deposits and Investments (Continued)

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

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

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

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.

Note 3 - Deposits and Investments (Continued)

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

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

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

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

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

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

Public Funds Investment Pools

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

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

Note 3 - Deposits and Investments (Continued)

			Weighted Average	Standard & Poor	Concentration of
Description	Re	oorted Amount	Maturity (days)	Rating	Credit Risk
Texas Range	\$	22,159,039	36	AAAmmf	20.72%
TexPool Investment Fund		62,060,960	31	AAAm	58.03%
Lone Star Investment Pool		17,435,868	44	AAAf/S1+	16.30%
Texas FIT		5,295,076	69	AAAf/S1+	4.96%
	\$	106,950,943	_		100%

Note 4 – Property Tax

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District's 2022 tax rate was \$0.9746 for maintenance and \$0.2091 for debt service per \$100 assessed valuation. The 2022 assessed valuation was \$6,044,138,347. 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, 2023, was as follows:

			Less:	Allowance for		
	Total Receivable Uncollectible		Net Receivable			
General Fund	\$	6,286,655	\$	2,135,792	\$	4,150,863
Debt Service Fund		1,201,292		85,485		1,115,807
	\$	7,487,947	\$	2,221,277	\$	5,266,670

Note 5 - Capital Assets

Capital asset activity for the year ended August 31, 2023 was as follows:

	Restated			
	Beginning			Ending
	Balance	Increases	Decreases	Balances
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 30,021,582	\$ -	\$ -	\$ 30,021,582
Construction in progress	22,402,322	35,440,276	(4,431,095)	53,411,503
Total capital assets not being depreciated	E2 422 004	25 440 276	(4 421 00E)	02 422 005
Total capital assets, not being depreciated	52,423,904	35,440,276	(4,431,095)	83,433,085
Capital assets, being depreciated:				
Infrastructure	29,306,273	309,975	-	29,616,248
Buildings	582,698,779	3,358,940	-	586,057,719
Buildings and improvements	242,984,052	762,181	-	243,746,233
Furniture and equipment	45,152,791	2,304,956	(534,891)	46,922,856
Vehicles	19,669,149	340,354	(1,148,850)	18,860,653
Library Books	358,671	-	-	358,671
				_
Total capital assets, being depreciated	920,169,715	7,076,406	(1,683,741)	925,562,380
Less accumulated depreciation for:				
Infrastructure	(17,891,953)	(1,471,845)	-	(19,363,798)
Buildings	(128,095,488)	(11,881,216)	-	(139,976,704)
Buildings and improvements	(57,527,295)	(9,484,628)	-	(67,011,923)
Furniture and equipment	(41,075,975)	(1,274,526)	504,360	(41,846,141)
Vehicles	(12,564,391)	(1,134,176)	1,145,169	(12,553,398)
Library Books	(358,671)	-	-	(358,671)
Total accumulated depreciation	(257,513,773)	(25,246,391)	1,649,529	(281,110,635)
Total capital assets, being depreciated, net	662,655,942	(18,169,985)	(34,212)	644,451,745
	, ,		, , ,	, , , , , , , , , , , , , , , , , , ,
Capital assets, being amortized:				
Leased assets	1,038,292	-	-	1,038,292
Less accumulated amortization	(69,219)	(69,219)	-	(138,438)
Total capital assets, being amortized, net	969,073	(69,219)	-	899,854
Governmental activities, capital assets, net	\$ 716,048,919	\$ 17,201,072	\$ (4,465,307)	\$ 728,784,684

\$

25,246,391

Note 5 - Capital Assets (Continued)

Total depreciation expense

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	\$	9,004	
Depreciation was charged to functions as follows:			
11 - Instruction	\$	13,624,170	
12 - Instructional Resources and Media Services		471,579	
13 - Curriculum and Instructional Staff Development		326,543	
21 - Instructional Leadership		492,230	
23 - School Leadership		1,451,878	
31 - Guidance, Counseling, and Evaluation Services		890,001	
32 - Social Work Services		197,430	
33 - Health Services		348,596	
34 - Student (Pupil) Transportation		719,746	
35 - Food Services		1,663,114	
36 - Extracurricular Activities		945,313	
41 - General Administration		695,779	
51 - Facilities Maintenance and Operations		2,694,085	
52 - Security and Monitoring Services		435,289	
53 - Data Processing Services		265,498	
61 - Community Services		25,140	

Note 6 - Due To and From Other Governments and Agencies

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

	Due From	Due To
General Fund		
Texas Education Agency:		
Foundation Revenues	\$ 14,517,118	\$ 23,118,301
National School Breakfast and Lunch Program	958,223	-
Medicaid Program (SHARS)	2,218,983	-
Other	637,913	118,735
	18,332,237	23,237,036
Major Special Revenue Fund		
Texas Education Agency:		
Education Stabilization Fund (ESSER II)	18,603,546	
Education Stabilization Fund (ESSEN II)	18,603,546	
	18,003,340	
Debt Service Fund		
Texas Education Agency:		
Instructional Facilities Allotment	-	3,243,501
	-	3,243,501
Other Consumerated Sunda		
Other Govermental Funds Texas Education Agency:		
<i>c</i> ,	4 707 570	
Title I Grants to Local Education Agencies	4,707,578	-
Migrant Education State Grant Program	145,255	-
Special Education -Grants to States	1,557,190	-
Supporting Effective Instruction State Grants	306,901	-
English Language Acquisition State Grants	308,496	-
Education Stabilization Fund (ESSER III)	9,438,671	-
Title IV Grants to Local Education Agencies	301,250	-
Textbook and Kindergarter Materials Grants	2,779,906	-
Other	616,347	-
UT-RGV (Head Start)	1,186,468	-
Region 18 (TSLI Grant)	8,650	-
Other	236,375	192,094
	21,593,087	192,094
Exibit C-1 Totals	\$ 58,528,870	\$ 26,672,631
Total Due To/From Other Goverments and Agencies - Exhibit A-1	\$ 58,528,870	\$ 26,672,631

Note 7 - Interfund Balances and Activities

Due To and From Other Funds:

	Due From	Due To
General Fund		
General Fund	\$ 8,417,213	\$ 8,417,213
Special Revenue Fund	28,731,163	-
Debt Service Fund	420,434	2,494,147
Capital Projects Fund	3,509,227	6,133,785
Internal Service Fund	500,459	22,282
Enterprise Funds	273,560	<u> </u>
Total General Fund	41,852,056	17,067,427
Other Governmental Funds		
General Fund	53,974	11,512,148
Internal Service Fund	-	661,226
Total Other Governmental Funds	53,974	12,173,374
Major Special Revenue Fund - ESSER II		
General Fund	-	17,219,015
Internal Service Fund	-	1,384,531
Total Major Special Revenue Fund - ESSER II Fund		18,603,546
Debt Service Fund		
General Fund	2,494,147	420,434
Debt Service Fund	104,477	104,477
Capital Projects Fund	-	2,600
Total Debt Service Fund	2,598,624	527,511
Capital Projects Fund		
General Fund	6,133,785	3,509,227
Debt Service Fund	2,600	-
Internal Service Fund	-	36
Total Capital Projects Fund	6,136,385	3,509,263
Internal Service Fund		
General Fund	22,282	500,459
Special Revenue Fund	2,045,757	-
Capital Projects Fund	36	-
Total Internal Service Fund	2,068,075	500,459
Enterprise Fund		
General Fund	<u> </u>	273,560
Total Enterprise Fund		273,560
Total	\$ 52,709,114	\$ 52,655,140

Note 7 - Interfund Balances and Activities (Continued)

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

Transfers To and From Other Funds are as followed:

Transfer From	Transfer To	Amount		Reason
Debt Service Fund	General Fund	\$	219	Interest payment
Total		\$	219	

Note 8 - Long-Term Obligations

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

A federal subsidy is available to the District to reimburse the District the majority of the interest requirement for the Maintenance Tax Qualified Construction Notes. For the 2022-2023 fiscal year, the District received \$511,182 from this federal assistance. The District is required to make annual deposits into a cumulative sinking fund deposit account in order to pay the principal on these notes when they mature. The sinking fund deposits are recorded in the Debt Service Fund and restricted for that purpose.

Note 8 - Long-Term Obligations (Continued)

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2023 are as follows:

Description	Beginning Balance	dditions Reductions			Er	nding Balance	Due Within One Year		
·							<u> </u>		
Governmental activities									
Bonds payable									
Unlimited Tax Refunding Bonds,	_								
Series 2014	\$ 14,990,000	\$	-	\$	4,745,000	\$	10,245,000	\$	5,000,000
Unlimited Tax Refunding Bonds,									
Series 2015	38,845,000		-		3,230,000		35,615,000		3,400,000
Unlimited Tax Refunding Bonds,									
Series 2016	31,565,000		-		5,480,000		26,085,000		5,765,000
Unlimited Tax Refunding Bonds,									
Series 2017	8,760,000		-		-		8,760,000		-
Unlimited Tax Refunding Bonds,									
Series 2019	39,795,000		-		-		39,795,000		-
Unlimited Tax Refunding Bonds,									
Series 2021	98,230,000		-		-		98,230,000		445,000
Capital Appreciation Bond	90,000				80,000		10,000		-
Total bonds payable	232,275,000		-		13,535,000		218,740,000		14,610,000
Notes payable									
Qualified School Construction									
Note, Series 2011	10,005,000		_		_		10,005,000		1,293,356
Limited Maintenance Tax Note	10,003,000						10,005,000		1,233,330
Payable, Series 2015	9,010,000		_		1,110,000		7,900,000		1,115,000
Limited Maintenance Tax Note	3,010,000				1,110,000		7,500,000		1,113,000
Payable, Series 2017	2,055,000		_		205,000		1,850,000		205,000
Tayable, Series 2017	2,033,000				203,000		1,030,000		203,000
Total notes payable	21,070,000		-		1,315,000		19,755,000		2,613,356
2021 CAB Accrued Interest	944,706		813,057		355,000		1,402,763		
Premium and Discount	26,190,054		613,037		4,890,694		21,299,360		-
Premium and Discount	26,190,054				4,890,694		21,299,360		-
Total bonds and notes									
payables, net	280,479,760		813,057		20,095,694		261,197,123		17,223,356
Sick and Vacation Leave	9,009,778				671,525		8,338,253		669,207
Sick and vacation Leave	3,003,778				0/1,323		0,330,233		003,207
Governmental activities									
long-term liabilities	\$ 289,489,538	\$	813,057	\$	20,767,219	\$	269,535,376	\$	17,892,563

\$ 8,924,147

Note 8 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2023 are comprised of the following individual issues:

	Ending Balance				
Description	Original Issue	Maturity	Coupon Rate	Original Issue	8/31/2023
Unlimited Tax Refunding					_
Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	\$ 46,395,000	\$ 10,245,000
Unlimited Tax Refunding					
Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	35,615,000
Unlimited Tax Refunding					
Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	26,085,000
Unlimited Tax Refunding					
Bonds, Series 2017	10/31/2017	2/1/2033	2.00-4.00%	8,860,000	8,760,000
Unlimited Tax Refuding					
Bonds, Series 2019	12/9/2019	2/1/2040	3.00-4.00%	40,595,000	39,795,000
Unlimited Tax Refuding					
Bonds, Series 2021	9/23/2021	2/1/2038	5.00-5.01%	99,130,000	98,230,000
Capital Appreciation Bond	9/23/2021	2/1/2026	0.04-1.26%	900,000	10,000
				\$ 392,560,000	\$ 218,740,000

Notes payable at August 31, 2023 are comprised of the following individual issues:

Interest paid on bonded indebtedness during the current year was

Description	Original Issue	Final Maturity	Coupon Rate	0	riginal Issue		ding Balance 8/31/2023
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			0.2 1770	7	-,,	Y	, ,
Note Payable, Series 2015 Limited Maintenance Tax	6/23/2015	2/1/2030	0.39%		16,660,000		7,900,000
Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%		3,100,000		1,850,000
				\$	46,515,000	\$	19,755,000
Interest paid on notes indebtedness during the current year was							657,987

Note 8 - Long-Term Obligations (Continued)

Debt Service Requirements

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

Bonds Payable

Year ending			Total
August 31	Principal	Interest	Requirement
2024	\$ 14,610,000	\$ 7,867,522	\$ 22,477,522
2025	15,340,000	7,118,772	22,458,772
2026	8,230,000	9,974,772	18,204,772
2027	12,165,000	6,043,522	18,208,522
2028	12,775,000	5,443,397	18,218,397
2029-2033	73,710,000	18,162,874	91,872,874
2034-2038	70,825,000	6,140,498	76,965,498
2039-2041	11,085,000	335,025	11,420,025
Subtotal	\$ 218,740,000	\$ 61,086,382	\$ 279,826,382

Notes Payable

Year Ending							Total
August 31	No	tes Principal	Interest	Q	SCB Subsidy	F	Requirement
2024	\$	1,320,000	\$ 653,648	\$	(506,644)	\$	1,467,004
2025		1,325,000	649,290		(506,644)		1,467,646
2026		11,335,000	332,410		(224,660)		11,442,750
2027		1,335,000	15,503		-		1,350,503
2028		1,340,000	11,086		-		1,351,086
2029-2032		3,100,000	8,880		-		3,108,880
Subtotal	\$	19,755,000	\$ 1,670,817	\$	(1,237,948)	\$	20,187,869
Notes principal bala Less: Sinking fund bar Total Notes Payable	alance	as of 8/31/2023		\$	19,755,000 4,600,000 15,155,000		

Note 9 - Revenues from Local and Intermediate Sources

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

					Total
		Debt Service	Capital		Governmental
	General Fund	Fund	Projects	Other Funds	Funds
Property Taxes	\$ 57,764,209	\$ 12,385,310	\$ -	\$ -	\$ 70,149,519
Food Sales	89,099	-	-	-	89,099
Investment Income	6,286,497	173,861	311,330	-	6,771,688
Penalties and Interest on Taxes	1,116,892	234,157	-	-	1,351,049
Co-curricular Student Activities	509,714	-	-	5,984,828	6,494,542
Insurance proceeds	-	-	1,901,750	-	1,901,750
Other	722,095	-	-	221,038	943,133
Total	\$ 66,488,506	\$ 12,793,328	\$ 2,213,080	\$ 6,205,866	\$ 87,700,780

	Total Enterp	orise Funds Total Inte	Total Internal Service Funds		
Insurance	\$	- \$	46,283,427		
Other		607,841	256,284		
Total	\$	607,841 \$	46,539,711		

Note 10 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. As of August 31, 2023, unearned revenue reported in the governmental funds consisted of \$3,825,812 for state and local grants. Unearned revenues for state and local grants represent revenues received in excess of expenditures incurred for those programs for which the project period has not yet ended.

Note 11 - Deferred Outflows and Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of August 31, 2023, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$4,581,768 and \$2,218,983, respectively, for a total of \$6,800,751.

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, 2023, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$17,733,354 net of cumulative amortization of \$1,395,834. Deferred outflows of resources related to pensions and OPEB are \$66,662,741 and \$33,461,659, respectively. Deferred inflows of resources related to pensions and OPEB are \$11,147,722 and \$117,899,209, respectively.

Note 12 - General Fund Federal Source Revenues

Programs or Source	AL Number	Amount
Commodity Supplemental Food Program - noncash assistance	10.555	\$ 1,471,536
National School Lunch Program	10.555	\$ 16,485,042
National School Lunch Program-SSO	10.555	626,692
National School Lunch Program - SCA	10.555	1,136,845
School Breakfast Program-SSO	10.553	275,470
School Breakfast Program	10.553	7,255,058
Child and Adult Care Food Program	10.558	2,234,160
Child Nutrition Discretionary Grants Limited Availability (Equipment Assistance)	10.579	10,230
Fresh and Fruit Vegetable Program	10.582	283,053
GEAR Up	84.334A	14,867
Coastal	15.630	5,650
JROTC	12.U01	260,678
Subsidy	N/A	511,182
SHARS	N/A	7,061,219
Indirect Cost	N/A	6,162,612
Total		\$ 43,794,294

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, 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, 2023, 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, 2022, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Note 13 - Risk Management (Continued)

Health Insurance

The District sponsors a self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. During the fiscal year, the District contributed \$662 per month, per employee to the plan. The total contribution during the current period was \$37,994,333. The employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents' health insurance. Health claim payments were processed by a third party administrator acting on behalf of the District.

In accordance with State statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a third party insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect for individual (specific) claims and aggregate claims. The stop loss for individual (specific) claims is \$500,000 per covered person with an unlimited maximum. The district's aggregate point of attachment for the fiscal year was \$45,684,519. Settled claims have not exceeded the attachment point for the year ending August 31, 2023.

Claims Liabilities

The claims liabilities at August 31, 2023 for workers compensation insurance and health insurance of \$634,056 and \$3,034,804 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			sation	Health II	nsurance
	Year Ended		Υe	ear Ended	Year Ended	Year Ended
	8/31/2022		8/31/2023		8/31/2022	8/31/2023
Claims liability at beginning of year	\$	614,961	\$	791,043	\$ 3,334,000	\$ 3,488,536
Incurred claims (including IBNRs)						
and adjustments		995,085		638,610	40,984,926	47,992,039
Claims payments		(819,003)		(795,597)	(40,830,390)	(48,445,771)
Claims liability at end of year	\$	791,043	\$	634,056	\$ 3,488,536	\$ 3,034,804

Medicare Part D - On Behalf Payments for Reporting Entities

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

Note 13 - Risk Management (Continued)

For the fiscal years ended August 31, 2023, 2022 and 2021, the subsidy payments received by TRS Care on behalf of the District for Medicare Part D were \$1,393,948, \$1,038,676, and \$1,069,528 respectively.

Note 14 - Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Note 14 - Pension Plan (Continued)

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

Contributions

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

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

	Contribution Rates	
	2022	2023
Member	8.0%	8.0%
Non-Employee Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%
Current fiscal year employer contributions	\$	12,001,492
Current fiscal year member contributions	\$	21,427,951
2022 measurement year NECE on-behalf contributions	\$	15,409,152

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

Note 14 - Pension Plan (Continued)

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022. The following table discloses the assumptions that were applied to this measurement period:

Valuation Date August 31, 2021 rolled forward to August 31, 2022

Actuarial Cost Method Individual Entry Age Normal

Asset Valuation Method Fair Value
Single Discount Rate 7.00%
Long-term Expected Investment Rate of Return 7.00%

Municipal Bond Rate as of August 2022 3.91% - 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 2021

period (100 years)

Inflation 2.30%

Salary Increases Including Inflation 2.95% to 8.95%

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, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

Discount Rate

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%.

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.

Note 14 - Pension Plan (Continued)

The long-term rate of return on pension plan investments is 7.00%. 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. 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, 2022 (see page 54 of the TRS Annual Comprehensive Financial Report) are summarized below:

		Long-Term Expected	Expected Contribution
	Target	Geometric Real Rate	to Long-Term Portfolio
Asset Class*	Allocation % ₁	of Return ₂	Returns
Global Equity			
U.S.	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.0%	0.94%
Energy and Natural Resources, Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ₃			-0.91%
Expected Return	100.0%	100.0%	8.21%

^{*} Absolute Return includes Credit Sensitive Investments.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the Net Pension Liability.

² Target allocations are based on the FY2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).

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

Note 14 - Pension Plan (Continued)

	1	% Decrease in			1	% Increase in
		Discount Rate	D	iscount Rate	D	iscount Rate
		(6.00%)		(7.00%)		(8.00%)
District's proportionate share of the net						
pension liability	\$	216,756,150	\$	139,337,391	\$	76,585,853

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

At August 31, 2023, the District reported a liability of \$139,337,391 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	\$ 139,337,391
State's proportionate share that is associated with the District	157,027,087
Total	\$ 296,364,478

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net pension liability was 0.2347034317%, which was an decrease of 0.0037913985% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation - The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 % to 7.00%.

For the year ended August 31, 2023, the District recognized pension expense of \$34,552,749 and revenue of \$15,010,009 for support provided by the State.

Note 14 - Pension Plan (Continued)

At August 31, 2023, 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:

	Def	erred Outflows	De	ferred Inflows of
	C	of Resources		Resources
Differences between expected and actual actuarial experiences	\$	2,020,381	\$	3,037,819
Changes in actuarial assumptions		25,963,091		6,470,727
Differences between projected and actual investment earnings		13,766,089		-
Changes in proportion and differences between the employer's				
contributions and the proportionate share of contributions		12,911,688		1,639,176
Total as of August 31, 2022 measurement date		54,661,249		11,147,722
Contributions paid to TRS subsequent to the measurement date				
that will be recognized in fiscal year-end 2024		12,001,492		
Total as of fiscal year-end	\$	66,662,741	\$	11,147,722

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:

							Per	ision Expense
Fiscal year ended August	Fiscal year ended August 31,							Amount
2024						\$		12,044,417
2025								7,362,728
2026								4,063,242
2027								17,620,872
2028								2,422,268
Thereafter								-
	Bes	inning Balance					ı	Ending Balance
	202	9/1/2022		Additions		Retirements		8/31/2023
Net Pension Liability	\$	60,736,193	\$	89,553,154	\$	10,951,956	\$	139,337,391

Note 15 - Other Post-Employment Benefit Plans

Plan Description

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

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

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

TRS Care Plan Premium Rates

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

Contributions

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

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

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

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

Contribution Rates	2022	2023
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		\$ 2,553,737
Current fiscal year member contributions		\$ 1,741,022
2022 measurement year NECE on-behalf contributions		\$ 3,066,781

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 (NECE) in the amount of \$83 million in fiscal year 2022 from the American Rescue Plan Act (ARPA) to help defray COVID-19 related health care costs during fiscal year 2022.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2022 TRS ACFR, Note 9, page 77.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality
Rates of Retirement
Rates of Termination

Rates of Disability
General Inflation
Wages Inflation

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. 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 the mortality projection scale MP-2018.

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

Additional Actuarial Methods and Assumptions:

Valuation Date August 31, 2021 rolled forward to August 31, 2022

Actuarial Cost Method Individual Entry Age Normal

Inflation 2.30%

Single Discount Rate 3.91% as of August 31, 2022

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.

Projected Salary Increases 3.05% to 9.05%

Ad Hoc Post-Employment Benefit Changes None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. The Discount Rate can be found in the 2022 TRS ACFR on page 77. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

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

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

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2022 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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 (3.91%) in measuring the Net OPEB liability.

	1% Decrease in					1% Increase in		
	Discount Rate (2.91%) Discount Rate (3.91%)				Discount Rate (4.91%			
Proportionate share of the net OPEB								
liability	\$	86,416,232	\$	73,291,281	\$	62,658,385		

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.

Healthcare Cost Trend Rates Sensitivity Analysis

	Current Healthcare						
	1% Decrease Cost Trend Rate			1% Increase			
Proportionate share of net OPEB							
liability	\$	60,392,345	\$	73,291,281	\$	90,013,090	

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

At August 31, 2023, the District reported a liability of \$73,291,281 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 th33e 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	\$ 73,291,281
State's proportionate share that is associated with the District	89,403,847
Total	\$ 162,695,128

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

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022, the District's proportion of the collective net OPEB liability was 0.3060944885%, which was a decrease of 0.0067881491% from its proportion measured as of August 31, 2021.

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 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change increased the Total OPEB Liability.

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

For the year ended August 31, 2023, the District recognized OPEB expense of \$(20,439,102) and revenue of \$(12,687,128) for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Defe	rred Outflows of	Deferred Inflows of
		Resources	Resources
Differences between expected and actual actuarial			
experiences	\$	4,074,736	\$ 61,058,215
Changes in actuarial assumptions		11,163,714	50,918,422
Differences between projected and actual investment			
earnings		218,314	-
Changes in proportion and differences between the			
employer's contributions and the proportionate share of			
contributions		15,451,158	5,922,572
Total as of August 31, 2022 measurement date		30,907,922	117,899,209
Contributions paid to TRS subsequent to the			
measurement date that will be recognized in			
fiscal year-end 2024		2,553,737	-
Total as of fiscal year-end	\$	33,461,659	\$ 117,899,209

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

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

Fiscal year ended Au	gust :	31,		OF	OPEB Expense Amount	
2024				\$		(16,101,360)
2025						(16,100,569)
2026						(12,992,535)
2027						(8,784,804)
2028						(10,764,348)
Thereafter						(22,247,671)
	Be	ginning Balance				Ending Balance
		9/1/2022	Additions	Retirements		8/31/2023
Net OPEB Liability	\$	120,692,815	\$ (44,887,455) \$	(2,514,079)	\$	73,291,281

Note 16 - Shared Service 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, 2023, McAllen ISD allocated expenditures in the amount of \$56,929.

Note 17 – Leases – Prepaid Interest

On January 22, 2016, the District entered into an Interlocal Agreement with South Texas College (STC) to lease four classrooms, consisting in the aggregate, approximately 5,800 square feet or more located at the Regional Center for Public Safety Excellence. The District prepaid the total amount of \$1,370,532 on 2018. The District determined that this lease agreement meets the definition of a lease as defined in GASB No. 87. Therefore, the District calculated and recognized right-to-use of asset of \$1,038,292 and since the District prepaid the entire amount, it recorded a prepaid interest of \$126,660 as of September 1, 2021. At that time, the District had \$1,164,952 as prepaid items in the fund level. As of August 31, 2023, prepaid interest balance is \$100,175 and is included in prepaid items of the Statement of Net Position.

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

Year Ending August 31,	ļ.	Amount
2024	\$	12,153
2025		11,415
2026		10,667
2027		9,909
2028		9,141
2029-2033		33,828
2034-2038		13,062
Total		100,175
Current portion		12,153
Prepaid long-term	\$	88,022
Frepaid long-term	ې	00,022

Note 17 - Leases - Prepaid Interest (Continued)

As of August 31, 2023, prepaid items consisted of the following:

Insurance	\$ 6,358,255
Prepaid interest - current portion	12,153
Total prepaid items - current portion	6,370,408
Prepaid interest - long-term portion	88,022
	_
Total prepaid items	\$ 6,458,430

Note 18 – Commitments and Contingencies

Contingencies

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

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

Litigation

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

Construction Commitments

	Contract		Amount	Remaining		
Project Name		Amount	Expended	(Commitment	
Collegiate Academy	\$	30,600,776	\$ 30,250,776	\$	350,000	
Administration Chiller		1,008,362	182,235		826,127	
LBJ MS Phase 2		13,556,500	11,481,054		2,075,446	
PSJA ECHS HVAC Upgrade and Roofing		11,566,375	9,443,576		2,122,799	
PSJA Memorial ECHS HVAC Upgrade		7,956,070	7,424,176		531,894	
Outdoor Learning Spaces Alamo MS & Chavez		5,350,600	4,888,465		462,135	
Outdoor Learning Spaces Cantu and Reed Mock Elem		3,250,000	2,072,063		1,177,937	
Dr. King C&U, Sotomayor, Bowie Annex Reroofing		2,015,343	1,790,219		225,124	
Guerra Elementary Reroofing		1,659,000	1,631,739		27,261	
Garcia Elementary Reroofing		2,083,000	2,015,791		67,209	
Athletic Facilities Improvements 4 High Schools		8,723,656	8,532,983		190,673	
Safe Routes Project		421,460	413,960		7,500	
Dr. Long Driveway		629,193	405,237		223,956	
Sorensen Parking Lot		135,843	118,514		17,329	
Trevino Reroofing		199,258	170,465		28,793	
	\$	89,155,436	\$ 80,821,253	\$	8,334,183	

Note 19 - Fund Balances

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

								_	Other	_	Total
			ESSER II				Capital	Governmental		Governmenta	
Fund Balance Description	General	F	und	Debt Service		Projects		Funds		Funds	
Nonspendable											
Inventories	\$ 3,725,852	\$	-	\$	-	\$	-	\$	-	\$	3,725,852
Prepaid Items	7,386,155		-		-		-		-		7,386,155
Restricted											
Federal/State Funds Grant	23,401,220		-		-		-		-		23,401,220
Retirement of Long-Term Debt	4,600,000		-		3,746,308		-		-		8,346,308
Construction Projects	-		-		-		4,664,682		-		4,664,682
Committed											
Construction Projects	16,290,000		-		-		-		-		16,290,000
Equipment for New Schools	1,450,950		-		-		-		-		1,450,950
Sick Leave Payoff	8,338,253		-		-		-		-		8,338,253
Campus Activities Fund	-		-		-		-		2,730,253		2,730,253
Assigned											
E-Rate and Other Items	7,989,509		-		-		-		-		7,989,509
Unassigned Fund Balance											
Other Unassigned Fund Balance	37,433,866		-		-		-		-		37,433,866
Total Nonspendable, Restricted,											
Committed and Assigned											
Governmental Fund Balances	\$ 110,615,805	\$	-	\$	3,746,308	\$	4,664,682	\$	2,730,253	\$	121,757,048
Total Nonspendable, Restricted,											
Committed and Assigned											
Governmental Fund Balances	\$ 73,181,939										

Note 20 - Prior Period Adjustment

For the fiscal year ended August 31, 2023 the fund balance and the net position for prior period was adjusted as follows:

<u>Fund Level</u>		
Prepaid Items	\$	(11,715,625)
Net Decrease in General Fund Net Position	,	(11,715,625)
Government Wide Level		
Adjustment for Prepaid Items		11,715,625
Adjustment to Capital Assets and Accumulated Depreciation		1,865,804
Adjustment to Prepaid Interest		(1,414,715)
Net Increase in Net Position	\$	451,089

Note 21 – Subsequent Events

The District has evaluated subsequent events through January 22, 2024, which is the date these financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

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PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED AUGUST 31, 2023

Cont	Data Control		Budgeted Ar	nounts	Actual Amounts (GAAP BASIS)	F	Variance With Final Budget Positive or	
Code	es		Original	Final			(Negative)	
	REVENUES:							
5700	Total Local and Intermediate Sources	\$	74,673,042 \$	66,709,368	\$ 66,488,506	\$	(220,862)	
5800	State Program Revenues		287,800,276	278,966,734	267,421,363		(11,545,371)	
5900	Federal Program Revenues		36,902,505	43,339,350	43,794,294		454,944	
5020	Total Revenues		399,375,823	389,015,452	377,704,163		(11,311,289)	
I	EXPENDITURES:					_		
	Current:							
0011	Instruction		192,946,234	191,030,387	196,597,402		(5,567,015)	
0012	Instructional Resources and Media Services		5,565,071	5,790,353	5,967,577		(177,224)	
0013	Curriculum and Instructional Staff Development		4,539,870	5,404,119	5,206,096		198,023	
0021	Instructional Leadership		7,829,854	7,463,726	6,964,725		499,001	
0023	School Leadership		21,485,101	20,972,317	21,064,521		(92,204)	
0031	Guidance, Counseling, and Evaluation Services		13,631,389	13,526,283	13,155,432		370,851	
0032	Social Work Services		2,739,422	2,838,057	2,774,444		63,613	
0033	Health Services		4,814,466	5,005,927	4,596,939		408,988	
0034	Student (Pupil) Transportation		9,354,377	13,420,344	11,629,131		1,791,213	
0035	Food Services		22,369,937	28,801,322	28,689,199		112,123	
0036	Extracurricular Activities		14,826,080	15,110,730	14,825,258		285,472	
0041	General Administration		10,717,387	10,991,668	9,779,474		1,212,194	
0051	Facilities Maintenance and Operations		44,574,274	47,574,774	36,956,711		10,618,063	
0052	Security and Monitoring Services		6,527,639	8,132,204	7,805,492		326,712	
0053	Data Processing Services		3,881,650	3,945,892	3,623,494		322,398	
0061	Community Services		312,139	512,157	276,789		235,368	
	Debt Service:							
0071	Principal on Long-Term Liabilities		26,564,118	3,291,106	1,315,784		1,975,322	
0072	Interest on Long-Term Liabilities		-	-	657,987		(657,987)	
0073	Bond Issuance Cost and Fees		-	-	4,500		(4,500)	
	Capital Outlay:							
0081	Facilities Acquisition and Construction		5,633,054	5,651,054	3,262		5,647,792	
	Intergovernmental:							
0093	Payments to Fiscal Agent/Member Districts of SSA		200,000	168,957	118,957		50,000	
0095	Payments to Juvenile Justice Alternative Ed. Prg.		100,000	100,000	50,400		49,600	
0099	Other Intergovernmental Charges		750,000	950,000	862,569		87,431	
6030	Total Expenditures		399,362,062	390,681,377	372,926,143		17,755,234	
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		13,761	(1,665,925)	4,778,020		6,443,945	
(OTHER FINANCING SOURCES (USES):							
7912	Sale of Real and Personal Property		-	1,229,948	9,477		(1,220,471)	
7915	Transfers In		-	7,767,968	219		(7,767,749)	
8911	Transfers Out (Use)		-	(8,997,916)	-		8,997,916	
7080	Total Other Financing Sources (Uses)		-	-	9,696		9,696	
1200	Net Change in Fund Balances		13,761	(1,665,925)	4,787,716		6,453,641	
0100	Fund Balance - September 1 (Beginning)		117,543,714	117,543,714	117,543,714		- · · · · · · · · · · · · · · · · · · ·	
1300	Prior Period Adjustment		(11,715,625)	(11,715,625)	(11,715,625)			
		<u> </u>				<u>•</u>	6 450 641	
3000	Fund Balance - August 31 (Ending)	\$	105,841,850 \$	104,162,164	\$ 110,615,805	\$	6,453,641	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2023

	FY 2023 Plan Year 2022		FY 2022 Plan Year 2021		I	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)		0.234703432%		0.23849483%		0.21633216%
District's Proportionate Share of Net Pension Liability (Asset)	\$	139,337,391	\$	60,736,193	\$	115,863,091
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District		157,027,087		68,993,376		161,410,420
Total	\$	296,364,478	\$	129,729,569	\$	277,273,511
District's Covered Payroll	\$	258,638,622	\$	244,989,442	\$	242,894,429
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		53.87%		24.79%		47.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		75.62%		88.79%		75.54%

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, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

 FY 2020 Plan Year 2019	FY 2019 Plan Year 2018				 FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014		
0.195838628%		0.191456051%		0.19476158%	0.180818169%	0.1847826%		0.1520838%	
\$ 101,803,041	\$	105,382,057	\$	62,274,261	\$ 68,328,497	\$ 65,318,190	\$	440,623,685	
151,988,841		161,637,767		93,127,611	116,712,800	111,329,915		96,703,241	
\$ 253,791,882	\$	267,019,824	\$	155,401,872	\$ 185,041,297	\$ 176,648,105	\$	537,326,926	
\$ 226,002,041	\$	216,648,731	\$	208,433,068	\$ 201,147,880	\$ 201,147,880	\$	192,095,263	
45.05%		48.64%		29.88%	33.97%	32.47%		21.15%	
75.24%		73.74%		82.17%	78.00%	78.43%		83.25%	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS TEACHER RETIREMENT SYSTEM OF TEXAS FOR FISCAL YEAR 2023

	 2023	2022	2021
Contractually Required Contribution	\$ 12,001,492 \$	10,951,956 \$	10,174,108
Contribution in Relation to the Contractually Required Contribution	(12,001,492)	(10,951,956)	(10,174,108)
Contribution Deficiency (Excess)	\$ - \$	- \$	-
District's Covered Payroll	\$ 267,338,319 \$	258,638,622 \$	244,989,442
Contributions as a Percentage of Covered Payroll	4.49%	4.23%	4.15%

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.

 2020	 2019	 2018	 2017	 2016
\$ 8,924,295	\$ 6,829,233	\$ 6,383,148	\$ 5,722,877	\$ 5,221,984
(8,924,295)	(6,829,233)	(638,348)	(5,722,877)	(5,221,984)
\$ -	\$ -	\$ 5,744,800	\$ -	\$ -
\$ 242,894,429	\$ 226,002,041	\$ 208,433,068	\$ 201,147,880	\$ 192,095,263
3.67%	3.02%	3.06%	2.85%	2.72%

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2023

	 FY 2023 Plan Year 2022	_	FY 2022 Plan Year 2021	_I	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.306094488%		0.312882638%		0.293264486%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 73,291,281	\$	120,692,815	\$	111,483,075
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	89,403,847		161,701,475		149,806,529
Total	\$ 162,695,128	\$	282,394,290	\$	261,289,604
District's Covered Payroll	\$ 258,038,122	\$	244,989,442	\$	242,894,429
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	28.40%		49.26%		45.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%		6.18%		4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 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.

FY 2019 Plan Year 2018	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017				
0.298780007%	0.289579551%		0.279306574%			
\$ 141,296,727	\$ 144,589,721	\$	121,459,951			
187,751,743	171,313,095		150,452,524			
\$ 329,048,470	\$ 315,902,816	\$	271,912,475			
\$ 228,465,040	\$ 216,648,731	\$	208,433,068			
61.85%	66.74%		58.27%			
2.66%	1.57%		0.91%			

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB) TEACHER RETIREMENT SYSTEM OF TEXAS FOR FISCAL YEAR 2023

	 2023	2022	2021
Contractually Required Contribution	\$ 2,553,737 \$	2,514,079 \$	2,443,444
Contribution in Relation to the Contractually Required Contribution	2,553,737	(2,514,079)	(2,443,444)
Contribution Deficiency (Excess)	\$ - \$	- \$	-
District's Covered Payroll	\$ 269,892,056 \$	258,038,122 \$	244,989,442
Contributions as a Percentage of Covered Payroll	0.95%	0.97%	1.00%

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.

2020	2019	2018
\$ 2,228,364	\$ 2,120,503	\$ 6,383,148
(2,228,364)	(2,120,503)	(638,348)
\$ -	\$ -	\$ 5,744,800
\$ 242,894,429	\$ 288,465,040	\$ 208,433,068
0.92%	0.74%	3.06%

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

A. Budgets

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

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

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

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

B. Encumbrances

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

C. Expenditures exceeding Appropriations

For the year ended August 31, 2023, the District had expenditures exceeding budget by \$5,567,015 in function 11, \$177,224 in function 12, and \$92,204 in function 23 in the general fund.

D. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

There was a change in the actuarial assumptions. The primary change was the lowering of the single discount rate from 7.25% to 7.00%.

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

E. TRS OPEB Plan

Changes of Benefit Terms.

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

Changes in Assumptions

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the total OPEB liability. Lower participation rates and updates to health care trend rate assumptions were also factors that decreased the total OPEB liability.

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COMBINING FUND STATEMENTS

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2023

			205		211		212		224
Data					ESEA I, A	1	ESEA Title I	II	DEA - Part B
Contro	I				Improving		Part C		Formula
Codes			Head Start	В	asic Program		Migrant		
A	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$	-
1120	Current Investments		-		-		-		-
1240	Due from Other Governments		1,186,468		4,707,578		145,255		1,266,706
1250	Accrued Interest		-		-		-		-
1260	Due from Other Funds		-		-		-		-
1290	Other Receivables		-		-		-		-
1000	Total Assets	\$	1,186,468	\$	4,707,578	\$	145,255	\$	1,266,706
Ι	LIABILITIES								
2110	Accounts Payable	\$	51,218	\$	568,696	\$	581	\$	-
2160	Accrued Wages Payable		123,859		578,584		20,240		232,817
2170	Due to Other Funds		1,011,391		3,560,298		124,434		1,033,889
2180	Due to Other Governments		-		-		-		-
2300	Unearned Revenue		-		-		-		-
2000	Total Liabilities	_	1,186,468		4,707,578		145,255		1,266,706
F	FUND BALANCES								
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3000	Total Fund Balances	_	-		-	_	-	_	-
4000	Total Liabilities and Fund Balances	\$	1,186,468	\$	4,707,578	\$	145,255	\$	1,266,706

	225		244		255		263		272		274		279	282
	EA - Part B		Career and		ESEA II,A		Title III, A		Medicaid		GEAR UP		ESSER III	ESSER III
P	reschool		Technical -		Training and		English Lang.		Admin. Claim				TCLAS	ARP Act
			Basic Grant		Recruiting		Acquisition		MAC				ARP Act	
\$	-	\$	-	\$	-	\$	-	\$	593,968	\$	-	\$	- \$	-
	18,520		108,846		306,901		308,496		128,276		185,368		- 2,598,089	6,840,170
	-		-		-		- 78		-		-		-	53,890
	-		-		-		-		-		-		-	-
\$	18,520	\$	108,846	\$	306,901	\$	308,574	\$	722,244	\$	185,368	\$	2,598,089 \$	6,894,06
\$		\$	1,233			\$,	\$	8,884	\$		\$	1,302 \$, ,
	3,229 15,291		6,894 100,719		120,358 186,543		127,060 173,864		4,796 -		24,834 160,534		1,459,503 1,137,284	1,165,91 3,469,660
	-		-		-		-		- 708,564		-		-	-
	18,520	_	108,846	_	306,901	_	308,574	_	722,244	-	185,368	_	2,598,089	6,894,060
	-	_	-	_	-		-		-	_		_		-
	-	_	-		-		-	_	-	_	-	_		-
\$	18,520	\$	108,846	\$	306,901	\$	308,574	\$	722,244	\$	185,368	\$	2,598,089 \$	6,894,06

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2023

			284	285		289	397
Data			IDEA B	IDEA B	О	ther Federal	Advanced
Contro	1		Formula	Preschool		Special	Placement
Codes			ARP Act	ARP Act	Re	evenue Funds	Incentives
A	ASSETS						
1110	Cash and Cash Equivalents	\$	-	\$ -	\$	-	\$ 29,143
1120	Current Investments		-	-		-	-
1240	Due from Other Governments		271,964	6,045		446,906	-
1250	Accrued Interest		-	-		-	-
1260	Due from Other Funds		-	-		-	-
1290	Other Receivables		-	-		-	-
1000	Total Assets	\$	271,964	\$ 6,045	\$	446,906	\$ 29,143
Ι	LIABILITIES						
2110	Accounts Payable	\$	8,518	\$ -	\$	-	\$ -
2160	Accrued Wages Payable		14,996	-		44,026	-
2170	Due to Other Funds		248,450	6,045		241,480	-
2180	Due to Other Governments		-	-		82,779	-
2300	Unearned Revenue		-	-		78,621	29,143
2000	Total Liabilities		271,964	6,045		446,906	29,143
F	FUND BALANCES						
	Committed Fund Balance:						
3545	Other Committed Fund Balance		-	-		-	-
3000	Total Fund Balances	_	-			-	-
4000	Total Liabilities and Fund Balances	\$	271,964	\$ 6,045	\$	446,906	\$ 29,143

404		410		429		461		499		Total
Student		State		Other State		Campus		Other Local		Nonmajor
Success		Instructional		Special		Activity		Special	(Governmental
Initiative		Materials	R	Revenue Funds		Funds F		Revenue Funds		Funds
\$ -	\$	-	\$	-	\$	2,701,068	\$	277,694	\$	3,601,873
-		-		-		27,360		-		27,360
48,831		2,779,906		70,396		-		168,366		21,593,087
-		-		-		1,825		-		1,825
-		-		-		-		-		53,974
-		-		237		-		-		237
\$ 48,831	\$	2,779,906	\$	70,633	\$	2,730,253	\$	446,060	\$	25,278,356
\$ -	\$	137,256	\$	44,939	\$	-	\$	341	\$	3,089,113
-		-		5,648		-		1,510		3,934,265
48,831		467,063		20,046		-		167,549		12,173,371
-		108,498		-		-		817		192,094
-		2,067,089		-		-		275,843		3,159,260
48,831		2,779,906		70,633		-		446,060		22,548,103
-		-		-		2,730,253		-		2,730,253
	_		_		_	2,730,253	_		_	2,730,253
			_				_		_	
\$ 48,831	\$	2,779,906	\$	70,633	\$	2,730,253	\$	446,060	\$	25,278,356

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

		205	211	212	224
Data			ESEA I, A	ESEA Title I	IDEA - Part B
Control			Improving	Part C	Formula
Codes		Head Start	Basic Program	Migrant	
REVENUES:		11000 50010	Busia Tregram	111191 1111	
5700 Total Local and Intermediate Sources	\$		\$ -	\$ -	\$ -
5800 State Program Revenues	Ф	_	-	-	5 -
5900 Federal Program Revenues		2,954,049	17,527,083	1,188,336	4,893,121
C	_	2,954,049	· 	1,188,336	4,893,121
Total Revenues	_	2,934,049	17,327,083	1,100,530	4,093,121
EXPENDITURES:					
Current:					
0011 Instruction		2,655,192	11,503,505	141,712	4,542,586
0012 Instructional Resources and Media Services		18,039		-	-
0013 Curriculum and Instructional Staff Development		-	2,803,491	-	183,004
0021 Instructional Leadership		60,672	1,871,005	537,740	167,531
0023 School Leadership		-	12,454	-	-
Ouidance, Counseling, and Evaluation Services		-	(55,878)	498,159	-
0032 Social Work Services		-	-	3,460	-
0033 Health Services		5,234	-	-	-
0035 Food Services		63,931	-	-	-
0036 Extracurricular Activities		-	-	-	-
0041 General Administration		-	4,719	-	-
Facilities Maintenance and Operations		125,002	-	7,014	-
0052 Security and Monitoring Services		24,445	-	-	-
0053 Data Processing Services		-	-	-	-
0061 Community Services		1,534	1,387,787	251	-
Capital Outlay:					
Facilities Acquisition and Construction		-	-	-	-
6030 Total Expenditures		2,954,049	17,527,083	1,188,336	4,893,121
1200 Net Change in Fund Balance		-	-	-	-
0100 Fund Balance - September 1 (Beginning)		_	_	_	_
1 and Datanee - September 1 (Deginning)	_				
3000 Fund Balance - August 31 (Ending)	\$	-	\$ -	\$ -	\$ -
	_				

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	272 Medicaid Admin. Claim MAC	274 GEAR UP	279 ESSER III TCLAS ARP Act	282 ESSER III ARP Act
\$	- \$	-	\$ -	\$ -	\$ -	\$ - 5	-	\$ -
	75,350	529,655	2,044,121	1,309,183	960,223	407,415	2,653,752	26,892,919
	75,350	529,655	2,044,121	1,309,183		407,415	2,653,752	26,892,919
	75,350	228,950	_	755,936	_	51,492	2,316,133	9,044,329
	-	78,824	_	-	_	-	26,099	1,320,516
	-	-	2,044,121	523,216	-	711	29,884	354,645
	-	-	-	-	-	-	-	18,846
	-	-	-	18,120	-	750	99,846	549,112
	-	221,881	-	-	-	354,070	57,015	341,514
	-	-	-	-	-	-	-	2,103
	-	-	-	-	960,223	-	35,107	114,146
	-	-	-	-	-	-	-	(22)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,836	887,837
	-	-	-	-	-	-	-	(292)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	87,832	98,503
	-	-	-	11,911	-	392	-	-
		-					-	14,161,682
	75,350	529,655	2,044,121	1,309,183	960,223	407,415	2,653,752	26,892,919
	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	
\$	- \$	-	\$ -	\$ -	\$ -	\$ - 5	-	\$ -

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

	_				
		284	285	289	397
Data		IDEA B	IDEA B	Other Federal	Advanced
Control		Formula	Preschool	Special	Placement
Codes		ARP Act	ARP Act	Revenue Funds	Incentives
REVENUES:					
5700 Total Local and Intermediate Sources	\$	_	\$ -	\$ -	\$ -
5800 State Program Revenues	•	-	-	-	_
5900 Federal Program Revenues		1,239,800	95,854	3,400,879	-
5020 Total Revenues		1,239,800	95,854	3,400,879	-
EXPENDITURES:	_			•	
Current:					
0011 Instruction		939,534	95,854	1,519,955	-
0012 Instructional Resources and Media Services		-	-	· -	-
0013 Curriculum and Instructional Staff Development		12,983	-	113,500	-
0021 Instructional Leadership		3,678	-	-	-
0023 School Leadership		-	-	-	-
0031 Guidance, Counseling, and Evaluation Services		219,881	-	584,266	-
0032 Social Work Services		63,724	-	281,057	-
0033 Health Services		-	-	902,101	-
0035 Food Services		-	-	-	-
0036 Extracurricular Activities		-	-	-	-
0041 General Administration		-	-	-	-
Facilities Maintenance and Operations		-	-	-	-
0052 Security and Monitoring Services		-	-	-	-
0053 Data Processing Services		-	-	-	-
0061 Community Services		-	-	-	-
Capital Outlay:					
9081 Facilities Acquisition and Construction	_	-		-	
Total Expenditures	_	1,239,800	95,854	3,400,879	-
1200 Net Change in Fund Balance		-	-	-	-
0100 Fund Balance - September 1 (Beginning)		-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$	-	\$ -	\$ -	\$ -
Ç (, , , , , , , , , , , , , , , , , , ,	_			-	

	404 Student Success Initiative	410 State Instructional Materials	429 Other State Special Revenue Funds		461 Campus Activity Funds	499 Other Local Special Revenue Funds	(Total Nonmajor Governmental Funds
\$	133,200	\$ - 2,570,196	\$ - 288,477	\$	5,984,828 - -	\$ 221,038 164,426	\$	6,205,866 3,156,299 66,171,740
	133,200	2,570,196	288,477	_	5,984,828	385,464	_	75,533,905
	98,098 - 35,102	2,570,196 - -	97,145 - 116,375		- - -	162,360 - 35,666		36,798,327 1,443,478 6,252,698
	- - -	- - -	- - -		-	- - -		2,659,472 680,282 2,220,908 350,344
	-	- - -	- - -		5,743,771	13,242		2,016,811 63,909 5,757,013
	- - -	- - -	- - 74,957		- - -	9,770 - 164,426		904,162 131,724 263,828
	-	-	-		-	-		186,335 1,401,875
_	133,200	2,570,196	288,477		5,743,771	385,464		14,161,682 75,292,848
	-	-	-		241,057 2,489,196	-		241,057 2,489,196
\$	- 5	\$ -	\$ -	\$	2,730,253	\$ -	\$	2,730,253

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PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS AUGUST 31, 2023

		752	753		771		772		
		Print Shop	Insurance		Copier	C	Workers Compensation	S	Total Internal ervice Funds
ASSETS									
Current Assets:									
Cash and Cash Equivalents	\$	32,401	\$ -	\$	123,871	\$	7,184,901	\$	7,341,173
Investments - Current		-	10,701,009		-		-		10,701,009
Due from Other Funds		-	2,045,793		-		22,282		2,068,075
Other Receivables		-	293		2		-		295
Total Current Assets		32,401	12,747,095		123,873		7,207,183		20,110,552
Noncurrent Assets:	_					_			
Capital Assets:									
Furniture and Equipment. Net		(1)	-		9,005		-		9,004
Total Noncurrent Assets	_	(1)	-		9,005		-		9,004
Total Assets		32,400	12,747,095		132,878		7,207,183		20,119,556
LIABILITIES				_		_		_	
Current Liabilities:									
Accounts Payable		26,309	110,259		692		1		137,261
Accrued Wages Payable		6,091	7,481		-		2,712		16,284
Due to Other Funds		16,117	482,729		_		1,613		500,459
Accrued Expenses		-	3,034,804		-		634,056		3,668,860
Total Liabilities		48,517	3,635,273		692		638,382		4,322,864
NET POSITION									
Unrestricted Net Position	\$	(16,117)	\$ 9,111,822	\$	132,186	\$	6,568,801	\$	15,796,692
Total Net Position	\$	(16,117)	\$ 9,111,822	\$	132,186	\$	6,568,801	\$	15,796,692
								_	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

	752	753	771	772	
	Print Shop	Insurance	Copier	Workers	Total Internal
				Compensation	Service Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 240,720	\$ 44,861,992 \$	15,564	\$ 1,421,435	\$ 46,539,711
Total Operating Revenues	240,720	44,861,992	15,564	1,421,435	46,539,711
OPERATING EXPENSES:					-
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	194,178 109,578 77,660	231,823 50,501,164 2,420 2,552	31.787 6,618	203,628 948,257 -	629,629 51.590,786 86,698 2,552
Total Operating Expenses	381,416	50,737,959	38,405	1,151,885	52,309,665
Operating Income (Loss)	(140,696)	(5,875,967)	(22,841)	269,550	(5,769,954)
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits &	-	624,375	-	_	624,375
Total Nonoperating Revenues (Expenses)		624,375	-		624,375
Change in Net Position	(140,696)	(5,251,592)	(22,841)	269,550	(5,145,579)
Total Net Position September 1 (Beginning)	124,579	14,363,414	155,027	6,299,251	20,942,271
Total Net Position August 31 (Ending)	\$ (16,117)	\$ 9,111,822 \$	132,186	\$ 6,568,801	\$ 15,796,692

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

		752		753	771		772		
									Total
		Print Shop		Insurance	Copier		Workers		Internal
						C	Compensation	S	Service Funds
Cash Flows from Operating Activities:									
Cash Received from User Charges	\$	256,837	\$	43,298,309	\$ 15,564	\$	1,416,034	\$	44,986,744
Cash Payments to Employees for Services		(193,295)		(231,560)	-		(205,097)		(629,952)
Cash Payments for Insurance Claims		-		(51,322,104)	-		(1,103,629)		(52,425,733)
Cash Payments for Suppliers		(164,267)		- 1	(41,683)		-		(205,950)
Cash Payments for Other Operating Expenses		-		(2,552)	_		-		(2,552)
Net Cash Provided by (Used for) Operating Activities	_	(100,725)		(8,257,907)	 (26,119)		107,308		(8,277,443)
Cash Flows from Investing Activities:			_						
Purchase of Investment Securities		-		(25,458,771)	-		-		(25,458,771)
Proceeds from Sale & Maturities of Securities		-		32,715,000	-		-		32,715,000
Interest and Dividends on Investments		-		624,375	-		-		624,375
Net Cash Provided by Investing Activities		-		7,880,604	-		-		7,880,604
Net Increase (Decrease) in Cash and Cash Equivalents		(100,725)		(377,303)	(26,119)		107,308		(396,839)
Cash and Cash Equivalents at Beginning of Year		133,126		377,303	149,990		7,077,593		7,738,012
Cash and Cash Equivalents at End of Year	\$	32,401	\$	-	\$ 123,871	\$	7,184,901	\$	7,341,173
Reconciliation of Operating Income (Loss) to Net Cash									
Provided by (Used for) Operating Activities:									
Operating Income (Loss):	\$	(140,696)	\$	(5,875,967)	\$ (22,841)	\$	269,550	\$	(5,769,954)
Effect of Increases and Decreases in Current Assets and Liabilities:									
Increase (decrease) in Accounts Payable		22,971		(365,443)	(3,278)		2		(345,748)
Increase (decrease) in Accrued Liabilities		883		(453,469)	-		(158,456)		(611,042)
Increase (decrease) in Interfund Payables		16,117		(1,563,028)	_		(3,788)		(1,550,699)
Net Cash Provided by (Used for) Operating Activities	\$	(100,725)	\$	(8,257,907)	\$ (26,119)	\$	107,308	\$	(8,277,443)

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS AUGUST 31, 2023

		711 College for All		
ACCETTO	1	or All	Б	Billboard
ASSETS				
Current Assets: Cash and Cash Equivalents	\$	31,875	\$	894,542
Total Assets		31,875		894,542
LIABILITIES			-	
Current Liabilities:				
Accounts Payable		154		1,395
Accrued Wages Payable		-		-
Due to Other Funds		-		-
Total Liabilities		154		1,395
NET POSITION			-	
Unrestricted Net Position		31,721		893,147
Total Net Position	\$	31,721	\$	893,147

A	713 CT-RGV	Sw	714	715 g Natatorium		Total Nonmajor Interprise Funds
\$	12,590	\$	9,747	\$	146,422	\$ 1,095,176
	12,590		9,747		146,422	1,095,176
	947		35		1	2,532
	11,643		-		980	12,623
	273,560		-		-	273,560
	286,150		35		981	288,715
	(273,560)		9,712		145,441	806,461
\$	(273,560)	\$	9,712	\$	145,441	\$ 806,461

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

		711		712
	College for All			Digital Billboard
OPERATING REVENUES:				
Local and Intermediate Sources	\$	3,500	\$	172,675
Total Operating Revenues		3,500		172,675
OPERATING EXPENSES:				
Payroll Costs		_		_
Professional and Contracted Services		-		16,724
Supplies and Materials		475		1,384
Other Operating Costs		1,895		9,315
Total Operating Expenses		2,370		27,423
Operating Income (Loss)		1,130		145,252
Total Net Position - September 1 (Beginning)		30,591		747,895
Total Net Position - August 31 (Ending)	\$	31,721	\$	893,147

713 T-RGV 222,674		714 wimming	N	715		Total Nonmajor Enterprise
		vimming	N	atatorium		Enterprise
		wimming	N	atatorium		
222,674				atatorium		Funds
222,674						
	\$	15,672	\$	193,320	\$	607,841
222,674		15,672		193,320		607,841
386,578		-		34,146		420,724
45,367		-		4,648		66,739
13,005		4,450		9,085		28,399
7,390		1,510		-		20,110
452,340		5,960		47,879		535,972
(229,666)		9,712		145,441		71,869
(43,894)						734,592
(272.560)	¢	0.712	¢	1.45 4.41	¢	806,461
	386,578 45,367 13,005 7,390 452,340 (229,666) (43,894)	386,578 45,367 13,005 7,390 452,340 (229,666)	386,578 - 45,367 - 13,005 4,450 7,390 1,510 452,340 5,960 (229,666) 9,712 (43,894) -	386,578 - 45,367 - 13,005 4,450 7,390 1,510 452,340 5,960 (229,666) 9,712 (43,894) -	386,578 - 34,146 45,367 - 4,648 13,005 4,450 9,085 7,390 1,510 - 452,340 5,960 47,879 (229,666) 9,712 145,441 (43,894)	386,578 - 34,146 45,367 - 4,648 13,005 4,450 9,085 7,390 1,510 - 452,340 5,960 47,879 (229,666) 9,712 145,441 (43,894) - -

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2023

		711		712
		College		Digital
		for All]	Billboard
Cash Flows from Operating Activities:				
Cash Received from User Charges Cash Payments to Employees for Services	\$	3,500	\$	172,675 -
Cash Payments for Suppliers Cash Payments for Other Operating Expenses		(321) (1,895)		(16,713) (9,315)
Net Cash Provided by (Used for) Operating Activities		1,284		146,647
Cash Flows from Non-Capital Financing Activities: Transfers In		-		-
Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of Year		1,284 30,591		146,647 747,895
Cash and Cash Equivalents at End of Year	\$	31,875	\$	894,542
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities: Operating Income (Loss):	<u> </u>	1,130	\$	145,252
Effect of Increases and Decreases in Current Assets and Liabilities:				
Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Liabilities		154 -		1,395
Net Cash Provided by (Used for) Operating Activities	\$	1,284	\$	146,647

	713		714		715		Total
							Nonmajor
							Enterprise
	ACT-RGV		Swimming		Natatorium		Funds
\$	222,674	\$	15,672	\$	193,320	\$	607,841
Ψ	(388,282)	Ψ	-	Ψ	(33,165)	Ψ	(421,447)
	(66,709)		(4,415)		(13,733)		(101,891)
	(7,390)		(1,510)		-		(20,110)
	(239,707)		9,747		146,422		64,393
	229,666				_		229,666
	(10,041)		9,747		146,422		294,059
	22,631		-		-		801,117
\$	12,590	\$	9,747	\$	146,422	\$	1,095,176
\$	(229,666)	\$	9,712	\$	145,441	\$	71,869
	(8,337) (1,704)		35		- 981		(6,753) (723)
\$	(239,707)	<u> </u>	9,747	\$	146,422	\$	64,393
Φ	(237,101)	Φ	2,171	Φ	170,722	Φ	07,373

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OTHER INFORMATION

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DELINQUENT TAXES RECEIVABLE FISCAL YEAR ENDED AUGUST 31, 2023

	(1)	(2)	(3) Assessed/Appraised			
Last 10 Years Ended	Tax I	Tax Rates				
August 31	Maintenance	Debt Service	Tax Purposes			
2014 and prior years	Various	Various	\$ 3,594,699,916			
015	1.170000	0.189200	3,840,693,698			
016	1.170000	0.229200	3,913,771,066			
017	1.170000	0.229200	4,095,443,046			
018	1.170000	0.219200	4,397,907,616			
019	1.170000	0.209200	4,549,434,603			
020	1.068300	0.204200	4,824,721,849			
021	1.050700	0.216800	5,123,571,044			
022	0.997600	0.219100	5,557,046,250			
023 (School year under audit)	0.974600	0.209100	6,044,138,347			
000 TOTALS						

 (10) Beginning Balance 9/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections		(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2023
\$ 2,014,425	\$ -	\$ 71,33	1 \$	11,387	\$ (34,683)	\$ 1,897,024
191,745	-	10,66	50	1,724	(179)	179,182
203,976	-	12,69	95	2,487	(279)	188,515
215,905	-	18,95	54	3,713	(901)	192,337
253,395	-	33,90	58	6,364	(4,516)	208,547
412,627	-	64,88	88	11,604	(86,361)	249,774
539,092	-	161,18	30	30,815	59,395	406,492
840,257	840,257 -		.7	46,829	(30,836)	535,565
2,036,931	-	778,39	8	170,984	(168,241)	919,308
-	70,777,785	56,263,90)2	12,071,396	268,717	2,711,204
\$ 6,708,352	\$ 70,777,785	\$ 57,643,00	3 \$	12,357,303	\$ 2,116	\$ 7,487,947

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - DEBT SERVICE FUND FOR THE YEAR ENDED AUGUST 31, 2023

Data Control	Budgeted Amounts					Actual Amounts (GAAP BASIS)		Variance With Final Budget Positive or		
Codes		Original Final					(Negative)			
REVENUES:										
5700 Total Local and Intermediate Sources5800 State Program Revenues	\$	11,201,046 11,271,751	\$	11,201,046 11,271,751	\$	12,793,328 7,684,319	\$	1,592,282 (3,587,432)		
5020 Total Revenues EXPENDITURES:		22,472,797		22,472,797		20,477,647		(1,995,150)		
Debt Service:										
 Principal on Long-Term Liabilities Interest on Long-Term Liabilities Bond Issuance Cost and Fees 		22,472,797 - -		13,535,000 8,924,147 13,650		13,535,001 8,924,146 12,000		(1) 1 1,650		
6030 Total Expenditures		22,472,797		22,472,797		22,471,147		1,650		
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures OTHER FINANCING SOURCES (USES):		-		-		(1,993,500)		(1,993,500)		
8911 Transfers Out (Use)		-		-		(219)		(219)		
1200 Net Change in Fund Balances		-		-		(1,993,719)		(1,993,719)		
0100 Fund Balance - September 1 (Beginning)		5,740,027		5,740,027		5,740,027	_			
3000 Fund Balance - August 31 (Ending)	\$	5,740,027	\$	5,740,027	\$	3,746,308	\$	(1,993,719)		

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES FOR THE YEAR ENDED AUGUST 31, 2023

	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	43,781,410
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	27,112,254
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	7,833,671
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	4,521,393

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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 School District (the "District"), as of and for the year ended August 31, 2023, 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 22, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be significant deficiency.

Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

District's Response to Findings

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

McAllen, Texas

January 22, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pharr-San Juan-Alamo Independent School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs

In our opinion, Pharr-San Juan-Alamo Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

McAllen, Texas

January 22, 2024

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

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Section I - Summary of Auditors' Results Financial Statements Type of auditor's report issued: Unmodified Internal control over financial reporting: Material weakness (es) identified? _____ yes <u>X</u> no Significant deficiency (ies) identified that are not considered to be material weaknesses? X yes ____ none noted _____ yes <u>X</u> no Noncompliance material to financial statements noted? **Federal Awards** Type of auditors' report issued on compliance for major programs: Unmodified Internal control over major programs: Material weakness (es) identified? ____ yes <u>X</u> no Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes <u>X</u> none noted Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes <u>X</u> no Identification of major programs: Assistance Listing Number(s) Name of Federal Program or Cluster 84.010 Title I Grants to Local Education Agencies 84.425D/84.425U COVID-19 Education Stabilization Fund -**ESSER** 93.600 **Head Start** 84.367 Supporting Effective Instruction State Grants Dollar threshold used to distinguish \$ 3,000,000 between type A and type B programs: Auditee qualified as low-risk auditee under 2CFR 200.520? <u>X</u> yes ____ no

Section II – Financial Statement Findings

Reference No.: 2023-001

Significant Deficiency and Compliance Finding - Excess Expenditures Over Appropriations

Condition: As indicated in Exhibit G-1, the District's expenditures exceeded the budget in three functional areas: functions 11 (Instruction), 12 (Instructional Resources and Media Services), and 23 School Leadership.

Criteria: As described in the Texas Education Code Chapter 44 Fiscal Management, Section 44.006 (a) and (b), and in the Texas Education Agency Financial Accountability System Resource Guide 1.1.3 Budget Requirements, District funds may be spent only as provided for in the adopted budget, as amended by the District.

Cause: The District incurred more expenditures than budgeted primarily as a result of more expenditures being incurred in the summer camp enrichment program. The extent of the additional amounts being incurred in that program were not apparent to the business office in a timely manner and as a result, no amendment was passed prior to August 31, 2023.

Effect: The District incurred expenditures that are not budgeted in advance by the Board of Trustees.

Recommendation: The District should closely monitor budget to actual activity, and when situations present themselves that may require some estimation of additional expenditures but may not be fully known, an amendment should be passed based on the best estimate possible to account for the additional need for expenditures.

Management Response: See corrective action plan.

Section III - Federal Award Findings and Questioned Cost

None findings noted.

Section IV – Prior Findings and Questioned Costs for Federal Awards

None findings noted.



PHARR-SAN JUAN-ALAMO ISD

Office of Superintendent

Alejandro Elias, Ed. D., Superintendent of Schools

601 E. Kelly St., Pharr, Texas | 956.354.2000 | www.psjaisd.us

Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
Corrective Action Plan
For the Year Ended August 31, 2023

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2023-001	Excess Expenditures Over Appropriations
	The district will strengthen financial monitoring to promptly detect any discrepancies between budgeted and actual expenses. This includes variance analysis, trend analysis, and ongoing communication with department heads.
	Contact person:
	Rebecca Gonzales, Assistant Superintendent for Finance
	Proposed Completion Date:
	August 31, 2024

Federal Award Findings:

None noted.



PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2023

FEDERAL AGENCY PASS-THROUGH GRANTOR/	ASSISTANCE LISTING	CONTRACT/		PAYMENTS TO
PROGRAM TITLE	NUMBER	GRANT NUMBER	EXPENDITURES (\$)	SUBRECIPIENTS
. S. DEPARTMENT OF AGRICULTURE				
Passed Through Texas Department of Agriculture				
Child Nutrition Cluster *School Breakfast Program-SBP	10.553	DLP7FE6162B5	\$ 7,255,058	
*School Breakfast Program-SSO	10.553	DLP7FE6162B5	275,470	-
Total AL Number 10.553	10.555	DLF /1 L0102B3	7,530,528	
Total AL Number 10.555			7,550,520	
*National School Lunch Program - Noncash Assistance	10.555	DLP7FE6162B5	1,471,536	_
*National School Lunch Program	10.555	DLP7FE6162B5	16,485,042	-
*National School Lunch Program-SSO	10.555	DLP7FE6162B5	626,692	-
*National School Lunch Program - SCA	10.555	DLP7FE6162B5	1,136,845	-
Total AL Number 10.555			19,720,115	-
*Fresh Fruit & Vegetable Program	10.582	DLP7FE6162B5	283,053	
Total AL Number 10.582	10.562	DLF/FE0102B3	283,053	-
Total Child Nutrition Cluster			27,533,696	-
Child and Adult Care Food Program	10.558	DLP7FE6162B5	2,234,160	
Total AL Number 10.558			2,234,160	-
Child Nutrition Discretionary Grants Limited Availability	10.579	DLP7FE6162B5	10,230	-
Total AL Number 10.579			10,230	-
Total Passed Through Texas Department of Agriculture			29,778,086	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			29,778,086	
.S. DEPARTMENT OF DEFENSE				
Direct Program				
Junior Reserve Officer Training Corps	12.U01	DLP7FE6162B5	260,678	-
Total Direct Program			260,678	-
TOTAL U.S. DEPARTMENT OF DEFENSE			260,678	-
.S. DEPARTMENT OF THE INTERIOR				
Direct Program				
Coastal	15.630	DLP7FE6162B5	5,650	-
Total Direct Program			5,650	-
TOTAL U.S. DEPARTMENT OF THE INTERIOR			5,650	-
EDERAL COMMUCATIONS COMMISSION				
Direct Program				
COVID-19 Emergency Connectivity Fund Program	32.009	ECF2290006141	335,160	
COVID-19 Emergency Connectivity Fund Program	32.009	ECF2290005980	770,000	
Total AL Number 32.009			1,105,160	-
Total Direct Program			1,105,160	-
TOTAL FEDERAL COMMUCATIONS COMMISSION			1,105,160	-
.S. DEPARTMENT OF EDUCATION				
Passed Through Region One ESC				
Career and Technical Education - Basic Grants to States	84.048A	234200287110001	20,443	
Total AL Number 84.048A	2		20,443	-
			•	
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-21	20,143	-
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-22	402,139	
Total AL Number 84.334A			422,282	
Total Passed Through Region One ESC			442,725	-
Passed Through Region 18 ESC				
Education Innovation and Research (EIR)	84.411C	S411C200125	108,362	
Total AL Number 84.411C			108,362	
			108,362	

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2023

FEDERAL AGENCY **ASSISTANCE** PASS-THROUGH GRANTOR/ LISTING CONTRACT/ PAYMENTS TO NUMBER **GRANT NUMBER EXPENDITURES (\$) SUBRECIPIENTS** PROGRAM TITLE Passed Through State Department of Education Special Education (IDEA) Cluster *Special Education Grants to States 84.027A 236600011089096600 4,841,588 *Special Education Grants to States 84.027A 246600011089096600 232,817 5,074,405 Total AL Number 84.027A *COVID-19 Special Education Grants to States 84.027X 225350021089095350 1,239,800 Total AL Number 84.027X 1,239,800 *Special Education Preschool Grants 84.173A 236610011089096610 74,924 *Special Education Preschool Grants 84.173A 246610011089096610 3.229 Total AL Number 84.173A 78,153 *COVID-19 Special Education Preschool Grants 84.173X 225360021089095360 99 354 Total AL Number 84.173X 99,354 Total Special Education (IDEA) Cluster 6,491,712 Title I Grants to Local Education Agencies 84.010A 22610101108909 513.879 Title I Grants to Local Education Agencies 84.010A 23610101108909 16,871,873 Title I Grants to Local Education Agencies 84.010A 24610101108909 452,563 Title I Grants to Local Education Agencies 84 010A 236101627110023 103.953 84.010A 236101627110024 95,053 Title I Grants to Local Education Agencies Title I Grants to Local Education Agencies 84.010A 22610141108909 Total AL Number 84.010A 18,037,551 Migrant Education State Grant Program 84.011A 23615001108909 811,538 Migrant Education State Grant Program 84.011A 24615001108909 20,240 Migrant Education State Grant Program 84.011A 236150147110001 381 291 Migrant Education State Grant Program 84.011A 226150147110001 573 Total AL Number 84.011A 1,213,642 Career and Technical Education - Basic Grants to States 84.048A 23420006108909 534,502 Career and Technical Education - Basic Grants to States 84.048A 24420006108909 14,146 Total AL Number 84.048A 548,648 **English Language Acquisition State Grants** 84 365A 22671001108909 49.014 **English Language Acquisition State Grants** 84.365A 23671001108909 1,232,050 **English Language Acquisition State Grants** 84.365A 24671001108909 76.983 1,358,047 Total AL Number 84.365A Supporting Effective Instruction State Grants 84.367A 22694501108909 57,094 Supporting Effective Instruction State Grants 84.367A 23694501108909 1,961,831 Supporting Effective Instruction State Grants 84.367A 24694501108909 75.406 Supporting Effective Instruction State Grants 84.367A 69452229 6.036 Total AL Number 84.367A 2,100,367 Grants for State Assessments and Related Activities 84 369A DI P7FF6162B5 136,762 Total AL Number 84.369A 136,762 Student Support and Academic Enrichment Program 84.424A 22680101108909 32,322 84.424A 23680101108909 Student Support and Academic Enrichment Program 1,110,176 Student Support and Academic Enrichment Program 84.424A 24680101108909 17,874 Total AL Number 84.424A 1,160,372 COVID-19 Education Stabilization Fund- ESSER Fund 84.425D 21521001108909 18.603.546 COVID-19 Education Stabilization Fund- ESSER Fund 84.425U 21528001108909 27.949.313 COVID-19 Education Stabilization Fund- ESSER Fund 84.425U 215280587110110 161,879 COVID-19 Education Stabilization Fund- ESSER Fund 84.425U 21528042108909 2,653,752 Total AL Number 84.425 49,368,490 Total Passed Through State Department of Education 80,415,591 TOTAL U.S. DEPARTMENT OF EDUCATION 80.966.678

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2023

FEDERAL AGENCY	ASSISTANCE			
PASS-THROUGH GRANTOR/	LISTING	CONTRACT/		PAYMENTS TO
PROGRAM TITLE	NUMBER	GRANT NUMBER	EXPENDITURES (\$)	SUBRECIPIENTS
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State Department of Education				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases -	93.323	02742977	350,176	-
Noncash Assistance	93.323	6NU50CK000501-02-06	310,672	=
Total AL Number 93.323			660,848	=
Total Passed Through State Department of Education			660,848	
Passed Through Region One ESC				
COVID-19 Public Health Emergency Response: Cooperative Agreement for				
Emergency Response: Public Health Crisis Response	93.354	223934017110001	253,590	=
Total AL Number 93.354			253,590	=
Total Passed Through Region One ESC			253,590	-
Passed Through University of Texas - Rio Grande Valley				
Head Start Cluster				
*Head Start	93.600	06HP000334-03	136,989	-
*Head Start	93.600	06HP000334-04	3,034,162	
Total AL Number 93.600			3,171,151	-
Total Head Start Cluster			3,171,151	-
Total Passed Through University of Texas - Rio Grande Valley			3,171,151	-
Passed Through Texas Health and Human Services Commission				
Medicaid Cluster				
*Medicaid Administrative Claiming Program	93.778	HHS000537900210	960,223	-
Total Medicaid Cluster			960,223	-
Total Passed Through Texas Health and Human Services			960,223	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			5,045,812	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 117,162,064	\$ -

^{*}Clustered Programs

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2023

NOTE 1: Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards ("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, 2023, the District had no sub-recipients.

NOTE 5: Federal Loans and Loan Guarantees

During the year ended August 31, 2023, the District had no outstanding federal loans payable or loan guarantees.

NOTE 6: Federally Funded Insurance

During the year ended August 31, 2023, the District had no outstanding federally funded insurance.

NOTE 7: Noncash awards

During the year ended August 31, 2023, the District received the following non-cash assistance:

National School Lunch Program - Noncash Assistance (Assistance Listing Number \$ 1,471,536 10.555)

COVID-19 Epidemiology & Laboratory Capacity for Infectious Diseases (Assistance Listing Number 93.323)

310,672
\$ 1,782,208

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2023

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

Total Federal Awards Expended	\$ 117,162,064
Federal subsidy	511,182
SHARS	7,061,223
	\$ 124,734,469

SCHOOLS FIRST QUESTIONNAIRE

Fiscal Year 2023

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If there was a warrant hold not cleared in 30 days, then not timely.)	Yes
SF4	Was the school district issued a warrant hold? (Yes even if cleared within 30 days.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Govenment Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules in effect at the fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$1,402,763