Pharr-San Juan-Alamo Independent School District

FINANCIAL STATEMENTS

August 31, 2024

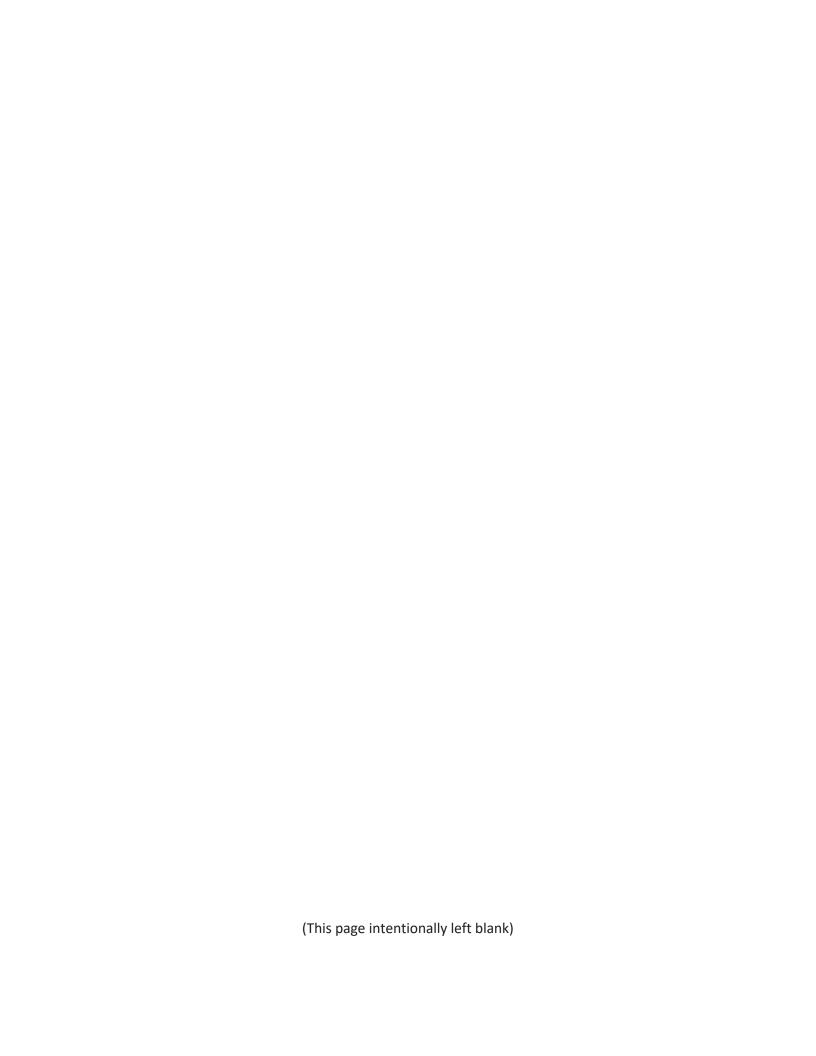


Table of Contents

-	
-	

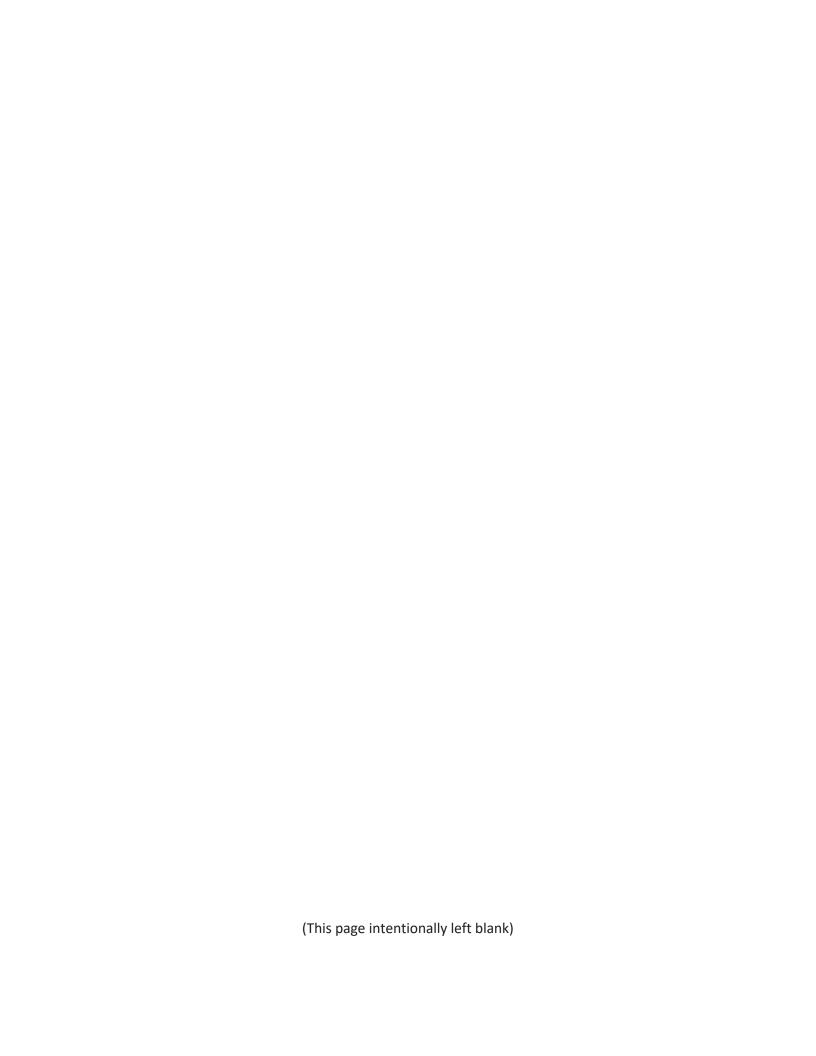
EXHIBIT	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	1 3
FINANCIAL SECTION	
Independent Auditor's Report	7 11
Basic Financial Statements:	
Government-wide Financial Statements: Statement of Net Position A-1 Statement of Activities B-1	21 22
Fund Financial Statements: Balance Sheet – Governmental Funds	24
Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
and Changes in Fund Balances to the Statement of Activities	30 31
Fund Net Position – Proprietary Funds	
Statement of Cash Flows – Proprietary Funds	
Statement of Fiduciary Net Position – Fiduciary Funds E-1 Statement of Changes in Fiduciary Net Position – Fiduciary Funds E-2 Notes to Financial Statements	
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	79
Liability – Teacher Retirement System of Texas	
Teacher Retirement System of Texas	82
Liability – Teacher Retirement System of Texas	
Teacher Retirement System of Texas	86 88

Table of Contents

	PAGE
EXHIBIT	NO.
Combining Fund Statements:	
Combining Balance Sheet –	
Nonmajor Governmental Funds	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	102
Combining Statement of Cash Flows – Internal Service Funds	103
Combining Statement of Net Position – Nonmajor Enterprise Funds	104
Combining Statement of Revenues, Expenses and Changes in	
Fund Net Position – Nonmajor Enterprise Funds	106
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	108
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	115
SINGLE AUDIT SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and	
on Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	118
Independent Auditor's Report on Compliance for Each Major Program	
and on Internal Control Over Compliance Required by the Uniform Guidance	120
Schedule of Findings and Questioned Costs	124
Status of Prior Year Findings	127
Corrective Action Plan	128
Schedule of Expenditures of Federal Awards	129
Notes to Schedule of Expenditures of Federal Awards	132
Schools FIRST Questionnaire	134



INTRODUCTORY SECTION



Pharr-San Juan-Alamo Independent School District List of Principal Officials August 31, 2024

Board of Trustees

President Diana Y. Serna

Vice President Ricardo "Rick" Rodriguez

Secretary Ramona Barron

Assistant Secretary Griselda Quintanilla

Member Carlos G. Villegas, Jr.

Member Yolanda Castillo

Member Dr. Cynthia A. Gutierrez

Administration

Superintendent Dr. Alejandro Elias

Chief Financial Officer Rebecca Gonzales

(This page intentionally left blank)

Pharr-San Juan-Alamo Independent School District Certificate of the Board For the Year Ended August 31, 2024

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 educati	ion agency fo
the year ended August 31, 2024 was reviewed and	approved di	sapproved a
a meeting of the Board of such local education agency	on the <u>27th</u> day of <u>January 2025.</u>	
Willerna	O Canon Pa	Jan

Signature of Board President Diana Y. Serna

(This page intentionally left blank)



FINANCIAL SECTION

(This page intentionally left blank)



Carr, Riggs & Ingram, L.L.C. 1801 South 2nd Street Suite 500 McAllen, TX 78503

956.686.3701 956.686.6830 (fax) CRladv.com

INDEPENDENT AUDITOR'S 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, 2024, 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, 2024, 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 Auditor's 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.

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.

Auditor's 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 auditor's 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 auditor's 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, 2024, 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 27, 2025

Carr, Riggs ! Ungram, L.L.C.

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$368,986,091 for fiscal year ending August 31, 2024. This amounted to a decrease of \$9,944,976 from last year's total of \$378,931,067 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$9,944,976 more than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$10,355,368 less than revenues.
- The general fund reported a fund balance this year of \$110,774,045 with \$42,370,790 of this amount unassigned.

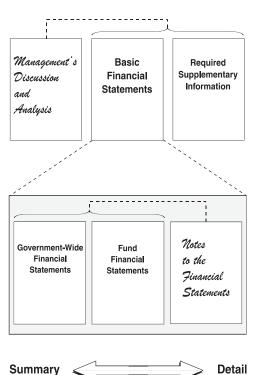
OVERVIEW OF THE FINANCIAL STATEMENTS

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.

	iviagor i entar es or the Ba	strict 5 Government with	le and Fund Financial Sta	itements
			Fund Statements	
Type of Statements	Government-wide Entire Agency's government	Governmental Funds The activities of the district	Proprietary Funds Activities the district	Instances in which the
	0 , 0		i	district is the trustee or
	(except fiduciary funds) and the Agency's component	that are not proprietary or	operates similar to private businesses: self insurance	agent for someone else's
Scope	units	nduciary	businesses: seif insurance	resources
	Statement of net position	◆Balance sheet	• Statement of net position	• Statement of fiduciary net position
Required financial	Statement of activities	 Statement of revenues, 	• Statement of revenues,	• Statement of changes
statements		expenditures and changes	expenses and changes in	in fiduciary net position
		in fund balances	fund net position	
			• Statement of cash flows	
Accounting basis	Accrual accounting and	Modified accrual	Accrual accounting and	Accrual accounting and
and measurement	economic resources focus	accounting and current	economic resources focus	economic resources focus
focus		financial resources focus		
	All assets and liabilities,	Only assets expected to	All assets and liabilities,	All assets and liabilities,
Type of	* · · ·	be used up and liabilities	both financial and capital,	both short-term and long-
asset/liability		that come due during the	and short-term and long-	term; the Agency's funds d
information		year or soon thereafter;	term	not currently contain
		no capital assets included		capital assets, although they can
	All revenues and	Revenues for which cash	All revenues and expenses	All revenues and
	expenses during year,	is received during or soon	during year, regardless of	expenses during year,
	regardless of when cash	after the end of the year;	when cash is received or	regardless of when cash
Type of	is received or paid	expenditures when goods	paid	is received or paid
inflow/outflow	,	or services have been	i .	*
information		received and payment is		
-		due during the year or		
		soon thereafter		

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$368,986,091 on August 31, 2024. (See Table A-1).

Table A-1District's Net Position

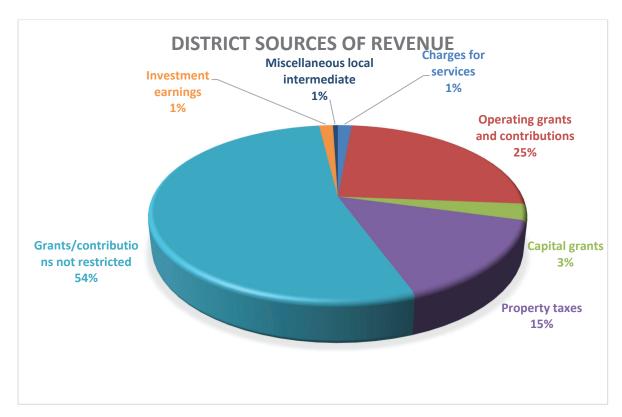
	Governmen	tal Activities	Business-Type Activities			ctivities	То	tal
	2024	2023		2024		2023	2024	2023
Current and Other Assets	\$ 164,971,135	\$ 202,872,557	\$	842,977	\$	821,616	\$ 165,814,112	\$ 203,694,173
Capital and Non-Current								
Assets	720,743,309	733,472,706		-		-	720,743,309	733,472,706
Total Assets	885,714,444	936,345,263		842,977		821,616	886,557,421	937,166,879
Deferred Outflows of								
Resources	109,952,822	117,857,754		-		-	109,952,822	117,857,754
Current Liabilities	57,479,036	64,867,431		29,235		15,155	57,508,271	64,882,586
Long Term Liabiliities	457,108,140	482,164,048		-		-	457,108,140	482,164,048
	514,587,176	547,031,479		29,235		15,155	514,616,411	547,046,634
Deferred Inflows of Resources	112,907,741	129,046,931		_		_	112,907,741	129,046,931
								, ,
Net Position: Net Investment in								
Capital Assets	492,821,218	488,760,955		-		-	492,821,218	488,760,955
Restricted	36,991,482	33,936,497		-		-	36,991,482	33,936,497
Unrestricted	(161,640,351)	(144,572,845)		813,742		806,461	(160,826,609)	(143,766,384)
	\$ 368,172,349	\$ 378,124,607	\$	813,742	\$	806,461	\$ 368,986,091	\$ 378,931,068

Net position of the District's Governmental activities is \$368,172,349. 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 (\$161,640,351) 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 \$813,742. 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 \$512,760,053. A significant portion (54%) 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 \$523,028,183; of these costs 54% are for instruction and instructional related services and student services.



Governmental Activities

- Investment remained the same at \$6.7 million.
- The total tax rate for 2023-24 was \$1.0183. For 2024-25, the tax rate will remain the same. 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 2024-25. 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 2024-25 fiscal year, surplus funds will be transferred from the General Fund to the Debt Service Fund to meet 2024-25 principal and interest requirements on bonded debt.

Table A-2 Changes in District's Net Position

	Governme	ental Act	tivities		Business-Type Activities				Total			
	2024		2023		2024		2023		2024		2023	
Program Revenues:												
Charges for services	\$ 6,877,689	\$	6,772,468	\$	842,018	\$	607,841	\$	7,719,707	\$	7,380,309	
Operating grants and contributions	118,233,438		118,367,420		-		-		118,233,438		118,367,420	
Capital grants and contributions	-		14,161,682		-		-		-		14,161,682	
General Revenues:												
Property taxes	62,698,681		72,154,446		-		-		62,698,681		72,154,446	
Grants/contributions not restricted	304,010,770		255,010,682		-		-		304,010,770		255,010,682	
Investment earnings	6,777,081		6,771,689		-		-		6,777,081		6,771,689	
Miscellaneous local intermediate	715,393		2,410,282		-		-		715,393		2,410,282	
Special and extraordinary items	13,447,001		-		-		-		13,447,001		-	
Total Revenues	512,760,053		475,648,669		842,018		607,841		513,602,071		476,256,510	
Expenses:												
Instruction	274,886,080		243,954,115		-		-		274,886,080		243,954,115	
Instructional Resources and Media Services	7,477,808		7,416,557		-		-		7,477,808		7,416,557	
Curriculum and Staff Development	14,541,162		12,027,707		-		-		14,541,162		12,027,707	
Instructional Leadership	10,952,070		9,936,223		-		-		10,952,070		9,936,223	
School Leadership	23,553,794		22,188,334		-		-		23,553,794		22,188,334	
Guidance, Counseling and Evaluation Services	18,635,207		15,822,665		-		-		18,635,207		15,822,665	
Social Services	3,462,861		3,243,877		-		-		3,462,861		3,243,877	
Health Services	6,087,788		6,720,375		-		-		6,087,788		6,720,375	
Student (Pupil) Transportation	12,549,405		12,050,772		-		-		12,549,405		12,050,772	
Food Services	36,039,862		30,381,964		-		-		36,039,862		30,381,964	
Extracurricular Activities	23,337,645		21,030,937		-		-		23,337,645		21,030,937	
General Administration	11,067,174		12,806,429		-		-		11,067,174		12,806,429	
Facilities Maintenance & Operations	54,267,675		46,664,913		-		-		54,267,675		46,664,913	
Security & Monitoring Services	11,891,437		8,011,636		-		-		11,891,437		8,011,636	
Data Processing Services	4,364,524		3,930,722		-		-		4,364,524		3,930,722	
Community Services	2,097,428		1,794,405		-		-		2,097,428		1,794,405	
Interest on Long Term Debt	6,717,538		6,335,113		-		-		6,717,538		6,335,113	
Bond Issuance Cost and Fees	18,045		16,500		-		-		18,045		16,500	
Payments related to Shared Services Arrangement	193,721		-		-		-		193,721		-	
Other Intergovernmental Charges	886,959		118,957		-		-		886,959		118,957	
Digital Billboard/Scoreboard	-		50,400		26,338		27,423		26,338		77,823	
ACT RGV	-		862,569		440,922		452,340		440,922		1,314,909	
Other activities	-		-		51,604		56,209		51,604		56,209	
Total Expenses:	523,028,183		465,365,170		518,864		535,972		523,547,047		465,901,142	
Increase (Decrease) in Net Position	(10,268,130)		10,283,499		323,154		71,869		(9,944,976)		10,355,368	
Transfer In (Out)	315,873				(315,873)		,000		(=,= : :,= : 0)			
Total Increase (Decrease)	(9,952,257)		10,283,499		7,281		71,869		(9,944,976)		10,355,368	
Net Position - Beginning	378,124,606		367,841,107		806,461		734,592		378,931,067		368,575,699	
Net Position - Ending	\$ 368,172,349	\$	378,124,606	\$	813,742	\$	806,461	\$	368,986,091	\$	378,931,067	
=			, ,	-	,	-	,	-	,,	Ŧ	,,	

The net cost of all *governmental* activities this year was \$397,917,056. 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

	C	ost		Net	_	
	2024	2023	Change	2024	2023	Change
Instruction	\$ 274,886,080	\$ 243,954,115	11%	\$ 230,618,542	\$ 199,157,926	14%
School Leadership	23,553,794	22,188,334	6%	22,254,164	21,317,942	4%
Guidance, Counseling and Evaluator	18,635,207	15,822,665	15%	15,867,223	13,291,561	16%
Food Services	36,039,862	30,381,964	16%	3,744,021	1,410,135	62%
Extracurricular Activities	23,337,645	21,030,937	10%	16,274,683	14,481,839	11%
Facilities Maintenance & Operations	54,267,675	46,664,913	14%	49,705,365	38,856,360	22%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from all governmental funds totaled \$506,611,131. The increase in local revenues is a result of increased property values and state revenues.

The General Fund is the district's chief operating fund. As of August 31, 2024, the fund balance of the general fund was \$110,774,045. The unassigned balance of \$42,370,790 or 38% 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:

- \$3,288,236 is recorded as nonexpendable for inventories and deferred expenditures;
- \$6,441,072 is recorded as a prepaid item
- \$22,112,044 is recorded as Restricted
- \$6,400,000 is recorded for Long Term Debt
- \$12,361,550 is recorded as committed for Construction;
- \$1,450,950 is recorded as committed for capital expenditures for equipment for schools and buses;
- \$8,359,893 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;
- \$42,370,790 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 2024, the District had invested \$714,266,704 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4District's Capital Assets

	2024	2023	Change
Land	\$ 30,021,582	\$ 30,021,582	0%
Buildings, Net	622,650,937	622,815,325	0%
Furniture and Equipment, Net	12,641,447	11,383,970	10%
Right-to-Use Leased Assets, Net	830,635	899,854	-8%
Constrction in Progress	38,609,256	53,411,503	-38%
Infrastructure, Net	9,512,847	10,252,450	-8%
	\$ 714,266,704	\$ 728,784,684	

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, 2024, are as follows:

Table A-5District's Long Term Det

	Beginning Balance				Ending Balance	А	mounts Due														
	9/1/2023	Increase		Increase		Increase		Increase		Increase		Increase		Increase		Increase		Decrease	8/31/2024		in 1 Year
Total Bonds Payable	\$ 218,740,000	\$	-	\$ 14,610,000	\$ 204,130,000	\$	15,340,000														
Total Notes Payable	19,755,000		-	1,320,000	18,435,000		3,125,000														
Premium and Discount	21,299,360		-	3,892,912	17,406,448		-														
2021 CAB Accrued Interest	1,402,763		809,256	-	2,212,019		-														
Sick and Vacation Leave	8,338,253		269,936	248,295	8,359,894		542,965														
Net Pension Liability	139,337,391		21,056,831	-	160,394,222		-														
Net OPEB Liability	73,291,281		-	(8,112,759)	65,178,522		-														
Total Long Term Liabilities	\$ 482,164,048	\$	22,136,023	\$ 11,958,448	\$ 476,116,105	\$	19,007,965														

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 2024 budget preparation is \$7.4 billion, up \$300 million or 4%. 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 2025 refined average daily attendance is expected to be 28,300.

These indicators were taken into account when adopting the general fund budget for 2025. Amounts available for appropriation in the general fund budget are \$425 million. Property values continue to rise, but at a slower pace. The district will examine the budget for 2025 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to be \$425 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.

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 2025.

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.

(This page intentionally left blank)

3

2

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF NET POSITION AUGUST 31, 2024

			1	Prir	nary Government		3
Data					•		
Control		(Governmental	Business			
Codes			Activities		Type Activities		Total
ASSE	TS						
1110	Cash and Cash Equivalents	\$	19,885,036	\$	1,127,387	\$	21,012,423
1120	Current Investments		58,417,217		-		58,417,217
1225	Property Taxes Receivable, Net		5,584,659		-		5,584,659
1240	Due from Other Governments		69,940,605		-		69,940,605
1260	Internal Balances		284,410		(284,410)		-
1290	Other Receivables, Net		855,026		-		855,026
1300	Inventories		3,288,236		-		3,288,236
1410	Prepayments		6,715,946		-		6,715,946
	Capital Assets:						
1510	Land		30,021,582		-		30,021,582
1520	Buildings, Net		622,650,937		-		622,650,937
1530	Furniture and Equipment, Net		12,641,446		-		12,641,446
1550	Right-to-Use Leased Assets, Net		830,635		_		830,635
1580	Construction in Progress		38,609,255		-		38,609,255
1590	Infrastructure, Net		9,512,847		-		9,512,847
1800	Restricted Assets		6,400,000		-		6,400,000
1990	Other Assets		76,607		-		76,607
1000	Total Assets		885,714,444		842,977		886,557,421
DEFE	RRED OUTFLOWS OF RESOURCES				·		
1701	Deferred Charge for Refunding		16,337,520		_		16,337,520
1705	Deferred Outflow Related to TRS Pension		66,344,901		_		66,344,901
1706	Deferred Outflow Related to TRS OPEB		27,270,401		_		27,270,401
1700	Total Deferred Outflows of Resources		109,952,822			_	109,952,822
LIARI	LITIES					-	
2110	Accounts Payable		9,396,213		13,797		9,410,010
2140	Interest Payable		664,708		13,777		664,708
2160	Accrued Wages Payable		-		15,288		15,288
2180	Due to Other Governments		119,709		13,200		119,709
2190	Due to Student Groups		300,121		150		300,271
2200	Accrued Expenses		24,964,675		-		24,964,675
2300	Unearned Revenue		3,025,645		_		3,025,645
	Noncurrent Liabilities:		-,,				-,,
2501	Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:		19,007,965		-		19,007,965
2502	Bonds, Notes, Loans, Leases, etc.		231,535,396		_		231,535,396
2540	Net Pension Liability (District's Share)		160,394,222		_		160,394,222
2545	Net OPEB Liability (District's Share)		65,178,522		_		65,178,522
2000	Total Liabilities		514,587,176		29,235		514,616,411
	RRED INFLOWS OF RESOURCES						211,010,111
2605	Deferred Inflow Related to TRS Pension		7,278,803		_		7,278,803
2606	Deferred Inflow Related to TRS OPEB		105,628,938		_		105,628,938
	Total Deferred Inflows of Resources						
2600			112,907,741		-	_	112,907,741
	POSITION		402.021.212				400 001 010
3200	Net Investment in Capital Assets and Right-to-Use Lease Restricted:		492,821,218		-		492,821,218
3820	Restricted for Federal and State Programs		24,215,057		-		24,215,057
3850	Restricted for Debt Service		12,776,425		-		12,776,425
3900	Unrestricted		(161,640,351)		813,742	_	(160,826,609)
3000	Total Net Position	\$	368,172,349	\$	813,742	\$	368,986,091

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, 2024

							Program Revenues		venues
Data					1		3		4
Control									Operating
						(Charges for		Grants and
Codes					Expenses		Services	(Contributions
Primary Government:									
GOVERNMENTAL ACTIVITIES	S:								
11 Instruction			,	\$	274,886,080	\$	117,344	\$	44,150,194
12 Instructional Resources and Med	ia Services		'	ψ	7,477,808	Ψ	-	Ψ	1,590,161
13 Curriculum and Instructional Staf		nt			14,541,162		_		7,604,349
21 Instructional Leadership					10,952,070		_		2,798,177
23 School Leadership					23,553,794		_		1,299,630
31 Guidance, Counseling, and Evalua	ation Services				18,635,207		-		2,767,984
32 Social Work Services					3,462,861		-		904,040
33 Health Services					6,087,788		-		1,132,441
34 Student (Pupil) Transportation					12,549,405		-		581,082
35 Food Services					36,039,862		152,761		32,143,080
36 Extracurricular Activities					23,337,645		6,607,584		455,378
41 General Administration					11,067,174		-		3,021,131
51 Facilities Maintenance and Opera	ntions				54,267,675		-		4,562,310
52 Security and Monitoring Services					11,891,437		-		2,383,858
53 Data Processing Services					4,364,524		-		234,446
61 Community Services					2,097,428		-		1,479,254
72 Debt Service - Interest on Long-T	erm Debt				6,717,538		-		11,125,923
73 Debt Service - Bond Issuance Cos	st and Fees				18,045		-		-
93 Payments Related to Shared Serv		nents			193,721		-		-
99 Other Intergovernmental Charges					886,959			_	-
[TG] Total Governmental	Activities:		_		523,028,183		6,877,689		118,233,438
BUSINESS-TYPE ACTIVITIES:									
01 College for All					5,921		41,300		_
02 Digital Billboard					26,338		187,328		_
03 ACT RGV					440,922		410,638		-
04 Swimming					8,094		16,434		-
06 Natatorium			_		37,589		186,318		-
[TB] Total Business-Type	e Activities:		_		518,864		842,018		-
[TP] TOTAL PRIMARY GOVER	RNMENT:		:	\$	523,547,047	\$	7,719,707	\$	118,233,438
		Data	-		·		•	<u> </u>	•
		Control	General Revenue	٠ς٠					
		Codes		٠.					
			Taxes:		T	~	1.0		
		MT			kes, Levied for (•		
		DT			kes, Levied for I				
		GC			tributions not I	Restric	cted		
		IE	Investment I			11. 4	D		
		MI			Local and Intern	nediat	e Revenue		
		E1 FR	Extraordinary Ite						
			Transfers In (Ou		E-4	T4	0. T£		
		TR	Total General Re			-	eins & I ransfe	crs	
		CN		_	e in Net Positio	n			
		NB	Net Position - Be	egir	nning				
		NE	N-4 D:4: F	. 11					

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

Net Position - Ending

NE

Net (Expense) Revenue and Changes in Net Position

		JIIai	nges in Net Positio)11			
	6	ъ.	7		8		
Primary Government							
G	overnmental		Business-type				
	Activities		Activities		Total		
\$	(230,618,542)	\$	-	\$	(230,618,542)		
	(5,887,647)		-		(5,887,647)		
	(6,936,813)		-		(6,936,813)		
	(8,153,893)		-		(8,153,893)		
	(22,254,164)		-		(22,254,164)		
	(15,867,223)		-		(15,867,223)		
	(2,558,821)		-		(2,558,821)		
	(4,955,347)		-		(4,955,347)		
	(11,968,323)		-		(11,968,323)		
	(3,744,021)		-		(3,744,021)		
	(16,274,683) (8,046,043)		-		(16,274,683) (8,046,043)		
	(49,705,365)		-		(49,705,365)		
	(9,507,579)				(9,507,579)		
	(4,130,078)				(4,130,078)		
	(618,174)		_		(618,174)		
	4,408,385		_		4,408,385		
	(18,045)		_		(18,045)		
	(193,721)		-		(193,721)		
	(886,959)		-		(886,959)		
	(397,917,056)		-		(397,917,056)		
			25.250		25.250		
	-		35,379		35,379		
	-		160,990		160,990		
	-		(30,284) 8,340		(30,284) 8,340		
	_		148,729		148,729		
		_	323,154	_	323,154		
		_		_			
	(397,917,056)	_	323,154	_	(397,593,902)		
	48,798,106		-		48,798,106		
	13,900,575		-		13,900,575		
	304,010,770		-		304,010,770		
	6,777,081		-		6,777,081		
	715,393		-		715,393		
	13,447,001		-		13,447,001		
	315,873		(315,873)	_	-		
	387,964,799	_	(315,873)	_	387,648,926		
	(9,952,257)		7,281		(9,944,976)		
	378,124,606	_	806,461	_	378,931,067		
\$	368,172,349	\$	813,742	\$	368,986,091		

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2024

Data			10	50	60
Contro	ıl		General	Debt Service	Capital
Codes			Fund	Fund	Projects
AS	SETS				
1110	Cash and Cash Equivalents	\$	12,806,096	\$ 3,516,563 \$	576
1120	Investments - Current		56,608,415	1,808,403	399
1220	Property Taxes Receivable		6,338,776	1,402,065	-
1230	Allowance for Uncollectible Taxes		(1,854,695)	(301,487)	-
1240	Due from Other Governments		55,754,951	410,613	-
1250	Accrued Interest		778,016	-	-
1260	Due from Other Funds		17,043,558	734,114	4,746,471
1290	Other Receivables		76,480	-	-
1300	Inventories		3,288,236	-	-
1410	Prepayments		6,441,072	-	-
1800	Restricted Assets		6,400,000	-	-
1000	Total Assets	\$	163,680,905	\$ 7,570,271	4,747,446
LIA	ABILITIES				
2110	Accounts Payable	\$	3,937,560	\$ 1,627 \$	2,188,442
2150	Payroll Deductions and Withholdings Payable	*	3,912,689	-	-,,
2160	Accrued Wages Payable		16,154,960	_	_
2170	Due to Other Funds		21,636,235	527,511	2,559,004
2180	Due to Other Governments		118,892	-	2,555,001
2190	Due to Student Groups		300,121	_	_
2300	Unearned Revenue		159,774	_	_
2000	Total Liabilities		46,220,231	529,138	4,747,446
DE	FERRED INFLOWS OF RESOURCES				
2601	Deferred Inflow of Resources - Property Taxes		4,121,531	1,008,948	
2602	Deferred Inflow of Resources - Floperty Taxes Deferred Inflow of Resources - SHARS		2,565,098	1,000,940	-
2600	Total Deferred Inflows of Resources		6,686,629	1,008,948	-
FU.	ND BALANCES				
	Nonspendable Fund Balance:		2 200 226		
3410	Inventories		3,288,236	-	-
3430	Prepaid Items		6,441,072	-	-
	Restricted Fund Balance:		22 112 211		
3450	Federal or State Funds Grant Restriction		22,112,044	-	-
3480	Retirement of Long-Term Debt		6,400,000	6,032,185	-
	Committed Fund Balance:		10.061.550		
3510	Construction		12,361,550	-	-
3530	Capital Expenditures for Equipment		1,450,950	-	-
3545	Other Committed Fund Balance		8,359,894	-	-
	Assigned Fund Balance:		7 000 5 00		
3590	Other Assigned Fund Balance		7,989,509	-	-
3600	Unassigned Fund Balance		42,370,790		-
3000	Total Fund Balances		110,774,045	6,032,185	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$	163,680,905	\$ 7,570,271 \$	4,747,446

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

			Total
	Other		Governmental
	Funds		
	runds		Funds
\$	3,561,801	\$	19,885,036
	-		58,417,217
	-		7,740,841
	_		(2,156,182)
	13,775,041		69,940,605
	· -		778,016
	655,282		23,179,425
	237		76,717
	237		3,288,236
	1,222,832		7,663,904
	1,222,032		6,400,000
•	10.215.102	<u>г</u>	
\$	19,215,193	\$	195,213,815
\$	1,650,893	\$	7,778,522
	-		3,912,689
	1,633,098		17,788,058
	10,370,485		35,093,235
	817		119,709
	-		300,121
	2,865,871		3,025,645
	16,521,164		68,017,979
	-		5,130,479
	-		2,565,098
	-	_	7,695,577
		_	, , ,
			2 200 226
	-		3,288,236
	-		6,441,072
	-		22,112,044
	-		12,432,185
			,,
	-		12,361,550
	-		1,450,950
	2,694,043		11,053,937
	_		7,989,509
	(14)		42,370,776
		_	
	2,694,029	_	119,500,259
\$	19,215,193	\$	195,213,815

(This page intentionally left blank)

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	\$ 119,500,259
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.	7,346,197
2 Including capital assets (Net of accumulated depreciation) in governmental activities increases in net position. However, assets held in internal service funds do not increase net position since the amounts are already included in the internal service fund net position. The net right of use assets do not increase net position since the leases related to them were prepaid in full. The net effect of including capital assets of \$714,266,702, excluding right of use assets (\$830,635) and net internal service fund assets (\$29,304) is to increase net position by \$713,406,763.	713,406,763
3 Prepaid interest of (\$40,715) are not financial resources, and therefore are not reported as assets in governmental funds.	(40,715)
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 \$66,344,901, a deferred resource inflow in the amount of (\$7,278,803), and a net pension liability of (\$160,394,222). This resulted in a decrease in net position.	(101,328,124)
5 The District participates in the TRS-CARE plan for retirees through TRS. The District's share of TRS plan resulted in deferred resource outflow of \$27,270,401, a deferred resource inflow of (\$105,628,938), and a net OPEB liability of (\$65,178,522). This resulted in a decrease in net position.	(143,537,059)
6 Long-term liabilities, including bonds and notes payable of (\$222,565,000), premium on bonds of (\$17,406,448), accretion of CAB's of (\$2,212,019), deferred charges on refunding \$16,337,520, and vacation and sick leave payable of (\$8,359,894), are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(234,205,841)
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 \$5,130,479 and certain amounts due from other governments as revenue for \$2,565,098. The net effect of these reclassifications and recognitions is to increase net position.	7,695,577
8 Accrued interest is not due and payable in current period and therefore is not reported as a liability in the governmental funds.	(664,708)
29 Net Position of Governmental Activities	\$ 368,172,349

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

FOR THE YEAR ENDED AUGUST 31, 2024

Data			10	50	60
Control			General	Debt Service	Capital
Code	Codes		Fund	Fund	Projects
I	REVENUES:				
5700	Total Local and Intermediate Sources	\$	55,647,703	\$ 14,157,716	\$ 71,173
5800	State Program Revenues		319,583,632	10,619,278	-
5900	Federal Program Revenues		38,000,630	-	-
5020	Total Revenues	_	413,231,965	24,776,994	71,173
I	EXPENDITURES:	_			
	Current:				
0011	Instruction		224,066,706	-	-
0012	Instructional Resources and Media Services		5,604,531	-	-
0013	Curriculum and Instructional Staff Development		6,167,280	-	-
0021	Instructional Leadership		7,723,363	-	-
0023	School Leadership		21,533,445	-	-
0031	Guidance, Counseling, and Evaluation Services		15,391,278	-	-
0032	Social Work Services		2,389,684	-	-
0033	Health Services		4,742,542	-	-
0034	Student (Pupil) Transportation		11,441,649	-	-
0035	Food Services		33,024,524	-	-
0036	Extracurricular Activities		16,049,357	-	-
0041	General Administration		10,128,085	-	-
0051	Facilities Maintenance and Operations		47,096,718	-	18,500
0052	Security and Monitoring Services		9,165,313	_	136,797
0053	Data Processing Services		3,940,694	_	-
0061	Community Services		457,699	_	_
0001	Debt Service:				
0071	Principal on Long-Term Liabilities		1,320,470	14,610,001	_
0071	Interest on Long-Term Liabilities		653,648	7,867,521	_
0072	Bond Issuance Cost and Fees		4,450	13,595	_
0073	Capital Outlay:		7,730	13,373	_
0001					0.269.921
0081	Facilities Acquisition and Construction Intergovernmental:		-	-	9,268,831
0093	Payments to Fiscal Agent/Member Districts of SSA		193,721	-	-
0099	Other Intergovernmental Charges		886,959	-	-
6030	Total Expenditures		421,982,116	22,491,117	9,424,128
1100	Excess (Deficiency) of Revenues Over (Under)		(8,750,151)	2,285,877	(9,352,955)
(Expenditures DTHER FINANCING SOURCES (USES):				
			0.207		
7912	Sale of Real and Personal Property		9,307 619,717	-	2 029 450
7915	Transfers In Other Resources			-	3,928,450
7949	Transfers Out (Use)		20,004,440	-	759,823
8911			(4,407,810)	-	-
8949	Other (Uses)		(7,317,262)		
7080	Total Other Financing Sources (Uses)	_	8,908,392		4,688,273
1200	Net Change in Fund Balances		158,241	2,285,877	(4,664,682)
0100	Fund Balance - September 1 (Beginning)		110,615,804	3,746,308	4,664,682
3000	Fund Balance - August 31 (Ending)	\$	110,774,045	\$ 6,032,185	\$ -

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

	Total
Other	Governmental
Funds	Funds
6 442 264 4	56210056
\$ 6,443,364 \$	
5,908,552	336,111,462
56,179,083	94,179,713
68,530,999	506,611,131
36,569,356	260,636,062
1,446,504	7,051,035
7,451,488	13,618,768
2,576,065	10,299,428
696,932	22,230,377
2,269,765	17,661,043
857,430	3,247,114
993,428	5,735,970
352,410	11,794,059
718,630	33,743,154
6,312,806	22,362,163
336,728	10,464,813
3,730,349	50,845,567
2,244,877	11,546,987
169,996	4,110,690
1,466,774	1,924,473
-	15,930,471
_	8,521,169
_	18,045
272 (95	
373,685	9,642,516
-	193,721
	886,959
68,567,223	522,464,584
(36,224)	(15,853,453)
-	9,307
-	4,548,167
-	20,764,263
-	(4,407,810)
-	(7,317,262)
	13,596,665
(36,224)	(2,256,788)
2,730,253	121,757,047
\$ 2,694,029	5 119,500,259

EXHIBIT C-4

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT EXPENDITURES, 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, 2024

Total Net Change in Fund Balances - Governmental Funds	\$ (2,256,788)
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.	(8,450,495)
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 \$11,189,788 and current year depreciation was (\$25,658,850).	(14,469,062)
Amortization of prepaid interest of (\$12,153) 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.	(12,845)
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.	15,930,000
The amortization of bond premiums of refunding for \$3,892,912, the amortization of deferred charges of refunding for (\$1,395,834), and net change in interest accretion on capital appreciation bonds for (\$809,256) are reported in the statement of activities, but not in the governmental funds.	1,687,822
Current year changes due to GASB 68 decreased revenues in the amount of \$11,298,297 but also increased expenditures in the amount of (\$28,804,049). The net effect on the change in the ending net position was a decrease in the amount of (\$17,505,752).	(17,505,752)
Current year changes due to GASB 75 increased revenues in the amount of (\$19,935,451) but also increased expenditures in the amount of \$34,127,223. The net effect on the change in the ending net position was a increase in the amount of \$14,191,772.	14,191,772
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.	59,906
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.	(21,641)
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.	894,826
Change in Net Position of Governmental Activities	\$ (9,952,257)

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, 2024

	Business-Type Activities -	Governmental Activities -
	Total	Total
	Enterprise	Internal
	Funds	Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,127,387	\$ -
Due from Other Funds	-	12,402,664
Other Receivables		295
Total Current Assets	1,127,387	12,402,959
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment. Net		29,304
Total Noncurrent Assets		29,304
Total Assets	1,127,387	12,432,263
LIABILITIES		
Current Liabilities:		
Accounts Payable	13,797	1,617,692
Accrued Wages Payable	15,288	32,870
Due to Other Funds	284,410	204,446
Due to Student Groups	150	2 221 050
Accrued Expenses	-	3,231,058
Total Liabilities	313,645	5,086,066
NET POSITION		
Unrestricted Net Position	813,742	7,346,197
Total Net Position	\$ 813,742	\$ 7,346,197

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, 2024

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:	1 unus	Service I unus
Local and Intermediate Sources	\$ 842,018	\$ 46,757,961
Total Operating Revenues	842,018	46,757,961
OPERATING EXPENSES:		
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	400,639 80,335 14,588 23,302	816,686 54,866,528 121,819 20,530
Total Operating Expenses	518,864	55,825,563
Operating Income (Loss)	323,154	(9,067,602)
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	441,591
Total Nonoperating Revenues (Expenses)	-	441,591
Income (Loss) Before Transfers	323,154	(8,626,011)
Transfers In Transfers Out	303,844 (619,717)	2,175,516 (2,000,000)
Change in Net Position	7,281	(8,450,495)
Total Net Position - September 1 (Beginning)	806,461	15,796,692
Total Net Position - August 31 (Ending)	\$ 813,742	\$ 7,346,197

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, 2024

	Business-Type Activities	Governmental Activities -
	Total	Total
	Enterprise	Internal
	Funds	Service Funds
Cash Flows from Operating Activities:		
Cash Received from User Charges	\$ 842,018	\$ -
Cash Received from Assessments - Other Funds	-	46,757,961
Cash Payments to Employees for Services	(397,975)	(800,100)
Cash Payments for Insurance Claims	-	(53,731,103)
Cash Payments for Suppliers	(83,507)	(214,616)
Cash Payments for Other Operating Expenses	(23,302)	(20,530)
Net Cash Provided by (Used for) Operating Activities	337,234	(8,008,388)
Cash Flows from Non-Capital Financing Activities:		
Increase(decrease) in Short-term Loans	10,850	-
Transfers Out	(619,717)	(10,620,361)
Transfers In	303,844	165,275
Net Cash Used for Non-Capital Financing Activities	(305,023)	(10,455,086
Cash Flows from Capital & Related Financing Activities:		
Acquisition of Capital Assets	-	(20,299)
Cash Flows from Investing Activities:		
Purchase of Investment Securities	-	(15,755,739)
Proceeds from Sale & Maturities of Securities	-	26,456,748
Interest and Dividends on Investments		441,591
Net Cash Provided by Investing Activities		11,142,600
Net Increase (Decrease) in Cash and Cash Equivalents	32,211	(7,341,173)
Cash and Cash Equivalents at Beginning of Year	1,095,176	7,341,173
Cash and Cash Equivalents at End of Year	\$ 1,127,387	\$ -
•	= 1,121,001	
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used for) Operating Activities:		
Operating Income (Loss):	\$ 323,154	\$ (9,067,602)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable	11,266	1,480,430
Increase (decrease) in Accrued Wages Payable	2,664	(421,216)
Increase (decrease) in Due to Student Group	150	-
Net Cash Provided by (Used for) Operating Activities	\$ 337,234	\$ (8,008,388)
-, (, - r	=======================================	(2,222,230)

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS AUGUST 31, 2024

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 96,824
Total Assets	96,824
NET POSITION	
Restricted for Student Activities	96,824
Total Net Position	\$ 96,824

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, 2024

	Custodial Fund
ADDITIONS:	
Enterprising Services Revenue	\$ 416,369
Total Additions	416,369
DEDUCTIONS:	
Other Deductions	374,697
Total Deductions	374,697
Change in Fiduciary Net Position	41,672
Total Net Position September 1 (Beginning)	55,152
Total Net Position August 31 (Ending)	\$ 96,824

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

(This page intentionally left blank)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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, 2024, restricted assets of the General Fund total \$6,400,000, 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 acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

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

f. Deferred Outflows and Inflows of Resources

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

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

Deferred Outflows of Resources

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The other pension and OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions and OPEB through the pension and OPEB plans which is currently between 5 to 9.22 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 to 9.22 years.

g. Receivable and Payable Balances

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

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

h. Compensated Absences

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

i. Interfund Activity

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

i. Use of Estimates

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

k. Long-term Obligations

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

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

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 2024, the District implemented GASB Statement No. 100, Accounting Changes and Error Corrections. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement was adopted in the current year, resulting in no material effect.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

- Statement No. 101, Compensated Absences
- Statement No. 102, Certain Risk Disclosures
- Statement No. 103, Financial Reporting Model Improvements

Statement No. 101, Compensated Absences, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 101 and the impact on reporting for future years.

Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 102 and the impact on reporting for future years.

Statement No. 103, Financial Reporting Model Improvements, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 103 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 \$6,168,187 in function 11, \$81,607 in function 12, \$171,429 in function 13, \$141,667 in function 23, \$2,425,535 in function 35, \$158,485 in function 36, \$113,488 in function 53, \$278,648 in function 72 and \$67,391 in function 99 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 \$161,640,351 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 August 31, 2024	
Deposits	\$	21,109,247	
Money Market	,	6,400,000	
Investments		58,417,217	
Total	\$	85,926,464	
			
Exhibit A-1			
Cash and Cash Equivalents	\$	21,012,423	
Investments		58,417,217	
Restricted Assets		6,400,000	
Total Exhibit A-1	\$	85,829,640	
Exhibit E-1			
Cash and Cash Equivalents	\$	96,824	
Total Exhibit E-1	\$	96,824	
		· · · · · · · · · · · · · · · · · · ·	

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, 2024, the carrying amount of the District's deposits (cash and money market) was \$21,109,247 and the bank balance was \$19,434,230.

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, 2024 and during the year ended August 31, 2024, except on November 2023, were 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 \$81,129,224.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$84,310,565 and occurred during the month of November 2023.
- 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 \$6,400,000 occurred during the month of January 2024 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	Rep	orted Amount	Maturity (days)	Rating	Credit Risk
Texas Range	\$	22,660,772	36	AAAmmf	38.79%
TexPool Investment Fund		11,765,589	31	AAAm	20.14%
Lone Star Investment Pool		18,397,103	44	AAAf/S1+	31.49%
Texas FIT		5,593,753	69	AAAf/S1+	9.59%
	\$	58,417,217	- -		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 2024 tax rate was \$0.7892 for maintenance and \$0.2291 for debt service per \$100 assessed valuation. The 2024 assessed valuation was \$6,667,926,390. 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, 2024, was as follows:

		Less:	Allowance for		
Total Receivable Uncollectible Net Receivabl		Total Receivable Uncollectible		t Receivable	
\$	6,338,776	\$	1,854,695	\$	4,484,081
	1,402,065		301,487		1,100,578
\$	7,740,841	\$	2,156,182	\$	5,584,659
	**************************************	\$ 6,338,776 1,402,065	Total Receivable Use \$ 6,338,776 \$ 1,402,065	\$ 6,338,776 \$ 1,854,695 1,402,065 301,487	Total Receivable Uncollectible Ne \$ 6,338,776 \$ 1,854,695 \$ 1,402,065 301,487 \$

Note 5 - Capital Assets

Capital asset activity for the year ended August 31, 2024 was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balances
Governmental activities:				_
Capital assets, not being depreciated:				
Land	\$ 30,021,58	32 \$ -	\$ -	\$ 30,021,582
Construction in progress	53,411,50	7,572,686	(22,374,934)	38,609,255
Total capital assets, not being depreciated	83,433,08	7,572,686	(22,374,934)	68,630,837
Capital assets, being depreciated:				
Infrastructure	29,616,24	8 672,361	-	30,288,609
Buildings	586,057,71		-	586,057,719
Buildings and improvements	243,746,23		-	265,493,470
Furniture and equipment	46,922,85	3,345,776	(2,386,817)	47,881,815
Vehicles	18,860,65	3 250,348	-	19,111,001
Library Books	358,67	'1 -	-	358,671
Total capital assets, being depreciated	925,562,38	26,015,722	(2,386,817)	949,191,285
Less accumulated depreciation for:				
Infrastructure	(19,363,79	(1,411,964)	-	(20,775,762)
Buildings	(139,976,70	(11,881,647)	-	(151,858,351)
Buildings and improvements	(67,011,92	(10,029,978)	-	(77,041,901)
Furniture and equipment	(41,846,14	1) (1,257,398)	2,309,119	(40,794,420)
Vehicles	(12,553,39	(1,077,863)	74,311	(13,556,950)
Library Books	(358,67	'1) -	-	(358,671)
Total accumulated depreciation	(281,110,63	(25,658,850)	2,383,430	(304,386,055)
Total capital assets, being depreciated, net	644,451,74	5 356,872	(3,387)	644,805,230
Capital assets, being amortized:		_		
Leased assets	1,038,29		-	1,038,292
Less accumulated amortization	(138,43	(69,219)	-	(207,657)
Total capital assets, being amortized, net	899,85	64 (69,219)	<u>-</u>	830,635
Governmental activities, capital assets, net	\$ 728,784,68	4 \$ 7,860,339	\$ (22,378,321)	\$ 714,266,702

Note 5 - Capital Assets (Continued)

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

	Interna	Internal Service Fund		
Furniture and Equipment	\$	109,357		
Less: Accumulated Depreciation		80,053		
Net Capital Assets	\$	29,304		

Depreciation and amortization was charged to functions as follows:

11 -	Instruction	\$ 13,793,844
12 -	Instructional Resources and Media Services	371,295
13 -	Curriculum and Instructional Staff Development	717,140
21 -	Instructional Leadership	542,349
23 -	School Leadership	1,170,612
31 -	Guidance, Counseling, and Evaluation Services	929,999
32 -	Social Work Services	170,987
33 -	Health Services	302,046
34 -	Student (Pupil) Transportation	621,054
35 -	Food Services	1,776,854
36 -	Extracurricular Activities	1,177,551
41 -	General Administration	551,058
51 -	Facilities Maintenance and Operations	2,677,436
52 -	Security and Monitoring Services	608,044
53 -	Data Processing Services	216,462
61 -	Community Services	101,339
	Total depreciation and amortization expense	\$ 25,728,069

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	\$ 51,394,590	\$ -
National School Breakfast and Lunch Program	1,209,349	-
Medicaid Program (SHARS)	2,565,098	-
Other	585,914	118,892
	55,754,951	118,892
Debt Service Fund		
Texas Education Agency:		
Instructional Facilities Allotment	410,613	_
mod deticitat i democe i modificati	410,613	 _
	110,010	
Other Governmental Funds		
Texas Education Agency:		
Title I Grants to Local Education Agencies	3,188,219	-
Migrant Education State Grant Program	114,342	-
Special Education -Grants to States	826,365	-
Supporting Effective Instruction State Grants	382,259	-
English Language Acquisition State Grants	289,931	-
Education Stabilization Fund (ESSER II)	548,763	
Education Stabilization Fund (ESSER III)	4,546,825	-
Title IV Grants to Local Education Agencies	1,028,278	-
Safety and Facilities	1,939,670	-
Other	294,127	-
UT-RGV (Head Start)	616,262	-
Other		 817
	13,775,041	817
Exibit C-1 Totals	\$ 69,940,605	\$ 119,709
Total Due To/From Other Goverments and Agencies - Exhibit A-1	\$ 69,940,605	\$ 119,709

Note 7 - Interfund Balances and Activities

Due To and From Other Funds:

	 Due From	 Due To
General Fund	 	
General Fund	\$ 4,019,919	\$ 4,019,919
Special Revenue Fund	9,555,382	655,282
Debt Service Fund	420,434	629,637
Capital Projects Fund	2,558,967	3,928,769
Internal Service Fund	204,446	12,402,628
Enterprise Funds	 284,410	-
Total General Fund	17,043,558	21,636,235
Other Governmental Funds		
General Fund	655,282	9,555,382
Internal Service Fund	-	815,102
Total Other Governmental Funds	655,282	10,370,484
Debt Service Fund		
General Fund	629,637	420,434
Debt Service Fund	104,477	104,477
Capital Projects Fund	-	2,600
Total Debt Service Fund	734,114	527,511
Capital Projects Fund	 _	
General Fund	3,928,769	2,558,967
Special Revenue Fund	815,102	-
Debt Service Fund	2,600	-
Internal Service Fund	-	36
Total Capital Projects Fund	4,746,471	2,559,003
Internal Service Fund		
General Fund	12,402,628	204,446
Capital Projects Fund	36	-
Total Internal Service Fund	12,402,664	204,446
Enterprise Fund		
General Fund	-	284,410
Total Enterprise Fund	-	284,410
Total	\$ 35,582,089	\$ 35,582,089

Note 7 - Interfund Balances and Activities (Continued)

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

Transfers To and From Other Funds are as followed:

Transfer From	Transfer To	Amount	Reason
General Fund	Capital Projects Fund	\$ 3,928,450	Construction projects
Total		\$ 3,928,450	

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 2023-2024 fiscal year, the District received \$506,664 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 General 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, 2024 are as follows:

	Beginning					Due Within One
Description	Balance	Additions	F	Reductions	Ending Balance	Year
Governmental activities						
Bonds payable						
Unlimited Tax Refunding Bonds,						
Series 2014	\$ 10,245,000	¢ -	\$	5,000,000	\$ 5,245,000	\$ 5,245,000
Unlimited Tax Refunding Bonds,	J 10,243,000	Ÿ	Ţ	3,000,000	3,243,000	3,243,000
Series 2015	35,615,000	_		3,400,000	32,215,000	3,565,000
Unlimited Tax Refunding Bonds,	33,013,000			3,400,000	32,213,000	3,303,000
Series 2016	26,085,000	_		5,765,000	20,320,000	6,060,000
Unlimited Tax Refunding Bonds,	20,000,000			3,703,000	20,320,000	0,000,000
Series 2017	8,760,000	_		_	8,760,000	_
Unlimited Tax Refunding Bonds,	0,700,000				0,700,000	
Series 2019	39,795,000	_		_	39,795,000	_
Unlimited Tax Refunding Bonds,	33,733,000				33,733,000	
Series 2021	98,230,000	_		445,000	97,785,000	470,000
Capital Appreciation Bond	10,000	_		-	10,000	-
Total bonds payable	218,740,000	-		14,610,000	204,130,000	15,340,000
Notes payable						
Qualified School Construction						
Note, Series 2011	10,005,000	-		-	10,005,000	1,800,000
Limited Maintenance Tax Note	, ,				, ,	, ,
Payable, Series 2015	7,900,000	-		1,115,000	6,785,000	1,120,000
Limited Maintenance Tax Note						
Payable, Series 2017	1,850,000	-		205,000	1,645,000	205,000
Total notes payable	19,755,000	-		1,320,000	18,435,000	3,125,000
2021 CAB Accrued Interest	1,402,763	809,25	6	_	2,212,019	-
Premium and Discount	21,299,360	-		3,892,912	17,406,448	-
	· ·					
Total bonds and notes						
payables, net	261,197,123	809,25	6	19,822,912	242,183,467	18,465,000
Sick and Vacation Leave	8,338,253	269,93	 6	248,295	8,359,894	542,965
Sick and vacation Ecave	0,330,233	200,00		240,233	0,000,004	5-2,505
Governmental activities						
long-term liabilities	\$ 269,535,376	\$ 1,079,19	2 \$	20,071,207	\$ 250,543,361	\$ 19,007,965
	. , ,	. , -, -		, , -	. , ,	. , ,

\$ 7,867,522

Note 8 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2024 are comprised of the following individual issues:

		Final			Ending Balance
Description	Original Issue	Maturity	Coupon Rate	Original Issue	8/31/2024
Unlimited Tax Refunding					
Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	\$ 46,395,000	\$ 5,245,000
Unlimited Tax Refunding					
Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	32,215,000
Unlimited Tax Refunding					
Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	20,320,000
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	97,785,000
Capital Appreciation Bond	9/23/2021	2/1/2026	0.04-1.26%	900,000	10,000
				\$ 392,560,000	\$ 204,130,000

Notes payable at August 31, 2024 are comprised of the following individual issues:

Interest paid on bonded indebtedness during the current year was

Description	Original Issue	Final Maturity	Coupon Rate	C	riginal Issue	ding Balance 8/31/2024
Qualified School Construction Note, Series 2011	2/2/2011	2/1/2026	5.497%- 6.247%	\$	26,755,000	\$ 10,005,000
Limited Maintenance Tax Note Payable, Series 2015	6/23/2015	2/1/2030	0.39%		16,660,000	6,785,000
Limited Maintenance Tax Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%		3,100,000	1,645,000
				\$	46,515,000	\$ 18,435,000
Interest paid on notes indebte	\$ 653,648					

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
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	13,325,000	4,875,272	18,200,272
2030-2034	76,775,000	15,365,648	92,140,648
2035-2039	59,895,000	4,313,102	64,208,102
2040	5,625,000	84,375	5,709,375
Subtotal	\$ 204,130,000	\$ 53,218,860	\$ 257,348,860

Notes Payable

							Total
No	tes Principal		Interest	Q	SCB Subsidy	Requirement	
\$	1,325,000	\$	649,290	\$	(506,644)	\$	1,467,646
	11,335,000		644,912		(253,322)		11,726,590
	1,335,000		15,503		-		1,350,503
	1,340,000		11,086		-		1,351,086
	1,340,000		6,659		-		1,346,659
	1,760,000		2,223				
\$	18,435,000	\$	1,329,673	\$	(759,966)	\$	17,242,484
Notes principal balance					18,435,000		
Less: Sinking fund balance as of 8/31/2024					6,400,000		
				\$	12,035,000		
	\$ s	11,335,000 1,335,000 1,340,000 1,340,000 1,760,000 \$ 18,435,000 nce	\$ 1,325,000 \$ 11,335,000	\$ 1,325,000 \$ 649,290 11,335,000 644,912 1,335,000 15,503 1,340,000 11,086 1,340,000 6,659 1,760,000 2,223 \$ 18,435,000 \$ 1,329,673 nce alance as of 8/31/2024	\$ 1,325,000 \$ 649,290 \$ 11,335,000 644,912 1,335,000 15,503 1,340,000 11,086 1,340,000 6,659 1,760,000 2,223 \$ 18,435,000 \$ 1,329,673 \$ ealance as of 8/31/2024	\$ 1,325,000 \$ 649,290 \$ (506,644) 11,335,000 644,912 (253,322) 1,335,000 15,503 - 1,340,000 11,086 - 1,340,000 6,659 - 1,760,000 2,223 \$ 18,435,000 \$ 1,329,673 \$ (759,966) nce \$ \$ 18,435,000 alance as of 8/31/2024	\$ 1,325,000 \$ 649,290 \$ (506,644) \$ 11,335,000 644,912 (253,322) 1,335,000 15,503 - 1,340,000 11,086 - 1,340,000 6,659 - 1,760,000 2,223 \$ 18,435,000 \$ 1,329,673 \$ (759,966) \$ ence \$ 18,435,000 enalance as of 8/31/2024 6,400,000

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	\$ 47,151,724	\$ 13,610,594	\$ -	\$ -	\$ 60,762,318
Food Sales	390,558	-	-	-	390,558
Investment Income	5,759,148	269,198	71,173	-	6,099,518
Penalties and Interest on Taxes	1,109,729	277,924	-	-	1,387,653
Co-curricular Student Activities	463,148	-	-	6,201,117	6,664,265
Insurance proceeds	-	-	-	-	-
Other	773,397	-	-	242,247	1,015,644
Total	\$ 55,647,703	\$ 14,157,716	\$ 71,173	\$ 6,443,364	\$ 76,319,956

	Total Enterpr	ise Funds Total Inte	Total Internal Service Funds		
Insurance	\$	- \$	46,498,391		
Other		842,018	259,570		
Total	\$	842,018 \$	46,757,961		

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, 2024, unearned revenue reported in the governmental funds consisted of \$3,025,645 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, 2024, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$5,130,479 and \$2,565,098, respectively, for a total of \$7,695,577.

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, 2024, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$16,337,520 net of cumulative amortization of \$1,395,834. Deferred outflows of resources related to pensions and OPEB are \$66,344,901 and \$27,270,401, respectively. Deferred inflows of resources related to pensions and OPEB are \$7,278,803 and \$105,628,938, respectively.

Note 12 - General Fund Federal Source Revenues

Programs or Source	AL Number	Amount
Commodity Supplemental Food Program - noncash assistance	10.555	\$ 1,784,395
National School Lunch Program	10.555	17,202,867
National School Lunch Program-SSO	10.555	543,949
National School Lunch Program - SCA	10.555	123,271
School Breakfast Program-SSO	10.553	236,662
School Breakfast Program	10.553	8,881,890
Child and Adult Care Food Program	10.558	1,795,211
Child Nutrition Discretionary Grants Limited Availability (Equipment Assistance)	10.579	86,241
Local Food for Schools Cooperative Agreement Program	10.185	2,679
Fresh and Fruit Vegetable Program	10.582	670,583
JROTC	12.U01	291,934
Subsidy	N/A	506,644
SHARS	N/A	3,277,679
Indirect Cost	N/A	2,596,622
Total		\$ 38,000,627

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 2024, 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, 2024, 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, 2024, 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 \$750 per month, per employee to the plan. The total contribution during the current period was \$39,872,006. 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 \$49,442,964. Settled claims have not exceeded the attachment point for the year ending August 31, 2024.

Claims Liabilities

The claims liabilities at August 31, 2024 for workers compensation insurance and health insurance of \$88,721 and \$2,542,337 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 Insurance	
	Year Ended		Year Ended		Year Ended	Year Ended
	8	/31/2023	8,	/31/2024	8/31/2023	8/31/2024
Claims liability at beginning of year	\$	791,043	\$	634,056	\$ 3,488,536	\$ 3,034,804
Incurred claims (including IBNRs)						
and adjustments		638,610		982,063	47,992,039	51,322,063
Claims payments		(795,597)		(927,398)	(48,445,771)	(51,814,530)
Claims liability at end of year	\$	634,056	\$	688,721	\$ 3,034,804	\$ 2,542,337

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, 2024, 2023 and 2022, the subsidy payments received by TRS Care on behalf of the District for Medicare Part D were \$1,408,474, \$1,393,948, and \$1,038,676 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	
	2023	2024
Member	8.0%	8.25%
Non-Employee Contributing Entity (State)	8.0%	8.25%
Employers	8.0%	8.25%
Current fiscal year employer contributions	\$	13,068,564
Current fiscal year member contributions	\$	23,485,760
2023 measurement year NECE on-behalf contributions	\$	12,800,502

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 2023, 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, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023. The following table discloses the assumptions that were applied to this measurement period:

Valuation Date August 31, 2022 rolled forward to August 31, 2023

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 2023 4.13% - 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 2122

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, 2022. 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, 2023 (see page 56 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%	4.0%	1.00%
Non-U.S. Developed	13.0%	4.5%	0.90%
Emerging Markets	9.0%	4.8%	0.70%
Private Equity	14.0%	7.0%	1.50%
Stable Value			
Government Bonds	16.0%	2.5%	0.50%
Absolute Return	0.0%	4.1%	0.20%
Stable Value Hedge Funds	5.0%	3.6%	0.00%
Real Return			
Real Estate	15.0%	4.9%	1.10%
Energy and Natural Resources, Infrastructure	6.0%	4.8%	0.40%
Commodities	0.0%	4.4%	0.00%
Risk Parity			
Risk Parity	8.0%	4.5%	0.40%
Leverage			
Cash	2.0%	3.7%	0.00%
Asset Allocation Leverage	-6.0%	4.4%	-0.10%
Inflation Expectation			2.30%
Volatility Drag ₃			-0.90%
Expected Return	100.0%	100.0%	8.00%

^{*} 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 FY2023 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 8/31/2023).

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	Discount Rate	D	iscount Rate
		(6.00%)	(7.00%)		(8.00%)
District's proportionate share of the net					
pension liability	\$	239,798,245	\$ 160,394,222	\$	94,369,735

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

At August 31, 2024, the District reported a liability of \$160,394,222 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	\$ 160,394,222
State's proportionate share that is associated with the District	171,056,453
Total	\$ 331,450,675

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

At August 31, 2023, the employer's proportion of the collective net pension liability was 0.2335032800%, which was an decrease of 0.0012001517% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation - The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

For the year ended August 31, 2024, the District recognized pension expense of \$56,402,360 and revenue of \$25,828,044 for support provided by the State.

Note 14 - Pension Plan (Continued)

At August 31, 2024, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of
	of Resources	Resources
Differences between expected and actual actuarial experiences	\$ 5,714,900	\$ 1,942,199
Changes in actuarial assumptions	15,170,152	3,712,482
Differences between projected and actual investment earnings	23,341,253	-
Changes in proportion and differences between the employer's		
contributions and the proportionate share of contributions	9,050,032	1,624,122
Total as of August 31, 2023 measurement date	53,276,337	7,278,803
Contributions paid to TRS subsequent to the measurement date		
that will be recognized in fiscal year-end 2025	13,068,564	
Total as of fiscal year-end	\$ 66,344,901	\$ 7,278,803

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:

	Pension Ex					sion Expense		
Fiscal year ended August 31,							Amount	
2025						\$		10,870,100
2026						\$		7,587,235
2027						\$		21,069,957
2028						\$		5,941,530
2029						\$		528,712
Thereafter								-
	Po	ginning Balance					_	nding Balance
	De							•
		9/1/2023		Additions		Retirements		8/31/2024
Net Pension Liability	\$	139,337,391	\$	21,056,831	\$	-	\$	160,394,222

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	2023	2024
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		\$ 2,595,942
Current fiscal year member contributions		\$ 1,850,401
2024 Measurement Year NECE On-Behalf Contributions		\$ 3,081,766

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 \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. There amounts were re-appropriated form amounts received by the pension and TRS- Carre funds in excess of the state's actual obligation and then transferred to TRS- Care.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. 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, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Rates of Mortality Rates of Disability
Rates of Retirement General Inflation
Rates of Termination Wages Inflation

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The were projected on a full generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

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

Additional Actuarial Methods and Assumptions:

Valuation Date August 31, 2022 rolled forward to August 31, 2023

Actuarial Cost Method Individual Entry Age Normal

Inflation 2.30%

Single Discount Rate 4.13% as of August 31, 2023

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 2.95% to 8.95%

Ad Hoc Post-Employment Benefit Changes None

Discount Rate

A single discount rate of 4.13% 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 2023 TRS ACFR on page 80. 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, 2023 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 (4.13%) in measuring the Net OPEB liability.

	1%	Decrease in	1% Increase in			
	Discour	nt Rate (3.13%)	Disc	ount Rate (4.13%)	Disc	count Rate (5.13%)
Proportionate share of the net OPEB						
liability	\$	76,766,727	\$	65,178,522	\$	55,722,273

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	1% Decrease Cost Trend Rate				1% Increase			
Proportionate share of net OPEB									
liability	\$	53,671,251	\$	65,178,522	\$	79,982,666			

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

At August 31, 2024, the District reported a liability of \$65,178,522 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 65,178,522
State's proportionate share that is associated with the District	78,647,905
Total	\$ 143,826,427

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

The Net OPEB Liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

At August 31, 2023, the District's proportion of the collective net OPEB liability was 0.2944151417%, which was a decrease of -0.0116793468% from its proportion measured as of August 31, 2022.

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

• The discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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

For the year ended August 31, 2024, the District recognized OPEB expense of \$(28,409,092) and revenue of \$(16,813,262) for support provided by the State.

At August 31, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of		Deferred Inflows of
		Resources	Resources
Differences between expected and actual actuarial			
experiences	\$	2,948,834	\$ 54,835,380
Changes in actuarial assumptions		8,896,393	39,910,538
Differences between projected and actual investment			
earnings		28,161	-
Changes in proportion and differences between the			
employer's contributions and the proportionate share of			
contributions		12,801,071	10,883,020
Total as of August 31, 2023 measurement date		24,674,459	105,628,938
Contributions paid to TRS subsequent to the			
measurement date that will be recognized in			
fiscal year-end 2025		2,595,942	_
Total as of fiscal year-end	\$	27,270,401	\$ 105,628,938

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

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

Fiscal year ended August 31,						OP	EB E	xpense Amount
2025						\$		(17,020,656)
2026								(14,031,214)
2027								(9,984,034)
2028								(11,913,735)
2029								(10,741,365)
Thereafter								(17,263,475)
	Be	ginning Balance					Е	nding Balance
		9/1/2023		Additions		Retirements		8/31/2024
Net OPEB Liability	\$	73,291,281	\$	-	\$	(8,112,759)	\$	65,178,522

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, 2024, McAllen ISD allocated expenditures in the amount of \$173,500.

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, 2024, prepaid interest balance is \$88,022 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,	Amount					
2025	\$	11,415				
2026		10,667				
2027		9,909				
2028		9,141				
2029		8,363				
2029-2033		29,783				
2034-2038		8,744				
Total		88,022				
Current portion		11,415				
Prepaid long-term	\$	76,607				

Note 17 - Leases - Prepaid Interest (Continued)

As of August 31, 2024, prepaid items consisted of the following:

Insurance	\$ 6,627,924
Prepaid interest - current portion	11,415
Total prepaid items - current portion	6,639,339
Prepaid interest - long-term portion	76,607
Total prepaid items	\$ 6,715,946

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
Administration Chiller	\$	990,157	\$ 942,907	\$	47,251
LBJ MS Phase 2		12,407,170	12,024,998		382,172
PSJA ECHS HVAC Upgrade and Roofing		12,049,752	11,478,289		571,462
PSJA Memorial ECHS HVAC Upgrade		8,412,893	8,015,089		397,804
Outdoor Learning Spaces Cantu and Reed Mock Elem	١	3,491,928	3,466,928		25,000
Diesel Tank		15,450	15,450		-
Building Blocks Academy		1,241,907	1,178,359		63,548
	\$	38,609,257	\$ 37,122,020	\$	1,487,237

Note 19 - Fund Balances

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

				Capital	Go	Other vernmental	G	Total overnmental
Fund Balance Description	General	D	ebt Service	Projects	du	Funds	u	Funds
Nonspendable	General		CDT DCT VICE	Trojects		Tanas		Tanas
Inventories	\$ 3,288,236	Ś	_	\$ _	\$	-	Ś	3,288,236
Prepaid Items	6,441,072	•	-	_		-		6,441,072
Restricted	-, ,-							-, ,-
Federal/State Funds Grant	22,112,044		-	-		-		22,112,044
Retirement of Long-Term Debt	6,400,000		6,032,185	-		-		12,432,185
Construction Projects	-		-	-		-		-
Committed								
Construction Projects	12,361,550		-	-		-		12,361,550
Equipment for New Schools	1,450,950		-	-		-		1,450,950
Sick Leave Payoff	8,359,894		-	-		-		8,359,894
Campus Activities Fund	-		-	-		2,694,043		2,694,043
Assigned								
E-Rate and Other Items	7,989,509		-	-		-		7,989,509
Unassigned Fund Balance								
Other Unassigned Fund Balance	42,370,790		-	-		(14)		42,370,776
Total Nonspendable, Restricted,								
Committed and Assigned								
Governmental Fund Balances	\$ 110,774,045	\$	6,032,185	\$ -	\$	2,694,029	\$	119,500,259
Total Nonspendable, Restricted,								
Committed and Assigned								
Governmental Fund Balances	\$ 68,403,255	ı						

Note 20 - Extraordinary Items

The District received \$20 million in insurance recovery in connection with Hurricane Hanna claim; although, District paid \$7,317,262 in legal fees related to the claim. District started repairing campus on previous years.

Note 21 - Subsequent Events

The District has evaluated subsequent events through January 27, 2025, 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

(This page intentionally left blank)

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, 2024

Data Control			Budgeted A	Amou	unts	Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or		
Code	es	-	Original Final					(Negative)	
F	REVENUES:								
5700	Total Local and Intermediate Sources	\$	46,240,161	\$	56,205,544	\$ 55,647,703	\$	(557,841)	
5800	State Program Revenues		307,907,715		313,924,294	319,583,632		5,659,338	
5900	Federal Program Revenues		29,529,666		37,876,518	38,000,630		124,112	
5020	Total Revenues	-	383,677,542		408,006,356	413,231,965		5,225,609	
E	EXPENDITURES:								
	Current:								
0011	Instruction		197,091,304		217,898,519	224,066,706		(6,168,187)	
0012	Instructional Resources and Media Services		5,450,239		5,522,924	5,604,531		(81,607)	
0013	Curriculum and Instructional Staff Development		4,607,659		5,995,851	6,167,280		(171,429)	
0021	Instructional Leadership		8,553,401		8,073,991	7,723,363		350,628	
0023	School Leadership		20,560,323		21,391,778	21,533,445		(141,667)	
0031	Guidance, Counseling, and Evaluation Services		14,254,299		15,934,057	15,391,278		542,779	
0032	Social Work Services		2,682,094		2,467,515	2,389,684		77,831	
0033	Health Services		4,764,093		4,968,730	4,742,542		226,188	
0034	Student (Pupil) Transportation		10,364,066		13,616,555	11,441,649		2,174,906	
0035	Food Services		23,354,137		30,598,989	33,024,524		(2,425,535)	
0036	Extracurricular Activities		14,693,732		15,890,872	16,049,357		(158,485)	
0041	General Administration		10,036,283		17,860,866	10,128,085		7,732,781	
0051	Facilities Maintenance and Operations		45,472,008		47,219,463	47,096,718		122,745	
0052	Security and Monitoring Services		6,987,024		10,576,757	9,165,313		1,411,444	
0053	Data Processing Services		3,882,187		3,827,206	3,940,694		(113,488)	
0061	Community Services		302,639		1,065,444	457,699		607,745	
0001	Debt Service:		202,023		1,000,	.57,055		007,7 .5	
0071	Principal on Long-Term Liabilities		3,500,000		3,500,000	1,320,470		2,179,530	
0071	Interest on Long-Term Liabilities		375,000		375,000	653,648		(278,648)	
0072	Bond Issuance Cost and Fees		5,000		5,000	4,450		550	
0075	Capital Outlay:		3,000		3,000	7,730		330	
0081	Facilities Acquisition and Construction		5,651,054		33,054	_		33,054	
0001	Intergovernmental:		3,031,031		33,031			33,031	
0093	Payments to Fiscal Agent/Member Districts of SSA		215,000		193,722	193,721		1	
0095	Payments to Juvenile Justice Alternative Ed. Prg.		100,000		100,000	1,5,721		100,000	
0099	Other Intergovernmental Charges		776,000		819,568	886,959		(67,391)	
6030	Total Expenditures		383,677,542		427,935,861	421,982,116	_	5,953,745	
	Excess (Deficiency) of Revenues Over (Under)	_							
1100	Expenditures				(19,929,505)	(8,750,151)		11,179,354	
(OTHER FINANCING SOURCES (USES):								
7912	Sale of Real and Personal Property		-		-	9,307		9,307	
7915	Transfers In		7,767,968		7,767,968	619,717		(7,148,251)	
7949	Other Resources		-		20,000,000	20,004,440		4,440	
8911	Transfers Out (Use)		(7,767,968)		(7,767,968)	(4,407,810)		3,360,158	
8949	Other (Uses)		-		-	(7,317,262)		(7,317,262)	
7080	Total Other Financing Sources (Uses)		-		20,000,000	8,908,392		(11,091,608)	
1200	Net Change in Fund Balances		-		70,495	158,241		87,746	
0100	Fund Balance - September 1 (Beginning)		110,615,804		110,615,804	110,615,804		-	
3000	Fund Balance - August 31 (Ending)	\$	110,615,804	\$	110,686,299	\$ 110,774,045	\$	87,746	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF THE DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2024

	Pla	FY 2024 an Year 2023	P	FY 2023 lan Year 2022	P	FY 2022 lan Year 2021
District's Proportion of the Net Pension Liability (Asset)		0.23350328%		0.234703432%		0.23849483%
District's Proportionate Share of Net Pension Liability (Asset)	\$	160,394,222	\$	139,337,391	\$	60,736,193
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District		171,056,453		157,027,087		68,993,376
Total	\$	331,450,675	\$	296,364,478	\$	129,729,569
District's Covered Payroll	\$	267,338,319	\$	258,638,622	\$	244,989,442
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		60.00%		53.87%		24.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		73.15%		75.62%		88.79%

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, 2023 for year 2024, 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.

Р	FY 2021 lan Year 2020	P	FY 2020 lan Year 2019	Ι	FY 2019 Plan Year 2018	F	FY 2018 Plan Year 2017	_	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	_I	FY 2015 Plan Year 2014
	0.21633216%		0.195838628%		0.191456051%		0.19476158%		0.180818169%	0.1847826%		0.1520838%
\$	115,863,091	\$	101,803,041	\$	105,382,057	\$	62,274,261	\$	68,328,497	\$ 65,318,190	\$	440,623,685
	161,410,420		151,988,841		161,637,767		93,127,611		116,712,800	111,329,915		96,703,241
\$	277,273,511	\$	253,791,882	\$	267,019,824	\$	155,401,872	\$	185,041,297	\$ 176,648,105	\$	537,326,926
\$	242,894,429	\$	226,002,041	\$	216,648,731	\$	208,433,068	\$	201,147,880	\$ 201,147,880	\$	192,095,263
	47.70%		45.05%		48.64%		29.88%		33.97%	32.47%		21.15%
	75.54%		75.24%		73.74%		82.17%		78.00%	78.43%		83.25%

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DISTRICTS CONTRIBUTIONS FOR PENSIONS TEACHER RETIREMENT SYSTEM OF TEXAS FOR THE YEAR ENDED AUGUST 31, 2024

	 2024	2023	2022
Contractually Required Contribution	\$ 13,068,564 \$	12,001,492	\$ 10,951,956
Contribution in Relation to the Contractually Required Contribution	(13,068,564)	(12,001,492)	(10,951,956)
Contribution Deficiency (Excess)	\$ - \$		\$ -
District's Covered Payroll	\$ 284,675,606 \$	267,338,319	\$ 258,638,622
Contributions as a Percentage of Covered Payroll	4.59%	4.49%	4.23%

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.

2021	2020	2019	2018	2017	2016
\$ 10,174,108 \$	8,924,295 \$	6,829,233	\$ 6,383,148	\$ 5,722,877	\$ 5,221,984
(10,174,108)	(8,924,295)	(6,829,233)	(638,348)	(5,722,877)	(5,221,984)
\$ - \$	- \$	-	\$ 5,744,800	\$ -	\$ -
\$ 244,989,442 \$	242,894,429 \$	226,002,041	\$ 208,433,068	\$ 201,147,880	\$ 192,095,263
4.15%	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, 2024

	P	FY 2024 Plan Year 2023	Р	FY 2023 lan Year 2022	Р	FY 2022 lan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits		0.294415142%		0.306094488%		0.312882638%
District's Proportionate Share of Net OPEB Liability (Asset)	\$	65,178,522	\$	73,291,281	\$	120,692,815
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District		78,647,905		89,403,847		161,701,475
Total	\$	143,826,427	\$	162,695,128	\$	282,394,290
District's Covered Payroll	\$	269,892,056	\$	258,038,122	\$	244,989,442
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll		24.15%		28.40%		49.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		14.94%		11.52%		6.18%

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 2024 are for the measurement date of August 31, 2023. 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, 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.

Р	FY 2021 lan Year 2020	FY 2020 Plan Year 2019			FY 2019 an Year 2018	FY 2018 Plan Year 2017			
	0.293264486%		0.298780007%		0.289579551%		0.279306574%		
\$	111,483,075	\$	141,296,727	\$	144,589,721	\$	121,459,951		
	149,806,529		187,751,743		171,313,095		150,452,524		
\$	261,289,604	\$	329,048,470	\$	315,902,816	\$	271,912,475		
\$	242,894,429	\$	228,465,040	\$	216,648,731	\$	208,433,068		
	45.90%		61.85%		66.74%		58.27%		
	4.99%		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 THE YEAR ENDED AUGUST 31, 2024

	 2024	2023	2022
Contractually Required Contribution	\$ 2,595,942 \$	2,553,737 \$	2,514,079
Contribution in Relation to the Contractually Required Contribution	(2,595,942)	(2,553,737)	(2,514,079)
Contribution Deficiency (Excess)	\$ - \$	- \$	-
District's Covered Payroll	\$ 284,675,606 \$	269,892,056 \$	258,038,122
Contributions as a Percentage of Covered Payroll	0.91%	0.95%	0.97%

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.

2021		2020	2019	2018
\$ 2,443,444	\$	2,228,364	\$ 2,120,503	\$ 6,383,148
(2,443,444)		(2,228,364)	(2,120,503)	(638,348)
\$ -	\$	-	\$ -	\$ 5,744,800
\$ 244,989,442	\$	242,894,429	\$ 288,465,040	\$ 208,433,068
1.00%		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.

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 \$6,168,187 in function 11, \$81,607 in function 12, \$171,429 in function 13, \$141,667 in function 23, \$2,425,535 in function 35, \$158,485 in function 36, \$113,488 in function 52, \$278,648 in function 72 and \$67,391 in function 99 in the general fund.

D. TRS Pension

Changes of Benefit Terms.

The Texas 2023 Legislature passed legislation that provides a onetime stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

Changes in Assumptions

There was no change in the actuarial assumptions.

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 since the prior measurement date.

Changes in Assumptions

The single discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the total OPEB liability.

(This page intentionally left blank)



COMBINING FUND STATEMENTS

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2024

			205		211		212		224
Data				Е	SEA I, A	I	ESEA Title I	I	DEA - Part B
Contro	ol .			Ir	nproving		Part C		Formula
Codes			Head Start	Bas	sic Program		Migrant		
A	ASSETS								
1110	Cash and Cash Equivalents	\$	-	\$	-	\$	-	\$	-
1240	Due from Other Governments		616,263		3,188,219		114,342		809,890
1260	Due from Other Funds		-		-		-		-
1290	Other Receivables		-		-		-		-
1410	Prepayments		-		-		-		-
1000	Total Assets	\$	616,263	\$	3,188,219	\$	114,342	\$	809,890
Ι	JABILITIES								
2110	Accounts Payable	\$	849	\$	189,373	\$	596	\$	-
2160	Accrued Wages Payable		91,834		905,545		19,508		299,454
2170	Due to Other Funds		523,580		2,093,301		94,238		510,436
2180	Due to Other Governments		-		-		-		-
2300	Unearned Revenue		-		-		-		-
2000	Total Liabilities	_	616,263		3,188,219	_	114,342		809,890
F	FUND BALANCES								
	Committed Fund Balance:								
3545	Other Committed Fund Balance		-		-		-		-
3600	Unassigned Fund Balance		-		-		-		-
3000	Total Fund Balances	_	-		-	_	-	_	-
4000	Total Liabilities and Fund Balances	\$	616,263	\$	3,188,219	\$	114,342	\$	809,890

225			244		255		263		272		274		279		280
IDEA	A - Part B		Career and Technical -		ESEA II,A Training and		Title III, A	Medicaid			GEAR UP		ESSER III		ESSER III
Pr	reschool						English Lang.		Admin. Claim				TCLAS		Homelss
			Basic Grant		Recruiting		Acquisition		MAC				ARP Act		Children
\$	_	\$	_	\$	_	\$	_	\$	326,925	\$	_	\$	_	\$	_
Ψ	14,161	Ψ	67,707	Ψ	382,258	Ψ	289,931	Ψ	96,248		107,531	Ψ	2,454,036	Ψ	548,763
	-		-		-		199		-		-		-		-
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
\$	14,161	\$	67,707	\$	382,258	\$	290,130	\$	423,173	\$	107,531	\$	2,454,036	\$	548,763
\$	-	\$	-	\$	_	\$	_	\$	676	\$	_	\$	4,448	\$	(63)
	4,073		6,102		132,710		72,517		3,184		30,939		1,995		-
	10,088		61,605		249,548		217,613		-		76,592		2,447,593		548,826
	-		-		-		-		-		-		-		-
	-		-		-		-		419,313		-				-
	14,161	_	67,707	_	382,258	_	290,130	_	423,173	_	107,531	_	2,454,036	_	548,763
	-		-		-		-		-		-		-		-
			<u> </u>		<u>-</u>			_		_	<u> </u>				
\$	14,161	\$	67,707	\$	382,258	\$	290,130	\$	423,173	\$	107,531	\$	2,454,036	\$	548,763

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2024

Data Control Codes	282 ESSER III ARP Act	289 Other Federal Special Revenue Funds	Pl	397 dvanced lacement acentives	404 Student Success Initiative
ASSETS 1110 Cash and Cash Equivalents 1240 Due from Other Governments 1260 Due from Other Funds 1290 Other Receivables 1410 Prepayments	\$ 2,092,789 - - -	\$ - 1,030,871 5,083 - -	\$	29,347 \$ (204)	16,239 - - -
1000 Total Assets	\$ 2,092,789	\$ 1,035,954	\$	29,143 \$	16,239
LIABILITIES 2110 Accounts Payable 2160 Accrued Wages Payable 2170 Due to Other Funds 2180 Due to Other Governments 2300 Unearned Revenue 2000 Total Liabilities	\$ 213,168 596 1,879,025 - - 2,092,789	\$ 1,500 59,932 941,437 - 33,085 1,035,954	\$	- \$ - - - 29,143 29,143	1,219 - 15,020 - - 16,239
FUND BALANCES Committed Fund Balance: 3545 Other Committed Fund Balance 3600 Unassigned Fund Balance 3000 Total Fund Balances 4000 Total Liabilities and Fund Balances	 		·		
4000 Total Liabilities and Fund Balances	\$ 2,092,789	\$ 1,035,954	\$	29,143 \$	16,239

_	410		429		461		499		Total			
	State	(Other State		Campus		Other Local		Nonmajor			
	Instructional		Special		Activity		Special	(Governmental			
	Materials		evenue Funds		Funds	Revenue Funds			Funds			
\$	292,095	\$	-	\$	2,694,043	\$	219,391	\$	3,561,801			
	-		1,942,057		-		3,940		13,775,041			
	650,000		-		-		-		655,282			
	-		237		-		-		237			
	1,062,512		160,320		-		-		1,222,832			
\$	2,004,607	\$	2,102,614	\$	2,694,043	\$	223,331	\$	19,215,193			
\$	(1)	\$	1,239,128	\$	_	\$	_	\$	1,650,893			
	-		4,709		-		-		1,633,098			
	-		698,460		-		3,123		10,370,485			
	-		-		-		817		817			
	2,004,619		160,320		-		219,391		2,865,871			
	2,004,618		2,102,617		-		223,331		16,521,164			
	-		-		2,694,043		-		2,694,043			
	(11)		(3)		-		-		(14)			
	(11)		(3)		2,694,043		-		2,694,029			
\$	2,004,607	¢	2,102,614	•	2,694,043	¢	223,331	\$	19,215,193			
Φ	2,004,007	Φ	2,102,014	Φ	2,034,043	Φ	443,331	Φ	17,413,193			

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, 2024

	_						
		205	211	21	12		224
Data			ESEA I, A	ESEA	Title I	IDI	EA - Part B
Control			Improving	Par	rt C		Formula
Codes		Head Start	Basic Program	Mig	rant		
REVENUES:							
5700 Total Local and Intermediate Sources	\$	_	\$ -	\$	_	\$	_
5800 State Program Revenues		_	-		_		-
5900 Federal Program Revenues		2,503,194	19,698,808		530,575		6,344,616
5020 Total Revenues	_	2,503,194	19,698,808	-	530,575		6,344,616
EXPENDITURES:				-			
Current:							
0011 Instruction		2,276,836	13,275,618		41,680		6,010,101
0012 Instructional Resources and Media Services		-	17,424		-		-
0013 Curriculum and Instructional Staff Development		-	3,148,855		-		198,925
0021 Instructional Leadership		60,079	1,860,357		138,594		135,590
0023 School Leadership		-	175		-		-
Ouidance, Counseling, and Evaluation Services		-	20,984		346,777		-
0032 Social Work Services		-	-		3,132		-
0033 Health Services		-	-		-		-
0034 Student (Pupil) Transportation		-	-		-		-
0035 Food Services		76,599	-		-		-
0036 Extracurricular Activities		-	-		-		-
0041 General Administration		-	-		-		-
Facilities Maintenance and Operations		70,645	-		-		-
O052 Security and Monitoring Services		16,146	-		-		-
0053 Data Processing Services		-	-		-		-
0061 Community Services		2,889	1,375,395		392		-
Capital Outlay:							
oost Facilities Acquisition and Construction		-		_	-		
6030 Total Expenditures		2,503,194	19,698,808	_	530,575		6,344,616
1200 Net Change in Fund Balance		-	-		-		-
0100 Fund Balance - September 1 (Beginning)	_	_	-	_			-
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	280 ESSER III Homelss Children	
\$	- \$	-	\$ -	\$ -	\$ -	\$ -	\$ - :	\$ -	
	- 114,907	637,532	2,094,044	1,247,051	728,354	371,281	2,702,704	548,763	
	114,907	637,532	2,094,044	1,247,051	728,354	371,281	2,702,704	548,763	
	114,907	329,684	_	772,619	-	17,151	2,078,976	_	
	-	82,827	-	-	-	-	-	-	
	-	-	2,094,044	457,755	-	316	396,797	-	
	-	-	-	-	-	-	-	-	
	-	225,021	-	4,944	-	462 353,102	58,923	-	
	-	223,021	-	-	-	333,102	34,879	548,763	
	-	-	_	-	728,354	-	44,853	346,703	
	_	_	_	708	720,554	_	,055	_	
	_	_	-	-	_	_	-	_	
	_	_	-	_	_	_	-	_	
	-	-	-	-	-	-	204	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	88,072	-	
	-	-	-	11,025	-	250	-	-	
	-	-	-	-	-	-	-	-	
	114,907	637,532	2,094,044	1,247,051	728,354	371,281	2,702,704	548,763	
	-	-	-	-	-	-	-	-	
	-	-	-		-			-	
\$	- \$	-	\$ -	\$ -	\$ -	\$ -	\$ - :	\$ -	

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, 2024

			282		289	397		404
Data			ESSER III	(Other Federal	Advanced		Student
Conti	rol		ARP Act		Special	Placement		Success
Code	s			R	evenue Funds	Incentives		Initiative
	REVENUES:							
5700	Total Local and Intermediate Sources	\$		\$	•	\$ -	\$	
	State Program Revenues	Ф	-	Ф		-	Ф	204,308
5800 5900	Federal Program Revenues		16,512,796		2,144,458	-		204,508
	_	_	16,512,796		2,144,458			204,308
5020	Total Revenues	_	10,312,790		2,144,438	-		204,308
]	EXPENDITURES:							
	Current:							
0011	Instruction		7,323,230		952,668	-		141,984
0012	Instructional Resources and Media Services		1,346,253		-	-		-
0013	Curriculum and Instructional Staff Development		381,398		104,930	-		62,324
0021	Instructional Leadership		339,079		312	-		-
0023	School Leadership		631,054		1,374	-		-
0031	Guidance, Counseling, and Evaluation Services		417,072		871,930	-		-
0032	Social Work Services		94,446		197,771	-		-
0033	Health Services		211,184		9,037	-		-
0034	Student (Pupil) Transportation		351,702		-	-		-
0035	Food Services		640,564		1,467	-		-
0036	Extracurricular Activities		77,304		-	-		-
0041	General Administration		267,689		649	-		-
0051	Facilities Maintenance and Operations		3,659,704		-	-		-
0052	Security and Monitoring Services		248,333		634	-		-
0053	Data Processing Services		81,924		-	-		-
0061	Community Services		68,175		3,686	-		-
	Capital Outlay:							
0081	Facilities Acquisition and Construction		373,685		-	-		-
6030	Total Expenditures		16,512,796		2,144,458	-		204,308
1200	Net Change in Fund Balance		-		-	-		-
0100	Fund Balance - September 1 (Beginning)	_	-			-		-
3000	Fund Balance - August 31 (Ending)	\$	-	\$	- 5	\$ -	\$	

	410	429	461	499	Total
	State	Other State	Campus	Other Local	Nonmajor
I	nstructional	Special	Activity	Special	Governmental
	Materials	Revenue Funds	Funds	Revenue Funds	Funds
\$	-	\$ - \$	6,199,292	\$ 244,072	\$ 6,443,364
	2,604,192	3,100,052	-	-	5,908,552
	-	-	-	-	56,179,083
	2,604,192	3,100,052	6,199,292	244,072	68,530,999
	2,604,203	536,252	_	93,447	36,569,356
	-	-	-	-	1,446,504
	-	542,782	-	63,362	7,451,488
	-	41,257	-	797	2,576,065
	-	-	-	-	696,932
	-	-	-	-	2,269,765
	-	-	-	13,318	857,430
	-	-	-	-	993,428
	-	-	-	-	352,410
	-	-	-	-	718,630
	-	-	6,235,502	-	6,312,806
	-	-	-	68,186	336,728
	-	-	-	-	3,730,349
	-	1,979,764	-	-	2,244,877
	-	-	-	-	169,996
	-	-	-	4,962	1,466,774
	-	-	_	-	373,685
	2,604,203	3,100,055	6,235,502	244,072	68,567,223
	(11)	(3)	(36,210)	-	(36,224)
			2,730,253		2,730,253
\$	(11)	\$ (3)\$	2,694,043	\$ -	\$ 2,694,029

(This page intentionally left blank)

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS AUGUST 31, 2024

		752	753		771		772		T . 1
	P	rint Shop	Insurance		Copier	Co	Workers ompensation	S	Total Internal ervice Funds
ASSETS									
Current Assets:									
Due from Other Funds Other Receivables	\$	175,516 -	\$ 8,105,836 293	\$	112,436 2	\$	4,008,876	\$	12,402,664 295
Total Current Assets		175,516	8,106,129		112,438		4,008,876		12,402,959
Noncurrent Assets: Capital Assets:									
Furniture and Equipment. Net		20,299	-		9,005		-		29,304
Total Noncurrent Assets		20,299	-		9,005		-		29,304
Total Assets		195,815	8,106,129		121,443		4,008,876		12,432,263
LIABILITIES									
Current Liabilities:									
Accounts Payable		6,817	1,460,136		13,420		137,319		1,617,692
Accrued Wages Payable		7,606	18,451		-		6,813		32,870
Due to Other Funds		181,392	20,271		-		2,783		204,446
Accrued Expenses		-	2,542,337		-		688,721		3,231,058
Total Liabilities		195,815	4,041,195	_	13,420		835,636		5,086,066
NET POSITION									
Unrestricted Net Position	\$	-	\$ 4,064,934	\$	108,023	\$	3,173,240	\$	7,346,197
Total Net Position	\$	-	\$ 4,064,934	\$	108,023	\$	3,173,240	\$	7,346,197

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, 2024

	752	753	771	772	
	Print Shop	Insurance	Copier	Workers Compensation	Total Internal Service Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 245,649	\$ 46,357,079 \$	13,921	\$ 141,312	\$ 46,757,961
Total Operating Revenues	245,649	46,357,079	13,921	141,312	46,757,961
OPERATING EXPENSES:					
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs	235,281 80,424 89,343	324,413 53.476,905 23,710 20,530	30.489 7,595	256,992 1,278,710 1,171	816,686 54,866,528 121,819 20,530
Total Operating Expenses	405,048	53,845,558	38,084	1,536,873	55,825,563
Operating Income (Loss)	(159,399)	(7,488,479)	(24,163)	(1,395,561)	(9,067,602)
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits &	-	441,591	_	-	441,591
Total Nonoperating Revenues (Expenses)	-	441,591	-	-	441,591
Income (Loss) Before Transfers	(159,399)	(7,046,888)	(24,163)	(1,395,561)	(8,626,011)
Transfers In Transfers Out	175,516	2,000,000	-	(2,000,000)	2,175,516 (2,000,000)
Change in Net Position	16,117	(5,046,888)	(24,163)	(3,395,561)	(8,450,495)
Total Net Position September 1 (Beginning)	(16,117)	9,111,822	132,186	6,568,801	15,796,692
Total Net Position August 31 (Ending)	\$ -	\$ 4,064,934 \$	108,023	\$ 3,173,240	\$ 7,346,197

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED AUGUST 31, 2024

		752	753		771	772	
							Total
		Print Shop	Insurance		Copier	Workers	Internal
						Compensation	Service Funds
Cash Flows from Operating Activities:							
Cash Received from Assessments - Other Funds	\$	245,649	\$ 46,357,079	\$	13,921	\$ 141,312	\$ 46,757,961
Cash Payments to Employees for Services		(233,766)	(313,443		-	(252,891)	(800,100)
Cash Payments for Insurance Claims		-	(52,643,205		-	(1,087,898)	(53,731,103)
Cash Payments for Suppliers		(189,260)	-		(25,356)	-	(214,616)
Cash Payments for Other Operating Expenses		- 1	(20,530)	-	-	(20,530)
Net Cash Used For Operating	_	(177 277)		<u> </u>	(11 /25)	(1,199,477)	
Activities	_	(177,377)	(6,620,099	<u>) </u>	(11,435)	(1,199,477)	(8,008,388)
Cash Flows from Non-Capital Financing Activities:							
Transfers Out		_	(4,522,501)	(112,436)	(5,985,424)	(10,620,361)
Transfers In		165,275	-	,	-	-	165,275
Net Cash Provided by (Used for) Non-Capital	_		(4.522.501		(112.42()	(5.005.424)	
Financing Activities	_	165,275	(4,522,501) 	(112,436)	(5,985,424)	(10,455,086)
Cash Flows from Capital & Related Financing Activities	<u>:</u>						
Acquisition of Capital Assets		(20,299)	-		-	-	(20,299)
Cash Flows from Investing Activities:							
Purchase of Investment Securities		_	(15,755,739)	-	-	(15,755,739)
Proceeds from Sale & Maturities of Securities		_	26,456,748		_	-	26,456,748
Interest and Dividends on Investments		_	441,591		-	-	441,591
Net Cash Provided by Investing Activities		-	11,142,600		-	-	11,142,600
Net Decrease in Cash and Cash Equivalents		(32,401)	_		(123,871)	(7,184,901)	(7,341,173)
Cash and Cash Equivalents at Beginning of Year		32,401	_		123,871	7,184,901	7,341,173
	_		Φ.				
Cash and Cash Equivalents at End of Year	\$		\$ -	<u></u>		<u> </u>	\$ -
Reconciliation of Operating Income (Loss) to Net Cash							
Used for Operating Activities:							
Operating Income (Loss):	\$	(159,399)	\$ (7,488,479) \$	(24,163)	\$ (1,395,561)	\$ (9,067,602)
Effect of Increases and Decreases in Current Assets and Liabilities:		, , ,	, , ,			, , ,	
Increase (decrease) in Accounts Payable		(19,493)	1,349,877	,	12,728	137,318	1,480,430
Increase (decrease) in Accounts Payable Increase (decrease) in Accrued Wages Payable		1,515			12,/28	58,766	
Net Cash Used for Operating	_		(481,497		<u>-</u>		(421,216)
Activities	\$	(177,377)	\$ (6,620,099) \$	(11,435)	\$ (1,199,477)	\$ (8,008,388)
1 1001 + 10100	_						

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS AUGUST 31, 2024

	711	711		712	
	College for All		Digital Billboard		
ASSETS	IOI All			illooard	
Current Assets:					
Cash and Cash Equivalents	\$ 67,	159	\$	591,914	
Total Assets	67,	159		591,914	
LIABILITIES					
Current Liabilities:					
Accounts Payable		59		8,766	
Accrued Wages Payable		-		-	
Due to Other Funds		-		-	
Due to Student Groups		-		-	
Total Liabilities		59		8,766	
NET POSITION					
Unrestricted Net Position	67,	100		583,148	
Total Net Position	\$ 67,	100	\$	583,148	

713			714		715		Total Nonmajor Interprise
A	CT-RGV	Sv	Swimming		atatorium		Funds
\$	303,844	\$	18,052	\$	146,418	\$	1,127,387
	303,844		18,052		146,418	_	1,127,387
	4,973		-		(1)		13,797
	14,311		-		977		15,288
	284,410 150		-		-		284,410 150
	303,844		-		976		313,645
	-		18,052		145,442		813,742
\$		\$	18,052	\$	145,442	\$	813,742

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, 2024

		711 College for All		712	
				Digital Billboard	
OPERATING REVENUES:					
Local and Intermediate Sources	\$	41,300	\$	187,328	
Total Operating Revenues		41,300		187,328	
OPERATING EXPENSES:					
Payroll Costs Professional and Contracted Services Supplies and Materials Other Operating Costs		121 426 5,374		- 22,754 2,766 818	
Total Operating Expenses		5,921		26,338	
Income (Loss) Before Transfers		35,379		160,990	
Transfers In Transfers Out		-		- (470,989)	
Change in Net Position		35,379		(309,999)	
Total Net Position - September 1 (Beginning)		31,721		893,147	
Total Net Position - August 31 (Ending)	\$	67,100	\$	583,148	

713			714		715	Total Nonmajor		
A	CT-RGV	Sv	wimming	N	latatorium	Е	Interprise Funds	
				-				
\$	410,638	\$	16,434	\$	186,318	\$	842,018	
	410,638		16,434		186,318		842,018	
	272.517				20 122		400 (20	
	372,516 54,460		-		28,123 3,000		400,639 80,335	
	4,220		710		6,466		14,588	
	9,726		7,384		-		23,302	
	440,922		8,094		37,589		518,864	
	(30,284)		8,340		148,729		323,154	
	303,844		-		_		303,844	
	-		-		(148,728)		(619,717)	
	273,560		8,340		1		7,281	
	(273,560)		9,712		145,441		806,461	
\$	-	\$	18,052	\$	145,442	\$	813,742	

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED AUGUST 31, 2024

	711	712
	College	Digital
	for All	Billboard
Cash Flows from Operating Activities:		
Cash Received from User Charges	\$ 41,300	\$ 187,328
Cash Payments to Employees for Services	-	-
Cash Payments for Suppliers	(642)	(18,149)
Cash Payments for Other Operating Expenses	(5,374)	(818)
Net Cash Provided by (Used for) Operating Activities	 35,284	 168,361
Cash Flows from Non-Capital Financing Activities:	 	
Increase(decrease) in Short-term Loans	-	-
Transfers Out	-	(470,989)
Transfers In	-	-
Net Cash Provided by (Used for) Non-Capital Financing	 -	(470,989)
Net Increase (Decrease) in Cash and Cash Equivalents	 35,284	 (302,628)
Cash and Cash Equivalents at Beginning of Year	31,875	894,542
Cash and Cash Equivalents at End of Year	\$ 67,159	\$ 591,914
Reconciliation of Operating Income (Loss) to Net Cash		
Provided By (Used For) Operating Activities:		
Operating Income (Loss):	\$ 35,379	\$ 160,990
Effect of Increases and Decreases in Current		
Assets and Liabilities:		
Increase (decrease) in Accounts Payable	(95)	7,371
Increase (decrease) in Accrued Wages Payable	-	-
Increase (decrease) in Due to Student Group	-	-
Net Cash Provided by (Used for) Operating Activities	\$ 35,284	\$ 168,361

	713		714		715		Total
							Nonmajor
							Enterprise
	ACT-RGV		Swimming		Natatorium		Funds
Φ.	440.600	•	1 < 12.1	.	106010	•	0.42.04.0
\$	410,638	\$	16,434	\$	186,318	\$	842,018
	(369,848)		(745)		(28,127)		(397,975)
	(54,504) (9,726)		(745) (7,384)		(9,467)		(83,507) (23,302)
_	(23,440)	_	8,305	_	148,724	_	337,234
	(20,110)					_	
	10,850		-		-		10,850
	-		-		(148,728)		(619,717)
	303,844		-		-		303,844
	314,694		-		(148,728)		(305,023)
	291,254		8,305		(4)		32,211
	12,590		9,747		146,422		1,095,176
\$	303,844	\$	18,052	\$	146,418	\$	1,127,387
\$	(30,284)	\$	8,340	\$	148,729	\$	323,154
Φ	(30,264)	Ф	0,340	Ф	140,729	Φ	323,134
	4,026		(35)		(1)		11,266
	2,668		-		(4)		2,664
	150						150
\$	(23,440)	\$	8,305	\$	148,724	\$	337,234

(This page intentionally left blank)



OTHER INFORMATION

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF DELINQUENT TAXES RECEIVABLE FOR THE YEAR ENDED AUGUST 31, 2024

	(1)	(2)	(3) Assessed/Appraised	
Last 10 Years Ended	Tax F	Value for School		
August 31	Maintenance	Debt Service	Tax Purposes	
2015 and prior years	Various	Various	\$ 7,435,393,614	
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	0.974600	0.209100	6,044,138,347	
024 (School year under audit)	0.789200	0.229100	6,097,897,280	
1000 TOTALS				

8000 Total Taxes Refunded Under Section 26.1115, Tax Code

112

(10) Beginning Balance	(20) Current Year's	(31) Maintenance	(32) Debt Service	(40) Entire Year's	(50) Ending Balance	(99) Taxes Refunded Under Section
 9/1/2023	Total Levy	Collections	Collections	Adjustments	8/31/2024	26.1115c
\$ 2,076,205 \$	- \$	63,066	\$ 9,716 \$	(231,223) \$	1,772,200	
188,515	-	7,631	1,495	(2,567)	176,822	
192,337	-	7,516	1,472	(6,399)	176,950	
208,547	-	11,266	2,111	(3,915)	191,255	
249,774	-	22,751	4,068	(9,275)	213,680	
406,492	-	62,030	11,859	(94,471)	238,132	
535,565	-	130,024	26,820	42,543	421,264	
919,308	-	186,658	41,001	(83,628)	608,021	
2,711,204	-	816,798	175,184	(455,126)	1,264,096	
-	62,094,888	46,047,762	13,368,705	-	2,678,421	
\$ 7,487,947 \$	62,094,888 \$	47,355,502	\$ 13,642,431 \$	(844,061) \$	7,740,841	

\$ 66,608

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, 2024

Data Control		Budgeted	ınts	Actual Amounts (GAAP BASIS)	Fi	Variance With Final Budget Positive or	
Codes		Original	inal Final			(Negative)	
REVENUES:							
Total Local and Intermediate SourcesState Program Revenues	\$	13,119,910 9,352,887	\$	13,119,910 9,352,887	\$ 14,157,716 10,619,278	\$	1,037,806 1,266,391
5020 Total Revenues EXPENDITURES:		22,472,797		22,472,797	24,776,994		2,304,197
Debt Service:							
 Principal on Long-Term Liabilities Interest on Long-Term Liabilities Bond Issuance Cost and Fees 		13,535,000 8,924,147 13,650		15,135,000 8,924,147 13,650	14,610,001 7,867,521 13,595		524,999 1,056,626 55
6030 Total Expenditures		22,472,797		24,072,797	22,491,117		1,581,680
1200 Net Change in Fund Balances		-		(1,600,000)	2,285,877		3,885,877
0100 Fund Balance - September 1 (Beginning)		3,746,309		3,746,309	3,746,308		(1)
3000 Fund Balance - August 31 (Ending)	\$	3,746,309	\$	2,146,309	\$ 6,032,185	\$	3,885,876

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES FOR THE YEAR ENDED AUGUST 31, 2024

	Section A: Compensatory Education Programs	
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	44,270,650
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	21,150,876
	Section B: Bilingual Education Programs	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	7,908,219
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	5,221,575



SINGLE AUDIT SECTION

(This page intentionally left blank)



Carr, Riggs & Ingram, L.L.C. 1801 South 2nd Street Suite 500

McAllen, TX 78503

956.686.3701 956.686.6830 (fax) CRIadv.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
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, 2024, 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 27, 2025.

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 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 weaknesses or significant deficiencies may exist that were not 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 2024-001 that we consider to be a 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 2024-001.

District's Response to Findings

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 27, 2025

Carr, Riggs & Chapan, L.L.C.



Carr, Riggs & Ingram, L.L.C. 1801 South 2nd Street Suite 500

McAllen, TX 78503

956.686.3701 956.686.6830 (fax) CRIadv.com

INDEPENDENT AUDITOR'S 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 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 Pharr-San Juan-Alamo Independent School District's major federal programs for the year ended August 31, 2024. The Pharr-San Juan-Alamo Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2024.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Pharr-San Juan-Alamo Independent School 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 Pharr-San Juan-Alamo Independent School 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 Pharr-San Juan-Alamo Independent School District's federal programs.

Auditor's 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 Pharr-San Juan-Alamo Independent School 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 Pharr-San Juan-Alamo Independent School 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 Pharr-San Juan-Alamo Independent
 School 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 Pharr-San Juan-Alamo Independent School 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 Pharr-San Juan-Alamo Independent School District's internal
 control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 27, 2025

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

(This page intentionally left blank)

Section I - Summary of Auditor's 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 Noncompliance material to financial statements noted? _____ yes <u>X</u> no **Federal Awards** Type of auditor's 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 X 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 Child Nutrition Cluster 10.553/10.555/10.582 Child and Adult Care Food Program 10.558 Special Education (IDEA) Cluster 84.027/84.173 Dollar threshold used to distinguish between type A and type B programs: \$ 2,711,862 Auditee qualified as low-risk auditee

X yes no

under 2CFR 200.520?

Section II – Financial Statement Findings

Reference No.: 2024-001

Significant Deficiency and Compliance Finding - Excess Expenditures Over Appropriations

Condition: As indicated in Exhibit G-1, the District's expenditures exceeded the budget in nine functional areas: 11 (Instruction), 12 (Instructional Resources and Media Services), 13 (Curriculum and Instructional Staff Development), 23 (School Leadership), 35 (Food Services), 36 (Extracurricular Activities), 51 (Facilities Maintenance and Operations), 53 (Data Processing Services), 72 (Interest on Long-Term Liabilities), and 99 (Other Intergovernmental Charges).

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 last minute retention stipends paid before year end.

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

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2023-001	Excess Expenditures Over Appropriations
	Status:
	Repeat finding. See 2024-001 finding
	Contact person:
	Rebecca Gonzales, Chief Financial Officer
	Proposed Completion Date:
	August 31, 2024

Federal Award Findings and Questioned Costs:

No 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, 2024

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2024-001	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, Chief Financial Officer
	Proposed Completion Date:
	August 31, 2025

Federal Award Findings:

None noted.



PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

FEDERAL AGENCY	ASSISTANCE			
PASS-THROUGH GRANTOR/	LISTING	CONTRACT/		PAYMENTS TO
PROGRAM TITLE	NUMBER	GRANT NUMBER	EXPENDITURES (\$)	SUBRECIPIENTS
U. S. DEPARTMENT OF AGRICULTURE				
Passed Through Texas Department of Agriculture	10.105	NTAVIAVCICCE	ć 2.670	
Local Food for Schools Cooperative Agreement Program	10.185	NT4XL1YGLGC5	\$ 2,679	
Total AL Number 10.185			2,679	
Child Nutrition Cluster				
*School Breakfast Program-SBP	10.553	NT4XL1YGLGC5	8,881,890	-
*School Breakfast Program-SSO	10.553	NT4XL1YGLGC5	236,662	
Total AL Number 10.553			9,118,552	
*National Cahael Lunch Dragram Nanash Assistance	10.555	NTAVIAVOLOGE	1 794 205	
*National School Lunch Program - Noncash Assistance	10.555	NT4XL1YGLGC5	1,784,395	-
*National School Lunch Program	10.555	NT4XL1YGLGC5	17,202,867	-
*National School Lunch Program-SSO	10.555	NT4XL1YGLGC5	543,949	-
*National School Lunch Program - SCA	10.555	NT4XL1YGLGC5	123,271	
Total AL Number 10.555			19,654,482	
*Fresh Fruit & Vegetable Program	10.582	NT4XL1YGLGC5	670,583	-
Total AL Number 10.582			670,583	-
Total Child Nutrition Cluster			29,443,617	
	40.550			
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	1,853,154	
Total AL Number 10.558			1,853,154	
Child Nutrition Discretionary Grants Limited Availability	10.579	NT4XL1YGLGC5	86,241	-
Total AL Number 10.579			86,241	-
Total Passed Through Texas Department of Agriculture			31,385,691	
Passed Through The University of Texas Rio Grande Valley				
State Administrative Matching Grants for the Supplemental Nutrition Assitance				
Program	10.561	HHS001018600003-02	20,248	
Total AL Number 10.561			20,248	-
Total Passed Through The University of Texas Rio Grande Valley			20,248	
TOTAL U.S. DEPARTMENT OF AGRICULTURE			31,405,939	
TOTAL U.S. DEPARTMENT OF AURICULTURE			31,403,535	
U.S. DEPARTMENT OF DEFENSE				
<u>Direct Program</u>				
Junior Reserve Officer Training Corps	12.U01	DLP7FE6162B5	291,934	
Total AL Number 12.U01			291,934	
Total Direct Program			291,934	
TOTAL U.S. DEPARTMENT OF DEFENSE			291,934	
U.S. DEPARTMENT OF EDUCATION				
Passed Through Region One ESC				
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-22	4,372	
Gaining Early Awareness and Readiness for Undergradutate Programs	84.334A	P334A180025-23	380,427	
Total AL Number 84.334A	0.135.17	1 55 11 12 55 52 5	384,799	
Total Passed Through Region One ESC			384,799	
Total Tassed Till Odgi Negjoli Olic Ese			304,733	
Passed Through Region 18 ESC				
Education Innovation and Research (EIR)	84.411C	S411C200125	83,765	
Total AL Number 84.411C			83,765	
Total Passed Through Region 18 ESC			83,765	
Passed Through The University of Texas Rio Grande Valley				
School Safety National Activities	84.184X	DLP7FE6162B5	124,500	
Total AL Number 84.184X	520-7A		124,500	
Total Passed Through The Univesity of Texas Rio Grande Valley			124,500	

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

ERAL AGENCY S-THROUGH GRANTOR/	ASSISTANCE LISTING	CONTRACT/		PAYMENTS TO
OGRAM TITLE	NUMBER	GRANT NUMBER	EXPENDITURES (\$)	SUBRECIPIENT
ssed Through State Department of Education				
Special Education (IDEA) Cluster				
*Special Education Grants to States	84.027A	246600011089096600	6,045,298	
*Special Education Grants to States	84.027A	256600011089096600	299,317	
Total AL Number 84.027A			6,344,615	
*COVID-19 Special Education Grants to States	84.027X	225350021089095350	248,857	
Total AL Number 84.027X			248,857	-
*Special Education Preschool Grants	84.173A	246610011089096610	110,834	
*Special Education Preschool Grants	84.173A	256610011089096610	4,073	
Total AL Number 84.173A			114,907	
Total Special Education (IDEA) Cluster			6,708,379	
Title I Grants to Local Education Agencies	84.010A	23610101108909	651,405	
Title I Grants to Local Education Agencies	84.010A	24610101108909	18,101,977	
Title I Grants to Local Education Agencies	84.010A	25610101108909	550,612	
Title I Grants to Local Education Agencies	84.010A	236101627110023	371,955	
Title I Grants to Local Education Agencies	84.010A	236101627110024	671,317	
Total AL Number 84.010A			20,347,266	
Migrant Education State Grant Program	84.011A	24615001108909	511,067	
Migrant Education State Grant Program	84.011A	25615001108909	19,508	
Total AL Number 84.011A	04.011/1	23013001100303	530,575	
	04.0404	24420006400000	627.274	
Career and Technical Education - Basic Grants to States	84.048A	24420006108909	637,274	
Career and Technical Education - Basic Grants to States Total AL Number 84.048A	84.048A	25420006108909	7,246 644,520	
English Language Acquisition State Grants	84.365A	23671001108909	53,374	-
English Language Acquisition State Grants	84.365A	24671001108909	1,169,228	
English Language Acquisition State Grants	84.365A	25671001108909	72,517	
Total AL Number 84.365A			1,295,119	-
Supporting Effective Instruction State Grants	84.367A	23694501108909	79,501	
Supporting Effective Instruction State Grants	84.367A	24694501108909	2,002,371	
Supporting Effective Instruction State Grants	84.367A	25694501108909	77,941	
Supporting Effective Instruction State Grants	84.367A	236945157110011	9,327	
Total AL Number 84.367A			2,169,140	
Grants for State Assessments and Related Activities	84.369A	DLP7FE6162B5	95,497	
Total AL Number 84.369A			95,497	
Student Support and Academic Enrichment Program	84.424A	23680101108909	43,271	
Student Support and Academic Enrichment Program	84.424A	24680101108909	1,609,255	
Student Support and Academic Enrichment Program	84.424A	25680101108909	32,071	
Total AL Number 84.424A			1,684,597	
COVID-19 Education Stabilization Fund- ESSER Fund	84.425D	21521001108909	60,639	-
COVID-19 Education Stabilization Fund- ESSER Fund	84.425U	21528001108909	17,452,412	-
COVID-19 Education Stabilization Fund- ESSER Fund	84.425U	215280587110110	238,230	
COVID-19 Education Stabilization Fund- ESSER Fund	84.425U	21528042108909	2,962,597	-
COVID-19 Education Stabilization Fund- ESSER Fund	84.425W	21533002108909	548,763	
Total AL Number 84.425			21,262,641	
Total Passed Through State Department of Education			54,737,734	_
TOTAL U.S. DEPARTMENT OF EDUCATION			55,330,798	
			33,330,730	

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

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 Region One ESC				
COVID-19 Public Health Emergency Response: Cooperative Agreement for				
Emergency Response: Public Health Crisis Response	93.354	223934017110001	7,544	_
Total AL Number 93.354			7,544	
Total Passed Through Region One ESC			7,544	-
Passed Through Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558	2401TXTANF	36,468	-
Total AL Number 93.558			36,468	-
Total Passed Through Texas Workforce Commission			36,468	
Passed Through University of Texas - Rio Grande Valley				
Head Start Cluster				
*Head Start	93.600	06HP000334-05	2,594,352	-
Total AL Number 93.600			2,594,352	_
Total Head Start Cluster			2,594,352	_
Total Passed Through University of Texas - Rio Grande Valley			2,594,352	-
Passed Through Texas Health and Human Services Commission				
Medicaid Cluster				
*Medicaid Administrative Claiming Program	93.778	HHS000537900210	728,354	
Total AL Number 93.778			728,354	
Total Medicaid Cluster			728,354	-
Total Passed Through Texas Health and Human Services			728,354	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,366,718	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 90,395,389	\$ -

^{*}Clustered Programs

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

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 principles 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 Principles, 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, 2024, the District had no sub-recipients.

NOTE 5 Federal Loans and Loan Guarantees

During the year ended August 31, 2024, the District had no outstanding federal loans payable or loan guarantees.

NOTE 6 Federally Funded Insurance

During the year ended August 31, 2024, the District had no outstanding federally funded insurance.

NOTE 7 Noncash awards

During the year ended August 31, 2024, the District received \$1,784,395 as non-cash assistance under the National School Lunch Program (Assistance Listing Number 10.555).

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED AUGUST 31, 2024

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	\$ 90,395,389
Federal subsidy	506,644
SHARS	 3,277,679
	\$ 94,179,712

SCHOOLS FIRST QUESTIONNAIRE

PHARR SAN JUAN ALAMO INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2024

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	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 that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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.	\$2,212,019