



WESLACO

INDEPENDENT SCHOOL DISTRICT

Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025





WESLACO
INDEPENDENT SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2025**

**Report Issued by the
Business Office**

**312 W. 5th Street
Weslaco, Texas 78599**

www.wisd.us



OFFICE OF THE SUPERINTENDENT, DR. RICHARD RIVERA
319 W. 4th Street • Weslaco, Tx • 78596 • (956) 969-6500 • rrivera@wisd.us

February 13, 2026

Dear Citizens and Board of Trustees of the
Weslaco Independent School District,

The Administration is pleased to present the Annual Financial and Compliance Report for the Weslaco Independent School District for the fiscal year ended June 30, 2025. This report has been meticulously prepared by the District's Business Office in accordance with generally accepted accounting principles (GAAP) and serves as our primary vehicle for financial accountability to the Board of Trustees, our taxpayers, and the Texas Education Agency (TEA).

These statements provide a comprehensive analysis of the District's overall financial health and the performance of our individual funds. District leadership maintains full responsibility for the accuracy and fairness of the data presented, and we remain confident that this report represents the District's financial position in all material respects.

For the 2025 fiscal cycle, the TEA has introduced significant administrative changes, including the transition to the new Audit 2.0 application within the TEAL system. Due to these technical updates and the late release of federal compliance supplements, the TEA has extended the mandatory filing deadline for June 30 year-end districts to February 27, 2026. We are pleased to confirm that the District has met all necessary milestones within the new Audit 2.0 framework, ensuring our continued compliance with state reporting mandates. Furthermore, our independent auditors, Carr, Riggs, & Ingram, LLC, have completed their examination in accordance with generally accepted auditing standards and have issued an unmodified ("clean") opinion. This status is the highest level of assurance an auditor can provide and is a critical factor in maintaining our favorable School FIRST (Financial Integrity Rating System of Texas) rating.

To gain a deeper understanding of the year-over-year financial trends and budgetary performance, we encourage the Board to review the Management's Discussion and Analysis (MD&A) located immediately following the independent auditors' report. This narrative section offers a transparent look at the factors driving our current financial standing. As always, this report will be shared with the TEA, financial rating agencies, and the public, reinforcing our commitment to fiscal transparency and the responsible stewardship of taxpayer resources.

Profile of the District

Weslaco is situated at the southern tip of Texas in the heart of the Rio Grande Valley, a region recognized as one of the premier growth areas in both the state and the nation. The school district was organized by city officials shortly after Weslaco's establishment in 1919 and began its first

academic year in 1921–22 with just 350 students and a faculty of ten. Today, Weslaco ISD has evolved into a robust educational system encompassing approximately 54.40 square miles. As the largest employer in the city, the District operates with an annual budget of approximately \$223 million and a dedicated workforce of over 2,200 employees. It is governed by a seven-member Board of Trustees elected by the community to set policy, adopt the annual budget, and oversee the Superintendent of Schools, Dr. Richard Rivera, who manages the District's day-to-day operations.

The annual budget serves as the District's foundational financial plan, legally enacted by the Board each year prior to July 1 following public hearings. To ensure fiscal discipline, the budget can only be amended at the function and fund level through formal Board approval. The District maintains rigorous budgetary controls to ensure all expenditures remain within approved limits and comply with the Texas Education Code and the Financial Accountability System Resource Guide (FASRG). Furthermore, Weslaco ISD evaluates its internal controls annually through self-evaluations and independent audits. These controls are designed to provide reasonable assurance that District assets are safeguarded and that financial records are reliably maintained for accurate reporting.

Weslaco ISD currently serves a diverse student population of approximately 16,000 to 16,300 students across a comprehensive network of campuses, including ten elementary schools, four middle schools, and four high schools—including the specialized Joe Calvillo Career & Technical Early College High School. Following a traditional feeder pattern, the District provides a technology-infused curriculum aligned with college and career readiness standards. Under its mission to provide "The Right Choice," the District delivers a complete educational experience grounded in creativity, synergy, and critical thinking. With a teaching staff of over 1,000 professionals—averaging an impressive 17 years of experience—the District remains committed to fostering lifelong learners and engaged citizens through a multitude of academic, athletic, and fine arts programs tailored to meet individual student needs.

Current Economic Condition and Fiscal Outlook

While the immediate emergency of the COVID-19 pandemic has receded, its fiscal legacy continues to shape the District's economic landscape. Between 2020 and 2024, Weslaco ISD leveraged approximately \$77.2 million in federal Elementary and Secondary School Emergency Relief (ESSER) funds to maintain operational continuity, address learning loss, and safeguard student health. However, as of September 2024, the obligation deadline for the final round of these funds (ESSER III) has passed, with all spending set to conclude by early 2025. This expiration creates a "fiscal cliff" for many districts across Texas, as one-time federal support is withdrawn while the long-term educational needs identified during the pandemic—such as intensive tutoring and mental health services—remain ongoing.

The District currently navigates a broader economic environment defined by persistent inflationary pressures and a stagnant state basic allotment, which has not seen a significant increase since 2019 despite a cumulative inflation rate exceeding 20% over that period. Nationally, while the U.S. economy remains resilient with a projected GDP growth of 2.5% for 2026, inflation remains "sticky" at around 3%, driving up the costs of fuel, utilities, and essential supplies. Locally,

Weslaco ISD faces the additional challenge of a moderate decline in student enrollment, which is projected to impact state funding by approximately \$2.5 million this fiscal year. Additionally, rising operational costs—specifically a \$1 million increase in expenses for substitute teachers and personnel leave—have further tightened the District's budgetary flexibility.

In response to these "crosscurrents," District leadership is prioritizing a strategy of fiscal stabilization through attrition and non-discretionary spending reviews. By strategically opting not to fill certain vacancies created by retirements or resignations, the District aims to balance the budget without resort to layoffs or campus consolidations. Despite external pressures—including higher borrowing costs from federal interest rate hikes and global supply chain shifts—the District remains committed to maintaining a robust fund balance. This cautious but proactive management ensures that Weslaco ISD can continue to provide a high-quality "Team of Eight" governance model and a "second to none" education while weathering the transition into a post-stimulus economic era.

Local Economy

Located in the heart of the Rio Grande Valley, Weslaco continues to benefit from steady regional growth. Local property values have shown consistent year-over-year increases, with median home prices in Weslaco rising to approximately \$218,000 (a 3.9% increase) as of late 2025. This upward trend is expected to persist over the next several years, strengthening the district's local tax base.

As of early 2026, the economic landscape remains stable but reflects broader market shifts. The national unemployment rate stands at 4.4%, while the Texas state average is slightly lower at 4.3%. Within Weslaco, the unemployment rate has seen some fluctuation, currently sitting at 7.4% as of the most recent reporting cycle. This is a slight increase from the 6.7% reported in mid-2024, mirroring broader labor market cooling trends across the state and nation.

Despite these economic shifts, the District has maintained a robust fund balance, which serves as a critical buffer for unexpected financial challenges. This sustained fiscal health has allowed Weslaco ISD to maintain high-tier AA+ bond ratings from both Fitch and Standard & Poor's. These strong ratings ensure that the District can continue to secure favorable financing for capital projects—such as those initiated by the 2023 bond—while remaining a responsible steward of taxpayer resources.

Long-Term Financial Planning

Weslaco ISD has observed a marginal decline in student enrollment, maintaining a population of approximately 16,008 students as of the 2025–2026 academic year. To bolster Average Daily Attendance (ADA) and provide early educational support, the District successfully expanded its universal pre-school program for all 3 and 4 year-olds beginning in the 2022–2023 school year. This initiative has been a key driver in maintaining consistent enrollment across the District's seventeen school sites. These facilities represent a significant historical span, with the oldest structures dating back to 1922 and the most recent elementary campus completed in 2010.

Strategic Facilities & Infrastructure - To address the challenges of aging facilities, District stakeholders are executing a comprehensive strategic plan funded in part by the 2023 Voter-Approved Bond. This \$160 million initiative focuses on:

- Modernization: Significant HVAC, roofing, and structural upgrades across older campuses to improve energy efficiency.
- Safety & Security: Implementation of state-of-the-art security vestibules and surveillance technology.
- Technology Integration: Enhancing digital infrastructure to support future educational programs and staffing needs.

By adhering to conservative fiscal principles and proactive staffing practices, Weslaco ISD ensures the District can meet its evolving operational goals while managing the debt service associated with these critical capital improvements.

Awards

Weslaco ISD continues to maintain an exceptional track record of fiscal responsibility with the Texas Education Agency (TEA), having received the highest financial accountability rating of Superior Achievement for twenty-three consecutive years. Most recently, for the 2024–2025 rating cycle based on fiscal year 2024 data, the district earned a 98 out of 100 points, continuing a trend of excellence that includes achieving a perfect score of 100 in seven out of the last nine years. The minor 2-point deduction in the most recent cycle was a technical result of the voter-approved 2023 bond increasing the debt-to-assessed-property-value ratio, rather than any operational or management deficiency. These ratings underscore the primary purpose of the Financial Integrity Rating System of Texas (FIRST), which is to ensure school districts remain accountable for the quality of their financial management and the efficient performance of their resources.

In addition to state recognition, the district continues to be honored by the Government Finance Officers Association (GFOA) for its high standards in financial reporting. Weslaco ISD has earned the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) every year from 2019 through 2023. To receive this prestigious award, which the district first earned in 2019, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles (GAAP) and applicable legal requirements. While the 2022 application was previously pending, the GFOA has since confirmed the district's successful attainment of the award for that year.

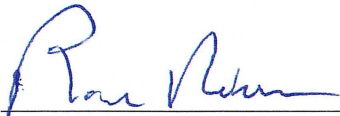
Building on this momentum, the district has completed its 2024 ACFR, which received an unmodified ("clean") opinion from independent auditors and has been submitted to the GFOA for review. Furthermore, the district's 2025 audit, conducted by Carr, Riggs & Ingram, LLC, confirmed that the financial statements present fairly, in all material respects, the financial position of Weslaco ISD. Administration believes that the 2025 reports continue to meet the Certificate of Achievement Program's rigorous requirements and will be submitting them to the GFOA to determine eligibility for a sixth consecutive certificate.

Acknowledgements

Preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the Business and Finance Department. We appreciate the contribution made in the preparation of this report.

We would especially like to thank the District's Board of Trustees for their time, dedication, and support to the students and staff of Weslaco ISD. A sincere appreciation is also extended to our independent auditors, Carr, Riggs, & Ingram, LLC for their assistance in the preparation of this report.

Respectfully,



Dr. Richard Rivera
Superintendent of Schools



Mrs. Deborah Rodriguez
Executive Director for Payroll, Bond
Management, & Finance

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WESLACO INDEPENDENT SCHOOL DISTRICT

WESLACO, TEXAS

LIST OF PRINCIPAL OFFICIALS

2024 - 2025

BOARD OF TRUSTEES

Isidoro Nieto, President

Armando Cuéllar, Jr., Vice President

Dr. Jaime Rodríguez, Secretary

Ben Castillo, Trustee

Marcos De Los Santos, Trustee

Eduardo Serna, Trustee

Jaclyn Sustaita, Trustee

ADMINISTRATORS

Dr. Richard Rivera, Superintendent of Schools

Abel Aguilar, Deputy Superintendent

Deborah Rodríguez, Executive Director for Payroll, Bond Management, & Finance

Daniel Budimir, Assistant Superintendent for Secondary School Leadership & Instruction

Beatriz Solano, Assistant Superintendent for Elementary School Leadership & Instruction

Janie Ybarra Rodríguez, Assistant Superintendent for Human Resources

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Weslaco Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

WESLACO INDEPENDENT SCHOOL DISTRICT

Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

JUNE 30, 2025

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Weslaco, Texas

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WESLACO INDEPENDENT SCHOOL DISTRICT
Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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2024-2025 ORGANIZATIONAL STRUCTURE



WESLACO INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

SUPERINTENDENT OF SCHOOLS

Deputy Superintendent

Assistant Superintendent for
School Leadership & Instruction
ELEMENTARY SCHOOLS

Assistant Superintendent for
School Leadership & Instruction
SECONDARY SCHOOLS

Executive Director for Technology

Executive Director of Safe
& Supportive Schools &
Administration

Executive Director for
District Communications

Executive Director
for Maintenance & Operations

Assistant Superintendent for
Human Resources

Chief Financial
Officer

Director of Student Support Services

Executive Director of Bond
Construction Management and
School Design

Executive Director of School Bond
Funding, Finance, and Payroll
Services

Director of Athletics

A.N. (Tony) Rico ES
Airport Drive ES
Cleckler/Heald ES
Dr. R.E. Margo ES
Justice Raul Gonzalez ES
Memorial ES
North Bridge ES
PFC Mario Ybarra ES
Rodolfo "Rudy" Silva ES
Sam Houston ES

Weslaco High School
Weslaco East High School
South Palm Gardens HS
Beatriz Garza MS
Central MS
Dr. Armando Cuellar MS
Mary Hoge Middle School
DAEP

Elementary Academic Officer

Secondary Academic Officer

Director for Special Education

Director for Assessment &
Accountability

Director of Instructional
Technology

Bilingual Coordinator

Director of Fine Arts

Migrant Coordinator

Director of CTE

Director of Special Populations

Lead Librarian

Content Coordinators (6)

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CERTIFICATE OF BOARD

Weslaco Independent School District
Name of School District

Hidalgo
County

108-913
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2025, at a meeting of the Board of Trustees of such school district on the 16th day of February, 2026.

Signature of Board Secretary

Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are): (attach list as necessary)

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FINANCIAL SECTION

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CARR, RIGGS & INGRAM, 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)
CRLadv.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Weslaco Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District's (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Weslaco Independent School 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, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District's, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 District's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in note IV. X. of the financial statements, the District's had a change in accounting principle for the adoption of the new accounting guidance, GASB Statement No. 101, *Compensated Absences*. The total effect was (\$8,844,112) of adjustments to net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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, Pension and OPEB liabilities related schedules, and the related notes to the required supplementary information as listed in 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 accompanying combining and individual nonmajor fund financial statements, combining internal service funds, the required Texas Education Agency ("TEA") schedules, 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 and individual nonmajor fund financial statements 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.

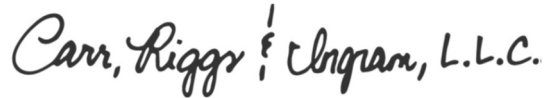
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 February 13, 2026, 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

McAllen, Texas
February 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025 (Unaudited)

This section of Weslaco Independent School District's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the District's transmittal letter, the independent auditors' report, and financial statements.

Governmental Accounting Standards Board (GASB) Statements issued in 2012 and 2015 changed the requirements for recognition of liabilities, deferred inflows and deferred outflows related to pensions and Other Post Employment Benefits (OPEB). These have had a significant negative impact on the District's full accrual government-wide financial statements: the Statement of Net Position and the Statement of Activities. The implementation of these GASB Statements results in the recognition of significant liabilities with considerable annual adjustments, both positive and negative. The Government-wide financial statements do not allow stakeholders to properly assess the educational programs and operating results of the District. Therefore, this Management Discussion & Analysis will distinguish between the District's operational activities and the effects of these GASB accounting pronouncements related to pensions and OPEB.

FINANCIAL HIGHLIGHTS

The District's total net position is \$30,342,426 at June 30, 2025 as shown on the government-wide financial statements. This amounted to a decrease in net position of \$4,556,802 as a result of current year's operations and a decrease of \$8,844,112 due to a prior period adjustment due to the implementation of GASB 101 (See Note X).

The District's governmental fund financial statements reported an ending fund balance of \$234.4 million at June 30, 2025, which is a net decrease in fund balance of \$24.4 million as a result of current year's operations. The decrease in governmental fund balances was primarily due to an increase in General Fund payroll costs due to ESSER II funds ending on September 30, 2024 and also due to construction projects paid with General Fund fund balance.

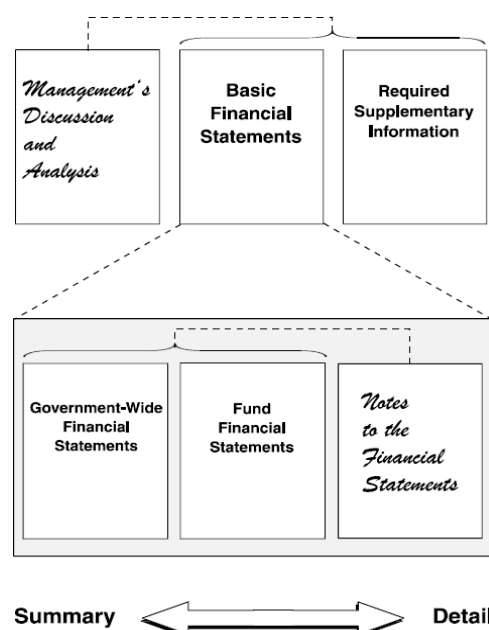
At June 30, 2025, total unassigned fund balance for the General Fund was \$52.9 million or 25.0 percent of the total General Fund expenditures of \$211.7 million.

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 *supplementary information*. 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 *government-wide financial statements* include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a private business enterprise.
- * The remaining statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

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



- * *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*.
- * *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 notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The combining statements for Nonmajor Governmental Funds provide additional information about the District's individual funds. The Federal Awards Section contains data used by monitoring or regulatory agencies to determine the District's compliance with the terms of grant awards. Figure A-1 on the previous page 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.

Government-wide Statements

The primary purpose of the government-wide financial statements (the Statement of Net Position and the Statement of Activities) is to show positive or negative changes in the District's financial condition as a result of this fiscal year's activities. The Statement of Net Position includes all District assets and liabilities at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations for the fiscal year. These statements are intended to reflect private sector accounting practices based on full accrual reporting for revenues and expenses.

The District's revenues are divided as follows: (1) program revenues provided by outside parties who share the costs of some programs, such as tuition from students outside the District or U.S. Department of Education grants to assist low-income children or those with disabilities; and (2) general revenues provided by local taxpayers or the Texas Education Agency's (TEA) State foundation program. All District assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

The District's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, one should also consider non-financial factors, such as changes in the District's average daily attendance, changes in its property tax base, the condition of the District's facilities, as well as the District's academic rating.

The District's growth in prior years, along with the age and condition of several facilities, has necessitated the renovation of existing facilities and construction of additional facilities. The need for additional or improved facilities is continually reassessed to ensure that our students are best served.

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 position 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 *statement of activities*.

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

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

The government-wide financial statements of the District include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

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.
- *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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's 2024 net position had a prior period adjustment of \$8,844,112 due to the implementation of GASB No. 101, *Compensated Absences*. (See note X on page 94). The District's combined net position decreased by \$4,556,802, between fiscal years 2024 and the fiscal year ending June 30, 2025 to \$30,342,426. (See Table A-1 on the next page).

Table A-1
Weslaco Independent School District
Net Position

	Governmental Activities			Total Percentage Change
	2025	2024	Change	
Current and other assets	\$ 275,680,583	\$292,765,772	\$ (17,085,189.80)	-5.84%
Capital assets, net	141,114,749	125,946,050	15,168,699	12.04%
Total Assets	416,795,332	418,711,823	(1,916,491)	-0.46%
Deferred outflow of resources	30,721,176	36,921,393	(6,200,217)	-16.79%
Current liabilities	39,168,416	29,444,669	9,723,747	33.02%
Long term liabilities	332,368,929	323,452,574	8,916,355	2.76%
Total Liabilities	371,537,345	352,897,242	18,640,102	5.28%
Deferred inflow of resources	45,636,736	58,992,632	(13,355,896)	-22.64%
Net Position:				
Net investment in capital assets	80,398,456	67,705,155	12,693,301	18.75%
Restricted	6,420,585	19,378,671	(12,958,087)	-66.87%
Unrestricted	(56,476,614)	(43,340,485)	(13,136,129)	30.31%
Total Net Position	\$ 30,342,426	\$ 43,743,341	\$ (13,400,915)	-30.64%

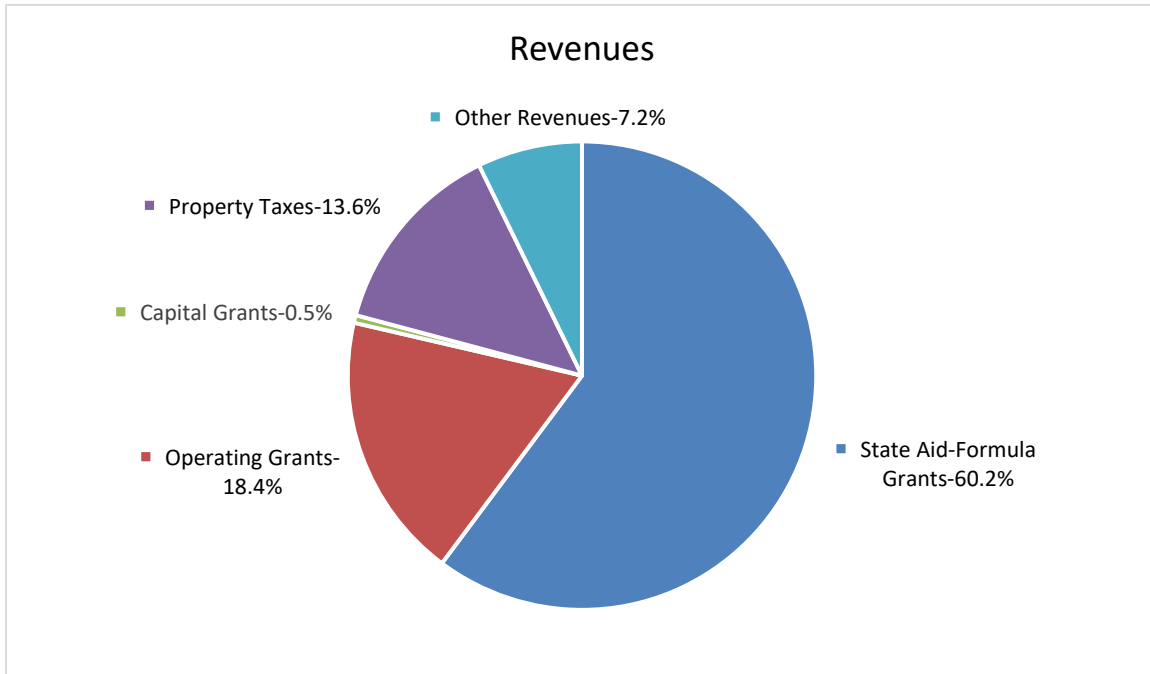
The District's net position decreased 30.64% from a prior year amount of \$43,743,341 to \$30,342,426 at June 30, 2025. However, most of the total net position is either net invested in capital assets or is restricted as to the purposes they can be used for. Restricted net position decreased by 66.87% due to a decrease in restricted for State Comp. Unrestricted net position amounted to \$(56,476,614) at June 30, 2025. The unrestricted balance deficit increased by 30.31% from the prior year due mainly to an increase in construction expenditures funded from fund balance. The deficit in the unrestricted balance was mainly due to GASB 68 and 75 transactions.

Governmental Activities

Changes in net position. The District's total revenues were \$235,457,385 for the fiscal year ended June 30, 2025. A significant portion of revenue is derived from the following: 60.20% comes from state-aid formula grants, 18.42% of the District's revenue comes from operating grants, 0.53% comes from capital grants, and 13.60% is related to property taxes collected, 7.24% of total revenue is composed of investment earnings received, charges for services, and miscellaneous revenue. (See Figure A-2 on the next page).

Governmental Activities-Continued

FIGURE A-2 WISD SOURCES OF REVENUE FOR THE FISCAL YEAR ENDING JUNE 30, 2025



The property tax rate was 0.9481 in 2024-25. The Maintenance and Operations tax rate was 0.7291 and the Debt Service tax rate was 0.2190. The property tax rate will decrease slightly in 2025-26 due to the new finance bill passed in 2025 and an increase in property values. The Maintenance and Operations tax rate will remain 0.7291 but the Debt Service tax rate will decrease slightly to 0.2142 for a total tax rate of 0.9433.

The total cost of all programs and services was \$240,014,188 of which 45.6% of these costs was for instruction, 12.3% was for general administration, 8.8% is for facilities maintenance and operations, and 5.7% for food services to students which represent the major function percentages for the fiscal year ended June 30, 2025. (See Figure A-4).

Governmental Activities – Changes in the District’s Net Position Table A-3 Continues on next page.

Table A-3
Weslaco Independent School District
Changes in Net Position

	Governmental Activities			Total Percentage Change
	2025	2024	Change	
Program Revenues:				
Charges for services	\$ 5,134,667	\$ 4,758,753	\$ 375,915	7.90%
Operating grants & contributions	43,382,642	65,012,733	(21,630,091)	-33.27%
Capital grants & contributions	1,242,867	1,655,355	(412,488)	-24.92%
General Revenues :				
Property taxes	32,014,232	30,763,158	1,251,074	4.07%
Grants and contributions , unrestricted state aid-formula	141,763,217	132,900,860	8,862,357	6.67%
Investment earnings	11,882,611	5,936,714	5,945,897	100.15%
Miscellaneous	37,149	124,961	(87,812)	-70.27%
Total Revenues	\$ 235,457,385	\$ 241,152,534	\$ (5,695,148)	-2.36%
Total Expenses (By-Function)				
Instruction	\$ 109,390,074	\$ 107,185,873	\$ 2,204,201	2.06%
Instructional resources and media services	3,668,636	3,545,817	122,819	3.46%
Curriculum and staff development	2,626,968	2,801,711	(174,744)	-6.24%
Instructional leadership	3,534,426	3,122,051	412,375	13.21%
School leadership	9,920,106	9,579,678	340,427	3.55%
Guidance, counseling and evaluation services	8,491,722	8,016,185	475,537	5.93%
Social work services	580,251	922,063	(341,813)	-37.07%
Health services	2,225,129	2,499,543	(274,414)	-10.98%
Student (pupil) transportation	6,213,361	5,837,647	375,714	6.44%
Food services	13,679,801	12,296,505	1,383,295	11.25%
Extracurricular activities	9,649,933	9,455,832	194,101	2.05%
General administration	29,634,198	29,550,811	83,387	0.28%
Facilities maintenance and operations	21,055,948	19,758,261	1,297,687	6.57%
Security and monitoring services	3,849,814	3,420,597	429,217	12.55%
Data processing services	3,126,912	2,842,893	284,019	9.99%
Community services	2,678,790	2,595,918	82,872	3.19%
Debt service - interest on long term debt	8,616,104	2,072,102	6,544,001	315.81%
Debt service - bond issuance cost and fees	-	1,553,932	(1,553,932)	-100.00%
Construction	57,585	-	57,585	N/A
Payments to SSA's	402,314	340,911	61,402	18.01%
Payments to juvenile justice alternative ed. program	204,195	100,000	104,195	104.20%
Other Intergovernmental Charges	407,923	214,991	192,932	89.74%
Total Expenses	\$ 240,014,188	\$ 227,713,323	\$ 12,300,864	5.40%
Total Increase (decrease) in Net Position	\$ (4,556,802)	\$ 13,439,211	\$ (17,996,013)	-133.91%
Net position beginning	43,743,341	30,304,130	13,439,211	44.35%
Prior Period Adjustment	(8,844,112)	-	(8,844,112)	0.00%
Net position on beginning, as adjusted	34,899,229	30,304,130	4,595,098	15.16%
Net Position Ending	\$ 30,342,426	\$ 43,743,341	\$ (13,400,915)	-30.64%

Governmental Activities-Continued

- The cost of all governmental activities this year was \$240,014,188.
- Cost paid by those who directly benefited from the programs totaled \$5,134,667.
- Other cost were paid by Operating Grants and Contributions of \$43,382,642.
- Other cost were paid by Capital Grants and Contributions of \$1,242,867.
- However, the amount that our taxpayers paid for these activities through property taxes was \$32,014,232.

Table A-4 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. Food Service, Instruction, General Administration, School Administration and Facilities Maintenance & Operations net costs changed -51.13%, 28.06%, 9.28%, 8.37% and 7.17%, respectively. There are a number of reasons for this. One, the Board approved an increase in salaries for the 2024/25 school year. They also approved a \$2,000 stipend from Local Maintenance for each employee of the District. Also, TRS On Behalf costs increased by 13% due to over 300 teachers being moved back to local from ESSER II for the 2024/25 school year. Another reason was increased costs in goods due to inflation and tariff costs. Finally, the District had a large increase medical costs pay outs in the 2024/25 school year which resulted in an increase in the net costs on General Administration.

Table A-4
Weslaco Independent School District
Net Cost of District's Major Governmental Activities

	<u>Costs</u>			<u>Net Costs</u>		
	2025	2024	% Change	2025	2024	% Change
Instruction	\$ 109,390,074	\$ 107,185,873	2.06%	\$ 92,718,732	\$ 72,402,277	28.06%
General Administration	29,634,198	29,550,811	0.28%	25,259,443	23,115,423	9.28%
Facilities Maintenance & Operations	21,055,948	19,758,261	6.57%	19,403,128	18,105,359	7.17%
Food Service	13,679,801	12,296,505	11.25%	(1,072,555)	(2,194,586)	-51.13%
School Leadership	9,920,106	9,579,678	3.55%	9,707,487	8,957,658	8.37%

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

As of June 30, 2025, the District's governmental funds reported ending fund balances of \$234,370,584. Of the current ending fund balances, the general fund reported an ending fund balance of \$71,109,255 while the rest of the funds amounted to a fund balance of \$163,261,329. The following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$2,488,125 is recorded as non-spendable, of which \$1,060,922 is non-spendable for inventories and \$1,427,203 is non-spendable for prepaid items.
- \$168,275,858 is recorded as restricted, of which \$6,346,699 is restricted for federal or state programs; \$159,565,516 is restricted for capital acquisitions and contractual obligations; and \$2,363,643 is restricted retirement of long-term debt.
- \$549,619 is recorded as committed fund balance for student activities.
- \$10,127,561 is recorded as assigned, of which \$9,868,169 for construction related items, \$219,060 for unliquidated purchase orders rolled forward; \$40,332 is assigned for scholarships.

- \$52,929,421 is recorded as unassigned and is available for spending at the government's discretion.

Revenues from governmental fund types totaled \$239,511,826 as of June 30, 2025. This is a decrease of \$1,600,403 from June 30, 2024's total of \$241,112,229. The decrease was mainly due to an over 53% decrease in federal funding due to the expiration of the ESSER grants. This large decrease was partly offset by an almost 8% increase in tax related revenue, a 7.39% increase in state foundation revenue, a 15.93% increase in State TRS On Behalf payments, and a 105.28% increase in interest income due mainly to the 2024 bond proceeds.

General Fund

The general fund is the chief operating fund of the District. At the end of the fiscal year, the fund balance of the general fund was \$71,109,255. This represents a decrease of \$14,410,542 or 16.85%. Factors listed below contributed to the overall decrease in fund balance to the General Fund.

- Initial salary appropriations were misaligned with actual requirements, resulting in budgetary variances and planning inconsistencies throughout the fiscal year.
- More than 325 elementary and middle school teaching staff previously funded by ESSER were reabsorbed into the local budget during the current fiscal cycle.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget numerous times. Following is a summary of amendments made to budgeted expenditures and other uses:

- Increases for roll forwards of state allotments.
- Increases for purchase orders from the 2023/24 rolled forward into 2024/25 including buses and other vehicles.
- Increases in other uses for non-2024 Bond construction projects to be funded by local fund balance.
- Increases in salaries budget to align more appropriately with actual requirements at year end.

Even with these adjustments, actual expenditures were \$3,719,999 below final budget amounts. The most significant positive variance resulted from food service staffing and food costs. Staffing is budgeted for full employment throughout the full year. Budget amounts for vacant positions throughout the year are not revised.

In contrast, initial revenue projections were established at \$193,116,944. Throughout the fiscal year, this figure underwent several strategic revisions to reflect more current data. The most notable adjustment involved a \$7.4 million increase in State Aid, resulting from property value audits of prior years and the Teacher Incentive Allotment (TIA). This was partially offset by a \$3.5 million downward calibration of State Compensatory revenue estimates. While the final amended budget for resources was set at \$200,340,604, actual revenues totaled \$198,153,896, a variance of approximately \$2.1 million from the final budget, yet an overall increase of over \$5 million compared to the original projections.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 2025, the District had invested \$349,930,695 in a broad range of capital assets, including land, equipment, buildings, vehicles, and right to use leased assets (See Table A-5 on the next page). In accordance with GASB 34, the District has recorded depreciation and amortization expense associated with all of its capital assets, including infrastructure. This amount represents a net increase of \$15,168,699 or 12.04% (including additions, deductions and depreciation/amortization).

Table A-5
Weslaco Independent School District
District's Capital Assets

	2025	2024	Change	Change
Land and Improvements	\$ 28,603,197	\$ 27,290,480	\$ 1,312,717	4.81%
Construction in Progress	20,364,832	2,231,254	18,133,577	812.71%
Buildings and Improvements	266,860,985	266,215,268	645,717	0.24%
Furniture and Equipment	32,115,143	29,294,453	2,820,690	9.63%
Right to use Leased Assets	1,018,823	1,004,351	14,473	1.44%
SBITA Assets	967,715	421,115	546,600	129.80%
Totals at Historical Cost	349,930,695	326,456,920	23,473,775	7.19%
Accumulated Depreciation/Amortization	(208,815,946)	(200,510,870)	(8,305,076)	4.14%
Net Capital Assets	\$141,114,749	\$ 125,946,050	\$ 15,168,699	12.04%

More detailed information about the District's capital assets is presented in the notes to the financial statements (Note F).

Long Term Debt

At year-end, the District had \$182,624,977 in bonds and \$19,751,136 notes and loans outstanding as shown in Table A-6. The District's long term liabilities increased by 0.02% due mainly to an increase in the District's Net OPEB Liability. More detailed information about the District's debt is presented in the notes to the financial statements (Note G).

Bond Ratings

The District's bonds presently carry "AAA/Stable" ratings with underlying ratings as follows: S & P Global Ratings "A+/Stable"

Table A-6
Weslaco Independent School District
District's Long Term Debt

	2025	2024 Restated	Change	% Change
Bond Payable	\$ 182,624,977	\$ 184,199,977	\$ (1,575,000)	-0.86%
Notes/Loans Payable	19,751,136	21,451,809	(1,700,673)	-7.93%
Premium on Bonds	11,546,880	11,813,345	(266,466)	-2.26%
Compensated Absences	10,471,147	9,765,152	705,995	7.23%
Gain or Loss on Defeasance	406,412	437,876	(31,464)	-7.19%
Accumulated Accretion on CABs	175,542	120,754	54,787	45.37%
Lease Payable	201,073	379,075	(178,002)	-46.96%
SBITA Payable	521,983	217,255	304,728	140.26%
Net Pension Liability	66,357,491	74,050,656	(7,693,165)	-10.39%
Net OPEB Liability	40,312,289	29,860,786	10,451,503	35.00%
Total Long Term Liabilities	\$332,368,929	\$ 332,296,686	\$ 72,243	0.02%

NEXT YEAR'S BUDGETS AND RATE

At \$0.7291 per hundred dollars of assessed valuation, the District's 2025-2026 Maintenance and Operations (M&O) tax rate is the maximum rate the Board can levy without voter approval. This rate is the same as it was in 2024-2025, as state-mandated rate compression is implemented to offset property value growth. Normally, as a part of updated school finance legislation in 2019, state revenue moves inversely with property value growth, indexed to the compressed rate.

These economic indicators informed the development and adoption of the Fiscal Year 2026 General Fund budget. Under the provisions of House Bill 2, the District anticipates a \$13.5 million increase in state revenue. In alignment with the Board's commitment to our workforce, these funds are primarily allocated toward significant salary enhancements and a \$1,000 professional stipend scheduled for December 2025. Furthermore, the District has earmarked a \$9 million transfer to the construction fund to ensure the successful completion of Board-approved infrastructure projects.

While the budget was structured around an Average Daily Attendance (ADA) of 14,500, current figures as of mid-January 2026 show a slight variance of approximately 67 students below projections. We remain dedicated to student re-engagement efforts, specifically targeting those who have not yet returned for the current academic year. As we move forward, the District is diligently evaluating the 2025/26 budget to ensure continued fiscal responsibility and will implement adjustments as necessary.

The District remains committed to utilizing its revenues to sustain and enhance our core educational offerings, including the provision of full-day preschool for all three- and four-year-old learners. For the 2025/26 fiscal year, budgeted expenditures are projected to rise, primarily driven by essential investments in competitive staff compensation and the fulfillment of construction projects that extend beyond the scope of the 2024 Bond proceeds. Should these financial projections materialize, the District anticipates a planned reduction in the General Fund balance by the conclusion of 2026.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Deborah Rodriguez, Executive Director for Payroll, Bond Management, and Finance, at the District's Business Office, at Weslaco Independent School District, 312 Fifth Street, Weslaco, Texas 78596.

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BASIC FINANCIAL STATEMENTS

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WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

Data Control Codes		Primary Government	
		Governmental Activities	
ASSETS			
1110	Cash and cash equivalents	\$	234,895,783
1220	Property taxes receivable		4,578,013
1230	Allowance for uncollectible taxes		(271,685)
1240	Due from other governments		33,248,938
1290	Other receivables		548,200
1300	Inventories - supplies and materials		1,138,469
1410	Prepaid items		1,542,863
	Capital assets not being depreciated:		
1510	Land		6,661,889
1580	Construction in progress		20,364,832
	Capital assets net of accumulated depreciation:		
1510	Land improvements, net		7,731,884
1520	Buildings, net		98,437,944
1530	Furniture and equipment, net		7,170,156
1550	Right-to-use leased assets, net		188,854
1553	SBITA assets, net		559,190
1000	TOTAL ASSETS		416,795,332
DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred charge on refunding		469,589
1705	Deferred outflows for TRS pension		14,600,796
1706	Deferred outflows for TRS OPEB		15,650,791
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES		30,721,176
LIABILITIES			
2110	Accounts payable		9,708,153
2120	Accrued liabilities		1,371,961
2140	Interest payable		3,266,434
2150	Payroll deductions & withholdings		1,906,941
2160	Accrued wages payable		21,512,506
2180	Due to other governments		97,555
2300	Unearned revenues		1,304,865
	Noncurrent liabilities:		
2501	Due within one year: Loans, Notes, Leases, etc.		12,474,304
	Due in more than one year		
2502	Bonds, Notes, Leases, etc.		213,224,845
2540	Net pension liabilities		66,357,491
2545	Net OPEB liability (proportionate share)		40,312,289
2000	TOTAL LIABILITIES		371,537,345
DEFERRED INFLOWS OF RESOURCES			
2605	Deferred inflows for TRS pension		2,932,326
2606	Deferred inflows for TRS OPEB		42,704,410
2600	TOTAL DEFERRED INFLOWS OF RESOURCES		45,636,736
NET POSITION			
3200	Net investment in capital assets		80,398,456
	Restricted for:		
3820	Federal and state programs		6,420,585
3900	Unrestricted		(56,476,614)
3000	TOTAL NET POSITION	\$	30,342,426

The accompanying notes are an integral part of this statement

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data	10				
Control					Total
Codes	General	2024 Bonds	Other		Governmental
	Fund	Construction	Funds		Funds
ASSETS					
1110	Cash and cash equivalents	\$ 61,674,061	\$ 163,139,501	\$ 8,318,540	\$ 233,132,102
1220	Property taxes receivable	3,930,206	-	647,808	4,578,013
1230	Allowance for uncollectible taxes	(251,908)	-	(19,776)	(271,685)
1240	Due from other governments	30,029,227	-	3,219,711	33,248,938
1260	Due from other funds	1,021,074	-	-	1,021,074
1290	Other receivables	2,611	-	6,510	9,121
1300	Inventories	1,138,469	-	-	1,138,469
1410	Prepaid items	1,427,203	-	115,660	1,542,863
1000	Total Assets	<u>\$ 98,970,942</u>	<u>\$ 163,139,501</u>	<u>\$ 12,288,453</u>	<u>\$ 274,398,896</u>
LIABILITIES					
Liabilities:					
2110	Accounts payable	\$ 2,559,003	\$ 4,068,603	\$ 2,958,281	\$ 9,585,887
2150	Payroll deductions & withholdings payable	1,906,941	-	-	1,906,941
2160	Accrued wages payable	19,156,861	-	2,355,645	21,512,506
2170	Due to other funds	-	-	1,021,074	1,021,074
2180	Due to other governments	97,555	-	-	97,555
2300	Unearned revenues	92,626	-	1,212,239	1,304,865
2000	Total Liabilities	<u>23,812,986</u>	<u>4,068,603</u>	<u>7,547,239</u>	<u>35,428,828</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	3,370,532	-	550,782	3,921,315
2602	Unavailable revenue - SHARS	678,169	-	-	678,169
2600	Total deferred inflows of resources	<u>4,048,701</u>	<u>-</u>	<u>550,782</u>	<u>4,599,484</u>
FUND BALANCES					
Nonspendable fund balance:					
3410	Inventories	1,060,922	-	-	1,060,922
3430	Prepaid items	1,427,203	-	-	1,427,203
Restricted fund balance:					
3450	Grant restrictions	6,346,699	-	-	6,346,699
3470	Capital acquisitions	-	159,070,897	494,619	159,565,516
3480	Retirement of debt	-	-	2,363,643	2,363,643
Committed fund balance:					
3545	Other committed fund balances	-	-	549,619	549,619
Assigned fund balance:					
3550	Assigned fund balance-construction	9,125,950	-	742,219	9,868,169
3590	Other assigned fund balance	219,060	-	40,332	259,392
3600	Unassigned fund balance	52,929,421	-	-	52,929,421
	Total Fund Balances	<u>71,109,255</u>	<u>159,070,897</u>	<u>4,190,432</u>	<u>234,370,584</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 98,970,942</u>	<u>\$ 163,139,501</u>	<u>\$ 12,288,453</u>	<u>\$ 274,398,896</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds	\$ 234,370,584
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of position. The net effect of this consolidation is to increase (decrease) net position.	808,533
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$326,456,920 and the accumulated depreciation and amortization was \$200,510,870. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.	(80,302,066)
Current year capital outlays, new right to use asset agreements, new SBITA agreements, and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital and right to use assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays, new right to use asset agreements, new SBITA agreements, and debt principal is an increase /(decrease) in net position.	27,894,638
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$14,600,796, a deferred resource inflow in the amount of \$2,932,326, and a net pension liability in the amount of \$66,357,491. This resulted in an decrease in net position.	(54,689,021)
Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$15,650,791, a deferred resource inflow in the amount of \$42,704,410, and a net OPEB liability in the amount of \$40,312,289. This resulted in an decrease in net position.	(67,365,908)
The 2025 depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation and amortization is to decrease net position.	(9,011,302)
Property taxes receivables are not currently available and are reported as deferred inflows of resources in the fund financial statements, but are recognized as revenue when earned in the government-wide statements.	3,921,315
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 as revenue, interest, and compensated balances. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(25,284,348)
Net Position of Governmental Activities	\$ 30,342,426

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	10 General Fund	2024 Bonds Construction	Other Funds	Total Governmental Funds
REVENUES:				
5700 Local and intermediate sources	\$ 29,521,906	\$ 7,854,026	\$ 8,564,134	\$ 45,940,066
5800 State program revenues	152,446,154	-	4,938,533	157,384,687
5900 Federal program revenues	16,185,836	-	20,001,237	36,187,073
Total Revenues	<u>198,153,896</u>	<u>7,854,026</u>	<u>33,503,904</u>	<u>239,511,826</u>
EXPENDITURES:				
Current				
0011 Instruction	107,904,407	-	14,799,181	122,703,588
0012 Instruction resources & media services	2,451,815	-	1,842,527	4,294,341
0013 Curriculum & staff development	1,374,304	-	1,516,042	2,890,346
0021 Instructional leadership	3,222,499	-	789,587	4,012,086
0023 School leadership	11,367,641	-	9,409	11,377,049
0031 Guidance, counseling & evaluation services	8,081,050	-	1,607,513	9,688,563
0032 Social work services	565,121	-	106,716	671,837
0033 Health services	2,353,346	-	145,009	2,498,355
0034 Student (pupil) transportation	8,075,434	-	148,963	8,224,397
0035 Food services	14,455,748	-	-	14,455,748
0036 Co-curricular/extracurricular activities	8,664,430	-	258,053	8,922,483
0041 General administration	6,652,403	-	8,841	6,661,243
0051 Facilities maintenance & operations	23,142,438	-	601,302	23,743,740
0052 Security & monitoring services	4,115,712	-	497,460	4,613,172
0053 Data processing services	3,711,560	-	10,596	3,722,156
0061 Community services	1,790,326	-	1,201,811	2,992,137
Debt Service:				
0071 Debt service - principal on long term debt	2,139,638	-	1,575,000	3,714,638
0072 Debt service - interest on long term debt	863,995	-	5,959,232	6,823,227
0073 Debt service - bond issuance cost & fees	1,000	-	1,683	2,683
Capital Outlay				
0081 Facilities acquisitions and construction	1,980	9,208,665	10,938,952	20,149,597
Intergovernmental:				
0093 Payments to SSA's	290,314	-	112,000	402,314
0095 Payments to juvenile justice alternative ed. prog.	204,195	-	-	204,195
0099 Other intergovernmental charges-appraisal district	407,923	-	-	407,923
6030 Total Expenditures	<u>211,837,277</u>	<u>9,208,665</u>	<u>42,129,876</u>	<u>263,175,817</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,683,381)</u>	<u>(1,354,639)</u>	<u>(8,625,972)</u>	<u>(23,663,992)</u>
OTHER FINANCING SOURCES (USES)				
7912 Sale of real and personal property	37,149	-	-	37,149
7913 Issuance of debt-right to use lease	19,090	-	-	19,090
7949 SBITA proceeds	546,600	-	-	546,600
8911 Transfers out	(1,330,000)	-	-	(1,330,000)
7080 Total Other Financing Sources (Uses)	<u>(727,161)</u>	<u>-</u>	<u>-</u>	<u>(727,161)</u>
1200 Net change in fund balances	(14,410,542)	(1,354,639)	(8,625,972)	(24,391,153)
0100 Fund balance - July 1 (beginning)	<u>85,519,797</u>	<u>160,425,536</u>	<u>12,816,404</u>	<u>258,761,737</u>
3000 Fund balance - June 30 (ending)	<u>\$ 71,109,255</u>	<u>\$ 159,070,897</u>	<u>\$ 4,190,432</u>	<u>\$ 234,370,584</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balance - Governmental Funds	\$ (24,391,153)
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The District uses internal service funds to charge the costs of certain activities such as self-insurance, 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 increase (decrease) net position. 87,558

Current year capital outlays, new right to use asset agreements, new SBITA agreements, and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital and right to use assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays, new right to use asset agreements, new SBITA agreements, and debt principal is an increase/(decrease) in net position. 27,894,638

The 2025 depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation and amortization is to decrease net position. (9,011,302)

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. Also, change in estimate caused the removal of receivable that is not going to be collected. The net effect of these reclassifications and recognitions is to decrease net position. (449,972)

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the change in unavailable revenue as revenue, and recognizing the liabilities associated with maturing long-term debt, interest, and compensated balances. The net effect of these reclassifications and recognitions is to increase (decrease) net position. (3,130,697)

GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$5,149,754. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$5,135,898. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$2,971,112. The net result is an decrease in the change in net position. (2,957,256)

GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,206,449. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$1,010,062. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$7,204,994. The net result is an increase in the change in net position. 7,401,381

Change in Net Position of Governmental Activities	<u>\$ (4,556,802)</u>
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The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Original	Final	Actual Amounts	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Local and intermediate sources	\$ 29,008,269	\$ 29,012,140	\$ 29,521,906	\$ 509,766
5800	State program revenues	147,502,287	154,917,027	152,446,154	(2,470,873)
5900	Federal program revenues	16,606,388	16,411,437	16,185,836	(225,601)
	Total Revenues	<u>193,116,944</u>	<u>200,340,604</u>	<u>198,153,896</u>	<u>(2,186,708)</u>
	EXPENDITURES:				
	Current				
0011	Instruction	93,845,753	107,156,147	107,904,407	(748,260)
0012	Instruction Resources & Media Services	2,318,893	2,685,523	2,451,815	233,708
0013	Curriculum & Instructional Staff Development	1,641,510	1,507,495	1,374,304	133,191
0021	Instructional Leadership	3,063,248	3,557,557	3,222,499	335,058
0023	School Leadership	11,053,460	11,463,711	11,367,641	96,070
0031	Guidance, Counseling & Evaluation Services	8,085,861	8,274,909	8,081,050	193,859
0032	Social Work Services	912,924	687,152	565,121	122,031
0033	Health Services	2,588,130	2,638,822	2,353,346	285,476
0034	Student (Pupil) Transportation	6,423,270	8,259,200	8,075,434	183,766
0035	Food Services	14,808,148	16,492,264	14,455,748	2,036,516
0036	Co-curricular/Extracurricular Activities	8,284,794	8,795,394	8,664,430	130,964
0041	General Administration	6,168,564	6,782,198	6,652,403	129,796
0051	Facilities Maintenance & Operations	21,452,966	23,209,653	23,142,438	67,215
0052	Security & Monitoring Services	3,719,546	4,244,238	4,115,712	128,526
0053	Data Processing Services	3,333,949	3,919,926	3,711,560	208,366
0061	Community Services	1,711,748	1,777,153	1,790,326	(13,173)
0071	Debt service - principal on long term debt	2,162,633	2,054,035	2,139,638	(85,603)
0072	Debt service - interest on long term debt	826,062	910,914	863,995	46,919
0073	Debt service - bond issuance cost & fees	3,000	3,000	1,000	2,000
0081	Facilities acquisitions and construction	-	75,000	1,980	73,020
0093	Payments to SSA's	290,000	369,500	290,314	79,186
0095	Payments to juvenile justice alternative ed. prog.	150,000	210,000	204,195	5,805
0099	Other intergovernmental charges-appraisal district	272,485	483,485	407,923	75,562
6030	Total Expenditures	<u>193,116,944</u>	<u>215,557,276</u>	<u>211,837,277</u>	<u>3,719,999</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(15,216,672)</u>	<u>(13,683,381)</u>	<u>1,533,291</u>
	OTHER FINANCING SOURCES (USES)				
7912	Sale of real and personal property	-	25,975	37,149	(11,174)
7913	Issuance of debt-right to use lease	-	19,090	19,090	-
7949	Issuance of SBITA	-	371,201	546,600	(175,399)
8911	Transfers out	-	(17,072,994)	(1,330,000)	(15,742,994)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(16,656,728)</u>	<u>(727,161)</u>	<u>(15,929,567)</u>
1200	Net Change in Fund Balances	-	(31,873,400)	(14,410,542)	(14,396,276)
0100	Fund balance - July 1 (beginning)	<u>85,519,797</u>	<u>85,519,797</u>	<u>85,519,797</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 85,519,797</u>	<u>\$ 53,646,397</u>	<u>\$ 71,109,255</u>	<u>\$ (14,396,276)</u>

The accompanying notes are an integral part of this statement

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,763,682
Other receivables	<u>539,079</u>
Total Assets	<u><u>2,302,761</u></u>
LIABILITIES	
Current Liabilities:	
Account payables	122,267
Accrued expenses	<u>1,371,961</u>
Total Liabilities	<u>1,494,227</u>
NET POSITION	
Unrestricted	<u>808,533</u>
Total Net Position	<u><u>\$ 808,533</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:	
Local and Intermediate Sources	<u>\$ 22,323,342</u>
Total Operating Revenues	<u>22,323,342</u>
OPERATING EXPENSES:	
Professional and Contracted Services	2,903,650
Other Operating Costs	<u>20,708,823</u>
Total Operating Expenses	<u>23,612,473</u>
Operating Income (Loss)	<u>(1,289,131)</u>
NONOPERATING REVENUES:	
Earning from Temporary Deposits and Investments	<u>46,689</u>
Total Nonoperating Revenues	<u>46,689</u>
Income (Loss) Before Transfers	(1,242,442)
Transfers In	<u>1,330,000</u>
Change in Net Position	87,558
Total Net Position-July 1, (Beginning)	<u>720,975</u>
Total Net Position - June 30, (Ending)	<u><u>\$ 808,533</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 18,726,888
Receipts from employees	3,596,219
Receipts from other participants	235
Receipts from reimbursements and refunds	1,525,523
Payments for benefit claims	(22,480,488)
Payments for administration	<u>(2,843,930)</u>
Net cash used in operating activities	<u>(1,475,553)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	<u>1,330,000</u>
Net cash provided by noncapital financing activities	<u>1,330,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>46,689</u>
Net cash provided by investing activities	<u>46,689</u>
Net decrease in cash and cash equivalents	(98,864)
Cash and Cash equivalents-beginning	<u>1,862,545</u>
Cash and Cash equivalents-ending	<u>\$ 1,763,682</u>
Reconciliation of operating income/(loss) to net cash used in operating activities	
Operating loss	\$ (1,289,131)
Adjustments to reconcile operating loss to net cash used in:	
(Increase) decrease in other receivables	293,580
(Increase) decrease in prepaid items	-
Increase (Decrease) in account payables	(455,578)
Increase (Decrease) in other current liabilities	<u>(24,424)</u>
Total adjustments	<u>(186,422)</u>
Net cash used in operating activities	<u>\$ (1,475,553)</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	\$ 910,822
Other receivables	<u>2,217</u>
Total Assets	<u>913,040</u>
LIABILITIES	
Accounts payables	<u>4,155</u>
Total Liabilities	<u>4,155</u>
NET POSITION	
Restricted for Other Purposes	<u>908,885</u>
Total Net Position	<u><u>\$ 908,885</u></u>

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS:	
Miscellaneous Revenue - Student Activities	\$ 2,588,164
Contributions, Gifts, and Donations	<u>285,716</u>
Total Additions	<u>2,873,879</u>
DEDUCTIONS	
Contracted Services	\$ 213,016
Supplies and Materials	1,320,431
Scholarship Payments	127,664
Other Deductions	<u>1,176,923</u>
Total Deductions	<u>2,838,034</u>
Change in Fiduciary Net Position	35,846
Total Net Position - July 1 (Beginning)	<u>873,039</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 908,885</u></u>

The accompanying notes are an integral part of this statement.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weslaco Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees, elected by the District's residents to staggered three-year terms, has fiscal accountability over all activities within the jurisdiction of the District. Board vacancies may be filled by appointment until the next election. Board decisions are based on a majority vote. The Board adopts policies, employs the Superintendent, and oversees operations of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board ("GASB") and other authoritative sources identified in Statement on Auditing Standards of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. Based on these considerations, no other entities have been included in the District's financial reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by GASB.

The District receives support from various PTA, PTO, and Booster club organizations. Generally Accepted Accounting Principles require the District to report certain legally separate organizations as component units even though the District is not financially accountable for these organizations. These standards promulgated by GASB require that a legally separate tax-exempt organization be reported as a component unit if all of the criteria on the next page are met:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. REPORTING ENTITY - Continued

1. The economic resources of the separate organization entirely, or almost entirely, directly benefit the primary government, its component units, or its constituents.
2. The primary government is entitled to, or can otherwise access, a majority of the economic resources of the separate organization.
3. The economic resources of the individual separate organization that the primary government is entitled to, or can otherwise access, are significant to that primary government.

While the various organizations noted above meet the first criteria specified by GASB, none of the organizations meet the second two requirements and are therefore not included as component units within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Weslaco Independent School District's non-fiduciary activities with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants, and other intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. The District does not allocate indirect expenses in the statement of activities. Program revenues include fees, fines, and charges paid by recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds appear as due to/due from on the governmental fund balance sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues are considered available when they are collected within the current period or within 60 days after the District's fiscal year. 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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The proprietary fund types and fiduciary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental fund:

- 1. General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- 2. 2024 Unlimited Tax School Building Bonds Fund Capital Projects Fund** – This fund is used to account for construction projects paid for with the proceeds of the 2024 Unlimited Tax School Building Bonds.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. FUND ACCOUNTING – Continued

Additionally, the District reports the following fund types:

Governmental Funds:

3. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in special revenue funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.
4. **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long term obligation debt of governmental funds.
5. **Capital Projects Fund** - The proceeds from long-term debt financing, revenues and expenditures related to authorized construction, and other capital asset acquisitions are accounted for in a capital project fund.

Proprietary Funds:

6. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The following internal service funds are used by the District:

Health Insurance Fund

The Health Insurance Fund is used to account for the operations of the District's employee health insurance plan, which is supported principally by employer and employee contributions. Expenses include plan benefit payments to medical providers and employees and charges incurred in administering the plan.

Workers' Compensation Fund

The Workers' Compensation Fund is used to account for the operations of the District's Workers' Compensation insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments to providers of medical services or to employees for claims, administrative costs, and stop-loss premium charges. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

Unemployment Insurance Fund

The Unemployment Insurance Fund is used to account for the operations of the District's unemployment insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments for eligible employees and charges incurred in administering the plan.

Fiduciary Funds:

7. **Custodial Fund** – The District accounts for resources held for others in a custodial capacity. The District's custodial fund is:

- ☐ Student Activity Funds

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Money market investments which are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. 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. Nonparticipating interest-earning investment contracts, including repurchase agreements, are reported using a cost-based measure. The term nonparticipating means that the investment's value does not vary with market interest rate changes. All other investments are reported at fair value.
3. The District reports inventories of supplies at average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Health and Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Health and Human Services 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These expenditures will be recorded when consumed (consumption method) rather than when purchased.

4. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

5. It is the District's policy to permit employees to accumulate state sick leave. Local leave shall be non-cumulative. There is a liability for unpaid accumulated state sick leave. The District has a policy to pay professionals \$100 per day and paraprofessionals \$60 per day when employees retire from service with the District. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. A liability for these amounts is reported in the government-wide statements when employees become eligible to retire.
6. Capital assets, which include land improvements, buildings, furniture and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

The District has recorded right to use lease assets and right to use subscription assets as a result of implementing GASB 87 and GASB 96. These assets are initially measured at an amount equal to the initial measurement of the related liability plus any payments made prior to the agreement term, less incentives, and plus ancillary charge necessary to place the asset into service. These right to use assets are amortized on a straight-line basis over the life of the related agreement.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land improvements, buildings, and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building Improvements	20
Buses	10
Vehicles	5
Office Equipment	5
Computer Equipment	5
Right of Use Assets	Term of the lease
SBITA Agreements	Term of the agreement
Land Improvements	12

7. The District has a central receiving warehouse where all equipment and supplies are received. All assets received are tagged and labeled before they are delivered. The equipment is posted and confirmed with the purchase order. The items are labeled for delivery to make sure they reach their destination. Transfer forms are used when the assets are moved from one location to another.
8. The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of net assets that applies to future periods, and deferred inflows of resources, which represent an acquisition of net assets that applies to future periods.
9. The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
10. The District complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*. 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’s 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.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES - Continued

11. The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which 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:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
 - Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
 - Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.
12. The following District insurance programs are self-funded insured plans: the workmen's compensation, health, and unemployment are self-funded programs. The health insurance program met the minimum state requirement per employee. The health insurance low plan is a 70/30 plan, the health insurance high plan is an 80/20 plan, and the health insurance state plan is a 90/10 plan. The District cost per employee was \$703.
13. The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to four categories of designations:

Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact. The District has inventories and prepaid items that are considered non-spendable. Non-spendable for inventory will not equal the District's end of the year inventory amount due to inventories of food commodities. These are recorded at fair market value as inventory and deferred revenue.

Restricted – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed – This classification includes amounts constrained to specific purposes by the District

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed fund balance in the Campus Activity Fund in the amount of \$549,619 for uses benefiting the respective campuses where the funds were raised.

Assigned - This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board, the Superintendent, or Superintendent's designee.

Unassigned fund balances are amounts that are available for any purpose; these amounts can be reported only in the District's general fund. The District's unassigned fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned general fund fund balance may only be appropriated by resolution of the Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Trustees. When it is appropriate for fund balance to be assigned, the Board of Trustees has delegated authority by resolution to the Superintendent or Assistant Superintendent of Business and Finance. In circumstances where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted, committed, assigned, and unassigned. The purpose of the debt service fund is to account for funds used to pay the long and short term debt obligations used to fund the District's capital projects. The District's governmental fund balance designations can be identified as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

General fund	
Nonspendable	
Inventories	\$ 1,060,922
Prepaid Items	1,427,203
Restricted	
Food Service	5,618,648
State Bilingual Education	75,207
State Dyslexia	84,109
Early Education Allotment	354,448
CCMR	214,287
Assigned	
Assigned Fund Balance - Construction	9,125,950
Other Assigned Fund Balance - PO Rollforward	218,060
Other Assigned Fund Balance - Parental Involvement	<u>1,000</u>
Total Nonspendable, Restricted, Assigned - General Fund	<u><u>\$ 18,179,834</u></u>
2024 Bonds Construction Fund	
Restricted	
Capital Acquisitions	<u>\$ 159,070,897</u>
Total Restricted-2024 Bonds Construction Fund	<u><u>\$ 159,070,897</u></u>
Nonmajor Funds	
Restricted	
Capital Acquisitions	\$ 494,619
Retirement of Debt	2,363,643
Committed	
Campus Activity Funds	549,619
Assigned	
Assigned Fund Balance - Construction	742,219
Scholarship Fund	<u>40,332</u>
Total Restricted, Committed, Assigned - Nonmajor Funds	<u><u>\$ 4,190,432</u></u>
Total Nonspendable, Restricted, Committed, Assigned - Governmental Funds	<u><u>\$ 181,441,163</u></u>

14. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES - Continued

15. The Data Control Codes refer to the account code structure prescribed by TEA in the ***Financial Accountability System Resource Guide***. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.
16. The District complies with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal years beginning after June 15, 2017. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 75 also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB Statement No. 75 addresses the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits.

The District evaluated GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A Government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the Statement. The requirements of this Statement took effect for financial statements started with the fiscal year that ended August 31, 2020.

The District complies with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Additional essential information related to debt should be disclosed in the notes to the financial statement, including unused lines of credit; assets pledged as collateral for debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement took effect for financial statements started with the fiscal year that ended August 31, 2020.

The District complies with GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2018. However, due to the effects of the COVID-19 pandemic, Statement No. 95 was issued which postponed the original implementation date. As a result, Statement No. 84 took effect for reporting periods beginning after December 15, 2019. The implementation of this Statement is reflected in the District's fiduciary fund financial statements.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

The District complies with Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No.14 and No.61*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement originally became effective for reporting periods beginning after December 15, 2018. However, due to the effects of the COVID-19 pandemic, Statement No. 95 was issued which postponed the original implementation date. As a result, Statement No. 90 took effect for reporting periods beginning after December 15, 2019. It was determined that this Statement was not applicable to the District.

The District complies with Statement No. 87, *Leases*. This statement improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of the governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019. However, due to the effects of the COVID-19 pandemic, Statement No. 95 was issued which postponed the original implementation date. As a result, Statement No. 87 is now effective for reporting periods beginning after June 15, 2021. This statement was implemented during the current year. Refer to Note W for implications to the financial statements in the implementation of this standard.

The District complies with Statement No. 92, *Omnibus 2020*. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement was adopted in the 2021/2022 school year, resulting in no material effect.

The District complies with Statement No. 91, *Conduit Debt Obligations* which provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and importing required note disclosures. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2020. However, due to the effects of the COVID-19 pandemic, Statement No. 95 was issued which postponed the original implementation date. As a result, Statement No. 91 is now effective for reporting periods beginning after December 15, 2021.

The District complies with Statement No. 93, *Replacement of Interbank Offered Rates* which establishes accounting requirements for effects from a change in the Interbank Offered Rates (IBOR) used to calculate variable payment agreements. This Statement establishes accounting and financial reporting requirements when these are changed in hedging derivative instruments and in lease agreements. Due to the effects of the COVID-19 pandemic, Statement No. 95 was issued which postponed the original implementation date. Implementation of this standard has been extended until the reporting periods beginning after December 15, 2022. GASB 95 postponed the implementation by one year.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

The District complies with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)* which improves the accounting and financial reporting for public-private and public-public partnership arrangements (PPP). A distinction is made between PPP that meets the definition of a service arrangement and a PPP that meets the definition of a lease as defined under GASB 87. All arrangements other than those requiring the guidance of GASB No. 87 must be accounted for and reported using the guidance in GASB No. 94. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. It was determined that this Statement was not applicable to the District.

The District complies with Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for the SBITAs are based on the standards established in GASB No. 87, *Leases*, as amended. The requirements of this Statement are effective for the fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note I.

The District complies with Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No 14 and 84, and a Supersession of GASB Statement No. 32 Subscription-Based Information Technology Arrangements* which increases consistency and comparability related to reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements, and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

The District complies with Statement No. 99, *Omnibus 2022* which enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows: related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges are effective upon issuance; related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022; and related to financial guarantees and the classification and reporting of derivative instruments within the

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. OTHER ACCOUNTING POLICIES – Continued

scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. The adoption of this pronouncement had no impact on the District's financial Statements.

The District complies with Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 622* which 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The adoption of this pronouncement had no impact on the District's financial Statements.

17. New Accounting Standards and Recently Issued Accounting Pronouncements

In fiscal year 2025, the District implemented Statement No. 101, *Compensated Absences*. This statement requires, that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. Additional information about the changes to the financial statements related to the changes to the financial statements related to the implementation of this Statement can be found in Note X.

The District also implemented 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. There was no impact to the District in implementing this Statement.

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

- Statement No. 103, *Financial Reporting Model Improvements*

Statement No. 103 objective 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.

18. Rounding Adjustments

Throughout this annual comprehensive financial report, dollar amounts are rounded, thereby creating differences between the details and the totals.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. PENSION

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 the 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's 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.

G. 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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.

The details of capital assets and long-term debt at the beginning of the year were as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION -
Continued**

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land	\$ 6,661,889	\$ -	\$ 6,661,889	
Construction in Progress	2,231,254	-	2,231,254	
Land Improvements	20,628,590	(13,125,333)	7,503,257	
Buildings	266,215,268	(162,705,771)	103,509,497	
Furniture & Equipment	29,294,453	(23,843,165)	5,451,288	
Right-to-Use Leased Equipment	1,004,351	(639,424)	364,926	
Right-to-Use Subscription Assets	421,115	(197,177)	223,938	
Change in Net Position				<u>\$ 125,946,050</u>
Long-term Liabilities at the Beginning of the Year			Payable at the Beginning of the Year	
Bonds Payable			\$ 184,199,977	
Notes Payable			20,715,000	
Loan Payable			736,809	
Right-to-Use Lease Liability			379,075	
SBITA Liability			<u>217,255</u>	
				<u>(206,248,116)</u>
Net Adjustment to Net Position				<u>\$ (80,302,066)</u>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - Continued**

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Current Year Capital Outlay			
Land & Improvements	\$ 1,289,317		
Furniture & Equipment	3,522,299		
Right to Use Leased Equipment	19,090		
Construction in Progress	18,802,694		
Total Capital Outlay		\$ 24,180,001	\$ 24,180,001
Debt Principal Payments			
Bond Principal	1,575,000		
Notes Principal	1,568,000		
Loan Principal	132,673		
Lease Principal	197,092		
SBITA Principal	<u>241,872</u>		
Total Principal Payments		<u>3,714,638</u>	<u>3,714,638</u>
Total Adjustment		<u><u>\$ 27,894,638</u></u>	<u><u>\$ 27,894,638</u></u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continued

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND
THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - Continued**

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Adjustments to Revenue and Unavailable Revenue			
Taxes Collected from Prior Year Levies	\$ 990,127	\$ (990,127)	\$ -
Uncollected Taxes (assumed collectible) from Current Year Levy	1,432,779	1,432,779	1,432,779
Uncollected Taxes (assumed collectible) from Prior Year Levy	2,488,536	(892,624)	2,488,536
Uncollected SHARS Revenue	678,169	(66,135)	678,169
Reclassify Proceeds of Bonds, Loans, & Right to Use Assets			
Discount (Premium) on Issuance of Bonds	11,546,880	266,466	(11,546,880)
Deferred Charge on Refunding	469,589	(46,784)	469,589
Interest Payable	3,266,434	(1,989,235)	(3,266,434)
Accreted Interest on Cap Bonds	175,542	(54,787)	(175,542)
Current Year Right to Use Leases	19,090	(19,090)	(19,090)
Gain/Loss Defeasance of Debt	406,412	31,464	(406,412)
Current Year SBITA Proceeds	546,600	(546,600)	(546,600)
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or Unused Sick Leave	10,471,147	(705,995)	(10,471,147)
Total		<u>\$ (3,580,669)</u>	<u>\$ (21,363,033)</u>

C. COMPUTATION OF NET INVESTMENT IN CAPITAL ASSETS

The following is the District's computation of net investment in capital assets:

Capital Assets	\$ 349,930,695
Less:	
Accumulated depreciation/amortization	(208,815,946)
Outstanding debt	(203,099,168)
Capital projects funds payables	(5,698,938)
Premiums on debt	(11,546,880)
Gain on defeasance	(406,412)
Add:	
Deferred charge on refunding	469,589
Unspent bond proceeds	159,565,516
Net investment in capital assets	<u>\$ 80,398,456</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Food Service Fund which is included in the General Fund, and Debt Service Fund. Annual budgets were adopted on a basis consistent with generally accepted accounting principles. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the general-purpose financial statements:

1. Prior to June 19, the District prepares a budget for the next succeeding fiscal year beginning September. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level 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. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object levels. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. Reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds are as follows:

June 30, 2025 Fund Balance	
Non-appropriated Budget Funds	<u>\$ 589,951</u>
All Special Revenue Funds	<u>\$ 589,951</u>

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. At June 30, 2025, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,369,672 and the bank balance was \$3,227,569. The District's cash deposits at June 30, 2025 and during the year ended June 30, 2025 were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name. The following is a reconciliation of the District's total cash and investments with the Statement of Net Position on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

A. DEPOSITS AND INVESTMENTS - Continued

Deposits	\$ 2,369,672
Cash With Paying Agent	4,024
Petty Cash	7,583
Investments	<u>233,425,326</u>
Total of all funds	235,806,606
Less: Statement of Fiduciary Net Position	<u>(910,822)</u>
Statement of Net Position	<u><u>\$ 234,895,783</u></u>

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

- a. Name of Bank: Texas National Bank
- b. The amount of pledged securities as of the date of the highest combined balance on deposit was \$13,700,000.
- c. The largest combined balances of cash and savings accounts amounted to \$13,913,331 and occurred during the month of January 2025.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$500,000.

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency to less than 5% of all deposits. At June 30, 2025, the District was not exposed to foreign currency risk.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District 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, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

A. DEPOSITS AND INVESTMENTS - Continued

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 have met 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.

As of June 30, 2025, Weslaco Independent School District had the following investments:

	Weighted Average <u>Maturity</u>	Reported <u>Amount</u>
First Public Investment Pool	52 days average	\$ 213,285,930
Texas Range Investment Program	41 days average	13,106,054
Texpool	38 days average	7,033,342
		<u>\$ 233,425,326</u>

Additional policies and contractual provisions governing deposits and investments for Weslaco Independent School District are specified below:

Credit Risk In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of June 30, 2025, the District's investments in First Public Investment Pool were rated AAAsf/S1+, by Standard & Poor's (S&P), Texas Range Investment Program was rated AAAMmf by Standard and Poor's (S&P) and Texpool was rated AAAM by Standard and Poor's (S&P).

Custodial Credit Risk for Investments For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the investments held by third parties were fully collateralized and held in the District's name.

Concentration of Credit Risk The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific single issuer. As of June 30, 2025, the District had 91.37% of its investments in First Public Investment Pools rated AAAsf/S1+ as noted above, 5.61% of its investments in Texas Range Investment Program rated AAAMmf, and 3.01% in Texpool rated AAAM.

Interest Rate Risk In accordance with state law and District's investment policy, the District does not purchase any investments with a maturity greater than one (1) year for its operating funds.

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

B. PROPERTY TAXES

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 located in the District in conformity with Subtitle E, Texas Property Tax Code. The District's property taxes are levied on \$ 0.9481 per \$ 100 property tax valuation, \$0.7291 for M & O and \$0.2190 for I & S. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On February 1st 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on 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.

D. SUMMARY OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2025 were as follows:

	Property Taxes	Due from Other Governments	Due from Other Funds	Other	Total Receivables
<u>Governmental Funds</u>					
General Fund	\$ 3,930,206	\$ 30,029,227	\$ 1,021,074	\$ 2,611	\$ 34,983,118
2024 Bonds Fund	-	-	-	-	-
Non-major Funds	647,808	3,219,711	-	6,510	3,874,029
Total Governmental Funds	4,578,013	33,248,938	1,021,074	9,121	38,857,147
<u>Proprietary Funds</u>					
Internal Service Fund	-	-	-	539,079	539,079
Total Proprietary Funds	-	-	-	539,079	539,079
Total	4,578,013	33,248,938	1,021,074	548,200	39,396,226
Less: Allowance for Uncollectible	(271,685)	-	-	-	(271,685)
Total Receivables, Net	<u>\$4,306,329</u>	<u>\$33,248,938</u>	<u>\$ 1,021,074</u>	<u>\$ 548,200</u>	<u>\$ 39,124,541</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

D. SUMMARY OF RECEIVABLES AND PAYABLES - Continued

Payables at June 30, 2025 were as follows:

	Accounts Payable	Accrued Wages Payable	Due to Other Funds	Due to Other Governments	Payroll Deductions & Withholdings	Total Payables
<u>Governmental Funds</u>						
General Fund	\$ 2,559,003	\$ 19,156,861	\$ -	\$ 97,555	\$ 1,906,941	\$ 23,720,360
2024 Bonds Fund	4,068,603	-	-	-	-	4,068,603
Non-major Funds	2,958,281	2,355,645	1,021,074	-	-	6,335,000
Total Governmental Funds	9,585,887	21,512,506	1,021,074	97,555	1,906,941	34,123,964
<u>Proprietary Funds</u>						
Internal Service Fund	122,267	-	-	-	1,371,961	1,494,227
Total Proprietary Funds	122,267	-	-	-	1,371,961	1,494,227
Total	\$ 9,708,153	\$ 21,512,506	\$ 1,021,074	\$ 97,555	\$ 3,278,902	\$ 35,618,191

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

	Due from Other Funds	Due to Other Funds
General Fund		
Non-major Funds	1,021,074	-
Non-major Funds		
General Fund	-	1,021,074
Totals	\$ 1,021,074	\$ 1,021,074

Funds:	Transfers In	Transfers out	Purpose
General Fund	\$ -	\$ 1,330,000	Equity Transfer
Internal Service Fund	1,330,000	-	Equity Transfer
Totals	\$ 1,330,000	\$ 1,330,000	

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS - Continued

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All amounts are scheduled to be repaid within one year.

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2025 was as follows:

Governmental Activities	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Capital Assets, Not Being Depreciated					
Land	\$ 6,661,889	\$ -	\$ -	\$ -	\$ 6,661,889
Construction in Progress	2,231,254	18,802,694	-	(669,117)	20,364,832
Total Capital Assets, Not Being Depreciated	8,893,144	18,802,694	-	(669,117)	27,026,721
Capital Assets, Being Depreciated					
Land Improvements	20,628,590	1,289,317	-	23,400	21,941,308
Buildings and Improvements	266,215,268	-	-	645,717	266,860,985
Furniture and Equipment	29,294,453	3,522,299	(701,609)	-	32,115,143
Total Capital Assets, Being Depreciated	316,138,311	4,811,616	(701,609)	669,117	320,917,435
Capital Assets, Being Amortized					
Right-to-use Leased Equipment	1,004,351	19,090	(4,617)	-	1,018,823
Right-to-use Subscription Assets	421,115	546,600	-	-	967,715
Total Capital Assets, Being Amortized	1,425,466	565,690	(4,617)	-	1,986,539
Less Accumulated Depreciation For:					
Land Improvements	(13,125,333)	(1,084,090)	-	-	(14,209,423)
Buildings and Improvements	(162,705,771)	(5,717,270)	-	-	(168,423,041)
Furniture and Equipment	(23,843,165)	(1,803,431)	701,609	-	(24,944,987)
Total Accumulated Depreciation	(199,674,269)	(8,604,790)	701,609	-	(207,577,451)
Less Accumulated Amortization For:					
Right-to-use Leased Equipment	(639,424)	(195,163)	4,617	-	(829,970)
Right-to-use Subscription Assets	(197,177)	(211,348)	-	-	(408,525)
Total Accumulated Amortization	(836,601)	(406,511)	4,617	-	(1,238,495)
Governmental Capital Assets	\$ 125,946,050	\$ 15,168,699	\$ -	\$ -	\$ 141,114,749

The District has recorded right-to-use subscription-based information technology assets (SBITA) as a result of implementing GASB 96. The right to use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any payments made prior to the agreement term, less agreement incentives, and plus ancillary charges necessary. The right-to-use subscription assets are amortized on a straight line basis over the life of the agreement.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

F. CAPITAL ASSET ACTIVITY - Continued

Depreciation and amortization expense was charged to governmental functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction	\$ 3,859,435	\$ 124,989	\$3,984,424
Instructional Resources and Media Services	169,039	3,354	172,393
Curriculum Development and Instructional Staff Development	13,178	-	13,178
Instructional Leadership	78,804	4,865	83,669
School Leadership	320,166	16,616	336,782
Guidance, Counseling and Evaluation Services	186,478	7,907	194,385
Social Work Services	12,314	-	12,314
Health Services	115,700	-	115,700
Student (Pupil) Transportation	895,894	2,636	898,530
Food Services	451,155	2,660	453,815
Co-curricular/Extracurricular Activities	1,366,741	13,316	1,380,057
General Administration	15,256	12,356	27,612
Facilities Maintenance and Operations	715,712	3,829	719,541
Security and Monitoring Service	128,836	-	128,836
Data Processing Services	98,836	211,348	310,184
Community Services	177,244	2,636	179,880
	<u>\$ 8,604,790</u>	<u>\$ 406,511</u>	<u>\$9,011,302</u>

G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS

Bonded indebtedness of the District is reflected in the General Long-Term Debt Fund. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund and General Fund. A summary of changes in general long-term debt for the year ended June 30, 2025 is as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS - Continued

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025
Public Property Note							
Contractual Obligations Series 2014	0.200%	\$ 12,712,000	\$ 8,560	\$ 4,280,000	\$ -	\$ 853,000	\$ 3,427,000
Unlimited Tax Refunding Bonds, Series 2015B	2.000%	\$ 17,100,000	44,500	890,000	-	-	890,000
Unlimited Tax Refunding Bonds, Series 2016	5.000%	\$ 19,470,000	638,400	16,140,000	-	530,000	15,610,000
Maintenance Tax Notes Series 2017	3.000%						
	5.000%	\$ 15,020,000	607,500	12,150,000	-	605,000	11,545,000
Maintenance Tax Notes Series 2018	2.000%						
	4.000%	\$ 4,905,000	171,400	4,285,000	-	110,000	4,175,000
Public Property Finance							
Contract 2019	5.125%	\$ 1,304,339	36,602	736,809	-	132,673	604,136
Unlimited Tax Refunding Bonds, Series 2022	2.290%						
	3.000%	\$ 11,844,977	293,831	11,824,977	-	15,000	11,809,977
Unlimited Tax School Building Bonds, Series 2024	4.125%						
	5.000%	\$ 155,345,000	4,982,501	155,345,000	-	1,030,000	154,315,000
			<u>\$ 6,783,294</u>	<u>\$ 205,651,786</u>	<u>\$ -</u>	<u>\$ 3,275,673</u>	<u>\$ 202,376,113</u>

Tax levies are pledged to the payment of interest and principal of the tax notes. The District's football scoreboard is pledged as collateral for the Public Property Finance Contract 2019 loan.

Cash Defeasance

In 2024, the District had a cash defeasance of debt. The District wired \$2,720,616 to provide resources to cover the costs related to the defeasance and to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the defeased debt. This cash defeasance was undertaken to reduce total debt service payments over the next 14 years by \$2,979,750. The economic gain on this transaction is a net present value of \$259,134. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2025, the following balances are considered defeased:

Defeased 2024

Unlimited Tax Refunded Bonds 2016	500,000
	<u>\$ 500,000</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS - Continued

In addition to the outstanding bonds and contractual obligations in the amount of \$202,376,113 at June 30, 2025, the District also reported gain or loss on defeasance of \$406,412, accreted interest on capital appreciation bonds of \$175,542, unamortized premiums and discounts on issuance of bonds of \$11,546,880, right to use lease liability of \$201,073 (refer to Note H), SBITA liability of \$521,983 (refer to Note I), long term liability for sick leave benefits in the amount of \$921,040 (refer to Note J), a liability of \$66,357,491 of Net Pension Liability as per GASB 68 (refer to Note M), and a liability of Net OPEB Liability of \$40,312,289 as per GASB 75 (refer to Note N). These amounts, in aggregate, represent total long term liabilities in the amount of \$322,743,222, as reflected in the *Statement of Net Position*.

Debt service requirements are as follows:

Year ended June 30,	General Obligations		
	Principal	Interest	Total Requirements
2026	\$ 4,753,657	\$ 8,713,123	\$ 13,466,780
2027	4,275,422	9,318,571	13,593,992
2028	4,485,275	9,262,605	13,747,880
2029	5,556,759	8,230,455	13,787,214
2030	5,725,000	8,051,768	13,776,768
2031-2035	30,075,000	36,642,819	66,717,819
2036-2040	29,885,000	30,051,845	59,936,845
2041-2045	34,195,000	22,486,095	56,681,095
2046-2050	42,520,000	14,153,388	56,673,388
2051-2055	40,905,000	4,436,789	45,341,789
	<u>\$ 202,376,113</u>	<u>\$ 151,347,458</u>	<u>\$ 353,723,570</u>

Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements, but are still considered outstanding. At June 30, 2025, the following balances are considered defeased on the following page:

Refunded 2015	
Unlimited Tax School Building 2006	\$ 12,695,000
Refunded 2016	
Unlimited Tax School Building 2008	15,230,000
Refunded 2022	
Unlimited Tax Refunded Bonds 2015B	11,845,000
	<u>\$ 39,770,000</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2025.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

H. LEASES

The District had entered into agreements to lease certain equipment in prior years. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. There are no variable payment components of the leases. The lease liability is measured at a discount rate of 5%, 7%, and 7.5%.

In March 2025, the District entered into a lease for a new copier totaling \$19,090 for 48 months. The future cash flows were discounted at a rate of 7.5% and are expected to complete in November 2026. The District also entered into a lease for an additional 18 new copiers totaling \$73,332 for 60 months. The future cash flows were also discounted at a rate of 7.5% and are expected to complete in March 2029. The assets are right to use assets for leased equipment.

As a result of these right to use leases, the District has recorded a right to use asset with a net book value of \$19,090. See note F-Capital Asset Activity for more detail.

Description	Balance 7/01/2024	Increases	Decreases	Balance 6/30/2025
Right-to-Use Leases	\$ 1,004,351	\$ 19,090	\$ 4,617	\$ 1,018,823
	<u>\$ 1,004,351</u>	<u>\$ 19,090</u>	<u>\$ 4,617</u>	<u>\$ 1,018,823</u>

Changes in the lease liability for the year ended June 30, 2025 are as follows:

Description	Balance 7/01/2024	Issued	Retired	Balance 6/30/2025
Right to Use Lease Liability	\$ 379,075	\$ 19,090	\$ 197,092	\$ 201,073
	<u>\$ 379,075</u>	<u>\$ 19,090</u>	<u>\$ 197,092</u>	<u>\$ 201,073</u>

Lease required payments are as follows:

Year ended June 30,	Principal	Interest	Total Requirements
2026	\$ 138,822	\$ 14,909	\$ 153,731
2027	33,596	3,082	36,678
2028	18,655	1,516	20,171
2029	10,000	239	10,239
2030	-	-	-
	<u>\$ 201,073</u>	<u>\$ 19,746</u>	<u>\$ 220,819</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS - Continued

I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District entered into agreements to use another party's IT software for a period of time during the 2024/25 school year. Three of these agreements qualify as SBITAs under GASB 96, *Subscription-Based Information Technology Arrangements* and therefore, have been recorded at the present value of the future minimum payments as of the beginning of the year or as of the date of their inception, whichever is later.

In July 2024, the District entered in an agreement with Dell Financial Services for an Enterprise Virtual Server Environment for 3 annual payments of \$87,344. The SBITA liability was measured at an imputed rate of 10.46%.

Also, in July 2024, The District entered in an agreement with M & A Technology for an Enterprise Backup System necessary for disaster recovery for 3 annual payments of \$25,000. The SBITA liability was measured at an imputed rate of 10.5%

Finally, in October 2024, The District entered in an agreement with LEAF Capital Funding for the renewal of the Content Keeper Hardware/Software for 5 annual payments of \$56,586. The SBITA liability was measured at an imputed rate of 10.5%.

As a result of these right to use leases, the District has recorded right to use subscription assets with a net book value of \$546,600. See note F-Capital Asset Activity for more detail.

<u>Description</u>	<u>Balance 7/01/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2025</u>
Right-to-use Subscription Assets	\$ 421,115	\$ 546,600	\$ -	\$ 967,715
	<u>\$ 421,115</u>	<u>\$ 546,600</u>	<u>\$ -</u>	<u>\$ 967,715</u>

Changes in the SBITA liability for the year ended June 30, 2025 are as follows:

<u>Description</u>	<u>Balance 7/01/2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2025</u>
SBITA Liability	\$ 217,255	\$ 546,600	\$ 241,872	\$ 521,983
	<u>\$ 217,255</u>	<u>\$ 546,600</u>	<u>\$ 241,872</u>	<u>\$ 521,983</u>

The future minimum SBITA obligations and the net present value of these minimum payments as of June 30, 2025 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 202,264	\$ 52,023	\$ 254,287
2027	222,167	32,120	254,287
2028	46,343	10,243	56,586
2029	51,209	5,377	56,586
	<u>\$ 521,983</u>	<u>\$ 99,763</u>	<u>\$ 621,746</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

J. ACCUMULATED COMPENSATED ABSENCES

Upon retirement or death of certain employees, the District pays any accrued state sick leave up to 60 days in a lump cash payment to such employee or his/her estate. Also, the District implemented Statement No. 101, *Compensated Absences* which established new guidance by updating the recognition and measurement for compensated absences.

	<u>Compensated Balances</u>
Restated Balance July 1, 2024, net	\$ 9,765,152
Change **	705,995
Balance June 30, 2025, net	<u>\$ 10,471,147</u>

**Net of reductions.

K. CONSTRUCTION COMMITMENTS AND ENCUMBRANCES

At June 30, 2025, the District had the following remaining construction commitments:

<u>Project</u>	<u>Authorization</u>	<u>Expended</u>	<u>Remaining</u>	<u>Sources</u>	<u>Est. Completion Date</u>
Bond Phase II: Vestibules Central MS & Airport ES	41,050	-	41,050	2024 Bonds Fund	September 2025
Bond Phase II: Drainage Improvements Memorial & CATI	64,740	-	64,740	2024 Bonds Fund	September 2025
WEHS Running Track Resurfacing	638,145	-	638,145	2024 Bonds Fund	September 2025
FA Upgrades Central MS & Margo ES	67,221	65,950	1,271	2024 Bonds Fund	September 2025
HVAC Upgrades WEHS, Central MS & MHMS	737,000	-	737,000	2024 Bonds Fund	September 2025
Bond Phase II: Restroom Improvements Memorial & Nort	271,000	-	271,000	2024 Bonds Fund	September 2025
HVAC Upgrades B. Garza & WHS	550,000	-	550,000	2024 Bonds Fund	September 2025
PAC LED Lighting Upgrades	606,500	174,309	432,191	2024 Bonds Fund	September 2025
FA Upgrades WEHS	1,412,050	150,144	1,261,906	2024 Bonds Fund	March 2026
FA Upgrades Ybarra ES	454,870	197,064	257,806	2024 Bonds Fund	March 2026
HVAC Upgrades Districtwide Controls	1,295,417	412,468	882,949	2024 Bonds Fund	March 2026
Bond Phase I: Ag Facility	558,000	54,405	503,595	2024 Bonds Fund	January 2026
WHS & WEHS Baseball & Softball Fields Scoreboards	459,363	14,500	444,863	2024 Bonds Fund	January 2026
Bond Phase I: Vestibules WEHS & B. Garza MS	744,878	92,923	651,955	2024 Bonds Fund	September 2025
Student Restroom Improvements Margo & B. Garza	166,200	64,468	101,733	2024 Bonds Fund	January 2027
Bond Phase I Roofing: Sepulveda Gym & B. Garza	171,683	9,522	162,161	2024 Bonds Fund	September 2025
Bond Phase I Roofing: Cleckler-Heald & Rico	5,095,726	2,503,365	2,592,361	2024 Bonds Fund	August 2025
Central MS Gym Demo	217,890	-	217,890	Capital Projects Fund	February 2026
WEHS & WHS BB & SB Field Synthetic Turf	7,393,869	6,896,193	497,676	Capital Projects Fund	December 2025
Lackey Stadium Turf Replacement	1,569,074	36,000	1,533,074	Capital Projects Fund	July 2025
HVAC Upgrades-Memorial, Airport, N. Bridge	10,896,000	456,699	10,439,301	Capital Projects Fund	December 2025
HVAC Upgrades-Cuellar M.S.	1,537,383	87,322	1,450,061	2024 Bonds Fund	December 2025
Middle Schools Running Tracks, Tennis Courts, etc.	6,659,603	4,736,737	1,922,866	2024 Bonds Fund	June 2026
Store Front Doors Project	762,280	603,525	158,755	School Safety Standards Grant	June 2026
Vestibules Districtwide	456,696	148,350	308,346	COPS Grant	June 2026
Playground Equipment & Canopy Additions	2,727,500	503,692	2,223,808	Capital Projects Fund	July 2025
Districtwide Fencing	1,047,922	628,586	419,336	SAFE Grant	June 2026
Aquatic Center RTU Replacement	1,026,010	992,525	33,485	Capital Projects Fund	February 2026
	<u>\$ 47,628,071</u>	<u>\$18,828,747</u>	<u>\$ 28,799,323</u>		

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

K. CONSTRUCTION COMMITMENTS AND ENCUMBRANCES - Continued

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30th, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget.

End-of-year outstanding encumbrances that are provided for in the subsequent year's budget were \$218,060 for the General Fund.

L. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2025, June 30, 2024, and June 30, 2023, the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Year</u>	<u>Medicare Part D</u>
2025	\$ 1,034,334
2024	691,741
2023	673,614

M. DEFINED BENEFIT PENSION PLAN

Weslaco Independent School District participates in a cost-sharing multiple-employer defined benefit pension plan 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

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information.

That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications> ; by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN - Continued

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 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 in (A) above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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.

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 2019 thru 2025.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN - Continued

Contribution Rates

	<u>2024</u>	<u>2025</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

2025 Employer Contributions	\$6,120,385
2025 Member Contributions	\$11,278,665
2024 measurement year NECE On-Behalf Contributions	\$6,324,698

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

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

In addition to the employer contributions listed in the prior page, there is an additional surcharge an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent 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.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN - Continued

Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2024 TRS ACFR, Note 11, page 88.*

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
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 of August 2024	3.87%. Source for the rate is the Bond Buyers 20 Index which represents the Estimated yield of a portfolio of 20 General obligation bonds maturing in 20 years based on a survey of municipal Bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single 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 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN – Continued

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 asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2024 are summarized below.

ASSET CLASS	Target ALLOCATION** %	Long-Term Expected Geometric Real Rate of Return*** %	Expected Contribution to Long-Term Portfolio Returns
GLOBAL EQUITY			
USA	18.0%	4.4%	1.0%
Non-U.S. Developed	13.0%	4.2%	0.8%
Emerging Markets	9.0%	5.2%	0.7%
Private Equity	14.0%	6.7%	1.2%
STABLE VALUE			
Government Bonds	16.0%	1.9%	0.4%
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Absolute Returns*	0.0%	4.0%	0.0%
REAL RETURN			
Real Estate	15.0%	6.6%	1.2%
Energy, Natural Resources & Infrastructure	6.0%	5.6%	0.4%
Commodities	0.0%	2.5%	0.0%
Risk Parity			
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.0%
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag ****			-0.7%
Expected Return	100.0%		7.90%
* Absolute Return Includes Credit Sensitive Investments ** Target allocations are based on the FY2024 policy Model. *** Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023) **** The volatility drag results from the conversion between arithmetic and geometric mean returns.			

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN – Continued

Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the discount rate that was used in measuring the 2024 Net Pension Liability.

	1% Decrease in Discount Rate 6.00%	Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
District's Proportionate Share of Net Pension Liability	\$ 105,989,728	\$ 66,357,491	\$ 33,519,366

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

At June 30, 2025, the District reported a liability of \$66,357,491 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 follows:

District's proportionate share of the collective net pension liability	\$ 66,357,491
State's proportionate share that is associated with the District	68,556,297
Total	<u>\$ 134,913,788</u>

The net pension liability was measured as of August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.1086328667% which was a decrease of 0.0008292885% from its proportion measured as of August 31, 2023.

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.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

M. DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2025, the District recognized pension expense of \$16,300,633 and revenue of \$8,193,623 for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 3,657,534	\$ 518,087
Changes in actuarial assumptions	3,426,179	459,334
Net difference between projected and actual investment earnings	403,364	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>1,963,965</u>	<u>1,954,905</u>
Total as of August 31, 2022 measurement date	9,451,042	2,932,326
Contributions paid to TRS subsequent to the measurement date that will be recognized in fiscal year 2025	<u>5,149,754</u>	<u>-</u>
Total as of fiscal year-end	<u><u>\$ 14,600,796</u></u>	<u><u>\$ 2,932,326</u></u>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Pension Expense Amount	Balance of Deferred Outflows/ (Inflows)
2026	\$ 175,995	\$ 6,342,721
2027	7,037,475	(694,754)
2028	812,281	(1,507,035)
2029	(1,780,002)	272,967
2030	272,968	(1)
Thereafter	<u>(1)</u>	-
Total	<u>6,518,716</u>	

N. DEFINED 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 that has 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.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS - Continued

OPEB Plan Fiduciary Net Position

Detail information about TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Benefits Provided

TRS-Care provides a basic health insurance coverage to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Plan Premium Rates		
	Medicare Plan	TRS-Care 2 Non-Medicare Plan
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

** or surviving spouse*

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 0.65 percent of salary. Section 1575.204 establishes a public school 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 employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>Contribution Rates</u>	
	<u>2024</u>	<u>2025</u>
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		\$ 1,088,467
Current fiscal year member contributions		\$ 888,627
2024 measurement year NECE on-behalf contributions		\$ 1,511,664

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.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2024 TRS ACFR, Note 9, page 78.

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 updated based on 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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality
Rates of Retirement
Rates of Termination

Rates of Disability Incidence
General Inflation
Wage Inflation

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

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 rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	8/31/23, rolled forward to 8/31/24
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on Society of Actuaries' 2013 Study "Health Care Costs-From Birth To Death".
Expenses	Third Party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad-hoc Post Employment Benefit Changes	None

Discount Rate

A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. The Discount Rate can be found in the 2024 TRS ACFR on page 79.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

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

	Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
Proportionate share of net OPEB liability	\$ 47,892,883	\$ 40,312,289	\$ 34,187,055

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

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

At June 30, 2025 the District reported a liability of 40,312,289 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	\$ 40,312,289
State's proportionate share that is associated with the District	<u>50,510,752</u>
Total	<u>\$ 90,823,041</u>

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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 OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective Net OPEB Liability was 0.1328179706% which is a decrease of 0.0020649187% from its proportion measured as of August 31, 2023.

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.

	<u>1% Decrease in Discount Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Increase Rate</u>
District's Proportionate Share of the Net OPEB Liability	\$ 32,828,375	\$ 40,312,289	\$ 50,064,576

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period: These can be found in the 2024 TRS ACFR on page 79.

- The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(13,045,730) and revenue of \$(6,565,465) for support provided by the State.

At June 30, 2025, 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 on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 7,726,512	\$ 20,118,018
Changes in actuarial assumptions	5,159,497	13,153,434
Net differences between projected and actual investment earnings	-	112,887
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,843,666	9,320,071
Total as of August 31, 2024 measurement date	14,729,675	42,704,410
Contributions paid to TRS subsequent to the measurement date	921,116	-
Total as of fiscal year-end	<u>\$ 15,650,791</u>	<u>\$ 42,704,410</u>

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

Year ended June 30,	OPEB Expense Amount	Balance of Deferred Outflows/ (Inflows)
2026	\$ (7,333,165)	\$ 20,641,570
2027	(5,507,385)	15,134,185
2028	(5,908,076)	9,226,109
2029	(4,894,885)	4,331,224
2030	(3,052,367)	1,278,857
Thereafter	<u>(1,278,857)</u>	-
	(27,974,735)	

O. CHANGES IN LONG-TERM LIABILITIES

The District's long-term liabilities consist of bond and note indebtedness, accrued compensated absences, and net pension liability. General obligation bond expenditure requirements are accounted for in the debt service fund while notes payable are accounted for in the general fund. The general fund is used to liquidate accrued compensated absences. Other long-term liabilities are generally liquidated with resources of the general fund. Long-term activity for the year ended June 30, 2025 was as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

O. CHANGES IN LONG-TERM LIABILITIES - Continued

Governmental Activities	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Bonds and Notes Payable					
General Obligation Bonds, Maintenance Tax Notes, and Notes Unamortized Premiums/ Discounts	\$ 205,651,786	\$ -	\$ 3,275,673	\$ 202,376,113	\$ 4,753,657
	11,813,345	-	266,466	11,546,880	-
Total Bonds and Notes Payable	217,465,131	-	3,542,139	213,922,992	4,753,657
Other Liabilities					
Restated Compensated Balances, net**	9,765,152	705,995	-	10,471,147	7,554,961
Lease Liability	379,075	19,090	197,092	201,073	138,822
SBITA Liability	217,255	546,600	241,872	521,983	202,264
Deferred Gain on Defeasance of Bonds	437,876	-	31,464	406,412	-
Accumulated Accretion on Cap Bonds	120,754	54,787	-	175,542	-
Net Pension Liability	74,050,656	(1,571,319)	6,121,846	66,357,491	-
Net OPEB Liability	29,860,786	-	(10,451,503)	40,312,289	-
Total Other Liabilities	114,831,555	(244,847)	(3,859,229)	118,445,937	7,896,047
Total Governmental Activities					
Long-term Liabilities	\$ 332,296,686	\$ (244,847)	\$ (317,089)	\$ 332,368,929	\$ 12,649,704

**Net of reductions.

P. UNEARNED REVENUE

Unearned revenue at year end consisted of the following on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

P. UNEARNED REVENUE - Continued

	General Fund	Non-Major Funds	Total
Food Service Commodities	\$ 77,548	\$ -	\$ 77,548
Supply Chain Grant	11,828	-	11,828
Parental Donation	3,250	-	3,250
Title I, Part A	-	327,217	327,217
Medicaid Adm. Fund	-	317,781	317,781
Summer LEP	-	1,261	1,261
Teacher Training Reimbursement	-	25,336	25,336
I.M.A. Funds	-	158,271	158,271
GR-AP Teacher Grant	-	22,045	22,045
Blended Learning Grant-TEA	-	11,950	11,950
Youth Literacy Grant	-	153	153
Children's Defense Fund	-	748	748
Blended Learners Fund	-	8,579	8,579
Mentoring and Leadership Grant	-	13,980	13,980
Project Lead the Way	-	14,909	14,909
United Way Fund	-	7,664	7,664
Best Buy Cyber Grant	-	3,465	3,465
No Kid Hungry Grant	-	2,650	2,650
EDA	-	1,762	1,762
IFA Bond Debt	-	294,467	294,467
Total Unearned Revenue	<u>\$ 92,626</u>	<u>\$ 1,212,239</u>	<u>\$ 1,304,865</u>

Q. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2025 are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from other Governments except for the Gear-Up program is received from Region One and UTRGV, The JET Grant which is received from the Texas Workforce Commission, The Public Safety Partnership and Community Policing Grant which is received from the US Department of Justice, and the NSLP Equipment Assistance, Child and Adult Care, Fresh Fruits and Vegetables, and Child and Adult Care programs which pass through the Texas Department of Agriculture. The amount reported in Due from other Governments is \$33,248,938, and includes non-entitlement receivables of \$795,608. The receivable balance, \$32,453,330 is as follows:

Fund	State Entitlement	Federal Grants	Total
General	\$ 27,884,405	\$ 1,371,406	\$ 29,255,811
Non-Major Funds	1,735,927	1,461,592	3,197,519
	<u>\$ 29,620,332</u>	<u>\$ 2,832,999</u>	<u>\$ 32,453,330</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

R. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the year ended June 30, 2025, current year, revenues from local and intermediate sources consisted of the following:

	General Fund	2024 Bonds Fund	Non-major Governmental Funds	Total Governmental Funds	Self- Insurance	Fiduciary Funds	Total
Property Taxes	\$ 24,406,957	\$ -	\$ 7,205,251	\$ 31,612,208	\$ -	\$ -	\$ 31,612,208
Penalties, Int. and Other							
Tax-related Income	724,092	-	127,904	851,996	-	-	851,996
Investment Income	3,260,595	7,854,026	721,301	11,835,922	46,689	-	11,882,611
Food Sales	198,886	-	-	198,886	-	-	198,886
Co-curricular Student Activities	394,256	-	459,651	853,907	-	2,525,432	3,379,340
Other	537,120	-	50,026	587,146	22,323,342	348,447	23,258,936
Total	<u>\$ 29,521,906</u>	<u>\$ 7,854,026</u>	<u>\$ 8,564,134</u>	<u>\$ 45,940,066</u>	<u>\$ 22,370,032</u>	<u>\$ 2,873,879</u>	<u>\$ 71,183,977</u>

S. LITIGATION

The District is a defendant in a number of lawsuits arising out of the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for potential losses has been recorded.

T. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the fund level financial statements (Exhibit C-1), the District has the following Deferred Inflows of Resources:

	Balance July 01, 2024	Additions	Reductions	Balance June 30, 2025
Deferred charge on refunding	\$ 516,373	\$ -	\$ 46,784	\$ 469,589
Deferred outflows for TRS pension	27,815,088	30,130,347	43,344,639	14,600,796
Deferred outflows for TRS OPEB	8,589,932	921,116	(6,139,743)	15,650,791
Total Deferred Outflows	<u>\$ 36,921,393</u>	<u>\$ 31,051,463</u>	<u>\$ 37,251,680</u>	<u>\$ 30,721,176</u>
Deferred inflow for TRS pension	\$ 5,496,197	\$ 18,461,877	\$ 21,025,748	\$ 2,932,326
Deferred inflow for TRS OPEB	53,496,435	(10,753,360)	38,665	42,704,410
Total Deferred Inflows	<u>\$ 58,992,632</u>	<u>\$ 7,708,517</u>	<u>\$ 21,064,413</u>	<u>\$ 45,636,736</u>

At the government-wide financial statements (Exhibit A-1), the District reports deferred charges on refunding as Deferred Outflows of Resources in the amount of \$469,589, a Deferred Outflows due to GASB 68 of \$14,600,796, and a Deferred Outflow for TRS OPEB of \$15,650,791 for a total of \$30,721,176 of Deferred Outflows. The District also reported \$2,932,326 of Deferred Inflows due to GASB 68 and \$42,704,410 of Deferred Inflows due to GASB 75 for a total of \$45,636,736 of Deferred Inflows.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

U. SHARED SERVICE ARRANGEMENTS

The District belongs to a Shared Service Arrangement (SSA) in which McAllen ISD is the fiscal agent that provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf. Other Districts that belong to the Program for the Deaf are Donna ISD, Edcouch-Elsa ISD, Edinburg CISD, Excellence in Leadership Academy, Hidalgo ISD, IDEA Public Schools, La Joya ISD, La Villa ISD, Mercedes ISD, Mission CISD, Progreso ISD, Pharr-San Juan-Alamo ISD (PSJA), Rio Grande City ISD, Roma ISD, San Isidro ISD, Sharyland ISD, South Texas ISD, Valley View ISD, and Vanguard Academy.

McAllen ISD, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting, and reporting.

According to the SSA agreement, costs incurred by the SSA shall be divided among the Member Districts in proportion to the number of students of each member district attending the Regional Day School program.

Expenditures allocated to the SSA members as of June 30, 2025 are summarized below:

Member District	Fund			Total
	315	340	435	
Donna	\$ 7,428	\$ -	\$ 169,312	\$ 176,740
Edcouch-Elsa	6,809	-	155,203	162,012
Edinburg	12,999	214	296,296	309,509
Excellence in Leadership	619	-	14,109	14,728
Hidalgo	3,714	-	84,656	88,370
IDEA	20,428	-	465,608	486,036
La Joya	25,999	214	592,592	618,805
La Villa	619	-	14,109	14,728
McAllen	35,284	858	804,232	840,374
Mercedes	5,571	-	126,984	132,555
Mission	14,237	643	324,515	339,395
Progreso	3,095	214	70,547	73,856
PSJA	6,809	-	155,203	162,012
Rio Grande City	11,761	-	268,077	279,838
Roma	7,428	-	169,312	176,740
Sharyland	3,095	-	70,547	73,642
South Texas	1,238	-	28,219	29,457
Valley View	4,333	-	98,765	103,098
Vanguard	6,809	-	155,203	162,012
Weslaco	20,428	858	465,609	486,895
Total Allocated	\$ 198,703	\$ 3,001	\$ 4,529,098	\$ 4,730,802

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

U. SHARED SERVICE ARRANGEMENTS - Continued

The District is the fiscal agent for the 21st Century Community Learning Centers SSA which funds community learning centers to provide academic enrichment and other services to students and literacy-related educational development for their families. San Isidro Independent School District is the only member district in this SSA and they received \$112,000 in the 24/25 fiscal year.

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting and reporting. According to guidance provided in Texas Education Agency's Resource Guide, the District has accounted for the activities of the SSA in the appropriate Special Revenue Funds. Additionally, the SSA is accounted for using the Accounting and Reporting Treatment Guidance section of the Resource Guide.

V. COMPLIANCE AND ACCOUNTABILITY

A. Negative Unrestrictive Net Position

The District does not have funds with deficit fund balances at year-end. The District has a negative unrestricted net position in the Governmental Activities of (\$56,476,614) at year-end. The result of this negative balance is due to the effect of GASB No. 68, *Accounting and Financial Reporting for Pensions* (Refer to Note M) and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (Refer to Note N).

B. Budgetary Information

Over the course of the year, the District revised the budget numerous times. At the end of the fiscal year, actual expenditures were \$3,719,999 below final budget amounts, although there were expenditures in several functional categories that exceeded budgeted appropriations. The table below summarizes the functions where actual expenditures exceeded budgeted appropriations.

Function	Expenditures	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
11	Instruction	\$ 107,156,147	\$ 107,904,407	\$ (748,260)
61	Community services	1,777,153	1,790,326	(13,173)
71	Debt service - principal on long term debt	2,054,035	2,139,638	(85,603)
		<u>\$ 110,987,335</u>	<u>\$ 111,834,371</u>	<u>\$ (847,036)</u>

W. RISK MANAGEMENT

A. General

During the fiscal year, the District maintained insurance for all governmental functions it may be liable for claims. The more significant of these included a property insurance policy covering District buildings and properties in an aggregate amount of approximately \$701,872,934, for all perils, except named storms.

During the year ended June 30, 2025, the District made no property damage claims.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

W. RISK MANAGEMENT - Continued

There were no reductions in coverage in the year ended June 30, 2025 and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

B. Health Plan

During the year ended June 30, 2025, employees of the Weslaco Independent School District were covered by a health care insurance plan (the Plan) which is accounted for in the Internal Service Fund. The plan year runs from September 1 through August 31. The District contributed premiums of \$691 per employee per month through the plan year ended June 30, 2025. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. The Plan was authorized by Section 22.005, Texas Education Code, and was documented by contractual agreement.

The contract between the Weslaco Independent School District and the third-party administrator is renewable each September 1st, and terms of coverage and contribution costs are included in the contractual provisions. In accordance with state statute, the District was protected against unanticipated catastrophic individual and aggregate loss by stop-loss coverage provided by Voya through SA Benefit Services.

For the plan year, stop-loss coverage was in effect for individual claims exceeding \$200,000. Minimum aggregate retention was \$27,917,595 with a maximum aggregate stop loss limit of \$1,000,000. Management believes that adequate funding plans have been made for all incurred and anticipated claims at June 30, 2025.

C. Workers' Compensation

The District has a self-insured workers' compensation program which is accounted for in the Internal Service Fund. The District is self-insured for individual claims up to \$500,000. Management believes that adequate funding has been made for all incurred and anticipated claims at June 30, 2025.

D. Claims Liabilities

The claims for health insurance and workers' compensation insurance liability of \$1,371,961 reported in the Internal Service Fund at June 30, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10. This Statement 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 at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amount in fiscal year 2024 and 2025 were as follows:

	2024		2025	
	Health	Workers' Compensation	Health	Workers' Compensation
Beginning of fiscal year claims	\$ 686,862	\$ 124,490	\$ 1,233,013	\$ 163,371
Current year claims and changes in estimates	19,962,612	481,690	20,190,973	577,570
Claim payments net of stop loss	(19,416,461)	(442,808)	(20,324,610)	(468,357)
End of fiscal year claims liability	<u>\$ 1,233,013</u>	<u>\$ 163,371</u>	<u>\$ 1,099,376</u>	<u>\$ 272,584</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

IV. DETAILED NOTES ON ALL FUNDS – Continued

X. PRIOR PERIOD ADJUSTMENT

Change in Accounting Principle

During fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. Under GASB 101, which established new guidance by updating the recognition and measurement for compensated absences, the District restated the net position beginning balance to show the cumulative effect of compensated absences for prior years in the amount of (\$8,844,112). See summary below:

	<u>Governmental Activities</u>
Net position, June 30, 2024 as previously reported	\$ 43,743,341
Compensated Absences June 30, 2024	921,040
Compensated Absences June 30, 2024, adjusted	<u>(9,765,152)</u>
Net position, June 30, 2024, adjusted	<u>\$34,899,229</u>

X. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 13, 2026, which is the date these financial statements were available to be issued.

There are no subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY SCHEDULES

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

	Measurement Year Ended August 31,			
	2024	2023	2022	2021
District's Proportion of the Net Pension Liability (Asset)	0.1086328667%	0.1078035782%	0.1106586528%	0.1030019577%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 66,357,491	\$ 74,050,656	\$ 65,695,196	\$ 26,230,954
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	68,556,297	81,302,640	76,087,917	35,572,740
Total	<u>\$ 134,913,788</u>	<u>\$ 155,353,296</u>	<u>\$ 141,783,113</u>	<u>\$ 61,803,694</u>
District's Covered Payroll	\$ 130,463,409	\$ 125,963,222	\$ 124,265,853	\$ 119,063,022
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	50.86%	58.79%	52.87%	22.03%
Plan Fiduciary Net Position as a % of Total Pension Liability	77.51%	73.15%	75.62%	88.79%

Measurement Year Ended August 31,					
2020	2019	2018	2017	2016	2015
0.1089628511%	0.1086991998%	0.1130687757%	0.1115737071%	0.1150849744%	0.1209544000%
\$ 58,358,280	\$ 56,505,242	\$ 62,235,798	\$ 35,675,261	\$ 43,488,901	\$ 42,755,770
79,599,099	80,301,107	53,878,625	52,956,929	62,706,553	60,514,661
<u>\$ 137,957,379</u>	<u>\$ 136,806,349</u>	<u>\$ 116,114,423</u>	<u>\$ 88,632,190</u>	<u>\$ 106,195,454</u>	<u>\$ 103,270,431</u>
\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868
47.57%	48.53%	53.46%	31.14%	39.44%	39.87%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	Fiscal Year Ended June 30,		
	2025	2024	2023
Contractually Required Contribution	\$ 6,120,385	\$ 6,035,288	\$ 5,441,516
Contribution in Relation to Contractually Required Contribution	<u>(6,120,385)</u>	<u>(6,035,288)</u>	<u>(5,441,516)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 136,711,029	\$ 129,364,668	\$ 126,508,036
Contributions as a % of Covered Payroll	4.48%	4.67%	4.30%

For the Ten Month Period Ended June 30, 2022		Fiscal Year Ended August 31,					
2022	2021	2020	2019	2018	2017	2016	
\$ 4,373,200	\$ 4,399,138	\$ 4,494,769	\$ 3,789,038	\$ 3,811,690	\$ 3,656,734	\$ 3,488,340	
(4,373,200)	(4,399,138)	(4,494,769)	(3,789,038)	(3,809,404)	(3,656,734)	(3,488,340)	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 103,306,022	\$ 119,063,022	\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	
4.23%	3.69%	3.66%	3.25%	3.27%	3.19%	3.16%	

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

	Measurement Year Ended August 31,	
	2024	2023
District's Proportion of the Net OPEB Liability (Asset)	0.1328179706%	0.1348828893%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 40,312,289	\$ 29,860,786
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	50,510,752	36,031,628
Total	<u>\$ 90,823,041</u>	<u>\$ 65,892,414</u>
District's Covered Payroll	\$ 130,462,899	\$ 125,962,879
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	30.90%	23.71%
Plan Fiduciary Net Position as a % of Total OPEB Liability	13.70%	14.94%

Note: Only eight years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Measurement Year Ended August 31,					
2022	2021	2020	2019	2018	2017
0.1416990320%	0.1370982882%	0.1469942494%	0.1507015713%	0.1535480390%	0.1560764102%
\$ 33,928,424	\$ 52,884,936	\$ 55,879,152	\$ 71,268,618	\$ 76,667,942	\$ 67,871,776
41,387,346	70,854,029	75,088,186	94,700,053	63,761,130	81,789,934
<u>\$ 75,315,770</u>	<u>\$ 123,738,965</u>	<u>\$ 130,967,338</u>	<u>\$ 165,968,671</u>	<u>\$ 140,429,072</u>	<u>\$ 149,661,710</u>
\$ 124,266,285	\$ 119,064,398	\$ 122,674,383	\$ 116,433,422	\$ 116,426,642	\$ 114,553,639
27.30%	44.42%	45.55%	61.21%	65.85%	59.25%
11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	Fiscal Year Ended June 30,	
	2025	2024
Contractually Required Contribution	\$ 1,088,467	\$ 1,205,062
Contribution in Relation to Contractually Required Contribution	(1,088,467)	(1,205,062)
Contribution Deficiency (Excess)	\$ -	\$ -
District's Covered Payroll	\$ 136,711,926	\$129,363,940
Contributions as a % of Covered Payroll	0.80%	0.93%

Note: Only eight years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Fiscal Year Ended June 30,	For the Ten Month Period Ended June 30, 2022	Fiscal Year Ended August 31,			
2023	2022	2021	2020	2019	2018
\$ 1,166,691	\$ 934,197	\$ 1,075,288	\$ 1,116,733	\$ 1,065,864	\$ 1,061,361
(1,166,691)	(934,197)	(1,075,288)	(1,116,733)	(1,065,864)	(1,060,941)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420
\$ 126,507,970	\$ 103,306,454	\$ 119,064,398	\$ 122,674,383	\$ 116,433,422	\$ 116,426,642
0.92%	0.90%	0.90%	0.91%	0.92%	0.91%

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COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources restricted for specific purposes by a grantor or for purposes committed by the Board of Trustees. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue funds, unused balances are recorded as unearned revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. In some cases, the unused balances are returned to the grantor at the close of specified project periods. The District budgets for Special Revenue Funds as grants are awarded by the various grantors. The District uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting. Included in the District's Special Revenue Funds are:

211 ESEA, Title I, Part A, Improving Basic Programs - This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

212 ESEA, Title I, Part C, Migrant - This fund classification is to be used to account, on a project basis, for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

224 IDEA - Part B, Formula - This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) subgrants.

225 IDEA - Part B, Preschool - This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.

244 Carl D. Perkins – Basic Formula Grant - This fund classification is to be used to account, on a project basis, for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas.

255 ESEA, Title II, Part A, Teacher and Principal Training and Recruiting- This fund classification is to be used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

263 Title III, Part A, English Language Acquisition and Language Enhancement LEP - This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

265 Title IV, Part B-21st Century Community Learning Centers – This fund classification is to account for funds granted to community learning centers to provide academic enrichment and other services to students and literacy-related educational services for their families.

272 Medicaid Administrative Claiming Program – MAC (Effective September 1, 2005) – This fund classification is to be used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan. Expenditures attributed to the required matching amount are recorded in the General Fund and are to be accounted for with use of a local option account code, as needed, for local monitoring of compliance with federal matching requirements.

274 GEAR UP (Effective fiscal year 2008/09) - This fund classification is to be used to account, on a project basis, for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

280 American Rescue Plan (ARP) Act-Homeless II-Education for Homeless Children and Youth Program - This fund classification is to be used to account, on a project basis, for funds granted to provide services and support to homeless children and youth in light of the challenges of COVID-19, to enable them to attend school and participate fully in school activities.

282 Elementary and Secondary School Emergency Relief Fund II (ESSER III) – This fund is used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

288 COPS Grant – This fund classification is to be used to account, on a project basis, for funds granted through The Office of Community Oriented Policing Services.

289 Federally Funded Special Revenue Funds – This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above. The following grants are in Fund 289:

- 289 – Summer School LEP Students in K1
- 289 – Title IV, Part A – SSAEP
- 289 – Stronger Connections Grant

352 Shared Services Arrangements—21st Century Community Learning Centers—The fiscal agent of a shared services arrangement uses this code to account for funds granted to community learning centers to provide academic enrichment and other services to students and literacy-related educational development for their families.

397 Advanced Placement Incentives – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

410 State Textbook Fund – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

429 State Funded Special Revenue Funds – State funded special revenue funds not listed above are to be accounted for in this fund. The following locally defined grants are to be converted to Fund 429 for PEIMS reporting:

- 429 – Reading to Learn Achievement Academies
- 429 – Math Achievement Academies
- 429 – Literacy Achievement Academies
- 429 – Read to Succeed
- 429 – Strong Foundations Math & Literacy Framework
- 429 – Silent Panic Alert
- 429 – School Safety Standards
- 429 – School Safety and Security Grant
- 429 – JET Grant

461 Campus Activity Funds – This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

499 Locally Funded Special Revenue Funds – Locally funded special revenue funds not listed above are to be accounted for in this fund (effective September 1, 2001, this fund classification is also to be used for transactions that were accounted for as expendable trust funds prior to implementation of GASB Statement 34 reporting standards). The following locally defined grants are to be converted to Fund 499 for PEIMS reporting on the next page:

- 481 – Barbara Bush Texas Foundation
- 483 – Children’s Defense Fund
- 485 – Blended Learners
- 488 – Mentoring and Leadership Fund
- 489 – Project Lead the Way
- 490 – United Way Fund
- 491 – Best Buy Cyber Grant
- 492 – No Kid Hungry Grant
- 499 – Other Local Special Revenue Fund-Scholarships

DEBT SERVICE FUNDS

Debt service funds are governmental funds, with budgetary control, that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated. A separate bank account must be kept for this fund. Principal and interest payments for operating indebtedness including warrants, notes, and short-term lease-purchase agreements, are to be made from the fund for which the debt was incurred. This fund utilizes the modified accrual basis of accounting.

599 I & S Fund – This fund is used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated.

CAPITAL PROJECT FUNDS

Capital projects funds are governmental funds that must be used to account, on a project basis, for projects financed by the proceeds from bond issues, or for capital projects otherwise mandated to be accounted for in this fund. The capital projects funds utilize the modified accrual basis of accounting.

610 Construction Fund – This fund is used to account for construction projects not paid for by bond issues or tax notes.

617 2017 Tax Note Fund – This fund is used to account for construction projects paid for with proceeds of the 2017 WISD Tax Notes.

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WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		206 Homeless Children & Youth Program	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA Part - B Formula
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ 1,730,063	\$ 614	\$ -
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	-	5,134	54,711	650,336
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>\$ -</u>	<u>\$ 1,735,197</u>	<u>\$ 55,325</u>	<u>\$ 650,336</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ 15,109	\$ 1,432	\$ -
2160	Accrued wages payable	-	1,392,871	45,802	585,346
2170	Due to other funds	-	-	8,091	64,989
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	327,217	-	-
		<u>-</u>	<u>327,217</u>	<u>-</u>	<u>-</u>
2000	Total Liabilities	<u>-</u>	<u>1,735,197</u>	<u>55,325</u>	<u>650,336</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	-	-
3550	Assigned fund balance-construction	-	-	-	-
3590	Other assigned fund balance	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 1,735,197</u>	<u>\$ 55,325</u>	<u>\$ 650,336</u>

225 IDEA Part - B Pre-School	244 Vocational Ed. Basic Grant	255 ESEA II, A Training & Recruiting	263 English Language Acquisition	265 TX ACE HQ Summer Program	272 Medicaid Adm. Claiming Program	274 Gear - Up	280 ARP Homeless	288 COPS Grant
\$ -	\$ -	\$ 320	\$ -	\$ 1,648	\$ 366,346	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	98,876	45,592	56,742	50,629	-	205,336	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 98,876</u>	<u>\$ 45,912</u>	<u>\$ 56,742</u>	<u>\$ 52,277</u>	<u>\$ 366,346</u>	<u>\$ 205,336</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1,281	\$ 320	\$ -	\$ 1,454	\$ -	\$ 1,319	\$ -	\$ -
-	7,942	37,662	52,770	50,823	48,564	37,477	-	-
-	89,652	7,931	3,972	-	-	166,540	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	317,781	-	-	-
<u>-</u>	<u>98,876</u>	<u>45,912</u>	<u>56,742</u>	<u>52,277</u>	<u>366,346</u>	<u>205,336</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 98,876</u>	<u>\$ 45,912</u>	<u>\$ 56,742</u>	<u>\$ 52,277</u>	<u>\$ 366,346</u>	<u>\$ 205,336</u>	<u>\$ -</u>	<u>\$ -</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		288 COPS Grant	289 Other Federal Grants	352 Nita M Lowey 21st CCLC Grant	397 Advanced Placement Incentives
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 57,532	\$ 28,401
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	148,350	129,520	16,366	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>\$ 148,350</u>	<u>\$ 129,520</u>	<u>\$ 73,898</u>	<u>\$ 28,401</u>
	LIABILITIES				
2110	Accounts payable	\$ 107,850	\$ 60,447	\$ 14,334	\$ 3,065
2160	Accrued wages payable	-	36,823	59,564	-
2170	Due to other funds	40,500	30,989	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	1,261	-	25,336
		<u>-</u>	<u>1,261</u>	<u>-</u>	<u>25,336</u>
2000	Total Liabilities	<u>148,350</u>	<u>129,520</u>	<u>73,898</u>	<u>28,401</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	-	-
3550	Assigned fund balance-construction	-	-	-	-
3590	Other assigned fund balance	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 148,350</u>	<u>\$ 129,520</u>	<u>\$ 73,898</u>	<u>\$ 28,401</u>

410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund	482 Youth Literacy Grant	483 Children's Defense Fund	485 Blended Learners	488 Mentoring and Leadership
\$ 66,611	\$ 3,154	\$ 543,769	\$ -	\$ 153	\$ 748	\$ 8,579	\$ 13,980
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,735,927	-	-	-	-	-	-
-	-	6,510	-	-	-	-	-
115,660	-	-	-	-	-	-	-
<u>\$ 182,271</u>	<u>\$ 1,739,081</u>	<u>\$ 550,279</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 748</u>	<u>\$ 8,579</u>	<u>\$ 13,980</u>
\$ 24,000	\$ 1,096,675	\$ 660	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	608,411	-	-	-	-	-	-
-	-	-	-	-	-	-	-
158,271	33,995	-	-	153	748	8,579	13,980
<u>182,271</u>	<u>1,739,081</u>	<u>660</u>	<u>-</u>	<u>153</u>	<u>748</u>	<u>8,579</u>	<u>13,980</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	549,619	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	549,619	-	-	-	-	-
<u>\$ 182,271</u>	<u>\$ 1,739,081</u>	<u>\$ 550,279</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 748</u>	<u>\$ 8,579</u>	<u>\$ 13,980</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant	492 No Kid Hungry Grant
	ASSETS				
1110	Cash and cash equivalents	\$ 14,909	\$ 7,664	\$ 3,465	\$ 2,650
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	-	-	-	-
1290	Other receivables	-	-	-	-
1410	Prepaid items	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>\$ 14,909</u>	<u>\$ 7,664</u>	<u>\$ 3,465</u>	<u>\$ 2,650</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2300	Unearned revenues	14,909	7,664	3,465	2,650
		<u>14,909</u>	<u>7,664</u>	<u>3,465</u>	<u>2,650</u>
2000	Total Liabilities	<u>14,909</u>	<u>7,664</u>	<u>3,465</u>	<u>2,650</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	-	-
3550	Assigned fund balance-construction	-	-	-	-
3590	Other Assigned Fund Balance	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 14,909</u>	<u>\$ 7,664</u>	<u>\$ 3,465</u>	<u>\$ 2,650</u>

499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 40,332	\$ 2,890,937	\$ 2,560,431	\$ 2,372,554	\$ 494,619	\$ 2,867,173	\$ 8,318,540
-	-	647,808	-	-	-	647,808
-	-	(19,776)	-	-	-	(19,776)
-	3,197,519	22,192	-	-	-	3,219,711
-	6,510	-	-	-	-	6,510
-	115,660	-	-	-	-	115,660
<u>\$ 40,332</u>	<u>\$ 6,210,626</u>	<u>\$ 3,210,655</u>	<u>\$ 2,372,554</u>	<u>\$ 494,619</u>	<u>\$ 2,867,173</u>	<u>\$12,288,453</u>
\$ -	\$ 1,327,946	\$ -	\$ 1,630,335	\$ -	\$ 1,630,335	\$ 2,958,281
-	2,355,645	-	-	-	-	2,355,645
-	1,021,074	-	-	-	-	1,021,074
-	916,010	296,229	-	-	-	1,212,239
-	5,620,675	296,229	1,630,335	-	1,630,335	7,547,239
-	-	550,782	-	-	-	550,782
-	-	550,782	-	-	-	550,782
-	-	-	-	494,619	494,619	494,619
-	-	2,363,643	-	-	-	2,363,643
-	549,619	-	-	-	-	549,619
-	-	-	742,219	-	742,219	742,219
40,332	40,332	-	-	-	-	40,332
40,332	589,951	2,363,643	742,219	494,619	1,236,838	4,190,432
<u>\$ 40,332</u>	<u>\$ 6,210,626</u>	<u>\$ 3,210,655</u>	<u>\$ 2,372,554</u>	<u>\$ 494,619</u>	<u>\$ 2,867,173</u>	<u>\$12,288,453</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		206 Homeless Children & Youth Program	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
	REVENUES:			
5700	Local & intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	14,218	9,004,374	372,385
5020	Total Revenues	14,218	9,004,374	372,385
	EXPENDITURES:			
	Current			
0011	Instruction	13,770	5,142,265	132,397
0012	Instruction resources & media services	-	1,820,113	-
0013	Curriculum & staff development	-	212,760	-
0021	Instructional leadership	-	318,910	114,354
0023	School leadership	-	-	-
0031	Guidance, counseling & evaluation services	-	289,481	-
0032	Social work services	-	1,078	105,638
0033	Health services	-	89,237	-
0034	Student (pupil) transportation	448	44,081	-
0035	Food services	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance & operations	-	-	-
0052	Security & monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	1,086,448	19,995
	Debt Service:			
0071	Debt service - principal on long term debt	-	-	-
0072	Debt service - interest on long term debt	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-
	Capital Outlay			
0081	Facilities acquisition and construction	-	-	-
	Intergovernmental:			
0093	Payments to SSA's	-	-	-
6030	Total Expenditures	14,218	9,004,374	372,385
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	-	-
8949	Other uses	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balance - July 1 (beginning)	-	-	-
3000	Fund balance - June 30 (ending)	\$ -	\$ -	\$ -

[illegible]

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		280	282	288	289
		ARP Homeless	ESSER III	COPS Grant	Other Federal Grants
	REVENUES:				
5700	Local & intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	108,579	618,644	114,690	1,189,371
5020	Total Revenues	<u>108,579</u>	<u>618,644</u>	<u>114,690</u>	<u>1,189,371</u>
	EXPENDITURES:				
	Current				
0011	Instruction	87,605	429,644	-	606,575
0012	Instruction resources & media services	-	-	-	-
0013	Curriculum & staff development	-	164,554	-	25,950
0021	Instructional leadership	20,974	-	-	98,944
0023	School leadership	-	-	-	-
0031	Guidance, counseling & evaluation services	-	24,445	-	457,902
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance & operations	-	-	-	-
0052	Security & monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	Debt Service:				
0071	Debt service - principal on long term debt	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-
	Capital Outlay				
0081	Facilities acquisition and construction	-	-	114,690	-
	Intergovernmental:				
0093	Payments to SSA's	-	-	-	-
6030	Total Expenditures	<u>108,579</u>	<u>618,644</u>	<u>114,690</u>	<u>1,189,371</u>
1100	Excess (Deficiency) of Revenues Over (Under)	-	-	-	-
	Expenditures				
	OTHER FINANCING SOURCES (USES)				
7915	Transfers in	-	-	-	-
8949	Other uses	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - July 1 (beginning)	-	-	-	-
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

352 Nita M Lowey 21st CCLC Grant	397 Advanced Placement Incentives	410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund	482 Youth Literacy Grant
\$ -	\$ -	\$ -	\$ -	\$ 460,357	\$ 125	\$ -
-	3,753	1,761,137	2,334,868	-	-	-
2,068,819	-	-	-	-	-	-
<u>2,068,819</u>	<u>3,753</u>	<u>1,761,137</u>	<u>2,334,868</u>	<u>460,357</u>	<u>125</u>	<u>-</u>
1,675,788	-	1,761,137	197,317	125,010	-	-
-	-	-	-	22,289	125	-
-	3,353	-	176,152	-	-	-
115,124	-	-	-	-	-	-
-	400	-	-	9,009	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	55,577	-	-	-
72,218	-	-	-	-	-	-
-	-	-	-	-	-	-
14	-	-	-	258,040	-	-
-	-	-	-	-	-	-
-	-	-	165,391	10,177	-	-
-	-	-	497,460	-	-	-
-	-	-	-	-	-	-
93,676	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,242,972	-	-	-
112,000	-	-	-	-	-	-
<u>2,068,819</u>	<u>3,753</u>	<u>1,761,137</u>	<u>2,334,868</u>	<u>424,524</u>	<u>125</u>	<u>-</u>
-	-	-	-	35,833	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	35,833	-	-
-	-	-	-	513,786	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,619</u>	<u>\$ -</u>	<u>\$ -</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		483 Children's Defense Fund	485 Blended Learners	488 Mentoring and Leadership	489 Project Lead The Way	490 United Way Fund
	REVENUES:					
5700	Local & intermediate sources	\$ -	\$ 49,196	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-	-
5900	Federal program revenues	-	-	-	-	-
5020	Total Revenues	<u>-</u>	<u>49,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
	EXPENDITURES:					
	Current					
0011	Instruction	-	49,196	-	-	-
0012	Instruction resources & media services	-	-	-	-	-
0013	Curriculum & staff development	-	-	-	-	-
0021	Instructional leadership	-	-	-	-	-
0023	School leadership	-	-	-	-	-
0031	Guidance, counseling & evaluation services	-	-	-	-	-
0032	Social work services	-	-	-	-	-
0033	Health services	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-
0035	Food Services	-	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-	-	-
0041	General administration	-	-	-	-	-
0051	Facilities maintenance & operations	-	-	-	-	-
0052	Security & monitoring services	-	-	-	-	-
0053	Data processing services	-	-	-	-	-
0061	Community services	-	-	-	-	-
	Debt Service:					
0071	Debt service - principal on long term debt	-	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-	-
	Capital Outlay					
0081	Facilities acquisition and construction	-	-	-	-	-
	Intergovernmental:					
0093	Payments to SSA's	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total Expenditures	<u>-</u>	<u>49,196</u>	<u>-</u>	<u>-</u>	<u>-</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
	OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-	-
8949	Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-	-
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

491 Best Buy Cyber Grant	492 No Kid Hungry Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,717	\$ 511,394	\$ 7,407,495	\$ 620,689	\$ 24,556	\$ 645,244	\$ 8,564,134
-	-	-	4,099,758	838,775	-	-	-	4,938,533
-	-	-	20,001,237	-	-	-	-	20,001,237
-	-	1,717	24,612,390	8,246,270	620,689	24,556	645,244	33,503,904
-	-	-	14,799,181	-	-	-	-	14,799,181
-	-	-	1,842,527	-	-	-	-	1,842,527
-	-	-	1,516,042	-	-	-	-	1,516,042
-	-	-	789,587	-	-	-	-	789,587
-	-	-	9,409	-	-	-	-	9,409
-	-	-	1,607,513	-	-	-	-	1,607,513
-	-	-	106,716	-	-	-	-	106,716
-	-	-	145,009	-	-	-	-	145,009
-	-	-	148,963	-	-	-	-	148,963
-	-	-	-	-	-	-	-	-
-	-	-	258,053	-	-	-	-	258,053
-	-	-	8,841	-	-	-	-	8,841
-	-	-	175,567	-	425,735	-	425,735	601,302
-	-	-	497,460	-	-	-	-	497,460
-	-	-	-	-	10,596	-	10,596	10,596
-	-	1,500	1,201,811	-	-	-	-	1,201,811
-	-	-	-	1,575,000	-	-	-	1,575,000
-	-	-	-	5,959,232	-	-	-	5,959,232
-	-	-	-	1,683	-	-	-	1,683
-	-	-	1,357,662	-	9,545,228	36,062	9,581,290	10,938,952
-	-	-	112,000	-	-	-	-	112,000
-	-	1,500	24,576,340	7,535,915	9,981,559	36,062	10,017,621	42,129,876
-	-	217	36,050	710,355	(9,360,871)	(11,506)	(9,372,377)	(8,625,972)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	217	36,050	710,355	(9,360,871)	(11,506)	(9,372,377)	(8,625,972)
-	-	40,115	553,901	1,653,288	10,103,090	506,125	10,609,215	12,816,404
\$ -	\$ -	\$ 40,332	\$ 589,951	\$ 2,363,643	\$ 742,219	\$ 494,619	\$ 1,236,838	\$ 4,190,432

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 698,262	\$ 277,462	\$ 787,958	\$ 1,763,682
Other receivables	<u>539,079</u>	<u>-</u>	<u>-</u>	<u>539,079</u>
Total Assets	<u>1,237,341</u>	<u>277,462</u>	<u>787,958</u>	<u>2,302,761</u>
LIABILITIES				
Current Liabilities:				
Account payables	122,267	-	-	122,267
Accrued expenses	<u>1,099,376</u>	<u>272,584</u>	<u>-</u>	<u>1,371,961</u>
Total Liabilities	<u>1,221,643</u>	<u>272,584</u>	<u>-</u>	<u>1,494,227</u>
NET POSITION				
Unrestricted	<u>15,698</u>	<u>4,878</u>	<u>787,958</u>	<u>808,533</u>
Total Net Position	<u>\$ 15,698</u>	<u>\$ 4,878</u>	<u>\$ 787,958</u>	<u>\$ 808,533</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	<u>\$ 21,714,998</u>	<u>\$ 476,613</u>	<u>\$ 131,731</u>	<u>\$ 22,323,342</u>
Total Operating Revenues	<u>21,714,998</u>	<u>476,613</u>	<u>131,731</u>	<u>22,323,342</u>
OPERATING EXPENSES:				
Professional and Contracted Services	2,733,992	125,895	43,763	2,903,650
Other Operating Costs	<u>20,190,973</u>	<u>517,850</u>	<u>-</u>	<u>20,708,823</u>
Total Operating Expenses	<u>22,924,965</u>	<u>643,745</u>	<u>43,763</u>	<u>23,612,473</u>
Operating Income (Loss)	<u>(1,209,968)</u>	<u>(167,132)</u>	<u>87,968</u>	<u>(1,289,131)</u>
NONOPERATING REVENUES:				
Earning from Temporary Deposits and Investments	<u>5,154</u>	<u>7,487</u>	<u>34,049</u>	<u>46,689</u>
Total Nonoperating Revenues	<u>5,154</u>	<u>7,487</u>	<u>34,049</u>	<u>46,689</u>
Income (Loss) Before Transfers	(1,204,813)	(159,645)	122,017	(1,242,442)
Transfers In	<u>1,200,000</u>	<u>130,000</u>	<u>-</u>	<u>1,330,000</u>
Change in Net Position	(4,813)	(29,645)	122,017	87,558
Fund balance - July 1 (beginning)	<u>20,511</u>	<u>34,523</u>	<u>665,941</u>	<u>720,975</u>
Total Net Position - June 30, (Ending)	<u>\$ 15,698</u>	<u>\$ 4,878</u>	<u>\$ 787,958</u>	<u>\$ 808,533</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 18,118,544	\$ 476,613	\$ 131,731	\$ 18,726,888
Receipts from employees	3,596,219	-	-	3,596,219
Receipts from other participants	235	-	-	235
Receipts from reimbursements and refunds	1,517,026	8,496.76	-	1,525,523
Payments for benefit claims	(22,009,135)	(471,353)	-	(22,480,488)
Payments for administration	(2,733,992)	(66,175)	(43,763)	(2,843,930)
Net cash used in operating activities	(1,511,103)	(52,418)	87,968	(1,475,553)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	1,200,000	130,000	-	1,330,000
Net cash provided by noncapital financing activities	1,200,000	130,000	-	1,330,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	5,154	7,487	34,049	46,689
Net cash provided by investing activities	5,154	7,487	34,049	46,689
Net decrease in cash and cash equivalents	(305,949)	85,068	122,017	(98,864)
Cash and cash equivalents-beginning	1,004,211	192,394	665,941	1,862,545
Cash and cash equivalents-ending	\$ 698,262	\$ 277,462	\$ 787,958	\$ 1,763,682
Reconciliation of operating income/(loss) to net cash used in operating activities				
Operating income/(loss)	\$ (1,209,968)	\$ (167,132)	\$ 87,968	\$ (1,289,131)
Adjustments to reconcile operating loss to net cash used in:				
(Increase) decrease in other receivables	288,080	5,500	-	293,580
Increase (decrease) in account payables	(455,578)	-	-	(455,578)
Increase (decrease) in other current liabilities	(133,637)	109,213	-	(24,424)
Total adjustments	(301,135)	114,713	-	(186,422)
Net cash used in operating activities	\$ (1,511,103)	\$ (52,418)	\$ 87,968	\$ (1,475,553)

REQUIRED TEA SCHEDULES

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purpose
	Maintenance	Debt Service	
2016 & Prior	Various	Various	Various
2017	1.1397	-	2,169,706,968
2018	1.1397	0.0200	2,292,112,169
2019	1.1397	0.0200	2,302,601,674
2020	1.0487	0.0200	2,409,136,097
2021	0.9989	0.0200	2,558,311,523
2022	0.9407	0.0400	2,727,607,664
2023	0.9233	0.0360	2,994,824,232
2024	0.7314	0.2150	3,680,369,569
2025 (School year under audit)	0.7291	0.2190	3,482,894,239
1000 TOTALS JUNE 30, 2025			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

	(10) Beginning Balance 7/1/2024	(20) Current Year's Levy	(31) Maintenance Total Collection	(32) Interest & Sinking Total Collection	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.115c
\$	1,129,623	\$ -	\$ 67,526	\$ 2,190	\$ (8,316)	\$ 1,051,591	
	103,700	-	13,461	-	(536)	89,702	
	110,580	-	16,615	292	(591)	93,083	
	130,762	-	18,779	330	(1,081)	110,572	
	171,125	-	27,461	524	(13,854)	129,286	
	200,017	-	50,584	1,013	(2,054)	146,366	
	322,978	-	111,102	4,724	3,538	210,691	
	607,341	-	95,607	3,728	(165,403)	342,603	
	1,766,975	-	298,532	87,755	(725,165)	655,523	
	-	32,037,095	23,321,176	7,004,989	37,666	1,748,596	
\$	<u>4,543,011</u>	<u>\$ 32,037,095</u>	<u>\$ 24,020,843</u>	<u>\$ 7,105,544</u>	<u>\$ (875,795)</u>	<u>\$ 4,578,013</u>	
							<u>\$ 6,580</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amount		Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Local and intermediate sources	\$ 211,952	\$ 211,952	\$ 398,363	\$ 186,411
5800	State program revenues	50,000	50,000	51,299	1,299
5900	Federal program revenues	15,001,388	15,368,604	15,072,768	(295,836)
5020	Total Revenues	<u>15,263,340</u>	<u>15,630,556</u>	<u>15,522,430</u>	<u>(108,126)</u>
	EXPENDITURES:				
0035	Food services	14,506,081	16,072,697	14,088,968	1,983,729
0051	Facilities maintenance and operations	757,259	757,259	616,421	140,838
6030	Total Expenditures	<u>15,263,340</u>	<u>16,829,956</u>	<u>14,705,389</u>	<u>2,124,567</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,199,400)</u>	<u>817,041</u>	<u>2,016,441</u>
1200	Net Change in Fund Balances	-	(1,199,400)	817,041	2,016,441
0100	Fund balance - July 1 (beginning)	<u>4,875,492</u>	<u>4,875,492</u>	<u>4,875,492</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 4,875,492</u>	<u>\$ 3,676,092</u>	<u>\$ 5,692,533</u>	<u>\$ 2,016,441</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes				Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)				
Budgeted Amount									
Original				Final					
REVENUES:									
5700	Local and intermediate sources	\$	7,325,458	\$	7,289,026	\$	7,407,495	\$	118,469
5800	State program revenues		1,419,035		822,074		838,775		16,701
5020	Total Revenues		8,744,493		8,111,100		8,246,270		135,170
EXPENDITURES:									
0071	Debt service - principal on long term debt		1,575,000		1,575,000		1,575,000		-
0072	Debt service - interest on long term debt		5,959,232		5,959,232		5,959,232		-
0073	Debt service - bond issuance cost & fees		5,000		5,000		1,683		3,317
6030	Total Expenditures		7,539,232		7,539,232		7,535,915		3,317
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		1,205,261		571,868		710,355		138,487
1200	Net Change in Fund Balances		1,205,261		571,868		710,355		138,487
0100	Fund balance - July 1 (beginning)		1,653,288		1,653,288		1,653,288		-
3000	Fund Balance - June 30 (Ending)	\$	2,858,549	\$	2,225,156	\$	2,363,643	\$	138,487

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

Weslaco Independent School District

For the year ended June30, 2025

Data Codes		
	<u>Section A: Compensatory Education Programs</u>	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$20,782,104
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$14,264,110
	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 2,142,367
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$ 1,324,376

STATISTICAL SECTION

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WESLACO INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION OVERVIEW (Unaudited)

This part of the District's Annual Comprehensive Financial Report presents detailed information to provide the readers of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures, and required supplementary information.

The statistical section is organized in the following sections:

Financial Trends Information – These schedules contain trend information to help the reader understand how the District's financial performance well-being have changed over time.

Revenue Capacity Information – This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.

Debt Capacity Information – This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay the debt, and to issue additional debt in the future.

Demographic and Economic Information – This section contains schedules that provide an understanding of the environment within which the District's financial activities take place.

Operating Information – This section contains schedules that provide information about the services the District provides and the activities it performs; such as, employees and facilities of the District.

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FINANCIAL TRENDS INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN YEARS

	2016	2017	2018 *	2019	2020
Governmental Activities					
<i>Net Investment in Capital Assets</i>	\$70,172,243	\$53,852,720	\$68,417,270	\$64,654,480	\$67,359,544
<i>Restricted</i>	20,308,022	31,073,280	34,045,172	19,951,983	18,907,287
<i>Unrestricted</i>	11,348,644	9,316,031	(92,484,770)	(81,580,218)	(87,504,983)
 <i>Total Net Position</i>	 \$101,828,909	 \$94,242,030	 \$9,977,672	 \$3,026,245	 \$ (1,238,152)

Source: Financial Statements and Independent Auditors' Report
Statement of Net Position (Exhibit A-1)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30
*Implementation of GASB 75
**Implementation of GASB 101

TABLE L-1

2021	2022	2023	2024	2025 **
\$67,097,951	\$66,904,615	\$65,732,749	\$67,705,155	\$80,398,456
14,223,015	12,009,680	10,645,411	19,378,671	6,420,585
(78,645,669)	(65,268,652)	(46,074,030)	(43,340,485)	(56,476,614)
\$ 2,675,298	\$ 13,645,643	\$ 30,304,130	\$ 43,743,341	\$ 30,342,426

WESLACO INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL ACTIVITIES EXPENSES AND PROGRAM REVENUES
LAST TEN YEARS

Expenses	2016	2017	2018 *	2019
<i>Governmental Activities:</i>				
<i>Instruction</i>	\$93,758,756	\$92,471,673	\$61,875,457	\$95,436,737
<i>Instructional Resource and Media Services</i>	3,407,707	3,270,878	2,133,005	3,392,142
<i>Curriculum and Staff Development</i>	7,866,159	6,672,451	3,444,618	6,150,592
<i>Instructional Leadership</i>	1,958,667	2,102,624	1,457,965	2,382,522
<i>School Leadership</i>	5,347,324	5,525,639	4,182,155	6,132,735
<i>Guidance, Counseling and Evaluation Services</i>	6,457,628	6,274,128	3,675,415	6,769,747
<i>Social Work Services</i>	1,893,278	2,078,113	1,123,254	1,462,253
<i>Health Services</i>	2,031,580	1,991,617	1,175,267	2,131,586
<i>Student Transportation</i>	4,372,443	4,841,325	4,463,629	5,186,794
<i>Food Services</i>	12,651,725	12,346,731	9,934,616	12,483,909
<i>Cocurricular/Extracurricular Activities</i>	8,388,595	8,491,903	6,951,528	8,646,890
<i>General Administration</i>	21,627,390	24,261,944	18,956,735	25,322,624
<i>Facilities Maintenance and Operations</i>	17,098,058	16,614,367	13,666,829	16,356,513
<i>Security and Monitoring Services</i>	2,057,040	2,235,845	1,685,302	2,538,862
<i>Data Processing Services</i>	2,163,703	2,034,553	1,639,951	2,225,427
<i>Community Services</i>	2,261,487	3,991,891	2,239,217	3,888,612
<i>Debt Service-Interest and Fees on Long Term Debt</i>	2,620,552	2,900,318	2,761,245	2,928,189
<i>Facilities Acquisition and Construction</i>	-	-	-	209,787
<i>Payments Related to Shared Services Arrangements</i>	-	-	-	-
<i>Payment to Juvenile Justice Alternative Ed. Prg</i>	239,520	248,000	129,946	80,582
<i>Other Intergovernmental Charges</i>	245,133	161,539	279,379	246,175
Total Governmental Activities Expenses	\$ 196,446,745	\$ 198,515,540	\$ 141,775,514	\$ 203,972,678
<i>Program Revenues</i>				
<i>Charges for Services:</i>				
<i>Instruction</i>	\$152,654	\$113,191	\$119,627	\$133,186
<i>Instructional Resources and Media Services</i>	83	470	121	-
<i>Curriculum and Staff Development</i>	269	367	182	605
<i>Instructional Leadership</i>	-	-	-	-
<i>School Leadership</i>	-	791	896	6,434
<i>Guidance, Counseling and Evaluation Services</i>	-	-	-	-
<i>Social Work Services</i>	-	-	-	-
<i>Health Services</i>	-	-	-	-
<i>Student Transportation</i>	20	15	4,302	21,025
<i>Food Services</i>	463,055	374,151	343,168	366,362
<i>Cocurricular/Extracurricular Activities</i>	593,179	602,391	609,479	670,225
<i>General Administration</i>	3,101,767	2,590,722	2,937,756	2,307,310
<i>Facilities Maintenance and Operations</i>	303,091	35,734	73,515	101,964
<i>Security and Monitoring Services</i>	-	-	-	-
<i>Data Processing Services</i>	-	-	-	-
<i>Community Services</i>	190,100	170,131	194,503	173,670
<i>Debt Service-Interest and Fees on Long Term Debt</i>	-	-	-	-
<i>Facilities Acquisition and Construction</i>	-	-	-	-
<i>Other Intergovernmental Charges</i>	-	-	-	-
<i>Operating Grants and Contributions</i>	42,251,555	41,621,847	11,559,296	41,652,961
<i>Capital Grants and Contributions</i>	-	-	-	-
Total Governmental Activities				
Program Revenues	\$ 47,055,774	\$ 45,509,811	\$ 15,842,845	\$ 45,433,741
Net Government Activities				
Revenue/(Expenses)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)

Source: Financial Statements and Independent Auditors' Report
Statement of Activities(Exhibit B-1)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30
*Implementation of GASB 75

TABLE L-2

2020	2021	2022	2023	2024	2025
\$105,000,280	\$100,410,445	\$87,215,143	\$103,433,069	\$107,185,873	\$109,390,074
3,778,530	3,596,076	3,171,683	3,533,694	3,545,817	3,668,636
8,242,148	7,582,845	6,145,143	2,884,443	2,801,711	2,626,968
2,602,581	2,374,248	1,912,459	2,863,368	3,122,051	3,534,426
6,917,888	6,478,937	5,098,741	9,888,779	9,579,678	9,920,106
7,683,091	7,271,716	6,427,660	7,800,278	8,016,185	8,491,722
1,422,668	1,263,214	887,796	986,907	922,063	580,251
2,535,787	2,412,946	2,769,198	2,680,265	2,499,543	2,225,129
5,114,576	4,427,142	4,167,353	6,002,038	5,837,647	6,213,361
11,777,372	11,775,865	9,518,394	12,364,774	12,296,505	13,679,801
8,587,794	6,557,145	7,245,687	8,903,700	9,455,832	9,649,933
21,989,362	26,477,291	22,862,775	27,179,611	29,550,811	29,634,198
17,892,505	19,074,364	15,045,414	19,176,373	19,758,261	21,055,948
3,527,828	2,387,880	2,448,670	3,528,441	3,420,597	3,849,814
2,368,371	2,609,708	2,125,849	2,832,481	2,842,893	3,126,912
4,001,334	3,998,704	1,864,414	2,424,153	2,595,918	2,678,790
2,649,331	2,345,521	1,627,229	1,766,903	3,626,035	8,616,104
200,435	-	-	-	-	57,585
-	-	-	-	340,911	402,314
85,635	100,000	-31,330	126,690	100,000	204,195
248,201	259,939	270,375	259,501	214,991	407,923
\$ 216,625,715	\$ 211,403,986	\$ 180,772,654	\$ 218,635,470	\$ 227,713,323	\$ 240,014,188
\$70,060	\$6,788	\$67,669	\$184,471	\$126,591	\$153,111
-	-	855	10,953	11,307	25,681
-	5	125	321	367	282
-	-	141	426	54	164
9,827	11,921	4,662	28,713	11,438	10,027
-	-	181	414	16	48
-	-	-	-	-	54
-	-	633	193	303	501
54,065	12,525	6,772	887	3,557	1,385
257,904	42,967	165,905	275,620	192,109	203,378
718,532	141,670	696,029	753,879	714,964	838,509
3,936,962	3,857,689	3,149,423	3,604,292	3,476,294	3,601,198
38,868	29,356	27,469	30,680	49,243	56,046
-	-	45	436	492	564
-	-	262	1,098	308	390
136,589	153,067	207,490	214,274	171,677	243,330
-	-	-	-	32	-
-	-	-	-	-	-
-	-	-	-	-	-
53,350,814	49,462,645	45,619,840	75,495,760	65,012,733	43,382,642
-	-	-	-	1,655,355	1,242,867
\$ 58,573,620	\$ 53,718,633	\$ 49,947,502	\$ 80,602,417	\$ 71,426,841	\$ 49,760,176
\$(158,052,095)	\$(157,685,353)	\$(130,825,152)	\$(138,033,053)	\$(156,286,483)	\$(190,254,012)

WESLACO INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUE AND CHANGES IN NET POSITION
LAST TEN YEARS

	2016	2017	2018 *	2019
Net Governmental Activities				
Revenue/(Expenses)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)
General Revenue and Changes in Net Position:				
<i>Governmental Activities:</i>				
<i>Property Taxes-General</i>	23,882,403	24,915,531	26,329,885	26,447,893
<i>Property Taxes-Debt Services</i>	17,547	13,984	469,888	473,001
<i>Grants & Contributions Not Restricted</i>	130,154,799	119,855,162	126,931,141	122,918,825
<i>Investment Earnings</i>	222,846	564,446	1,375,217	1,895,536
<i>Miscellaneous</i>	17,789	69,727	21,126	20,648
<i>Extraordinary Item-Net</i>	-	-	3,088,259	(399,642)
<i>Special Item - (Use)</i>	-	-	-	-
<i>Sale of Real Property</i>	-	-	-	-
<i>Transfers In (Out)</i>	-	-	-	-
Total Governmental Activities	154,295,385	145,418,850	158,215,514	151,356,262
Changes in Net Position	\$4,904,414	\$(7,586,879)	\$32,282,846	\$(7,182,676)

Source: Financial Statements and Independent Auditors' Report
Statement of Activities (Exhibit B-1)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30
*Implementation of GASB 75
**Implementation of GASB 101

TABLE L-3

2020	2021	2022	2023	2024	2025 **
\$(158,052,095)	\$(157,685,353)	\$(130,825,152)	\$(138,033,053)	\$(156,286,483)	\$(190,254,012)
25,165,883	26,279,167	26,574,436	28,037,089	23,842,019	24,650,873
478,881	531,746	1,131,451	1,087,968	6,921,140	7,363,359
127,012,919	134,574,757	113,802,896	122,142,451	132,900,860	141,763,217
1,093,132	89,255	215,187	3,173,943	5,936,714	11,882,611
36,884	36,501	71,526	145,085	124,961	37,149
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
153,787,699	161,511,426	141,795,497	154,586,537	169,725,693	185,697,209
\$(4,264,397)	\$3,826,073	\$10,970,345	\$16,553,484	\$13,439,211	\$(4,556,802)

WESLACO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

	2016	2017	2018	2019
General				
POST GASB 54				
<i>Non-spendable:</i>				
<i>Inventories</i>	\$ 847,969	\$ 960,789	\$ 848,180	\$ 992,097
<i>Prepaid Items</i>	1,584,354	1,379,451	1,350,744	1,401,976
<i>Restricted:</i>				
<i>Federal/State Funds Grant Restrictions</i>	7,302,864	5,093,955	5,862,080	5,177,298
<i>Other Restrictions of Fund Balance</i>	-	-	-	-
<i>Assigned:</i>				
<i>Construction</i>	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	3,169,825
<i>Other</i>	19,470,602	23,385,542	15,800,786	115,821
<i>Unassigned:</i>	17,000,000	17,500,000	18,000,000	38,089,304
Total General Fund Balance	\$ 46,205,789	\$ 48,319,737	\$ 41,861,790	\$ 48,946,321
All Other Governmental Funds				
POST GASB 54				
<i>Restricted:</i>				
<i>Federal/State Funds Grant Restrictions</i>	\$ 10,668	\$ 10,668	\$ -	\$ -
<i>Capital Acquisition and Contractual Obligation</i>	4,278,991	21,250,253	23,768,132	10,150,363
<i>Retirement of Long Term Debt</i>	7,427,367	3,306,023	2,993,691	4,122,147
<i>Other Restrictions of Fund Balance</i>	-	-	-	-
<i>Committed:</i>				
<i>Construction</i>	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-
<i>Other Commitments of Fund Balance</i>	270,009	244,819	243,452	249,365
<i>Assigned:</i>				
<i>Construction</i>	-	-	-	-
<i>Other</i>	9,584	9,584	9,584	9,284
<i>Unassigned:</i>	-	-	-	-
<i>Total All</i>	11,996,619	24,821,347	27,014,860	14,531,159
Total Governmental Funds -Fund Balance	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650	\$ 63,477,479
Governmental Funds -				
<i>Beginning Fund Balance</i>	\$ 42,552,172	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650
<i>Prior Period Adjustment</i>	4,810,995	-	-	(336,213)
<i>Net Change in Fund Balance</i>	10,839,242	14,938,675	(4,264,434)	(5,062,958)
Ending Fund Balance	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650	\$ 63,477,479

Source: Financial Statements and Independent Auditors' Report
Balance Sheet - Governmental Funds (Exhibit C-1) 2016-2025
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30
**Implementation of GASB 101

TABLE L-4

2020		2021		2022		2023		2024		2025 **	
\$	1,104,190	\$	1,324,486	\$	1,284,963	\$	1,280,741	\$	1,368,088	\$	1,060,922
	537,627		1,303,050		1,388,301		2,193,705		1,661,995		1,427,203
	6,574,402		6,948,370		7,481,618		8,853,182		7,960,481		6,346,699
	-		-		-		-		-		-
	-		-		-		8,000,000		7,000,000		9,125,950
	1,228,530		-		-		-		-		-
	63,400		252,880		1,131,072		242,269		2,094,036		219,060
	39,032,046		50,357,236		58,494,676		63,462,173		65,435,196		52,929,421
\$	48,540,195	\$	60,186,022	\$	69,780,631	\$	84,032,070	\$	85,519,797	\$	71,109,255

\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	10,723,179		5,405,526		3,897,800		2,179,139		171,034,751		159,565,516
	3,291,769		2,520,676		1,689,507		17,548		1,653,288		2,363,643
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	316,891		389,959		490,234		552,974		513,786		549,619
	-		-		-		-		-		742,219
	44,321		40,864		40,949		40,742		40,115		40,332
	-		-		-		-		-		-
	14,376,159		8,357,024		6,118,491		2,790,404		173,241,940		163,261,329
\$	62,916,354	\$	68,543,046	\$	75,899,122	\$	86,822,474	\$	258,761,737	\$	234,370,584

\$	63,477,479	\$	62,916,354	\$	68,543,046	\$	75,899,122	\$	86,822,474	\$	258,761,737
	-		87,377		-		-		-		-
	(561,125)		5,539,315		7,356,076		10,923,352		171,939,263		(24,391,153)
\$	62,916,354	\$	68,543,046	\$	75,899,122	\$	86,822,474	\$	258,761,737	\$	234,370,584

WESLACO INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND REVENUE BY SOURCE
LAST TEN YEARS

Fiscal Year	Local and Intermediate Sources			State Programs
	Property Tax	Investment Income	Other	Per Capita and Foundation
2016	23,878,352	206,734	1,738,866	128,561,142
2017	24,900,863	561,541	1,416,357	120,529,452
2018	26,172,229	1,341,246	2,303,180	125,377,866
2019	26,032,561	1,835,856	2,344,241	121,882,771
2020	25,000,546	1,059,301	2,017,966	126,934,947
2021	26,169,473	82,004	1,334,657	134,183,191
2022	27,064,049	201,234	1,920,880	113,612,633
2023	28,292,078	3,043,115	2,624,191	122,133,121
2024	29,134,443	5,765,781	2,372,724	132,707,885
2025	31,612,208	11,835,922	2,491,936	142,510,539

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-5

State Programs		Federal Programs	Total
On Behalf TRS Payments	Other		
5,854,875	3,655,672	31,065,845	194,961,485
4,813,494	1,596,924	33,226,272	187,044,904
7,519,851	4,394,436	31,640,576	198,749,384
7,306,859	3,430,201	31,120,740	193,953,228
8,432,280	2,173,740	35,508,235	201,127,015
7,848,777	1,337,825	37,566,355	208,522,283
6,650,114	1,419,768	45,431,279	196,299,955
8,403,465	1,665,917	68,178,536	234,340,423
8,523,351	3,296,715	59,311,331	241,112,229
9,881,116	4,993,032	36,187,073	239,511,826

WESLACO INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS

	Instructional And	Instructional	Support		Support	
	Instructional	and	Services	Administrative	Services	
Fiscal	Related	School	Student	Support	Non-Student	Ancillary
Year	Services	Leadership	Other	Services	Based	Services
2016	103,403,648	7,333,985	35,547,335	4,818,619	21,667,224	2,109,182
2017	103,876,653	7,848,224	37,345,499	5,056,378	21,649,161	3,853,593
2018	106,669,533	9,111,967	42,080,897	5,387,771	23,865,350	3,754,897
2019	106,858,463	8,787,835	35,857,976	5,086,076	23,396,398	3,734,906
2020	113,652,568	9,390,234	35,224,338	5,047,190	25,097,258	3,743,556
2021	114,697,784	9,228,453	33,062,768	5,618,825	24,823,898	3,929,140
2022	111,464,195	8,301,241	33,550,108	4,945,072	21,637,730	2,108,712
2023	123,805,219	14,396,266	40,916,973	5,975,036	27,799,794	2,646,402
2024	124,652,277	13,982,502	40,352,930	5,897,832	27,657,763	2,736,850
2025	129,888,275	15,389,136	44,461,382	6,661,243	32,079,067	2,992,137

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-6

Debt Service Principal	Service Interest and Other	Debt Service Other Fees	Facilities	Inter- Governmental Charges	Total Governmental Fund Expenditures	Ratio of
			Acquisition & Construction- Capital Outlay			Debt Services to Non-Capital Expenditures
4,947,000	2,668,955	3,455	1,155,976	484,653	184,140,033	4.20%
4,654,000	2,191,565	491,418	1,162,753	409,539	188,538,783	3.72%
4,443,492	3,009,612	2,825	9,202,858	409,325	207,938,527	3.89%
3,636,567	2,932,269	113,969	13,713,224	326,757	204,444,440	3.48%
3,657,030	2,871,403	2,150	2,705,463	333,836	201,725,025	3.31%
3,746,690	2,742,257	1,700	4,808,015	359,939	203,019,468	3.28%
4,100,896	1,388,898	212,119	1,490,951	239,045	189,438,967	2.93%
4,348,375	2,244,782	3,095	1,649,647	386,191	224,171,780	2.98%
4,532,715	2,148,825	1,562,575	3,190,817	655,903	227,370,988	3.01%
3,714,638	6,823,227	2,683	20,149,597	1,014,432	263,175,817	4.41%

WESLACO INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS OTHER SOURCES, USES
AND CHANGES IN FUND BALANCES
LAST TEN YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Excess of Revenue Over				
(Under) Expenditures	\$10,821,452	\$(1,493,880)	\$(9,189,142)	\$(10,491,212)
Other Financing Sources (Uses)				
Issuance of Bonds	-	-	-	4,905,000
Refunding Bonds Issued	-	19,470,000	-	-
Sale of Real and Personal Property	17,789	69,727	21,126	20,648
Proceeds from Sales of Capital Assets	-	-	-	-
Issuance of Capital Leases	-	-	1,577,168	-
Proceeds from Right-to-use Leased Assets	-	-	-	-
Issuance of Loans	-	15,020,000	-	1,304,339
Issuance on Non-Current Debt	-	-	-	-
Transfer In	5,700,039	21,609,631	14,359,549	3,608,923
Premium on Issuance of Bonds	-	4,623,821	-	209,705
Proceeds from SBITA Agreements	-	-	-	-
Transfer Out	(5,700,039)	(22,749,631)	(18,519,549)	(3,608,923)
Other Uses	-	(21,610,993)	-	(1,194,493)
Total Other Financing Sources (Uses)	17,789	16,432,555	(2,561,706)	5,245,198
Special Items				
Extraordinary Items (Resources)	-	-	7,486,415	183,056
Net Changes in Fund Balances	<u>\$10,839,242</u>	<u>\$14,938,675</u>	<u>\$(4,264,434)</u>	<u>\$(5,062,958)</u>

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-7

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$(598,010)	\$5,502,815	\$6,860,988	\$10,168,643	\$13,741,241	\$(23,663,992)
-	-	-	-	155,345,000	-
-	-	11,844,977	-	-	-
36,884	36,501	71,526	147,008	22,951	37,149
-	-	-	-	-	-
-	-	-	-	-	-
-	-	48,547	329,290	234,153	19,090
-	-	161,475	-	-	546,600
-	-	-	-	-	-
5,816,000	2,159,528	-	275,000	10,200,000	-
-	-	1,373,505	-	6,173,233	-
-	-	-	278,411	-	-
(5,816,000)	(2,159,528)	-	(275,000)	(11,100,000)	(1,330,000)
-	-	(13,004,943)	-	(2,677,316)	-
36,884	36,501	495,088	754,709	158,198,022	(727,161)
-	-	-	-	-	-
<u>\$(561,125)</u>	<u>\$5,539,315</u>	<u>\$7,356,076</u>	<u>\$10,923,352</u>	<u>\$171,939,263</u>	<u>\$(24,391,153)</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
PER AVERAGE DAILY ATTENDANCE
LAST TEN YEARS

		Instructional and	Instructional	Support	
	Average	Instructional	and	Services	Administrative
Fiscal	Daily	Related	School	Student	Support
Year	Attendance	Services	Leadership	Other	Services
2016	16,333	6,331	449	2,176	295
2017	16,096	6,453	488	2,320	314
2018	15,906	6,706	573	2,646	339
2019	15,851	6,742	554	2,262	321
2020	15,094	7,530	622	2,334	334
2021	14,986	7,654	616	2,206	375
2022	13,660	8,160	608	2,456	362
2023	13,622	9,089	1,057	3,004	439
2024	14,526	8,581	963	2,778	406
2025	14,434	8,999	1,066	3,080	461

Source: Financial Statements and Independent Auditors' Report
PEIMS DATA Report (PFR7D001) 2016-2021
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-8

Support		Debt				
Services		Debt	Service		Inter-	Total
Non-Student	Ancillary	Service	Interest	Capital	Governmental	Governmental
Based	Services	Prinicpal	and Other	Outlay	Charges	Fund
						Expenditures
1,327	129	303	164	71	30	11,274
1,345	239	289	167	72	25	11,713
1,500	236	279	189	579	26	13,073
1,476	236	229	192	865	21	12,898
1,663	248	242	190	179	22	13,365
1,656	262	250	183	321	24	13,547
1,584	154	300	117	109	18	13,869
2,041	194	319	165	121	28	16,457
1,904	188	312	256	220	45	15,653
2,222	207	257	473	1,396	70	18,233

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REVENUE CAPACITY INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year	Assessed Value		
	Real Property	Personal Property & Mineral	Less Exemptions
2016	2,732,705,107	303,776,931	978,383,407
2017	2,835,567,160	312,988,562	978,848,754
2018	3,007,673,308	319,921,470	1,035,482,609
2019	3,057,178,970	302,968,791	1,057,546,087
2020	3,155,166,207	321,881,136	1,067,911,246
2021	3,391,379,928	307,500,112	1,140,568,517
2022	3,595,900,905	321,423,038	1,189,716,279
2023	4,082,635,741	357,545,737	1,445,357,246
2024	5,061,690,399	390,104,589	1,771,425,419
2025	5,446,362,977	412,105,053	2,375,573,791

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Assessment Roll Grand Totals from Hidalgo County Appraisal District (Supplement I)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-9

		Ratio of Total	
		Taxable Assessed Value	
Total Taxable	Estimated Actual	to Estimated	Total Direct
Assessed Value	Taxable Value	Actual Taxable Value	Tax Rate
2,058,098,631	3,036,482,038	67.78%	1.1397
2,169,706,968	3,148,555,722	68.91%	1.1397
2,292,112,169	3,327,594,778	68.88%	1.1597
2,302,601,674	3,360,147,761	68.53%	1.1597
2,409,136,097	3,477,047,343	69.29%	1.0687
2,558,311,523	3,698,880,040	69.16%	1.0189
2,727,607,664	3,917,323,943	69.63%	0.9807
2,994,824,232	4,440,181,478	67.45%	0.9593
3,680,369,569	5,451,794,988	67.51%	0.9464
3,482,894,239	5,858,468,030	59.45%	0.9481

WESLACO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Total Original Tax Levy	Total Adjusted Tax Levy	Collected within the Fiscal year of Levy	
			Amount	% of Original Levy
2016	23,079,685	22,991,371	21,886,165	94.83%
2017	24,363,529	24,018,324	22,896,620	93.98%
2018	26,145,817	26,015,647	24,951,740	95.43%
2019	26,276,635	26,073,936	24,981,509	95.07%
2020	25,421,226	25,106,311	24,037,947	94.56%
2021	25,670,034	25,973,424	25,064,319	97.64%
2022	26,211,702	27,179,730	25,989,535	99.15%
2023	28,409,990	28,161,728	26,890,153	94.65%
2024	29,972,406	29,437,887	28,396,076	94.74%
2025	32,037,095	32,074,760	30,326,164	94.66%

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-10

Collection Subsequent	Total Collections to Date	
	Amount	% of Adjusted Levy
Years		
1,024,445	22,910,609	99.65%
1,032,002	23,928,622	99.63%
970,824	25,922,564	99.64%
981,854	25,963,363	99.58%
939,077	24,977,025	99.49%
762,739	25,827,058	99.44%
979,505	26,969,040	99.22%
928,972	27,819,125	98.78%
386,287	28,782,364	97.77%
N/A	30,326,164	94.55%

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TABLE L-11

WESLACO INDEPENDENT SCHOOL DISTRICT
ALLOCATION OF PROPERTY TAX RATES AND LEVIES
LAST TEN YEARS

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	Debt			Debt		Original
	General	Service	Total	General	Service	Levy
	Fund	Fund		Fund	Fund	Total
2016	1.1397	0.0000	1.1397	23,079,685	-	23,079,685
2017	1.1397	0.0000	1.1397	24,363,529	-	24,363,529
2018	1.1397	0.0200	1.1597	25,694,911	450,907	26,145,817
2019	1.1397	0.0200	1.1597	25,823,473	453,163	26,276,635
2020	1.0487	0.0200	1.0687	24,945,485	475,741	25,421,226
2021	0.9989	0.0200	1.0189	25,166,157	503,877	25,670,034
2022	0.9407	0.0400	0.9807	25,142,601	1,069,102	26,211,702
2023	0.9233	0.0360	0.9593	27,343,838	1,066,152	28,409,990
2024	0.7314	0.2150	0.9464	23,163,375	6,809,031	29,972,406
2025	0.7291	0.2190	0.9481	24,636,901	7,400,194	32,037,095

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Detail General Ledger Reports
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 ASSESSED VALUATION)
LAST TEN YEARS

<u>Fiscal</u> <u>Year</u>	<u>Tax</u> <u>Year</u>	<u>Hidalgo</u> <u>County</u>	<u>South</u> <u>Texas ISD</u>	<u>Drainage</u> <u>District No.1</u>	<u>Weslaco</u> <u>ISD</u>
2016	2015	0.5900	0.0492	0.0951	1.1397
2017	2016	0.5800	0.0492	0.0951	1.1397
2018	2017	0.5800	0.0492	0.0951	1.1597
2019	2018	0.5800	0.0492	0.0951	1.1597
2020	2019	0.5750	0.0492	0.1051	1.0687
2021	2020	0.5750	0.0492	0.1026	1.0189
2022	2021	0.5750	0.0492	0.1264	0.9807
2023	2022	0.5750	0.0492	0.1179	0.9593
2024	2023	0.5750	0.0492	0.1139	0.9464
2025	2024	0.5750	0.0492	0.1123	0.9481

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-12

		Total Direct	Original
	City of	and	Levy
STC	Weslaco	Overlapping	Total
0.1850	0.6767	2.7357	23,079,685
0.1850	0.6667	2.7157	24,363,529
0.1780	0.6667	2.7287	26,145,817
0.1780	0.6667	2.7287	26,276,635
0.1733	0.6967	2.6680	25,421,226
0.0492	0.6967	2.4916	25,670,034
0.1715	0.6967	2.5995	26,211,702
0.1615	0.6967	2.5596	28,409,990
0.1562	0.6867	2.5274	29,972,406
0.1620	0.6867	2.5333	32,037,095

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
2025 AND 2016

		Fiscal Year 2025	
		Tax Year 2024 Assessed Valuation	Percentage Total Assessed Valuation
1	H.E.Butt Grocery Company	\$41,824,703	1.29%
2	AEP Texas Central Co.	39,725,250	1.22%
3	HEB Weslaco Transportation	22,680,040	0.70%
4	Wal-Mart Real Estate Business TR	18,475,000	0.57%
5	Glazer's Weslaco 2 LLC	15,701,856	0.48%
6	Santa Anna LLC	14,188,950	0.44%
7	CAPCOR Weslaco LTD	13,914,572	0.43%
8	G3C Weslaco Westgate LLC	13,250,000	0.41%
9	Wesfar Apts LLC	12,800,000	0.39%
10	Llano Grande MHRV LLC	12,778,860	0.39%
		\$205,339,231	6.33%

Source: Hidalgo Appraisal District
Top Taxpayer 2025 & 2016
Weslaco Approval Tax Roll

TABLE L-13

		Fiscal Year 2016	
		Tax Year 2015 Assessed Valuation	Percentage Total Assessed Valuation
1	H.E.Butt Grocery Company	\$37,016,524	1.83%
2	Pioneer Hi-Bred Int'l INC	35,134,207	1.74%
3	AEP Texas Central Co.	18,971,970	0.94%
4	Clearview Weslaco LLP	18,325,026	0.91%
5	HEB Weslaco Transportation	17,894,167	0.89%
6	CAPCOR Weslaco, LTD	16,131,947	0.80%
7	Wal-Mart Real Estate Business TR	11,555,858	0.57%
8	Woodcrafters Home Products LLC	10,292,837	0.51%
9	Woodcrafters Home Products LLC	8,569,331	0.42%
10	JCPenney #1101	7,899,899	0.39%
		\$181,791,766	9.01%

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DEBT CAPACITY INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt		
	General					
	Obligation	Premium on	Accretion	Maintenance	Premium/(Discount)	Loans
	Bonds	Bonds	of Bonds	Tax Notes	on Tax Notes	Payable
2016	51,110,000	4,887,934	-	13,239,000	(3,028)	-
2017	47,515,000	7,622,679	-	26,295,000	2,215,439	-
2018	44,815,000	7,363,577	-	24,614,000	2,219,699	-
2019	42,840,000	7,114,685	-	28,082,000	2,422,484	1,304,339
2020	40,775,000	6,805,326	-	26,653,000	2,387,811	1,203,801
2021	38,610,000	6,424,531	-	25,212,000	2,343,027	1,096,236
2022	36,339,977	5,170,033	15,018	23,745,000	2,289,808	1,087,485
2023	33,954,977	4,679,142	67,180	22,246,000	2,196,331	862,740
2024	184,199,977	9,727,165	120,754	20,715,000	2,086,180	736,809
2025	182,624,977	9,579,650	175,542	19,147,000	1,967,230	604,136

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements Long-Term Debt Obligations 2016-2025
Academic Excellence Indicator System (AEIS Report)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-14

Other Governmental Activities Debt					Ratio of Total	Total Debt
			**Total Debt		Debt to Estimated	to Average
Lease	SBITA	Total	to Personal	***Total Debt	Actual	Daily
Payable	Liability	Debt	Income	to Per Capita	Taxable Value	Membership
-	-	69,233,906	10.07%	1,729	2.28%	4,063
-	-	83,648,118	12.04%	2,073	2.66%	5,001
1,514,676	-	80,526,952	11.58%	2,019	2.42%	4,855
95,617	-	81,859,125	11.14%	1,988	2.44%	5,019
33,125	-	77,858,062	10.91%	1,852	2.24%	4,961
-	-	73,685,794	9.69%	1,739	1.99%	4,632
361,446	-	69,008,767	8.16%	1,676	1.76%	4,602
400,767	332,194	64,739,330	7.99%	1,578	1.46%	4,434
379,075	217,255	218,182,215	23.38%	5,068	4.00%	14,119
201,073	521,983	214,821,589	21.22%	4,897	3.67%	14,005

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WESLACO INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING DEBT
GOVERNMENTAL ACTIVITIES DEBT

TABLE L-15

Political Subdivision	*Gross Debt Amounts		As of	**Percentage Applicable to WISD	***Estimated Share of Direct and Overlapping Debt
DIRECT DEBT					
<i>Weslaco ISD</i>	\$214,821,589	*	6/30/2025	100.00%	\$214,821,589
					<u>\$214,821,589</u>
OVERLAPPING DEBT					
<i>City Of Weslaco</i>	\$76,116,000	*	6/30/2025	99.30%	\$75,583,188
<i>Hidalgo County</i>	379,475,000	*	6/30/2025	7.88%	29,902,630
<i>City Of Mercedes</i>	27,085,000	*	6/30/2025	17.38%	4,707,373
<i>Hidalgo Co Drainage District #1</i>	249,590,000	*	6/30/2025	8.18%	20,416,462
<i>South Texas College</i>	85,419,693	*	6/30/2025	7.42%	6,338,141
<i>Total Net Overlapping Debt</i>					<u>136,947,794</u>
<i>Total Direct and Overlapping Debt:</i>					<u><u>\$351,769,383</u></u>

Percent of Assessed Valuation: 9.93%

Direct Overlapping Debt per Capita: \$4,608

* Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self supporting debt.
Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

** Overlapping percentage is calculated as follows:
Shared market value between entities from the Appraisal
District divided by the total market value of each entity.

*** The overlapping debt is calculated as follows:
The gross debt multiplied by the overlapping percentage = overlapping debt

Source: Municipal Advisory Council of Texas

WESLACO INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

	2016	2017	2018	2019
Assessed Valuation	<u>\$ 2,058,098,631</u>	<u>\$ 2,169,706,968</u>	<u>\$ 2,292,112,169</u>	<u>\$ 2,302,601,674</u>
Debt Limit-10% of				
Assessed Valuation	\$205,809,863	\$216,970,697	\$229,211,217	\$230,260,167
General Obligation Bonds	51,110,000	47,515,000	44,815,000	42,840,000
Deduct Amount Available in				
Debt Services Fund	<u>(7,427,367)</u>	<u>(3,306,023)</u>	<u>(2,993,691)</u>	<u>(4,122,147)</u>
Net General Bonded Debt	43,682,633	44,208,977	41,821,309	38,717,853
Maintenance Tax Note	13,239,000	26,295,000	24,614,000	28,082,000
Loans Payable	-	-	-	1,304,339
Leases Payable	-	-	1,514,676	95,617
SBITA Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less : Applicable Debt Margin	<u>56,921,633</u>	<u>70,503,977</u>	<u>67,949,985</u>	<u>68,199,809</u>
Legal Debt Margin	<u><u>\$148,888,230</u></u>	<u><u>\$146,466,720</u></u>	<u><u>\$161,261,232</u></u>	<u><u>\$162,060,358</u></u>
Debt Margin as a Percentage of the Debt Limit	72.34%	67.51%	70.35%	70.38%

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements Computation of ECISD's Legal Debt Margin
Notes to Financial Statements Long-Term Debt Obligations 2016-2025
Tax Roll Report Hidalgo County Tax Assessor
Budgetary Comparison Schedule Exhibit J-4
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-16

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>\$2,409,136,097</u>	<u>\$2,558,311,523</u>	<u>\$2,727,607,664</u>	<u>\$2,994,824,232</u>	<u>\$3,680,369,569</u>	<u>\$3,482,894,239</u>
\$240,913,610	\$ 255,831,152	\$ 272,760,766	\$ 299,482,423	\$ 368,036,957	\$ 348,289,424
40,775,000	38,610,000	36,339,977	33,954,977	184,199,977	182,624,977
<u>(3,291,769)</u>	<u>(2,520,676)</u>	<u>(1,689,507)</u>	<u>(17,548)</u>	<u>(1,653,288)</u>	<u>(2,363,643)</u>
37,483,231	36,089,324	34,650,470	33,937,430	182,546,689	180,261,334
26,653,000	25,212,000	23,745,000	22,246,000	20,715,000	19,147,000
1,203,801	1,096,236	1,087,485	862,740	736,809	604,136
33,125	-	361,446	400,767	379,075	201,073
<u>-</u>	<u>-</u>	<u>-</u>	<u>332,194</u>	<u>217,255</u>	<u>521,983</u>
<u>65,373,157</u>	<u>62,397,560</u>	<u>59,844,401</u>	<u>57,779,130</u>	<u>204,594,828</u>	<u>200,735,525</u>
<u>\$175,540,453</u>	<u>\$193,433,592</u>	<u>\$212,916,366</u>	<u>\$241,703,293</u>	<u>\$163,442,129</u>	<u>\$147,553,899</u>
72.86%	75.61%	78.06%	80.71%	44.41%	42.37%

WESLACO INDEPENDENT SCHOOL DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ESTIMATED ACTUAL TAXABLE VALUE AND
PER AVERAGE DAILY MEMBERSHIP
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Bonds</u>	<u>Premium on Bonds</u>	<u>Accretion of Bonds</u>
2016	17,041	3,036,482,038	51,110,000	4,887,934	-
2017	16,727	3,148,555,722	47,515,000	7,622,679	-
2018	16,585	3,327,594,778	44,815,000	7,363,577	-
2019	16,311	3,360,147,761	42,840,000	7,114,685	-
2020	15,693	3,477,047,343	40,775,000	6,805,326	-
2021	15,909	3,698,880,040	38,610,000	6,424,531	-
2022	14,994	3,917,323,943	36,339,977	5,170,033	15,018
2023	14,600	4,440,181,478	33,954,977	4,679,142	67,180
2024	15,453	5,451,794,988	184,199,977	9,727,165	120,754
2025	15,339	5,858,468,030	182,624,977	9,579,650	175,542

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements Long-Term Debt Obligations 2016-2025
Assessment Roll Grand Totals Hidalgo County Tax Assessor-Collector
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-17

Less: Amount Available In Debt Service	Net Bonded Debt	Net Bonded Debt to Estimated Actual Taxable Value	General Obligation Bonds Per Average Daily Membership
7,427,367	48,570,567	1.60%	2,999
3,306,023	51,831,656	1.65%	2,841
2,993,691	49,184,885	1.48%	2,702
4,122,147	45,832,538	1.36%	2,626
3,291,769	44,288,557	1.27%	2,598
2,520,676	42,513,855	1.15%	2,427
1,689,507	39,835,521	1.02%	2,424
17,548	38,683,752	0.87%	2,326
1,653,288	192,394,608	3.53%	11,920
2,363,643	190,016,526	3.24%	11,906

TABLE L-18

WESLACO INDEPENDENT SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS

Fiscal Year	Principal	Interest*	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Total General Fund Expenditures
2016	3,030,000	2,521,713	5,551,713	158,759,955	3.50%
2017	2,690,000	2,094,150	4,784,150	159,717,528	3.00%
2018	2,700,000	2,086,500	4,786,500	171,381,789	2.79%
2019	1,975,000	1,977,425	3,952,425	167,792,464	2.36%
2020	2,065,000	1,886,025	3,951,025	169,638,517	2.33%
2021	2,165,000	1,788,075	3,953,075	169,720,400	2.33%
2022	2,270,000	868,425	3,138,425	153,849,713	2.04%
2023	2,385,000	1,316,245	3,701,245	169,468,481	2.18%
2024	2,505,000	1,226,531	3,731,531	176,705,766	2.11%
2025	1,575,000	5,959,232	7,534,232	211,837,277	3.56%

Source: Financial Statements and Independent Auditors' Report
 Budgetary Comparison Schedule Exhibit J-3, J-4
 Budgetary Comparison Schedule Exhibit C-5
 2016-2021 Fiscal Year End 8/31
 2022-2025 Fiscal Year End 06/30

DEMOGRAPHIC AND ECONOMIC INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CALENDAR YEAR 2025 AND 2016

Employer	2025		
	Employees	Rank	Percentage
<i>Weslaco Independent School District</i>	2,225	1	34.62%
<i>Pas Home Health</i>	980	2	15.25%
<i>Knapp Medical Center</i>	600	3	9.33%
<i>Idea Public Schools</i>	469	4	7.30%
<i>MasterBrand</i>	444	5	6.91%
<i>Wal-Mart</i>	425	6	6.61%
<i>HEB (3 locations)</i>	400	7	6.22%
<i>US Board Patrol</i>	380	8	5.91%
<i>Payne Auto Group</i>	255	9	3.97%
<i>Texas DPS</i>	250	10	3.89%
<i>Woodcrafters</i>			
<i>City of Weslaco</i>			
<i>South Texas College</i>			
<i>JC Penny</i>			
<i>Tx A&M University</i>			
<i>Total Top Ten</i>	6,428		100.00%

Source: Weslaco Economic Development Corporation
WorkForce Solutions

TABLE L-19

2016		
Employees	Rank	Percentage
2,603	1	44.29%
920	2	15.65%
399	4	6.79%
555	3	9.44%
307	6	5.22%
366	5	6.23%
279	7	4.75%
193	8	3.28%
150	9	2.55%
106	10	1.80%
5,878		100.00%

TABLE L-20

WESLACO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	Estimated Population	*Personal Income	*Per Capita Personal Income	Unemployment Rate	Average Daily Attendance	Percentage Economically Disadvantage Students
2016	40,033	687,726,907	17,179	9.70%	16,333	80.1%
2017	40,358	694,803,328	17,216	8.00%	16,096	81.7%
2018	39,881	695,325,235	17,435	7.90%	15,906	82.4%
2019	41,171	734,655,324	17,844	8.10%	15,851	85.6%
2020	42,038	713,595,050	16,975	12.40%	15,094	84.1%
2021	42,380	760,721,000	17,950	11.50%	14,986	84.7%
2022	41,170	845,961,160	20,548	9.00%	13,660	82.2%
2023	41,024	810,224,000	19,750	7.90%	13,622	82.7%
2024	43,053	933,044,616	21,672	8.30%	14,526	81.9%
2025	43,864	1,012,293,392	23,078	7.50%	14,434	81.2%

Source: U.S. Census Bureau 2016-2025
 Economagic.com
 PEIMS DATA +
 PEIMS Edit + Report (PRF7D001)
 Texas Academic Performance Report (TAPR formerly AEIS)
 2016-2021 Fiscal Year End 8/31
 2022-2025 Fiscal Year End 06/30
 * MSA statistics
 Department of Number website
 City of Weslaco
 Weslaco Chamber of Commerce
 Texas Hometown Locator Website

OPERATING INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
WORKFORCE COMPOSITION BY EMPLOYEE CLASSIFICATION
LAST TEN YEARS

<u>Classification</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Number of Employees</i>				
<i>Teachers</i>	1,084	1,094	1,105	1,101
<i>Professional Support</i>	228	241	238	226
<i>Campus Administration</i>	17	20	21	25
<i>Central Administration</i>	18	19	21	23
<i>Educational Aides</i>	176	204	205	203
<i>Auxiliary Staff</i>	<u>755</u>	<u>745</u>	<u>769</u>	<u>757</u>
<i>Total Employees</i>	<u>2,278</u>	<u>2,324</u>	<u>2,358</u>	<u>2,334</u>
<i>Percent of Total</i>				
<i>Teachers</i>	46.54%	47.09%	46.84%	47.16%
<i>Professional Support</i>	8.74%	10.39%	10.08%	9.67%
<i>Campus Administration</i>	1.80%	0.86%	0.89%	1.07%
<i>Central Administration</i>	0.30%	0.82%	0.89%	0.99%
<i>Educational Aides</i>	10.00%	8.78%	8.70%	8.70%
<i>Auxiliary Staff</i>	<u>32.62%</u>	<u>32.06%</u>	<u>32.60%</u>	<u>32.43%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports (PDM1-110-004)
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-21

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1,084	1,043	1,042	1,022	1,016	1,029
247	236	237	263	229	223
27	26	24	18	57	58
24	24	24	20	20	19
189	199	208	196	203	234
<u>724</u>	<u>700</u>	<u>678</u>	<u>702</u>	<u>701</u>	<u>735</u>
<u>2,295</u>	<u>2,227</u>	<u>2,214</u>	<u>2,221</u>	<u>2,225</u>	<u>2,297</u>
47.22%	46.83%	47.07%	46.02%	45.67%	44.79%
10.76%	10.60%	10.71%	11.84%	10.27%	9.69%
1.16%	1.15%	1.10%	0.81%	2.54%	2.50%
1.04%	1.08%	1.10%	0.90%	0.88%	0.83%
8.25%	8.93%	9.38%	8.82%	9.13%	10.19%
<u>31.56%</u>	<u>31.41%</u>	<u>30.64%</u>	<u>31.61%</u>	<u>31.51%</u>	<u>32.00%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION
LAST TEN YEARS

Fiscal Year	Bachelor's Degree		Master's Degree	
	Minimum	Maximum	Minimum	Maximum
2016	50,300	50,300	50,300	50,300
2017	50,300	50,300	50,300	50,300
2018	47,700	75,273	48,400	84,143
2019	48,100	76,103	48,100	85,080
2020	51,250	72,750	52,250	73,750
2021	51,150	79,860	51,800	88,068
2022	52,150	96,481	53,150	90,487
2023	53,500	91,656	54,280	108,470
2024	57,000	115,000	57,000	112,345
2025	36,645	112,345	57,000	92,126

Source: District's Human Resource Department
Texas Academic Performance Report (TAPR Report formerly AEIS)
PEIMS Edit + Reports Data Review PRF4D004
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-22

Doctorate Degree		Average Teacher's	Average Years of	Bachelor's	Master's
<u>Minimum</u>	<u>Maximum</u>	<u>Salary</u>	<u>Experience</u>	<u>Education</u>	<u>Education</u>
50,300	50,300	50,300	13.0	76.1%	18.5%
50,300	50,300	50,300	13.3	76.5%	20.8%
60,200	72,020	57,221	13.6	77.3%	20.3%
60,950	72,770	57,770	13.0	77.0%	23.0%
61,050	76,770	60,427	15.0	81.0%	18.0%
61,050	76,770	60,624	16.7	80.0%	20.0%
61,650	78,770	62,253	17.0	80.0%	20.0%
64,010	80,470	65,227	16.4	75.0%	23.7%
58,780	83,570	65,349	17.0	75.8%	22.7%
64,850	64,850	67,307	17.0	75.5%	23.0%

TABLE L-23

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF ATTENDANCE AND MEMBERSHIP
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Average Daily Membership</u>	<u>Percent of Attendance</u>
2016	16,333	17,041	95.85%
2017	16,096	16,727	96.23%
2018	15,906	16,585	95.91%
2019	15,851	16,311	97.18%
2020	15,094	15,693	96.18%
2021	14,986	15,909	94.20%
2022	13,660	14,994	91.10%
2023	13,622	14,600	93.30%
2024	14,526	15,453	94.00%
2025	14,434	15,339	94.10%

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports Data Review (PRF7D001)
TEA Budgeted Financial Data
2016-2021 Fiscal Year End 8/31
2022-2025 Fiscal Year End 06/30

TABLE L-24

WESLACO INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS TABLE
LAST TEN YEARS

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures*	Cost Per Pupil	Per Pupil Change	Governmental Operating Expenditures*	Cost Per Pupil	Per Pupil Change
2016	16,333	156,693,732	9,594	1.41%	175,364,647	10,737	0.83%
2017	16,096	157,300,562	9,772	1.86%	180,039,047	11,185	4.17%
2018	15,906	168,714,235	10,607	8.54%	191,279,740	12,026	7.52%
2019	15,851	165,063,333	10,414	-1.82%	184,048,410	11,612	-3.44%
2020	15,094	167,060,659	11,068	6.28%	192,488,980	12,753	9.83%
2021	14,986	167,184,078	11,156	0.79%	191,879,406	12,804	0.40%
2022	13,660	151,517,185	11,092	-0.57%	182,246,104	13,342	4.20%
2023	13,622	166,595,895	12,230	10.26%	215,925,881	15,851	18.81%
2024	14,526	173,741,088	11,961	-2.20%	215,936,056	14,865	-6.22%
2025	14,434	208,830,664	14,468	20.96%	232,485,673	16,107	8.35%

*General Fund and Governmental Operating Expenditures less debt service and capital projects (Function 70 and 80)

Source: PEIMS Edit + Reports Data Review (PRF7D001)
 Financial Statements and Auditors' Independent Report
 Statement of Activities (Exhibit C-3)
 Budgetary Comparison Schedule (Exhibit C-5)
 2016-2021 Fiscal Year End 8/31
 2022-2025 Fiscal Year End 06/30

TABLE L-25

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION
LAST TEN YEARS

Fiscal Year	Teacher/ Student Ratio	Percentage of Free and Reduced Lunch	Number of Economically Disadvantage Students	Percentage of Economically Disadvantage Students
2015	16.0	47.09%	12,878	74.0%
2016	16.4	51.58%	14,269	80.1%
2017	15.9	54.40%	14,228	81.7%
2018	15.5	58.27%	14,145	82.4%
2019	15.7	59.73%	14,786	85.6%
2020	15.8	54.28%	14,431	84.1%
2021	15.9	54.16%	14,033	84.7%
2022	15.0	49.56%	12,853	82.2%
2023	14.3	51.16%	13,632	82.7%
2024	16.2	70.11%	13,457	81.9%
2025	18.9	63.08%	13,225	81.2%

Source: PEIMS Edit + Reports Data Review (PDM1-100-012)
 Child Nutrition Program
 2016-2021 Fiscal Year End 8/31
 2022-2025 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDING AND PORTABLES
 JUNE 30, 2024

	Estimated Square Footage	Building Capacity	Portable Square Footage	Year built
<i>High Schools</i>				
<i>Weslaco High School</i>	365,516	3,000	320	1975
<i>Weslaco East High School</i>	339,369	3,000	-	2000
<i>South Palm Gardens High School</i>	10,973	275	3,762	1982
<i>Early College High School</i>	57,297	850	-	1962
Sub-Total	773,155	7,125	4,082	
<i>Middle Schools</i>				
<i>Mary Hoge Middle School</i>	140,792	1,425	-	1997
<i>Cuellar Middle School</i>	114,618	1,275	-	2011
<i>Central Middle School</i>	233,267	1,625	-	2010
<i>B Garza Middle School</i>	141,244	1,325	-	1997
Sub-Total	629,921	5,650	-	
<i>Elementary Schools</i>				
<i>F. D. Roosevelt Elementary</i>	91,766	1,034		2009
<i>Sam Houston Elementary</i>	99,316	968		2012
<i>Rodolfo Rudy Silva Jr. Elementary</i>	87,675	1,056		2002
<i>Justice A. Gonzalez Elementary</i>	92,875	1,078		2002
<i>Margo Elementary</i>	119,403	1,826		1983
<i>Airport Elementary</i>	126,953	1,276		1990
<i>Memorial Elementary</i>	126,953	1,298		1990
<i>North Bridge Elementary</i>	129,953	1,298		1992
<i>A.N. (Tony) Rico Elementary</i>	89,022	1,232		1994
<i>Cleckler-heald Elementary</i>	89,772	1,232		1994
<i>PFC Mario Ybarra Elementary</i>	96,250	1,078		2011
Sub-Total	1,149,938	13,376	-	
<i>Other</i>				
<i>Calvillo CATE Center</i>	64,440	350		2002
<i>Horton DAEP</i>	17,356	350	-	1924
Sub-Total	81,796	700	-	
Total	2,634,810	26,851	4,082	

Source: Weslaco ISD Facilities

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SINGLE AUDIT SECTION

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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
Weslaco 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, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material 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 2025-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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.

Carr, Riggs & Ingram, L.L.C.

McAllen, Texas
February 13, 2026



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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
Weslaco Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Weslaco Independent School District's ("the District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The 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 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 June 30, 2025.

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

Responsibilities of Management for Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Carr, Riggs & Ingram, L.L.C.

McAllen, Texas
February 13, 2026

**WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No |
| 4. Identification of major programs | |

Assistance Listing Number	Federal Program
10.553/10.555/10.582	Child Nutrition Cluster
84.367	Title II, Part A – Supporting Effective Instruction
84.424	Title IV, Part A – Student Support and Academic Enrichment Program

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$1,077,558 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | Yes |

**WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED JUNE 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference No.: 2025-001

Significant Deficiency Finding - Excess Expenditures Over Appropriations

Condition: As indicated in Exhibit C-5, the District's expenditures exceeded the budget in two functional areas: 11 (Instruction), 61 (Community Services), and 71 (Debt service – principal on long term debt).

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 reclassifications made for payroll expenses from a federal fund into general fund and insufficient budget for substitute expense. As well, as reclassification of SBITA principal payment.

Effect: The District incurred expenditures that were not budgeted in advance by staff and approved 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 COSTS

No findings noted.

**WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED JUNE 30, 2025**

Section IV – Prior Findings and Questioned Costs for Federal Awards

Financial Statement Findings:

No findings noted.

Federal Award Findings:

No prior findings noted.

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WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS THROUGH TO SUBRECIPIENTS FEDERAL EXPENDITURES
US DEPARTMENT OF EDUCATION			
Passed Through Region One Service Center			
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-25	\$ - \$ 94,319
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-24	- 17,171
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-23	- -
Total Assistance Listing Number 84.334			- 111,490
Total Passed Through Region One Service Center			- 111,490
Passed Through University of Texas - Rio Grande Valley			
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-25	- 192,177
Total Assistance Listing Number 84.334			- 192,177
Total Passed Through University of Texas - Rio Grande Valley			- 192,177
Passed Through Texas Education Agency			
Title I Grants to Local Educational Agencies	84.010	25610101108913	- 9,001,971
Title I Grants to Local Educational Agencies	84.010	24610101108913	- 220,565
Title I Grants to Local Educational Agencies	84.010	25610103108913	- 29,569
Total Assistance Listing Number 84.010			- 9,252,106
Title I Grants to Local Educational Agencies	84.010A	24601397110074	- 114,424
Total Assistance Listing Number 84.010A			- 114,424
Total Assistance Listing Number 84.010			- 9,366,530
Migrant Education-State Grant Program	84.011	25615001108913	- 387,362
Total Assistance Listing Number 84.011			- 387,362
Career and Technical Education-Basic Grants to States	84.048	25420006108913	- 357,042
Career and Technical Education-Basic Grants to States	84.048	24420006108913	- 16,709
Total Assistance Listing Number 84.048			- 373,751
Career and Technical Education-Basic Grants to States	84.048A	254200317110021	- 94,424
Total Assistance Listing Number 84.048A			- 94,424
Total Assistance Listing Number 84.048			- 468,175
Supporting Effective Instruction State Grants	84.367	25694501108913	- 1,022,028
Supporting Effective Instruction State Grants	84.367	24694501108913	- 116,364
Total Assistance Listing Number 84.367			- 1,138,392
English Language Acquisition State Grants	84.365A	25671001108913	- 404,373
English Language Acquisition State Grants	84.365A	24671001108913	- 1,326
Total Assistance Listing Number 84.365			- 405,699
Grants for State Assessments and Related Activities	84.369A	69552402	- 6,944
Grants for State Assessments and Related Activities	84.369A	69552302	- 7,347
Grants for State Assessments and Related Activities	84.369A	69552102	- 3,526
Total Assistance Listing Number 84.369A			- 17,817
Student Support and Academic Enrichment Program	84.424	25680101108913	- 707,672
Total Assistance Listing Number 84.424			- 707,672
Student Support and Academic Enrichment Program	84.424F	236811017110015	- 496,973
Total Assistance Listing Number 84.424F			- 496,973
Total Assistance Listing Number 84.424			- 1,204,645
Twenty-First Century Community Learning Centers	84.287C	256950407110009	55,000
Twenty-First Century Community Learning Centers	84.287C	256950337110049	- 1,992,369
Twenty-First Century Community Learning Centers	84.287C	246950337110012	- 81,595
Total Assistance Listing Number 84.287C			- 2,128,964
Education for Homeless Children and Youth	84.196A	254600057110034	14,789
Total Assistance Listing Number 84.196A			- 14,789
COVID-19 Education Stabilization Fund – ESSER III	84.425U	21528001108913	- 657,877
Total Assistance Listing Number 84.425U			- 657,877
COVID-19 Education Stabilization Fund – ARP Homeless II	84.425W	21533002108913	- 118,355
Total Assistance Listing Number 84.425W			- 118,355
Total Assistance Listing Number 84.425			- 776,232

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)	
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
*Special Education-Grants to States	84.027	256600011089136600	-	3,566,502
*Special Education-Grants to States	84.027	246600011089136600	-	457,254
Total Assistance Listing Number 84.027			-	4,023,756
*Special Education-Preschool Grants	84.173	246610011089136610	-	42,074
*Special Education-Preschool Grants	84.173	246610011089136610	-	3,211
Total Assistance Listing Number 84.173			-	45,284
Total Special Education Cluster (IDEA)			-	4,069,040
Total Passed Through Texas Education Agency			-	19,977,645
TOTAL DEPARTMENT OF EDUCATION			-	20,281,312
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medicaid Cluster-				
*Texas Health and Human Services Commission	93.778	HHS000537900156	-	293,017
Total Assistance Listing Number 93.778			-	293,017
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	293,017
US DEPARTMENT OF AGRICULTURE				
Passed through Texas Department of Agriculture:				
*School Breakfast Program	10.553	256TX332N1199	-	4,715,528
Total Assistance Listing Number 10.553			-	4,715,528
*COVID-19 National School Lunch Program (Supply Chain Assistance Grant)	10.555	256TX332N1199	-	355,388
*National School Lunch Program	10.555	256TX332N1199	-	8,898,056
Total Assistance Listing Number 10.555			-	9,253,444
* Fresh Fruits and Vegetables Program	10.582	256TX375L1603	-	316,288
Total Assistance Listing Number 10.582			-	316,288
Total Child Nutrition Cluster			-	14,285,259
Commodity Supplemental Food Program	10.565	256TX877Y8005	-	23,184
Total Assistance Listing Number 10.565			-	23,184
*Emergency Food Assistance Program (Food Commodities)	10.569	256TX332N1099	-	633,984
Total Assistance Listing Number 10.569			-	633,984
Total Food Distribution Cluster			-	657,168
Child and Adult Food Care Program (CACFP)	10.558	256TX352N2020	-	130,245
Total Assistance Listing Number 10.558			-	130,245
Child Nutrition Discretionary Grants Limited Availability	10.579	TBD	-	95
Total Assistance Listing Number 10.579			-	95
Total Passed Through Texas Department of Agriculture			-	15,072,768
TOTAL DEPARTMENT OF AGRICULTURE			-	15,072,768
US DEPARTMENT OF JUSTICE				
Passed through The Office of Community Oriented Policing Services				
Public Safety Partnership and Community Policing Grant	16.710	108-913	-	114,690
Total Assistance Listing Number 16.710			-	114,690
Total Passed Through The Office of Community Oriented Policing Services			-	114,690
TOTAL DEPARTMENT OF JUSTICE			-	114,690
US DEPARTMENT OF DEFENSE				
Direct Programs:				
Junior Reserve Officer Training Corps	12.U01	108-913	-	156,804
Total Assistance Listing Number 12.U01			-	156,804
TOTAL DEPARTMENT OF DEFENSE			-	156,804
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 35,918,591

* Clustered Programs

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Weslaco ISD. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Federal funds for R.O.T.C, the Child Nutrition Cluster, the Food Distribution Cluster, the Child and Adult Care Food Program, School Health and Related Services (SHARS), and revenues for indirect costs are reported in the General Fund. All other federal programs are accounted for and reported in Special Revenue Funds.

2. BASIS OF ACCOUNTING AND PRESENTATION

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund, or in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

The period performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Uniform Guidance Compliance Supplement.

3. SUB-RECIPIENTS

During the year ended June 30, 2025, the District had no sub-recipients.

4. INDIRECT COST RATE

Weslaco Independent School District has elected not to use the 10% of the minimis indirect cost rate allowed under the Uniform Guidance.

5. FEDERAL LOANS AND LOAN GUARANTEES

During the year ended June 30, 2025, the District had no outstanding federal loans payable or loan guarantees.

6. FEDERALLY FUNDED INSURANCE

During the year ended June 30, 2025, the District had no outstanding federally funded insurance.

7. NONCASH AWARDS

During the year ended June 30, 2025, the District received \$633,684 as non-cash assistance under the National School Lunch Program.

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.

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.

10. RECONCILIATION FROM THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE EXHIBIT C-3

Total Federal Award Expended	\$35,918,591
School Health and Related Services (SHARS) Revenue	<u>268,482</u>
Exhibit C-3	<u><u>\$36,187,073</u></u>

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CORRECTIVE ACTION

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OFFICE OF THE SUPERINTENDENT, DR. RICHARD RIVERA
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Weslaco Independent School District
Corrective Action plan
For the year ended June 30, 2025

Findings Related to the Financial Statements

2025-001 - Excess Expenditures Over Appropriations

Corrective Action Plan –Management agrees with the auditor’s recommendation. To address this issue, the District will strengthen its budgetary control procedures to ensure compliance with Texas Education Code §44.002 and TEA Financial Accountability System Resource Guide (FASRG), Module 1 requirements. Specifically, the Finance Department will:

1. Implement monthly budget-to-actual monitoring for all functional areas, with variance analyses reviewed by department directors and campus principals. The Finance Department will create monthly projections of payroll, on behalf, and non-payroll expenditures to identify and address potential variances promptly.
2. Require timely budget amendment submissions before exceeding functional category appropriations, ensuring all necessary adjustments are approved by the Board of Trustees in advance.
3. Conduct a comprehensive year-end review of all function codes to identify any negative balances. The Finance Department will prepare and submit final budget amendments in late June to ensure all functions are properly aligned and compliant before the fiscal year close.

Contact Person – Javiel Ruiz

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WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2025

<u>Data Codes</u>		<u>Responses</u>
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 Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	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, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 175,542

