



**Pharr-San Juan-Alamo
Independent School District**

FINANCIAL STATEMENTS

August 31, 2025

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INTRODUCTORY SECTION



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Pharr-San Juan-Alamo Independent School District
List of Principal Officials
August 31, 2025

Board of Trustees

President	Ricardo “Rick” Rodriguez
Vice President	Yolanda Castillo
Secretary	Ramona Barron
Member	Griselda Quintanilla
Member	Carlos G. Villegas, Jr.
Member	Diana Y. Serna
Member	Dr. Cynthia A. Gutierrez

Administration

Superintendent	Dr. Alejandro Elias
Chief Financial Officer	Rebecca Gonzales

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**Pharr-San Juan-Alamo Independent School District
Certificate of the Board
For the Year Ended August 31, 2025**

CERTIFICATE OF THE BOARD

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT,
HIDALGO COUNTY

County Number 108, District Number 909, Region Number 1

We the undersigned, do hereby certify that the audit report of the above named local education agency for the year ended August 31, 2025 was reviewed and ✓ approved disapproved at a meeting of the Board of such local education agency on the 23rd day of February 2026.



Signature of Board President
Ricardo Rodriguez



Signature of Board Secretary
Ramona Barron

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District (the "District"), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pharr-San Juan-Alamo Independent School District, as of August 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund, Pension and OPEB liabilities related schedules, and the related notes as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 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.

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

McAllen, Texas
February 23, 2026

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2025

This section of Pharr-San Juan-Alamo Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$338,433,239 for fiscal year ending August 31, 2025 after adjustment of (\$11,549,282) due to implementation of GASB 101, *Compensated Absences*. This amounted to net decrease of \$30,552,854 from last year's total of \$368,986,093 (Refer to Exhibit B-1).
- During the year, the District's expenses were \$19,003,572 more than the revenue generated in taxes and other revenues for governmental activities and business-type. The prior year expenses were \$9,944,974 more than revenues.
- The general fund reported a fund balance this year of \$94,272,371 with \$37,431,155 of this amount unassigned.

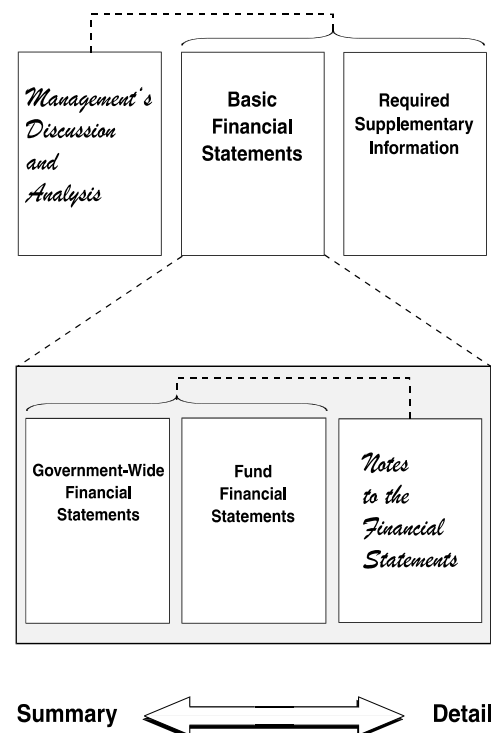
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



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

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

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

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire Agency’s government (except fiduciary funds) and the Agency’s component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else’s resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$338,433,239 on August 31, 2025. (See Table A-1).

Table A-1
District's Net Position

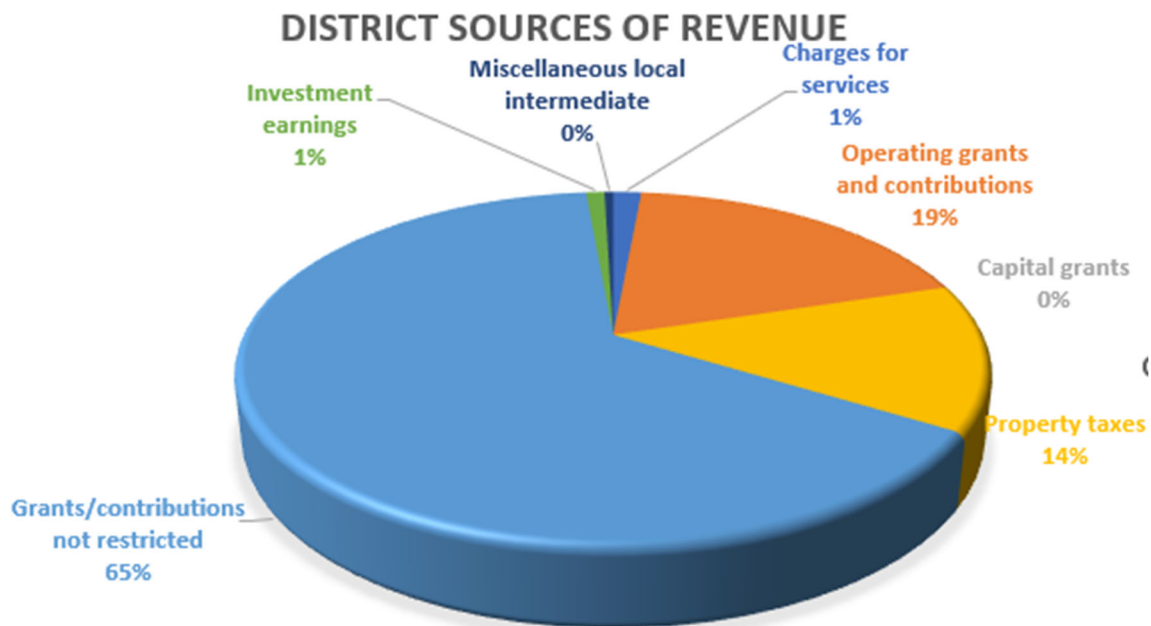
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 130,468,777	\$ 164,971,137	\$ 1,134,021	\$ 842,977	\$ 131,602,798	\$ 165,814,114
Capital and Non-Current Assets	710,687,726	720,743,309	-	-	710,687,726	720,743,309
Total Assets	841,156,503	885,714,446	1,134,021	842,977	842,290,524	886,557,423
Deferred Outflows of Resources	91,001,228	109,952,822	-	-	91,001,228	109,952,822
Current Liabilities	34,233,396	57,479,036	336,894	29,235	34,570,290	57,508,271
Long Term Liabilities	471,314,372	457,108,140	-	-	471,314,372	457,108,140
	505,547,768	514,587,176	336,894	29,235	505,884,662	514,616,411
Deferred Inflows of	88,973,851	112,907,741	-	-	88,973,851	112,907,741
Net Position:						
Net Investment in Capital Assets	492,861,360	492,821,218	-	-	492,861,360	492,821,218
Restricted	39,149,976	36,991,482	-	-	39,149,976	36,991,482
Unrestricted	(194,375,224)	(161,640,349)	797,127	813,742	(193,578,097)	(160,826,607)
	\$ 337,636,112	\$ 368,172,351	\$ 797,127	\$ 813,742	\$ 338,433,239	\$ 368,986,093

Net position of the District's Governmental activities is \$337,636,112. However, the majority of the net position is either invested in capital assets or is restricted as to the purposes they can be used for. The unrestricted net position is (\$194,375,224) at the end of this year because of the impact of changes on the pension, OPEB balances and compensated absences in the year, which left the District in a negative balance.

The net position of the District's business-type activities is \$797,127. These resources cannot be used in governmental activities. The District generally can only use these funds to finance the continuing operation for programs such as the College for All Conference, the District Billboard/Scoreboard, and the ACT/RGV program.

Changes in net position. The District’s total general revenues and program revenues were \$491,244,054. A significant portion (65%) of the District’s total revenue comes from grants and contributions (See Figure A-3.).

The total cost of all governmental programs and services was \$509,364,868; of these costs 54% are for instruction and instructional related services and student services.



Governmental Activities

- Investment income declined to \$4.6 million.
- The total tax rate for 2024-25 was \$1.016. For 2025-26, the tax rate will be \$1.011 remain the same. The district had a successful Tax Ratification Election in August 2011, at which time the debt service rate was .3192. Taxes, state funds, balances in the debt service fund and transfers from the general operating budget will continue to pay debt service payments for 2025-26. Since the District is required by the provisions of TEC 45.001(2) to levy and collect annual ad valorem taxes sufficient to pay the principal and interest on the bonds that will come due during the 2025-26 fiscal year, surplus funds will be transferred from the General Fund to the Debt Service Fund to meet 2025-26 principal and interest requirements on bonded debt.

Table A-2
Changes in District's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for services	\$ 7,069,526	\$ 6,877,689	\$ 1,389,572	\$ 842,018	\$ 8,459,098	\$ 7,719,707
Operating grants and contributions	91,812,896	118,233,438	-	-	91,812,896	118,233,438
General Revenues:						
Property taxes	66,096,689	62,698,681	-	-	66,096,689	62,698,681
Grants/contributions not restricted	318,024,667	304,010,770	-	-	318,024,667	304,010,770
Investment earnings	4,627,475	6,777,081	-	-	4,627,475	6,777,081
Miscellaneous local intermediate	2,223,229	715,393	-	-	2,223,229	715,393
Special and extraordinary items	-	13,447,001	-	-	-	13,447,001
Total Revenues	489,854,482	512,760,053	1,389,572	842,018	491,244,054	513,602,071
Expenses:						
Instruction	270,239,131	274,886,080	-	-	270,239,131	274,886,080
Instructional Resources and Media Services	6,942,384	7,477,808	-	-	6,942,384	7,477,808
Curriculum and Staff Development	13,318,279	14,541,162	-	-	13,318,279	14,541,162
Instructional Leadership	10,523,312	10,952,070	-	-	10,523,312	10,952,070
School Leadership	22,278,646	23,553,794	-	-	22,278,646	23,553,794
Guidance, Counseling and Evaluation Services	17,375,855	18,635,207	-	-	17,375,855	18,635,207
Social Services	3,313,966	3,462,861	-	-	3,313,966	3,462,861
Health Services	5,417,099	6,087,788	-	-	5,417,099	6,087,788
Student (Pupil) Transportation	11,431,190	12,549,405	-	-	11,431,190	12,549,405
Food Services	34,226,299	36,039,862	-	-	34,226,299	36,039,862
Extracurricular Activities	22,604,142	23,337,645	-	-	22,604,142	23,337,645
General Administration	12,186,365	11,067,174	-	-	12,186,365	11,067,174
Facilities Maintenance & Operations	51,234,371	54,267,675	-	-	51,234,371	54,267,675
Security & Monitoring Services	13,556,476	11,891,437	-	-	13,556,476	11,891,437
Data Processing Services	4,240,766	4,364,524	-	-	4,240,766	4,364,524
Community Services	1,946,526	2,097,428	-	-	1,946,526	2,097,428
Interest on Long Term Debt	7,344,484	6,717,536	-	-	7,344,484	6,717,536
Bond Issuance Cost and Fees	12,575	18,045	-	-	12,575	18,045
Payments related to Shared Services Arrangement	165,320	193,721	-	-	165,320	193,721
Other Intergovernmental Charges	1,007,682	886,959	-	-	1,007,682	886,959
Digital Billboard/Scoreboard	-	-	35,186	26,338	35,186	26,338
ACT RGV	-	-	739,134	440,922	739,134	440,922
Other activities	-	-	108,438	51,604	108,438	51,604
Total Expenses:	509,364,868	523,028,181	882,758	518,864	510,247,626	523,547,045
Increase (Decrease) in Net Position	(19,510,386)	(10,268,128)	506,814	323,154	(19,003,572)	(9,944,974)
Transfer In (Out)	523,429	315,873	(523,429)	(315,873)	-	-
Total Increase (Decrease)	(18,986,957)	(9,952,255)	(16,615)	7,281	(19,003,572)	(9,944,974)
Net Position - Beginning	368,172,351	378,124,606	813,742	806,461	368,986,093	378,931,067
Adjustment - Change in Accounting Principle	(11,549,282)	-	-	-	(11,549,282)	-
Net Position - Ending	\$ 337,636,112	\$ 368,172,351	\$ 797,127	\$ 813,742	\$ 338,433,239	\$ 368,986,093

The net cost of all *governmental* activities this year was \$410,482,446. Those who directly benefited from program activities paid some of the cost. Other programs and services activities were paid by grants and contributions.

Table A-3 presents the cost of each of the District’s largest functions.

**Table A-3
Net Cost of District’s Governmental Activities**

	Cost			Net Cost		
	2025	2024	Change	2025	2024	Change
Instruction	\$ 270,239,131	\$ 274,886,080	-2%	\$ 242,323,198	\$ 230,618,542	5%
School Leadership	22,278,646	23,553,794	-6%	21,934,779	22,254,164	-1%
Guidance, Counseling and Evaluator	17,375,855	18,635,207	-7%	15,549,507	15,867,223	-2%
Food Services	34,226,299	36,039,862	-5%	1,783,476	3,744,021	-110%
Extracurricular Activities	22,604,142	23,337,645	-3%	15,551,019	16,274,683	-5%
Facilities Maintenance & Operations	51,234,371	54,267,675	-6%	50,992,303	49,705,365	3%

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Revenues from all governmental funds totaled \$504,206,331. The increase in local revenues is a result of increased property values and state revenues.

The General Fund is the district’s chief operating fund. As of August 31, 2025, the fund balance of the general fund was \$94,272,371. The unassigned balance of \$37,431,155 or 40% of this total amount is available for spending at the government’s discretion. Of the current ending fund balances, the following categories are recorded and for the primary use noted in accordance with GASB No. 54:

- \$3,106,912 is recorded as nonexpendable for inventories and deferred expenditures;
- \$935,371 is recorded as a prepaid item
- \$21,737,030 is recorded as Restricted
- \$8,200,000 is recorded for Long Term Debt
- \$5,061,550 is recorded as committed for Construction;
- \$1,450,950 is recorded as committed for capital expenditures for equipment for schools and buses;
- \$8,359,894 is recorded as committed for sick leave payoff;
- \$7,989,509 is recorded as assigned for E-Rate, Computers to be purchased and other items;
- \$37,431,155 is the remaining fund balance and is recorded as unassigned.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. In addition, the school board approved several increases in appropriations to prevent budget overruns.

CAPITAL ASSETS

At the end of fiscal year 2025, the District had invested \$697,400,691 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Table A-4
District's Capital Assets

	2025	2024	Change
Land	\$ 30,021,582	\$ 30,021,582	0%
Buildings, Net	638,947,569	622,650,937	3%
Furniture and Equipment, Net	15,236,529	12,641,447	17%
Right-to-Use Leased Assets, Net	761,416	830,635	-9%
Construction in Progress	275,223	38,609,256	-13928%
Infrastructure, Net	12,158,372	9,512,847	22%
	<u>\$ 697,400,691</u>	<u>\$ 714,266,704</u>	

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

LONG TERM OBLIGATION ACTIVITY

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ending August 31, 2025, are as follows:

Table A-5
District's Long Term Det

	Restated Beginning Balance 8/31/2025	Increase	Decrease	Ending Balance 8/31/2025	Amounts Due in 1 Year
Total Bonds Payable	\$ 204,130,000	\$ -	\$ 15,340,000	\$ 188,790,000	\$ 8,230,000
Total Notes Payable	18,435,000	-	1,325,000	17,110,000	11,335,000
Premium and Discount	17,406,448	-	3,081,126	14,325,322	-
2021 CAB Accrued Interest	2,212,019	819,398	-	3,031,417	-
Compensated absences	19,909,176	-	248,494	19,660,682	3,391,521
Net Pension Liability	160,394,222	-	18,738,082	141,656,140	-
Net OPEB Liability	65,178,522	21,562,289	-	86,740,811	-
Total Long Term Liabilities	<u>\$ 487,665,387</u>	<u>\$ 22,381,687</u>	<u>\$ 38,732,702</u>	<u>\$ 471,314,372</u>	<u>\$ 22,956,521</u>

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2026 budget preparation is \$6.4 billion. The state formulas changed, and school districts are now required to estimate their current year tax values for funding purposes. There is no longer a lag in tax values used.
- The District's 2026 refined average daily attendance is expected to be 28,000.

These indicators were taken into account when adopting the general fund budget for 2026. Amounts available for appropriation in the general fund budget are \$451 million. Property values continue to rise, but at a slower pace. The district will examine the budget for 2026 to take into account both the federal and state fiscal concerns.

Expenditures are budgeted to be \$451 million in the general fund. The district anticipates using the remainder of the debt service fund balance to pay bonds. The largest increments are increased staffing and teacher/staff salary schedule adjustments and salary increases. Increased wage and cost of living adjustments were made to this year's salary schedules. These competitive salary schedule adjustments allowed the District to open the 2023 school year with fewer teacher vacancies. The District has continued our highly successful College, Career and Technology Academy, Thomas Jefferson T-Stem Early College High School.

If these estimates are realized, the District's budgetary fund balance for the general fund is not expected to change appreciably by the close of 2026.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Pharr-San Juan-Alamo Independent District, 601 E Kelly Ave Pharr, Texas 78577.

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PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF NET POSITION
AUGUST 31, 2025

EXHIBIT A-1

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 16,039,478	\$ 881,718	\$ 16,921,196
1120 Current Investments	33,989,492	-	33,989,492
1220 Property Taxes Receivable, Net	5,792,123	-	5,792,123
1240 Due from Other Governments	69,976,651	-	69,976,651
1260 Internal Balances	(252,303)	252,303	-
1290 Other Receivables, Net	1,052,892	-	1,052,892
1300 Inventories	3,106,912	-	3,106,912
1410 Prepayments	763,532	-	763,532
Capital Assets:			
1510 Land	30,021,582	-	30,021,582
1520 Buildings, Net	638,947,569	-	638,947,569
1530 Furniture and Equipment, Net	15,236,529	-	15,236,529
1550 Right-to-Use Leased Assets, Net	761,416	-	761,416
1580 Construction in Progress	275,223	-	275,223
1590 Infrastructure, Net	12,158,372	-	12,158,372
1800 Restricted Assets	8,200,000	-	8,200,000
1990 Other Assets	5,087,035	-	5,087,035
1000 Total Assets	<u>841,156,503</u>	<u>1,134,021</u>	<u>842,290,524</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	14,941,686	-	14,941,686
1705 Deferred Outflow Related to TRS Pension	35,581,703	-	35,581,703
1706 Deferred Outflow Related to TRS OPEB	40,477,839	-	40,477,839
1700 Total Deferred Outflows of Resources	<u>91,001,228</u>	<u>-</u>	<u>91,001,228</u>
LIABILITIES			
2110 Accounts Payable	5,832,890	322,087	6,154,977
2140 Interest Payable	1,163,509	-	1,163,509
2180 Due to Other Governments	836,233	-	836,233
2190 Due to Student Groups	266,760	150	266,910
2200 Accrued Expenses	24,771,334	14,657	24,785,991
2300 Unearned Revenue	1,362,670	-	1,362,670
Noncurrent Liabilities:			
2501 Due Within One Year: Loans, Note, Leases, etc.	22,956,521	-	22,956,521
Due in More than One Year:			
2502 Bonds, Notes, Loans, Leases, etc.	219,960,900	-	219,960,900
2540 Net Pension Liability (District's Share)	141,656,140	-	141,656,140
2545 Net OPEB Liability (District's Share)	86,740,811	-	86,740,811
2000 Total Liabilities	<u>505,547,768</u>	<u>336,894</u>	<u>505,884,662</u>
DEFERRED INFLOWS OF RESOURCES			
2605 Deferred Inflow Related to TRS Pension	3,897,901	-	3,897,901
2606 Deferred Inflow Related to TRS OPEB	85,075,950	-	85,075,950
2600 Total Deferred Inflows of Resources	<u>88,973,851</u>	<u>-</u>	<u>88,973,851</u>
NET POSITION			
3200 Net Investment in Capital Assets and Right-to-Use Lease	492,861,360	-	492,861,360
Restricted:			
3820 Restricted for Federal and State Programs	24,148,828	-	24,148,828
3850 Restricted for Debt Service	15,001,148	-	15,001,148
3900 Unrestricted	(194,375,224)	797,127	(193,578,097)
3000 Total Net Position	<u>\$ 337,636,112</u>	<u>\$ 797,127</u>	<u>\$ 338,433,239</u>

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	1	Program Revenues		
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	Instruction	\$ 270,239,131	\$ 103,448	\$ 27,812,485
12	Instructional Resources and Media Services	6,942,384	-	508,279
13	Curriculum and Instructional Staff Development	13,318,279	-	8,152,366
21	Instructional Leadership	10,523,312	-	2,686,864
23	School Leadership	22,278,646	-	343,867
31	Guidance, Counseling, and Evaluation Services	17,375,855	-	1,826,348
32	Social Work Services	3,313,966	-	317,455
33	Health Services	5,417,099	-	731,836
34	Student (Pupil) Transportation	11,431,190	-	115,785
35	Food Services	34,226,299	164,955	32,277,868
36	Extracurricular Activities	22,604,142	6,801,123	252,000
41	General Administration	12,186,365	-	2,120,189
51	Facilities Maintenance and Operations	51,234,371	-	242,068
52	Security and Monitoring Services	13,556,476	-	4,202,041
53	Data Processing Services	4,240,766	-	33,922
61	Community Services	1,946,526	-	1,392,456
72	Debt Service - Interest on Long-Term Debt	7,344,484	-	8,797,067
73	Debt Service - Bond Issuance Cost and Fees	12,575	-	-
93	Payments Related to Shared Services Arrangements	165,320	-	-
99	Other Intergovernmental Charges	1,007,682	-	-
	[TG] Total Governmental Activities:	<u>509,364,868</u>	<u>7,069,526</u>	<u>91,812,896</u>
BUSINESS-TYPE ACTIVITIES:				
01	College for All	32,430	63,820	-
02	Digital Billboard	35,186	250,375	-
03	ACT RGV	739,134	972,272	-
04	Swimming	185	21,335	-
06	Natatorium	75,823	81,770	-
	[TB] Total Business-Type Activities:	<u>882,758</u>	<u>1,389,572</u>	<u>-</u>
	[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 510,247,626</u>	<u>\$ 8,459,098</u>	<u>\$ 91,812,896</u>
Data				
Control	General Revenues:			
Codes	Taxes:			
MT	Property Taxes, Levied for General Purposes			
DT	Property Taxes, Levied for Debt Service			
GC	Grants and Contributions not Restricted			
IE	Investment Earnings			
MI	Miscellaneous Local and Intermediate Revenue			
FR	Transfers In (Out)			
TR	Total General Revenues & Transfers			
CN	Change in Net Position			
NB	Net Position - Beginning as Previously Reported			
PA	Adjustments and Restatements			
	Net Position - Beginning as Restated and Adjusted			
NE	Net Position - Ending			

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (242,323,198)	\$ -	\$ (242,323,198)
(6,434,105)	-	(6,434,105)
(5,165,913)	-	(5,165,913)
(7,836,448)	-	(7,836,448)
(21,934,779)	-	(21,934,779)
(15,549,507)	-	(15,549,507)
(2,996,511)	-	(2,996,511)
(4,685,263)	-	(4,685,263)
(11,315,405)	-	(11,315,405)
(1,783,476)	-	(1,783,476)
(15,551,019)	-	(15,551,019)
(10,066,176)	-	(10,066,176)
(50,992,303)	-	(50,992,303)
(9,354,435)	-	(9,354,435)
(4,206,844)	-	(4,206,844)
(554,070)	-	(554,070)
1,452,583	-	1,452,583
(12,575)	-	(12,575)
(165,320)	-	(165,320)
(1,007,682)	-	(1,007,682)
(410,482,446)	-	(410,482,446)
-	31,390	31,390
-	215,189	215,189
-	233,138	233,138
-	21,150	21,150
-	5,947	5,947
-	506,814	506,814
(410,482,446)	506,814	(409,975,632)
51,206,343	-	51,206,343
14,890,346	-	14,890,346
318,024,667	-	318,024,667
4,627,475	-	4,627,475
2,223,229	-	2,223,229
523,429	(523,429)	-
391,495,489	(523,429)	390,972,060
(18,986,957)	(16,615)	(19,003,572)
368,172,351	813,742	368,986,093
(11,549,282)	-	(11,549,282)
356,623,069	813,742	357,436,811
\$ 337,636,112	\$ 797,127	\$ 338,433,239

PHARR-SAN JUAN-ALAMO ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		10 General Fund	60 Capital Projects	50 Debt Service Fund
ASSETS				
1110	Cash and Cash Equivalents	\$ 5,570,784	\$ 904,393	\$ 3,644,034
1120	Investments - Current	28,509,968	1	1,893,699
1220	Property Taxes Receivable, Net	4,593,755	-	1,198,368
1240	Due from Other Governments	59,634,123	-	916,716
1250	Accrued Interest	356,662	-	-
1260	Due from Other Funds	22,143,556	9,518,954	840,174
1290	Other Receivables	695,696	-	-
1300	Inventories	3,106,912	-	-
1410	Prepayments	935,370	-	-
1800	Restricted Assets	8,200,000	-	-
1900	Other Assets	5,021,094	-	-
1000	Total Assets	\$ 138,767,920	\$ 10,423,348	\$ 8,492,991
LIABILITIES				
2110	Accounts Payable	\$ 4,088,480	\$ 464,596	\$ 824
2150	Payroll Deductions and Withholdings Payable	3,547,347	-	-
2160	Accrued Wages Payable	16,817,493	-	-
2170	Due to Other Funds	13,871,249	9,956,877	527,510
2180	Due to Other Governments	835,219	-	-
2190	Due to Student Groups	266,760	-	-
2300	Unearned Revenue	299,895	-	-
2000	Total Liabilities	39,726,443	10,421,473	528,334
DEFERRED INFLOWS OF RESOURCES				
2601	Deferred Inflow of Resources - Property Taxes	4,091,448	-	1,063,833
2602	Deferred Inflow of Resources - SHARS	677,658	-	-
2600	Total Deferred Inflows of Resources	4,769,106	-	1,063,833
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	3,106,912	-	-
3430	Prepaid Items	935,371	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	21,737,030	-	-
3480	Retirement of Long-Term Debt	8,200,000	-	6,900,824
Committed Fund Balance:				
3510	Construction	5,061,550	1,874	-
3530	Capital Expenditures for Equipment	1,450,950	-	-
3545	Other Committed Fund Balance	8,359,894	-	-
Assigned Fund Balance:				
3590	Other Assigned Fund Balance	7,989,509	-	-
3600	Unassigned Fund Balance	37,431,155	-	-
3000	Total Fund Balances	94,272,371	1,874	6,900,824
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 138,767,920	\$ 10,423,347	\$ 8,492,991

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

Other Funds	Total Governmental Funds
\$ 2,996,028	\$ 13,115,239
-	30,403,668
-	5,792,123
9,425,812	69,976,651
-	356,662
29,377	32,532,061
237	695,933
-	3,106,912
708,341	1,643,711
-	8,200,000
-	5,021,094
<u>\$ 13,159,795</u>	<u>\$ 170,844,054</u>
\$ 31,591	\$ 4,585,491
-	3,547,347
1,066,835	17,884,328
8,128,786	32,484,422
1,014	836,233
-	266,760
1,062,775	1,362,670
<u>10,291,001</u>	<u>60,967,251</u>
-	5,155,281
-	677,658
-	5,832,939
-	3,106,912
-	935,371
-	21,737,030
-	15,100,824
-	5,063,424
-	1,450,950
2,868,808	11,228,702
-	7,989,509
(14)	37,431,141
<u>2,868,794</u>	<u>104,043,863</u>
<u>\$ 13,159,795</u>	<u>\$ 170,844,053</u>

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PHARR-SAN JUAN-ALAMO ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 104,043,863
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	1,652,665
2 Including capital assets (Net of accumulated depreciation) in governmental activities increases in net position. However, assets held in internal service funds do not increase net position since the amounts are already included in the internal service fund net position. The net right of use assets do not increase net position since the leases related to them were prepaid in full. The net effect of including capital assets of \$697,398,692, excluding right of use assets (\$761,416) and net internal service fund assets (\$29,304) is to increase net position by \$696,637,276.	696,637,276
3 Prepaid interest of (\$80,127) are not financial resources, and therefore are not reported as assets in governmental funds.	(80,127)
4 Included in the items related to debt is the recognition of the District's proportionate share of net pension liability required by GASB 68. The net position related to TRS includes a deferred resource outflow in the amount of \$35,581,703, a deferred resource inflow in the amount of (\$3,897,901), and a net pension liability of (\$141,656,140). This resulted in a decrease in net position.	(109,972,338)
5 The District participates in the TRS-CARE plan for retirees through TRS. The District's share of TRS plan resulted in deferred resource outflow of \$40,477,839, a deferred resource inflow of (\$85,075,950), and a net OPEB liability of (\$86,740,811). This resulted in a decrease in net position.	(131,338,922)
6 Long-term liabilities, including bonds and notes payable of (\$206,900,000), premium on bonds of (\$14,325,322), accretion of CAB's of (\$3,031,417), deferred charges on refunding \$14,941,686, and compensated absences payable of (\$19,660,682), are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	(227,975,735)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes \$5,155,281 and certain amounts due from other governments as revenue for \$677,658. The net effect of these reclassifications and recognitions is to increase net position.	5,832,939
8 Accrued interest is not due and payable in current period and therefore is not reported as a liability in the governmental funds.	(1,163,509)
29 Net Position of Governmental Activities	\$ 337,636,112

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	10 General Fund	60 Capital Projects	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 56,782,832	\$ 681	\$ 15,048,062
5800 State Program Revenues	338,783,650	-	8,290,423
5900 Federal Program Revenues	36,851,459	-	-
5020 Total Revenues	<u>432,417,941</u>	<u>681</u>	<u>23,338,485</u>
EXPENDITURES:			
Current:			
0011 Instruction	241,440,767	-	-
0012 Instructional Resources and Media Services	6,441,974	-	-
0013 Curriculum and Instructional Staff Development	4,573,217	-	-
0021 Instructional Leadership	7,613,406	-	-
0023 School Leadership	21,587,104	-	-
0031 Guidance, Counseling, and Evaluation Services	15,376,269	-	-
0032 Social Work Services	2,885,307	-	-
0033 Health Services	4,586,304	-	-
0034 Student (Pupil) Transportation	14,299,835	-	-
0035 Food Services	32,188,770	-	-
0036 Extracurricular Activities	15,557,950	-	-
0041 General Administration	11,344,264	862,107	-
0051 Facilities Maintenance and Operations	49,618,040	-	-
0052 Security and Monitoring Services	8,930,150	45,264	-
0053 Data Processing Services	4,059,395	-	-
0061 Community Services	538,908	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	1,325,627	-	15,340,000
0072 Interest on Long-Term Liabilities	649,290	-	7,118,772
0073 Bond Issuance Cost and Fees	1,500	-	11,075
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	6,115,258	-
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	165,320	-	-
0099 Other Intergovernmental Charges	1,007,682	-	-
6030 Total Expenditures	<u>444,191,079</u>	<u>7,022,629</u>	<u>22,469,847</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,773,138)</u>	<u>(7,021,948)</u>	<u>868,638</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	4,332	-	-
7915 Transfers In	523,429	5,256,298	-
7949 Other Resources	-	1,767,524	-
8911 Transfers Out (Use)	(5,256,298)	-	-
7080 Total Other Financing Sources (Uses)	<u>(4,728,537)</u>	<u>7,023,822</u>	<u>-</u>
1200 Net Change in Fund Balances	<u>(16,501,675)</u>	<u>1,874</u>	<u>868,638</u>
0100 Fund Balance - September 1 (Beginning)	<u>110,774,046</u>	<u>-</u>	<u>6,032,186</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 94,272,371</u>	<u>\$ 1,874</u>	<u>\$ 6,900,824</u>

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

	Other Funds	Total Governmental Funds
\$	6,599,610	\$ 78,431,185
	9,069,868	356,143,941
	32,779,746	69,631,205
	48,449,224	504,206,331
	22,811,188	264,251,955
	419,927	6,861,901
	8,094,523	12,667,740
	2,569,294	10,182,700
	16,554	21,603,658
	1,569,979	16,946,248
	288,402	3,173,709
	659,363	5,245,667
	4,972	14,304,807
	1,055	32,189,825
	6,302,926	21,860,876
	23,413	12,229,784
	(108)	49,617,932
	4,127,844	13,103,258
	-	4,059,395
	1,385,127	1,924,035
	-	16,665,627
	-	7,768,062
	-	12,575
	-	6,115,258
	-	165,320
	-	1,007,682
	48,274,459	521,958,014
	174,765	(17,751,683)
	-	4,332
	-	5,779,727
	-	1,767,524
	-	(5,256,298)
	-	2,295,285
	174,765	(15,456,398)
	2,694,029	119,500,261
\$	2,868,794	\$ 104,043,863

PHARR-SAN JUAN-ALAMO ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (15,456,398)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(5,693,532)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Capital outlays this current year adjusted for dispositions were \$12,210,266 and current year depreciation was (\$29,009,057).	(16,798,791)
Amortization of prepaid interest of (\$12,153) and depreciation of (\$69,219) for the right-to-use assets plus the fund level prepaid amortization of \$68,527 were reported in the statement of activities.	(10,108)
Repayment of principal debt related to bonds and notes is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not expressed in the current year period.	16,665,000
The amortization of bond premiums of refunding for \$3,081,126, the amortization of deferred charges of refunding for (\$1,395,834), and net change in interest accretion on capital appreciation bonds for (\$819,398) are reported in the statement of activities, but not in the governmental funds.	865,894
Current year changes due to GASB 68 decreased revenues in the amount of \$3,276,175 but also increased expenditures in the amount of (\$11,920,389). The net effect on the change in the ending net position was a decrease in the amount of (\$8,644,214).	(8,644,214)
Current year changes due to GASB 75 increased revenues in the amount of (\$17,505,237) but also increased expenditures in the amount of \$29,703,374. The net effect on the change in the ending net position was a increase in the amount of \$12,198,137.	12,198,137
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrued, regardless of when it is due.	(498,801)
Compensated absences are reported in the statement of activities when earned as they do not require the use of current financial resources they are not reported as expenditures on governmental funds until they have matured. This is the amount of compensated absences reported in the statement of activities in the prior year that has matured in the current year.	248,494
Property taxes and other receivables that will not be collected until after the District's fiscal year end are not considered "available" revenues and, are deferred in the governmental funds. The net effect of these reclassifications and recognitions is to decrease net position.	(1,862,638)
Change in Net Position of Governmental Activities	\$ (18,986,957)

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2025

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 881,718	\$ 2,924,239
Investments - Current	-	3,585,824
Due from Other Funds	303,844	706,820
Other Receivables	-	295
Total Current Assets	1,185,562	7,217,178
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment, Net	-	29,304
Total Noncurrent Assets	-	29,304
Total Assets	1,185,562	7,246,482
LIABILITIES		
Current Liabilities:		
Accounts Payable	322,087	1,247,398
Accrued Wages Payable	14,657	23,786
Due to Other Funds	51,541	1,006,760
Due to Student Groups	150	-
Accrued Expenses	-	3,315,873
Total Liabilities	388,435	5,593,817
NET POSITION		
Unrestricted Net Position	797,127	1,652,665
Total Net Position	\$ 797,127	\$ 1,652,665

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 1,389,572	\$ 48,442,793
Total Operating Revenues	<u>1,389,572</u>	<u>48,442,793</u>
OPERATING EXPENSES:		
Payroll Costs	507,215	1,073,481
Professional and Contracted Services	323,628	53,133,793
Supplies and Materials	25,964	174,399
Other Operating Costs	25,951	569
Capital Outlay	-	28,262
Total Operating Expenses	<u>882,758</u>	<u>54,410,504</u>
Operating Income (Loss)	<u>506,814</u>	<u>(5,967,711)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	274,179
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>274,179</u>
Income (Loss) Before Transfers	506,814	(5,693,532)
Transfers In	-	682,705
Transfers Out	(523,429)	(682,705)
Change in Net Position	<u>(16,615)</u>	<u>(5,693,532)</u>
Total Net Position - September 1 (Beginning)	813,742	7,346,197
Total Net Position - August 31 (Ending)	<u>\$ 797,127</u>	<u>\$ 1,652,665</u>

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total	Total
	Enterprise Funds	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 1,389,572	\$ -
Cash Received from Assessments - Other Funds	-	48,442,793
Cash Payments to Employees for Services	(507,846)	(1,082,565)
Cash Payments for Insurance Claims	-	(53,415,003)
Cash Payments for Suppliers	(41,302)	(206,930)
Cash Payments for Other Operating Expenses	(25,951)	(569)
Net Cash Provided by (Used for) Operating Activities	<u>814,473</u>	<u>(6,262,274)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	(1,060,142)	-
Transfers In	-	6,421,571
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(1,060,142)</u>	<u>6,421,571</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investment Securities	-	(3,639,895)
Proceeds from Sale & Maturities of Securities	-	6,130,658
Interest and Dividends on Investments	-	274,179
Net Cash Provided by Investing Activities	<u>-</u>	<u>2,764,942</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(245,669)	2,924,239
Cash and Cash Equivalents at Beginning of Year	1,127,387	-
Cash and Cash Equivalents at End of Year	<u>\$ 881,718</u>	<u>\$ 2,924,239</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ 506,814	\$ (5,967,711)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable	308,290	(370,294)
Increase (decrease) in Accrued Wages Payable	(631)	75,731
Net Cash Provided by (Used for) Operating Activities	<u>\$ 814,473</u>	<u>\$ (6,262,274)</u>

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2025

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 56,134
Total Assets	<u>56,134</u>
NET POSITION	
Restricted for Campus Activities	<u>56,134</u>
Total Net Position	<u><u>\$ 56,134</u></u>

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

PHARR-SAN JUAN-ALAMO ISD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	Total Custodial Funds
ADDITIONS:	
Enterprising Services Revenue	\$ 408,102
Total Additions	<u>408,102</u>
DEDUCTIONS:	
Other Deductions	448,792
Total Deductions	<u>448,792</u>
Change in Fiduciary Net Position	(40,690)
Total Net Position September 1 (Beginning)	<u>96,824</u>
Total Net Position August 31 (Ending)	<u><u>\$ 56,134</u></u>

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

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

Note 1 - Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following fund types:

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

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

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

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

b. Measurement Focus, Basis of Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

c. Fair Value Measurements

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

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

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

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

Pharr-San Juan-Alamo Independent School District

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies (Continued)

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Investments

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

c. Inventories and Prepaid Items

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

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

d. Restricted Assets

These assets are set aside to pay for long term debt items. As of August 31, 2025, restricted assets of the General Fund total \$8,200,000, including interest earnings held in money market accounts for the future payment of the Qualified School Construction Loan, Series 2011.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

e. Capital Assets

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

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

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

f. Deferred Outflows and Inflows of Resources

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

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

Deferred Outflows of Resources

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Deferred Inflows of Resources

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

Deferred inflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. These deferred inflows result primarily from differences between projected and actual earnings on pension and OPEB plan investments. These amounts will be amortized between 5 to 9.22 years.

g. Receivable and Payable Balances

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

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

h. Compensated Absences

The District recognizes a liability for compensated absences in accordance with generally accepted accounting principles. An estimate of the accrued leave is recorded in the government-wide financial statements. This estimate includes accumulated leave that is more likely than not to be used for time off or otherwise paid. A liability for this amount is reported in the fund financial statements only if they have matured, for example, as a result of employee retirement. It is the District's policy to allow employees to accumulate earned but unused state and local personal and sick leave days. Any employee who retires through the Teacher Retirement System of Texas and has worked at the District for the past 10 years, shall be entitled to unused local sick leave as follows: 1) employee shall be paid for each day of compensated leave earned prior to September 1, 2010, at the employee's daily rate of pay as of the 2009-2010 school year for 50 percent of the number of days accumulated and 2) employee shall be paid for each day of compensated leave earned after to September 1, 2010, at the rate of \$200 per day for professional employees and \$100 per day for paraprofessional or auxiliary employees.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

i. Interfund Activity

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

j. Use of Estimates

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

k. Long-term Obligations

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

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

l. Data Control Codes

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

m. Fund Balances - Governmental Funds

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

n. Net Position Flow Assumption

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

o. Leases

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

p. Fund Balance Flow Assumptions

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

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

4. Accounting System

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

5. Pensions

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

6. Other Post-Employment Benefits

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

7. Recently Issued and Implemented 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 implementation of this Statement can be found in Note 2.

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital*

Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the requirements of GASB No. 103 and the impact on reporting for future years.

Statement No. 104, *Disclosure of Certain Capital Assets*, the objective of this statement is to provide users of governmental financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. It requires separate disclosure of lease assets (GASB 87), public-private partnership assets (GASB 94), and subscription-based IT assets (GASB 96) by major asset class in the capital asset notes. Other intangible assets must also be disclosed separately. This Statement also requires additional disclosures for capital assets held for sale. The District is evaluating the requirements of GASB No. 104 and the impact on reporting for future years.

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

Note 2 - Compliance and Accountability

Finance-Related Legal and Contractual Provisions

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

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

Expenditures Exceeding Appropriations

For the year ended August 31, 2025, the District had expenditures exceeding budget by \$6,943,978 in function 11, \$478,143 in function 34, \$2,418,756 in function 35, \$500,613 in function 41, \$2,458,471 in function 51, and \$5,256,298 in transfers out in the general fund.

Deficit Fund Balance or Fund Net Position of Individual Funds

The District does not have funds with a deficit balance at year-end. The district has a negative unrestricted net position in the Governmental Activities of (\$194,375,224) at year-end. The result of this negative balance is due to the current year effect from pension, OPEB balances and compensated absences due to the implementation of compensated absences in current year.

Change in Accounting Principles, Change in Error Correction and Accounting Estimates

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 (\$11,549,282).

Change in Accounting Estimates

The District also changed the accounting estimate for SHARS, resulting in the removal of estimated receivables of \$1,887,441 for services rendered in current year that will not be reimbursed by SHARS based on current actual receipts from School Health and Related Services funded through Medicaid program. This change was reported in current year.

	Government-Wide Financial Statements
	Governmental Activities
September 1 net position as previously reported	\$ 368,172,351
Change in accounting principles	(11,549,282)
September 1 net position as restated and adjusted	\$ 356,623,069

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

Note 3 - Deposits and Investments

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

	Balance as of August 31, 2025
Deposits	\$ 16,977,330
Money Market	8,200,000
Investments	39,076,527
Total	\$ 64,253,857
Exhibit A-1	
Cash and Cash Equivalents	\$ 16,921,196
Investments	33,989,492
Restricted Assets	8,200,000
Other Assets	5,087,035
Total Exhibit A-1	\$ 64,197,723
Exhibit E-1	
Cash and Cash Equivalents	\$ 56,134
Total Exhibit E-1	\$ 56,134

Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. During the year, the depository bank maintained letters of credit with the District's agent bank to cover the bank deposits as authorized by Chapter 2257 Collateral for Public Funds of the Government Code, in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract.

The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At August 31, 2025, the carrying amount of the District's deposits (cash and money market) was \$16,921,196 and the bank balance was \$16,875,104.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

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

Note 3 - Deposits and Investments (Continued)

The District's cash deposits at August 31, 2025 and during the year ended August 31, 2025, were properly covered by letters of credit and FDIC insurance held by the District's agent bank in the District's name.

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

- a) Depository Institution: PNC Bank
- b) Amount of letters of credit pledged as of the date of the highest combined balance on deposit was \$39,790,885.
- c) The highest combined balances of cash, savings and time deposit accounts amounted to \$25,601,423 and occurred during the month of October 2024.
- d) Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Additionally, a cumulative sinking fund money market account is held by BNY Mellon to provide for the payment of the Qualified School Construction Loan, Series 2011. The highest cash balance of \$8,200,000 occurred during the month of January 2025 in this money market account. The money market account is held and fully collateralized by BNY Mellon.

Investments

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

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

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

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
3. Fully collateralized repurchase agreements as permitted by Government Code 2256.011
4. A securities lending program as permitted by Government Code 2256.0115
5. Banker's acceptances as permitted by Government Code 2256.012
6. Commercial paper as permitted by Government Code 2256.013

7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements as established by Government Code 2256.015
9. Public funds investment pools as permitted by Government Code 2256.016

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

Note 3 - Deposits and Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. Information on the credit rating and credit risk associated with debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. Government), external investment pools, money market funds, bond mutual funds and other pooled investments of fixed-income securities at year-end is required.

State law and the District's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the District's depository.

The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the District to non-FDIC coverage requires immediate liquidation.

State law and the District's adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement.

Constant dollar, local-government investment pools, as allowed by state law (2256.016) and approved by the adopted Policy are authorized. By state law, all local government pools are rated AAA or equivalent by at least one NRSRO (Nationally Recognized Securities Ratings Organization). All pools by Policy must strive to maintain a \$1 NAV.

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

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

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

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

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

Note 3 - Deposits and Investments (Continued)

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

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

Public Funds Investment Pools

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

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

Reported At	Description	Reported Amount	Weighted Average Maturity (days)	Standard & Poor Rating	Concentration of Credit Risk
Amortized Cost	Texas Range	\$ 13,058,782	210	AAAmf	33.42%
Amortized Cost	TexPool Investment Fund	6,140,826	1	AAAm	15.71%
Amortized Cost	Lone Star Investment Pool	1,086,499	1	AAAf/S1+	2.78%
Amortized Cost	Texas FIT	5,939,862	180	AAAf/S1+	15.21%
Fair Value	Commercial Paper	7,763,522	133	n/a	19.88%
Fair Value	US Treasury	5,087,035	289	n/a	13.03%
		<u>\$ 39,076,527</u>			<u>100%</u>

As required by GASB Statement No. 72, Fair Value Measurement and Application, the following table presents the financial instruments carried on the statement of financial position by caption and by level of inputs within the valuation hierarchy as of August 31, 2025.

Type of Security	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$ 7,763,522	\$ -	\$ 7,763,522
US Treasury	5,087,035	-	-	5,087,035
	<u>\$ 5,087,035</u>	<u>\$ 7,763,522</u>	<u>\$ -</u>	<u>\$ 12,850,557</u>

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

Note 4 – Property Tax

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

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District’s 2025 tax rate was \$0.7869 for maintenance and \$0.2291 for debt service per \$100 assessed valuation. The 2025 assessed valuation was \$6,492,933,671. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Taxes Receivable at August 31, 2025, was as follows:

	Total Receivable	Less: Allowance for Uncollectible	Net Receivable
General Fund	\$ 6,523,932	\$ 1,930,178	\$ 4,593,755
Debt Service Fund	1,512,296	313,927	1,198,368
	\$ 8,036,228	\$ 2,244,105	\$ 5,792,123

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

Note 5 - Capital Assets

Capital asset activity for the year ended August 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 30,021,582	\$ -	\$ -	\$ 30,021,582
Construction in progress	38,609,255	2,847,935	(41,181,967)	275,223
Total capital assets, not being depreciated	68,630,837	2,847,935	(41,181,967)	30,296,805
Capital assets, being depreciated:				
Infrastructure	30,288,609	4,346,551	-	34,635,160
Buildings	586,057,719	12,838,992	-	598,896,711
Buildings and improvements	265,493,470	28,040,119	(22,618)	293,510,971
Furniture and equipment	47,881,816	1,604,525	(1,406,378)	48,079,963
Vehicles	19,111,001	4,022,294	(762,794)	22,370,501
Library Books	358,671	-	-	358,671
Total capital assets, being depreciated	949,191,286	50,852,481	(2,191,790)	997,851,977
Less accumulated depreciation for:				
Infrastructure	(20,775,762)	(1,701,026)	-	(22,476,788)
Buildings	(151,858,351)	(12,117,029)	-	(163,975,380)
Buildings and improvements	(77,041,901)	(12,444,832)	-	(89,486,733)
Furniture and equipment	(40,794,420)	(1,511,802)	1,120,812	(41,185,410)
Vehicles	(13,556,950)	(1,234,368)	762,794	(14,028,524)
Library Books	(358,671)	-	-	(358,671)
Total accumulated depreciation	(304,386,055)	(29,009,057)	1,883,606	(331,511,506)
Total capital assets, being depreciated, net	644,805,231	21,843,424	(308,184)	666,340,471
Capital assets, being amortized:				
Leased assets	1,038,292	-	-	1,038,292
Less accumulated amortization	(207,657)	(69,219)	-	(276,876)
Total capital assets, being amortized, net	830,635	(69,219)	-	761,416
Governmental activities, capital assets, net	\$ 714,266,703	\$ 24,622,140	\$ (41,490,151)	\$ 697,398,692

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

Note 5 - Capital Assets (Continued)

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

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

Depreciation and amortization was charged to functions as follows:

11 - Instruction	\$	15,687,023
12 - Instructional Resources and Media Services		406,642
13 - Curriculum and Instructional Staff Development		750,700
21 - Instructional Leadership		603,435
23 - School Leadership		1,280,250
31 - Guidance, Counseling, and Evaluation Services		1,004,248
32 - Social Work Services		188,077
33 - Health Services		310,862
34 - Student (Pupil) Transportation		847,714
35 - Food Services		1,907,595
36 - Extracurricular Activities		1,295,493
41 - General Administration		724,747
51 - Facilities Maintenance and Operations		2,940,398
52 - Security and Monitoring Services		776,510
53 - Data Processing Services		240,563
61 - Community Services		114,019
Total depreciation and amortization expense	\$	29,078,276

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

Note 6 - Due To and From Other Governments and Agencies

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

	Due From	Due To
<u>General Fund</u>		
Texas Education Agency:		
Foundation Revenues	\$ 56,616,765	\$ -
National School Breakfast and Lunch Program	1,253,922	-
Medicaid Program (SHARS)	677,658	728,741
Other	1,085,778	106,478
	59,634,123	835,219
 <u>Debt Service Fund</u>		
Texas Education Agency:		
Instructional Facilities Allotment	916,716	-
	916,716	-
 <u>Other Governmental Funds</u>		
Texas Education Agency:		
Title I Grants to Local Education Agencies	5,085,241	-
Migrant Education State Grant Program	264,681	-
Special Education -Grants to States	711,066	-
Supporting Effective Instruction State Grants	223,478	-
English Language Acquisition State Grants	168,750	-
Education Stabilization Fund (ESSER II)	-	-
Education Stabilization Fund (ESSER III)	-	-
Title IV Grants to Local Education Agencies	815,919	-
Safety and Facilities	1,070,751	-
Other	1,085,926	-
UT-RGV (Head Start)	-	-
Other	9,425,812	1,014
	9,425,812	1,014
Exhibit C-1 Totals	\$ 69,976,651	\$ 836,233
Total Due To/From Other Governments and Agencies - Exhibit A-1	\$ 69,976,651	\$ 836,233

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

Note 7 - Interfund Balances and Activities

Due To and From Other Funds:

	<u>Due From</u>	<u>Due To</u>
General Fund		
General Fund	\$ 3,620,757	\$ 3,617,922
Special Revenue Fund	8,076,691	29,377
Debt Service Fund	420,434	735,697
Capital Projects Fund	9,956,841	9,464,258
Internal Service Fund	17,291	23,995
Enterprise Funds	51,541	-
Total General Fund	<u>22,143,555</u>	<u>13,871,249</u>
Other Governmental Funds		
General Fund	29,377	8,076,691
Internal Service Fund	-	52,096
Total Other Governmental Funds	<u>29,377</u>	<u>8,128,787</u>
Debt Service Fund		
General Fund	735,697	420,434
Debt Service Fund	104,477	104,477
Capital Projects Fund	-	2,600
Total Debt Service Fund	<u>840,174</u>	<u>527,511</u>
Capital Projects Fund		
General Fund	9,464,258	9,956,841
Special Revenue Fund	52,096	-
Debt Service Fund	2,600	-
Internal Service Fund	-	36
Total Capital Projects Fund	<u>9,518,954</u>	<u>9,956,877</u>
Internal Service Fund		
General Fund	24,079	20,210
Capital Projects Fund	36	303,844
Internal Service Fund	682,705	682,705
Total Internal Service Fund	<u>706,820</u>	<u>1,006,759</u>
Enterprise Fund		
General Fund	-	51,541
Internal Service	303,844	-
Total Enterprise Fund	<u>303,844</u>	<u>51,541</u>
Total	<u>\$ 33,542,724</u>	<u>\$ 33,542,724</u>

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

Note 7 - Interfund Balances and Activities (Continued)

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

Transfers To and From Other Funds are as followed:

Transfer From	Transfer To	Amount	Reason
General Fund	Capital Projects Fund	\$ 5,256,298	Construction projects
Enterprise Fund	General Fund	523,429	Construction projects
Workers Compensation	Insurance Fund	500,000	To cover operating costs
Workers Compensation	Print Shop Fund	182,705	To cover operating costs
Total		\$ 6,462,432	

Note 8 - Long-Term Obligations

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

A federal subsidy is available to the District to reimburse the District the majority of the interest requirement for the Maintenance Tax Qualified Construction Notes. For the 2024-2025 fiscal year, the District received \$506,664 from this federal assistance. The District is required to make annual deposits into a cumulative sinking fund deposit account in order to pay the principal on these notes when they mature. The sinking fund deposits are recorded in the General Fund and restricted for that purpose.

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

Note 8 - Long-Term Obligations (Continued)

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2025 are as follows:

Description	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
Unlimited Tax Refunding Bonds, Series 2014	\$ 5,245,000	\$ -	\$ 5,245,000	\$ -	\$ -
Unlimited Tax Refunding Bonds, Series 2015	32,215,000	-	3,565,000	28,650,000	3,750,000
Unlimited Tax Refunding Bonds, Series 2016	20,320,000	-	6,060,000	14,260,000	4,470,000
Unlimited Tax Refunding Bonds, Series 2017	8,760,000	-	-	8,760,000	-
Unlimited Tax Refunding Bonds, Series 2019	39,795,000	-	-	39,795,000	-
Unlimited Tax Refunding Bonds, Series 2021	97,785,000	-	470,000	97,315,000	-
Capital Appreciation Bond	10,000	-	-	10,000	10,000
Total bonds payable	204,130,000	-	15,340,000	188,790,000	8,230,000
Notes payable					
Qualified School Construction Note, Series 2011	10,005,000	-	-	10,005,000	10,005,000
Limited Maintenance Tax Note Payable, Series 2015	6,785,000	-	1,120,000	5,665,000	1,125,000
Limited Maintenance Tax Note Payable, Series 2017	1,645,000	-	205,000	1,440,000	205,000
Total notes payable	18,435,000	-	1,325,000	17,110,000	11,335,000
2021 CAB Accrued Interest	2,212,019	819,398	-	3,031,417	-
Premium and Discount	17,406,448	-	3,081,126	14,325,322	-
Total bonds and notes payables, net	242,183,467	819,398	19,746,126	223,256,739	19,565,000
Compensated Absence	19,909,176	-	248,494	19,660,682	3,391,521
Governmental activities long-term liabilities	\$ 262,092,643	\$ 819,398	\$ 19,994,620	\$ 242,917,421	\$ 22,956,521

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

Note 8 - Long-Term Obligations (Continued)

Bonds payable at August 31, 2025 are comprised of the following individual issues:

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Ending Balance 8/31/2025
Unlimited Tax Refunding Bonds, Series 2014	2/19/2014	2/1/2029	3.00-5.00%	\$ 46,395,000	\$ -
Unlimited Tax Refunding Bonds, Series 2015	2/27/2015	2/1/2037	2.00-5.00%	88,895,000	28,650,000
Unlimited Tax Refunding Bonds, Series 2016	3/15/2017	2/1/2026	1.00-5.00%	107,785,000	14,260,000
Unlimited Tax Refunding Bonds, Series 2017	10/31/2017	2/1/2033	2.00-4.00%	8,860,000	8,760,000
Unlimited Tax Refunding Bonds, Series 2019	12/9/2019	2/1/2040	3.00-4.00%	40,595,000	39,795,000
Unlimited Tax Refunding Bonds, Series 2021	9/23/2021	2/1/2038	5.00-5.01%	99,130,000	97,315,000
Capital Appreciation Bond	9/23/2021	2/1/2026	0.04-1.26%	900,000	10,000
				\$ 392,560,000	\$ 188,790,000

Interest paid on bonded indebtedness during the current year was \$ 7,118,772

Notes payable at August 31, 2025 are comprised of the following individual issues:

Description	Original Issue	Final Maturity	Coupon Rate	Original Issue	Ending Balance 8/31/2024
Qualified School Construction Note, Series 2011	2/2/2011	2/1/2026	5.497%- 6.247%	\$ 26,755,000	\$ 10,005,000
Limited Maintenance Tax Note Payable, Series 2015	6/23/2015	2/1/2030	0.39%	16,660,000	5,665,000
Limited Maintenance Tax Note Payable, Series 2017	8/30/2017	2/1/2032	0.00%	3,100,000	1,440,000
				\$ 46,515,000	\$ 17,110,000

Interest paid on notes indebtedness during the current year was \$ 638,243

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

Note 8 - Long-Term Obligations (Continued)

Debt Service Requirements

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

Bonds Payable

Year ending August 31	Principal	Interest	Total Requirement
2026	\$ 8,230,000	\$ 9,974,772	\$ 18,204,772
2027	12,165,000	6,043,522	18,208,522
2028	12,775,000	5,443,397	18,218,397
2029	13,325,000	4,875,272	18,200,272
2030	14,285,000	4,269,397	18,554,397
2031-2035	79,325,000	12,724,613	92,049,613
2036-2040	48,685,000	2,769,115	51,454,115
Subtotal	\$ 188,790,000	\$ 46,100,088	\$ 234,890,088

Notes Payable

Year Ending August 31	Notes Principal	Interest	QSCB Subsidy	Total Requirement
2026	\$ 11,335,000	\$ 332,410	\$ (224,660)	\$ 11,442,750
2027	1,335,000	15,503	-	1,350,503
2028	1,340,000	11,086	-	1,351,086
2029	1,340,000	6,659	-	1,346,659
2030	1,345,000	2,221	-	1,347,221
2031-2032	415,000	-	-	415,000
Subtotal	\$ 17,110,000	\$ 367,879	\$ (224,660)	\$ 17,253,219

Notes principal balance	\$ 17,110,000
Less: Sinking fund balance as of 8/31/2025	8,200,000
Total Notes Payable less sinking fund	<u>\$ 8,910,000</u>

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

Note 9 - Revenues from Local and Intermediate Sources

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

	General Fund	Debt Service Fund	Capital Projects	Other Funds	Total Governmental Funds
Property Taxes	\$ 50,154,677	\$ 14,546,837	\$ -	\$ -	\$ 64,701,514
Food Sales	76,829	-	-	-	76,829
Investment Income	4,140,032	212,602	681	-	4,353,315
Penalties and Interest on Taxes	1,081,749	288,623	-	-	1,370,373
Co-curricular Student Activities	383,059	-	-	6,420,691	6,803,750
Insurance proceeds	-	-	-	-	-
Other	946,486	-	-	178,919	1,125,405
Total	\$ 56,782,832	\$ 15,048,063	\$ 681	\$ 6,599,610	\$ 78,431,186

	Total Enterprise Funds	Total Internal Service Funds
Insurance	\$ -	\$ 48,216,276
Other	1,389,572	226,517
Total	\$ 1,389,572	\$ 48,442,793

Note 10 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. As of August 31, 2025, unearned revenue reported in the governmental funds consisted of \$1,362,670 for state and local grants. Unearned revenues for state and local grants represent revenues received in excess of expenditures incurred for those programs for which the project period has not yet ended.

Note 11 - Deferred Outflows and Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. As of August 31, 2025, the governmental funds reported deferred inflows of resources for unavailable property taxes and unavailable SHARS revenues of \$677,658 and \$5,155,281, respectively, for a total of \$5,832,939.

Deferred outflows of resources reported at the government-wide financial statement level include deferred charges on refunding of bonds, deferred outflows related to pensions and deferred outflows related to OPEB. As of August 31, 2025, the amount of deferred charges on refunding of bonds reported as deferred outflows of resources was \$14,941,686 net of cumulative amortization of \$1,395,834. Deferred outflows of resources related to pensions and OPEB are \$35,581,703 and \$40,477,839, respectively. Deferred inflows of resources related to pensions and OPEB are \$3,897,901 and \$85,075,950, respectively.

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

Note 12 - General Fund Federal Source Revenues

Programs or Source	AL Number	Amount
Commodity Supplemental Food Program - noncash assistance	10.555	\$ 1,832,012
National School Lunch Program	10.555	16,670,747
National School Lunch Program-SSO	10.555	608,663
School Breakfast Program-SSO	10.553	288,024
School Breakfast Program	10.553	10,513,144
Child and Adult Care Food Program	10.558	1,512,277
Child Nutrition Discretionary Grants Limited Availability (Equipment Assistance)	10.579	85,434
Local Food for Schools Cooperative Agreement Program	10.185	96,321
Fresh and Fruit Vegetable Program	10.582	567,115
JROTC	12.U01	317,097
Subsidy	N/A	506,644
SHARS	N/A	897,724
Indirect Cost	N/A	2,956,257
Total		\$ 36,851,459

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Workers' Compensation Insurance

During the year ended August 31, 2025, the District met its statutory workers compensation obligations by participating as a self-funded member of the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February the following year. The Fund's audited financial statements as of August 31, 2025, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

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

Note 13 - Risk Management (Continued)

Health Insurance

Beginning October 1, 2014, District employees were covered by a self-funded health insurance plan which is accounted for in an Internal Service Fund. The plan year runs from September 1st through August 31st. The District contributed \$750 monthly per employee for health insurance premiums during the fiscal year. Employees at their option, authorized payroll deductions to pay contributions for dependent health coverage.

The contract between the District and the third-party administrator is renewable each September 1st and the 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 or aggregate loss by stop-loss coverage carried through the insurance Company. For the plan year, stop-loss coverage was in effect for individual claims exceeding \$500,000.

Claims Liabilities

The claims liabilities at August 31, 2025 for workers compensation insurance and health insurance of \$517,507 and \$2,798,366 reported in the internal service fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in claims liabilities reported in the internal service fund during the past two fiscal years are as follows:

	Workers Compensation		Health Insurance	
	Year Ended 8/31/2024	Year Ended 8/31/2025	Year Ended 8/31/2024	Year Ended 8/31/2025
Claims liability at beginning of year	\$ 634,056	\$ 688,721	\$ 3,488,536	\$ 3,034,804
Incurred claims (including IBNRs) and adjustments	982,063	550,370	47,992,039	49,339,393
Claims payments	(927,398)	(721,584)	(48,445,771)	(49,575,831)
Claims liability at end of year	\$ 688,721	\$ 517,507	\$ 3,034,804	\$ 2,798,366

Medicare Part D - On Behalf Payments for Reporting Entities

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

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

Note 13 - Risk Management (Continued)

For the fiscal years ended August 31, 2025, 2024 and 2023, the subsidy payments received by TRS Care on behalf of the District for Medicare Part D were \$2,004,973, \$1,408,474, and \$1,393,948 respectively.

Note 14 - Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Note 14 - Pension Plan (Continued)

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

Contributions

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

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

	Contribution Rates	
	2024	2025
Member	8.25%	8.25%
Non-Employee Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Current fiscal year employer contributions	\$	13,871,331
Current fiscal year member contributions	\$	24,508,893
2024 measurement year NECE on-behalf contributions	\$	14,075,160

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

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

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

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

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

Note 14 - Pension Plan (Continued)

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member's salary beginning in fiscal year 2023, *gradually increasing to 2.0% in fiscal year 2025.*
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024. The following table discloses the assumptions that were applied to this measurement period:

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 as of August 2023	3.87% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20- Year Municipal GO AA Index."
Last year ending August 31 in projection period (100 years)	2123
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
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.

Discount Rate

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 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.

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

Note 14 - Pension Plan (Continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target assets allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 (see page 56 of the TRS Annual Comprehensive Financial Report) are summarized below:

Asset Class*	Target Allocation % ₁	Long-Term Expected Geometric Real Rate of Return ₂	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return	5.00%	3.00%	0.20%
Stable Value Hedge Funds	0.00%	4.00%	0.00%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy and Natural Resources, Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity			
Risk Parity	8.00%	4.00%	0.40%
Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag ₃			-0.70%
Expected Return	100.0%		7.90%

* Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2023 policy model.

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

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

Discount Rate Sensitivity Analysis

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

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

Note 14 - Pension Plan (Continued)

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 226,260,749	\$ 141,656,140	\$ 71,555,206

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

At August 31, 2025, the District reported a liability of \$141,656,140 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 141,656,140
State's proportionate share that is associated with the District	152,567,091
Total	\$ 294,223,231

The net pension liability was measured as of August 31, 2023 and rolled forward to 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 District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective net pension liability was 0.2319031695%, which was a decrease of 0.006852625% 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.

For the year ended August 31, 2024, the District recognized pension expense of \$40,749,862 and revenue of \$18,234,317 for support provided by the State.

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

Note 14 - Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 7,807,893	\$ 1,105,982
Changes in actuarial assumptions	7,314,010	980,559
Differences between projected and actual investment earnings	861,078	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	5,727,391	1,811,360
Total as of August 31, 2023 measurement date	21,710,372	3,897,901
Contributions paid to TRS subsequent to the measurement date that will be recognized in fiscal year-end 2025	13,871,331	
Total as of fiscal year-end	\$ 35,581,703	\$ 3,897,901

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

Fiscal year ended August 31,	Pension Expense Amount	
2026	\$	3,182,365
2027	\$	16,565,217
2028	\$	1,530,357
2029	\$	(3,847,244)
2030	\$	381,777
Thereafter		(1)

	Beginning Balance 9/1/2024		Additions	Retirements	Ending Balance 8/31/2025	
Net Pension Liability	\$	160,394,222	\$ -	\$ 18,738,082	\$	141,656,140

Note 15 - Other Post-Employment Benefit Plans

Plan Description

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

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

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

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Contributions

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

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

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

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

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

Contribution Rates	2024	2025
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 2,599,755
Current fiscal year member contributions		\$ 1,931,013
2024 Measurement Year NECE On-Behalf Contributions		\$ 3,252,680

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 developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

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

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on Plan Specific Experience.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost.
Projected Salary Increases	2.95% to 8.95%
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. This was an increase of 0.26 percent in the discount rate from 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 Fidelity "20-year Municipal GO AA Index" as of August 31, 2024, using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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

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

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

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2025, using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of Net OPEB Liability

Discount Rate Sensitivity Analysis:

The following schedule shows the impact on the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB liability.

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
Proportionate share of the net OPEB liability	\$ 103,052,137	\$ 86,740,811	\$ 73,561,014

Healthcare Cost Trend Rates Sensitivity Analysis

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 70,637,513	\$ 86,740,811	\$ 107,725,014

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

At August 31, 2025, the District reported a liability of \$86,740,811 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	\$	86,740,811
State's proportionate share that is associated with the District		108,685,060
Total	\$	195,425,871

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

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

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 the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At August 31, 2023, the District's proportion of the collective net OPEB liability was 0.2857872553%, which was a decrease of -0.0086278864% from its proportion measured as of August 31, 2023.

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

- The discount rate changed from 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.

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

For the year ended August 31, 2025, the District recognized OPEB expense of \$(23,725,434) and revenue of \$(14,127,052) for support provided by the State.

At August 31, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 16,625,301	\$ 43,288,367
Changes in actuarial assumptions	11,101,799	28,302,523
Differences between projected and actual investment earnings	-	242,903
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	10,150,984	13,242,157
Total as of August 31, 2024 measurement date	37,878,084	85,075,950
Contributions paid to TRS subsequent to the measurement date that will be recognized in fiscal year-end 202	2,599,755	-
Total as of fiscal year-end	\$ 40,477,839	\$ 85,075,950

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

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

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

Fiscal year ended August 31,	OPEB Expense Amount			
2026	\$ (11,856,149)			
2027	(7,927,574)			
2028	(9,820,454)			
2029	(8,701,161)			
2030	(4,924,408)			
Thereafter	(3,968,120)			
	Beginning Balance			Ending Balance
	9/1/2024	Additions	Retirements	8/31/2025
Net OPEB Liability	\$ 65,178,522	\$ 21,562,289		\$ 86,740,811

Note 16 – Shared Service Arrangements

The District is a participant in a shared service arrangement with McAllen ISD, which provides deaf education services to students who are enrolled in the Regional Day School Program for the Deaf. As of August 31, 2025, McAllen ISD allocated expenditures in the amount of \$162,012.

Note 17 – Leases – Prepaid Interest

On January 22, 2016, the District entered into an Interlocal Agreement with South Texas College (STC) to lease four classrooms, consisting in the aggregate, approximately 5,800 square feet or more located at the Regional Center for Public Safety Excellence. The District prepaid the total amount of \$1,370,532 in 2018. The District determined that this lease agreement meets the definition of a lease as defined in GASB No. 87. Therefore, the District calculated and recognized right-to-use of assets of \$1,038,292 and since the District prepaid the entire amount, it recorded a prepaid interest of \$126,660 as of September 1, 2021. At that time, the District had \$1,164,952 as prepaid items at the fund level. As of August 31, 2025, prepaid interest balance is \$76,608 and is included in prepaid items of the Statement of Net Position.

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

Year Ending August 31,	Amount
2026	\$ 10,667
2027	9,909
2028	9,141
2029	8,363
2030	7,574
2031-2035	25,684
2036-2039	5,271
Total	76,609
Current portion	10,667
Prepaid long-term	\$ 65,942

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

Note 17 – Leases – Prepaid Interest (Continued)

As of August 31, 2025, prepaid items consisted of the following:

Insurance	\$	686,923
Prepaid interest - current portion		10,667
<hr/>		
Total prepaid items - current portion		697,590
Prepaid interest - long-term portion		65,942
<hr/>		
Total prepaid items	\$	763,532
<hr/>		

Note 18 – Commitments and Contingencies

Contingencies

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

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

Litigation

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

Construction Commitments

Project Name	Contract Amount	Amount Expended	Remaining Commitment
Auditorium	\$ 281,711	\$ 275,224	\$ 6,487
	<hr/>	<hr/>	<hr/>
	\$ 281,711	\$ 275,224	\$ 6,487
	<hr/>		

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

Note 19 – Fund Balances

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

Fund Balance Description	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Inventories	\$ 3,106,912	\$ -	\$ -	\$ -	\$ 3,106,912
Prepaid Items	935,371	-	-	-	935,371
Restricted					
Federal/State Funds Grant	21,737,030	-	-	-	21,737,030
Retirement of Long-Term Debt	8,200,000	6,900,824	-	-	15,100,824
Construction Projects	-	-	-	-	-
Committed					
Construction Projects	5,061,550	-	1,874	-	5,063,424
Equipment for New Schools	1,450,950	-	-	-	1,450,950
Compensated Absences	8,359,894	-	-	-	8,359,894
Campus Activities Fund	-	-	-	2,868,808	2,868,808
Assigned					
E-Rate and Other Items	7,989,509	-	-	-	7,989,509
Unassigned Fund Balance					
Other Unassigned Fund Balance	37,431,155	-	-	(14)	37,431,141
Total Nonspendable, Restricted, Committed and Assigned					
Governmental Fund Balances	\$ 94,272,371	\$ 6,900,824	\$ 1,874	\$ 2,868,794	\$ 104,043,863
Total Nonspendable, Restricted, Committed and Assigned					
Governmental Fund Balances	\$ 56,841,216				

Note 20 – Other Resources

The District received \$1,767,524 in insurance recovery in connection with Hurricane Hanna claim; which was used for construction projects in the Capital Project fund.

Note 21 – Subsequent Events

Property Casualty Self-Insurance Fund

On May 12, 2025, the Board approved a resolution to create a self-insurance fund to cover property/casualty self-insurance. As a result, the District will cancel the coverage with the external insurance company for the fiscal year 2025-2026.

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REQUIRED SUPPLEMENTARY INFORMATION



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PHARR-SAN JUAN-ALAMO ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 59,342,566	\$ 58,604,349	\$ 56,782,832	\$ (1,821,517)
5800 State Program Revenues	315,848,056	331,931,282	338,783,650	6,852,368
5900 Federal Program Revenues	38,895,385	36,006,806	36,851,459	844,653
5020 Total Revenues	414,086,007	426,542,437	432,417,941	5,875,504
EXPENDITURES:				
Current:				
0011 Instruction	221,551,489	234,496,789	241,440,767	(6,943,978)
0012 Instructional Resources and Media Services	5,425,076	6,441,974	6,441,974	-
0013 Curriculum and Instructional Staff Development	5,983,622	4,573,217	4,573,217	-
0021 Instructional Leadership	8,623,210	7,613,406	7,613,406	-
0023 School Leadership	22,017,428	21,587,104	21,587,104	-
0031 Guidance, Counseling, and Evaluation Services	15,946,321	15,376,269	15,376,269	-
0032 Social Work Services	2,944,397	2,885,307	2,885,307	-
0033 Health Services	5,323,095	4,586,304	4,586,304	-
0034 Student (Pupil) Transportation	9,782,478	13,821,692	14,299,835	(478,143)
0035 Food Services	29,658,593	29,770,014	32,188,770	(2,418,756)
0036 Extracurricular Activities	15,679,265	15,557,950	15,557,950	-
0041 General Administration	10,538,340	10,843,651	11,344,264	(500,613)
0051 Facilities Maintenance and Operations	46,859,569	47,159,569	49,618,040	(2,458,471)
0052 Security and Monitoring Services	7,837,632	8,930,150	8,930,150	-
0053 Data Processing Services	4,181,426	4,059,395	4,059,395	-
0061 Community Services	492,013	538,908	538,908	-
Debt Service:				
0071 Principal on Long-Term Liabilities	3,120,000	1,325,627	1,325,627	-
0072 Interest on Long-Term Liabilities	375,000	649,290	649,290	-
0073 Bond Issuance Cost and Fees	5,000	1,500	1,500	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	13,053	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	195,000	165,320	165,320	-
0099 Other Intergovernmental Charges	534,000	1,007,682	1,007,682	-
6030 Total Expenditures	417,086,007	431,391,118	444,191,079	(12,799,961)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000,000)	(4,848,681)	(11,773,138)	(6,924,457)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	4,332	4,332
7915 Transfers In	3,000,000	-	523,429	523,429
8911 Transfers Out (Use)	-	-	(5,256,298)	(5,256,298)
7080 Total Other Financing Sources (Uses)	3,000,000	-	(4,728,537)	(4,728,537)
1200 Net Change in Fund Balances	-	(4,848,681)	(16,501,675)	(11,652,994)
0100 Fund Balance - September 1 (Beginning)	110,774,046	110,774,046	110,774,046	-
3000 Fund Balance - August 31 (Ending)	\$ 110,774,046	\$ 105,925,365	\$ 94,272,371	\$ (11,652,994)

PHARR-SAN JUAN-ALAMO ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.23190317%	0.23350328%	0.234703432%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 141,656,140	\$ 160,394,222	\$ 139,337,391
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	152,567,091	171,056,453	157,027,087
Total	<u>\$ 294,223,231</u>	<u>\$ 331,450,675</u>	<u>\$ 296,364,478</u>
District's Covered Payroll	\$ 284,675,606	\$ 267,338,319	\$ 258,638,622
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	49.76%	60.00%	53.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.23849483%	0.21633216%	0.195838628%	0.191456051%	0.19476158%	0.180818169%	0.1847826%
\$ 60,736,193	\$ 115,863,091	\$ 101,803,041	\$ 105,382,057	\$ 62,274,261	\$ 68,328,497	\$ 65,318,190
68,993,376	161,410,420	151,988,841	161,637,767	93,127,611	116,712,800	111,329,915
<u>\$ 129,729,569</u>	<u>\$ 277,273,511</u>	<u>\$ 253,791,882</u>	<u>\$ 267,019,824</u>	<u>\$ 155,401,872</u>	<u>\$ 185,041,297</u>	<u>\$ 176,648,105</u>
\$ 244,989,442	\$ 242,894,429	\$ 226,002,041	\$ 216,648,731	\$ 208,433,068	\$ 201,147,880	\$ 201,147,880
24.79%	47.70%	45.05%	48.64%	29.88%	33.97%	32.47%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

PHARR-SAN JUAN-ALAMO ISD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 13,871,331	\$ 13,068,564	\$ 12,001,492
Contribution in Relation to the Contractually Required Contribution	(13,871,331)	(13,068,564)	(12,001,492)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 297,077,405	\$ 284,675,606	\$ 267,338,319
Contributions as a Percentage of Covered Payroll	4.67%	4.59%	4.49%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

	2022	2021	2020	2019	2018	2017	2016
\$	10,951,956	\$ 10,174,108	\$ 8,924,295	\$ 6,829,233	\$ 6,383,148	\$ 5,722,877	\$ 5,221,984
	(10,951,956)	(10,174,108)	(8,924,295)	(6,829,233)	(638,348)	(5,722,877)	(5,221,984)
\$	-	\$ -	\$ -	\$ -	\$ 5,744,800	\$ -	\$ -
\$	258,638,622	\$ 244,989,442	\$ 242,894,429	\$ 226,002,041	\$ 208,433,068	\$ 201,147,880	\$ 192,095,263
	4.23%	4.15%	3.67%	3.02%	3.06%	2.85%	2.72%

PHARR-SAN JUAN-ALAMO ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.285787255%	0.294415142%	0.306094488%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 86,740,811	\$ 65,178,522	\$ 73,291,281
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	108,685,060	78,647,905	89,403,847
Total	<u>\$ 195,425,871</u>	<u>\$ 143,826,427</u>	<u>\$ 162,695,128</u>
District's Covered Payroll	\$ 284,675,606	\$ 269,892,056	\$ 258,038,122
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	30.47%	24.15%	28.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

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

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.312882638%	0.293264486%	0.298780007%	0.289579551%	0.279306574%
\$ 120,692,815	\$ 111,483,075	\$ 141,296,727	\$ 144,589,721	\$ 121,459,951
161,701,475	149,806,529	187,751,743	171,313,095	150,452,524
<u>\$ 282,394,290</u>	<u>\$ 261,289,604</u>	<u>\$ 329,048,470</u>	<u>\$ 315,902,816</u>	<u>\$ 271,912,475</u>
\$ 244,989,442	\$ 242,894,429	\$ 228,465,040	\$ 216,648,731	\$ 208,433,068
49.26%	45.90%	61.85%	66.74%	58.27%
6.18%	4.99%	2.66%	1.57%	0.91%

PHARR-SAN JUAN-ALAMO ISD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 2,599,755	\$ 2,595,942	\$ 2,553,737
Contribution in Relation to the Contractually Required Contribution	(2,599,755)	(2,595,942)	(2,553,737)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 297,077,405	\$ 284,675,606	\$ 269,892,056
Contributions as a Percentage of Covered Payroll	0.88%	0.91%	0.95%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2022	2021	2020	2019	2018
\$	2,514,079	\$ 2,443,444	\$ 2,228,364	\$ 2,120,503	\$ 6,383,148
	(2,514,079)	(2,443,444)	(2,228,364)	(2,120,503)	(638,348)
\$	-	\$ -	\$ -	\$ -	\$ 5,744,800
\$	258,038,122	\$ 244,989,442	\$ 242,894,429	\$ 288,465,040	\$ 208,433,068
	0.97%	1.00%	0.92%	0.74%	3.06%

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

A. Budgets

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

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

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

B. Encumbrances

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

C. Expenditures exceeding Appropriations

For the year ended August 31, 2025, the District had total expenditures exceeding budget by \$12,799,961. Functions with expenditures exceeding budget include: \$6,943,978 function 11, \$478,143 in function 34, \$2,418,756 in function 35, \$500,613 in function 41, and \$2,458,471 in function 51 in the general fund.

D. TRS Pension

Changes of Benefit Terms: The Texas 2023 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 \$3.555 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.

Changes in Assumptions: There was no change in the actuarial assumptions.

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

E. TRS OPEB Plan

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

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

- 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 experiences study.
- The tables used to model the impact of aging on the underlying claims were revised.

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COMBINING FUND STATEMENTS



PHARR-SAN JUAN-ALAMO ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240 Due from Other Governments	5,085,241	264,681	701,181	9,885
1260 Due from Other Funds	-	-	-	-
1290 Other Receivables	-	-	-	-
1410 Prepayments	-	-	-	-
1000 Total Assets	<u>\$ 5,085,241</u>	<u>\$ 264,681</u>	<u>\$ 701,181</u>	<u>\$ 9,885</u>
LIABILITIES				
2110 Accounts Payable	\$ 26,789	\$ 155	\$ -	\$ -
2160 Accrued Wages Payable	536,415	6,554	250,890	3,393
2170 Due to Other Funds	4,522,037	257,972	450,291	6,492
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>5,085,241</u>	<u>264,681</u>	<u>701,181</u>	<u>9,885</u>
FUND BALANCES				
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,085,241</u>	<u>\$ 264,681</u>	<u>\$ 701,181</u>	<u>\$ 9,885</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	274 GEAR UP	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,746	\$ 29,347	\$ -
181,487	223,478	168,750	429,655	106,497	815,918	(204)	255,657
-	-	-	-	-	29,377	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	708,341
<u>\$ 181,487</u>	<u>\$ 223,478</u>	<u>\$ 168,750</u>	<u>\$ 429,655</u>	<u>\$ 106,497</u>	<u>\$ 898,041</u>	<u>\$ 29,143</u>	<u>\$ 963,998</u>
\$ 1,819	\$ -	\$ 229	\$ 475	\$ -	\$ (1)	\$ -	\$ -
4,550	104,246	50,170	31,028	25,231	37,712	-	-
175,118	119,232	118,351	118,663	81,266	859,458	-	255,668
-	-	-	-	-	197	-	-
-	-	-	279,489	-	675	29,143	708,341
<u>181,487</u>	<u>223,478</u>	<u>168,750</u>	<u>429,655</u>	<u>106,497</u>	<u>898,041</u>	<u>29,143</u>	<u>964,009</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(11)
-	-	-	-	-	-	-	(11)
<u>\$ 181,487</u>	<u>\$ 223,478</u>	<u>\$ 168,750</u>	<u>\$ 429,655</u>	<u>\$ 106,497</u>	<u>\$ 898,041</u>	<u>\$ 29,143</u>	<u>\$ 963,998</u>

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PHARR-SAN JUAN-ALAMO ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2025

Data Control Codes	429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 2,868,808	\$ 45,127	\$ 2,996,028
1240	Due from Other Governments	1,070,751	-	112,835	9,425,812
1260	Due from Other Funds	-	-	-	29,377
1290	Other Receivables	-	-	237	237
1410	Prepayments	-	-	-	708,341
1000	Total Assets	<u>\$ 1,070,751</u>	<u>\$ 2,868,808</u>	<u>\$ 158,199</u>	<u>\$ 13,159,795</u>
LIABILITIES					
2110	Accounts Payable	\$ 1,243	\$ -	\$ 882	\$ 31,591
2160	Accrued Wages Payable	16,646	-	-	1,066,835
2170	Due to Other Funds	1,052,865	-	111,373	8,128,786
2180	Due to Other Governments	-	-	817	1,014
2300	Unearned Revenue	-	-	45,127	1,062,775
2000	Total Liabilities	<u>1,070,754</u>	<u>-</u>	<u>158,199</u>	<u>10,291,001</u>
FUND BALANCES					
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	2,868,808	-	2,868,808
3600	Unassigned Fund Balance	(3)	-	-	(14)
3000	Total Fund Balances	<u>(3)</u>	<u>2,868,808</u>	<u>-</u>	<u>2,868,794</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,070,751</u>	<u>\$ 2,868,808</u>	<u>\$ 158,199</u>	<u>\$ 13,159,795</u>

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	19,769,178	703,941	5,562,252	81,940
5020 Total Revenues	19,769,178	703,941	5,562,252	81,940
EXPENDITURES:				
Current:				
0011 Instruction	13,002,111	231,113	5,236,465	81,940
0012 Instructional Resources and Media Services	336,381	-	-	-
0013 Curriculum and Instructional Staff Development	3,155,193	-	199,853	-
0021 Instructional Leadership	1,903,284	73,947	125,934	-
0023 School Leadership	14,000	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	342,127	-	-
0032 Social Work Services	-	56,276	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	1,358,209	478	-	-
6030 Total Expenditures	19,769,178	703,941	5,562,252	81,940
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

244	255	263	272	274	289	397	410
Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	Medicaid Admin. Claim MAC	GEAR UP	Other Federal Special Revenue Funds	Advanced Placement Incentives	State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	1,672,119
652,897	1,826,141	1,283,271	659,363	443,557	1,797,206	-	-
652,897	1,826,141	1,283,271	659,363	443,557	1,797,206	-	1,672,119
338,439	-	793,974	-	39,447	828,701	-	1,672,119
83,546	-	-	-	-	-	-	-
-	1,826,141	482,099	-	4,113	95,643	-	-
-	-	1,207	-	-	-	-	-
-	-	-	-	829	-	-	-
230,912	-	-	-	398,584	598,356	-	-
-	-	-	-	-	211,682	-	-
-	-	-	659,363	-	-	-	-
-	-	5,080	-	-	(108)	-	-
-	-	-	-	-	1,055	-	-
-	-	-	-	-	57,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(108)	-	-
-	-	-	-	-	-	-	-
-	-	911	-	584	4,985	-	-
652,897	1,826,141	1,283,271	659,363	443,557	1,797,206	-	1,672,119
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(11)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11)

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	429 Other State Special Revenue Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 6,420,691	\$ 178,919	\$ 6,599,610
5800 State Program Revenues	7,397,749	-	-	9,069,868
5900 Federal Program Revenues	-	-	-	32,779,746
5020 Total Revenues	7,397,749	6,420,691	178,919	48,449,224
EXPENDITURES:				
Current:				
0011 Instruction	559,683	-	27,196	22,811,188
0012 Instructional Resources and Media Services	-	-	-	419,927
0013 Curriculum and Instructional Staff Development	2,200,721	-	130,760	8,094,523
0021 Instructional Leadership	464,922	-	-	2,569,294
0023 School Leadership	1,725	-	-	16,554
0031 Guidance, Counseling, and Evaluation Services	-	-	-	1,569,979
0032 Social Work Services	-	-	20,444	288,402
0033 Health Services	-	-	-	659,363
0034 Student (Pupil) Transportation	-	-	-	4,972
0035 Food Services	-	-	-	1,055
0036 Extracurricular Activities	-	6,245,926	-	6,302,926
0041 General Administration	23,413	-	-	23,413
0051 Facilities Maintenance and Operations	-	-	-	(108)
0052 Security and Monitoring Services	4,127,844	-	-	4,127,844
0061 Community Services	19,441	-	519	1,385,127
6030 Total Expenditures	7,397,749	6,245,926	178,919	48,274,459
1200 Net Change in Fund Balance	-	174,765	-	174,765
0100 Fund Balance - September 1 (Beginning)	(3)	2,694,043	-	2,694,029
3000 Fund Balance - August 31 (Ending)	\$ (3)	\$ 2,868,808	\$ -	\$ 2,868,794

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2025

	752	753	771	772	Total
	Print Shop	Insurance	Copier	Workers Compensation	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 133,216	\$ 90,573	\$ 76,818	\$ 2,623,632	\$ 2,924,239
Investments - Current	-	3,585,824	-	-	3,585,824
Due from Other Funds	182,705	500,036	-	24,079	706,820
Other Receivables	-	293	2	-	295
Total Current Assets	<u>315,921</u>	<u>4,176,726</u>	<u>76,820</u>	<u>2,647,711</u>	<u>7,217,178</u>
Noncurrent Assets:					
Capital Assets:					
Furniture and Equipment, Net	20,299	-	9,005	-	29,304
Total Noncurrent Assets	<u>20,299</u>	<u>-</u>	<u>9,005</u>	<u>-</u>	<u>29,304</u>
Total Assets	<u>336,220</u>	<u>4,176,726</u>	<u>85,825</u>	<u>2,647,711</u>	<u>7,246,482</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	10,412	1,233,840	3,145	1	1,247,398
Accrued Wages Payable	5,847	11,975	-	5,964	23,786
Due to Other Funds	319,961	845	-	685,954	1,006,760
Accrued Expenses	-	2,798,366	-	517,507	3,315,873
Total Liabilities	<u>336,220</u>	<u>4,045,026</u>	<u>3,145</u>	<u>1,209,426</u>	<u>5,593,817</u>
NET POSITION					
Unrestricted Net Position	\$ -	\$ 131,700	\$ 82,680	\$ 1,438,285	\$ 1,652,665
Total Net Position	<u>\$ -</u>	<u>\$ 131,700</u>	<u>\$ 82,680</u>	<u>\$ 1,438,285</u>	<u>\$ 1,652,665</u>

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

	752	753	771	772	Total Internal Service Funds
	Print Shop	Insurance	Copier	Workers Compensation	
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 214,916	\$ 48,198,197	\$ 11,601	\$ 18,079	\$ 48,442,793
Total Operating Revenues	214,916	48,198,197	11,601	18,079	48,442,793
OPERATING EXPENSES:					
Payroll Costs	234,315	568,813	-	270,353	1,073,481
Professional and Contracted Services	83,097	52,219,149	31,571	799,976	53,133,793
Supplies and Materials	80,209	88,817	5,373	-	174,399
Other Operating Costs	-	569	-	-	569
Capital Outlay	-	28,262	-	-	28,262
Total Operating Expenses	397,621	52,905,610	36,944	1,070,329	54,410,504
Operating Income (Loss)	(182,705)	(4,707,413)	(25,343)	(1,052,250)	(5,967,711)
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits &	-	274,179	-	-	274,179
Total Nonoperating Revenues (Expenses)	-	274,179	-	-	274,179
Income (Loss) Before Transfers	(182,705)	(4,433,234)	(25,343)	(1,052,250)	(5,693,532)
Transfers In	182,705	500,000	-	-	682,705
Transfers Out	-	-	-	(682,705)	(682,705)
Change in Net Position	-	(3,933,234)	(25,343)	(1,734,955)	(5,693,532)
Total Net Position - Sept. 1 (Beginning)	-	4,064,934	108,023	3,173,240	7,346,197
Total Net Position - August 31 (Ending)	\$ -	\$ 131,700	\$ 82,680	\$ 1,438,285	\$ 1,652,665

PHARR-SAN JUAN-ALAMO ISD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

	752	753	771	772	Total
	Print Shop	Insurance	Copier	Workers Compensation	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Assessments - Other Funds	\$ 214,916	\$ 48,198,197	\$ 11,601	\$ 18,079	\$ 48,442,793
Cash Payments to Employees for Services	(236,074)	(575,289)	-	(271,202)	(1,082,565)
Cash Payments for Insurance Claims	-	(52,306,495)	-	(1,108,508)	(53,415,003)
Cash Payments for Suppliers	(159,711)	-	(47,219)	-	(206,930)
Cash Payments for Other Operating Expenses	-	(569)	-	-	(569)
Net Cash Used For Operating Activities	(180,869)	(4,684,156)	(35,618)	(1,361,631)	(6,262,274)
<u>Cash Flows from Non-Capital Financing Activities:</u>					
Transfers In	314,085	2,009,787	112,436	3,985,263	6,421,571
<u>Cash Flows from Investing Activities:</u>					
Purchase of Investment Securities	-	(3,639,895)	-	-	(3,639,895)
Proceeds from Sale & Maturities of Securities	-	6,130,658	-	-	6,130,658
Interest and Dividends on Investments	-	274,179	-	-	274,179
Net Cash Provided by Investing Activities	-	2,764,942	-	-	2,764,942
Net Increase in Cash and Cash Equivalents	133,216	90,573	76,818	2,623,632	2,924,239
Cash and Cash Equivalents at Beginning of Year	-	-	-	-	-
Cash and Cash Equivalents at End of Year	\$ 133,216	\$ 90,573	\$ 76,818	\$ 2,623,632	\$ 2,924,239
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>					
<u>Used for Operating Activities:</u>					
Operating Income (Loss):	\$ (182,705)	\$ (4,707,413)	\$ (25,343)	\$ (1,052,250)	\$ (5,967,711)
Effect of Increases and Decreases in Current Assets and Liabilities:					
Increase (decrease) in Accounts Payable	3,595	(226,296)	(10,275)	(137,318)	(370,294)
Increase (decrease) in Accrued Wages Payable	(1,759)	249,553	-	(172,063)	75,731
Net Cash Used for Operating Activities	\$ (180,869)	\$ (4,684,156)	\$ (35,618)	\$ (1,361,631)	\$ (6,262,274)

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 AUGUST 31, 2025

	711	712
	College For All	Digital Billboard
<hr/>		
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 98,533	\$ 591,739
Due from Other Funds	-	-
Total Assets	<u>98,533</u>	<u>591,739</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	43	316,831
Accrued Wages Payable	-	-
Due to Other Funds	-	-
Due to Student Groups	-	-
Total Liabilities	<u>43</u>	<u>316,831</u>
NET POSITION		
Unrestricted Net Position	<u>98,490</u>	<u>274,908</u>
Total Net Position	<u>\$ 98,490</u>	<u>\$ 274,908</u>

713	714	715	Total Nonmajor Enterprise Funds
ACT-RGV	Swimming	Natatorium	
\$ -	\$ 39,202	\$ 152,244	\$ 881,718
303,844	-	-	303,844
<u>303,844</u>	<u>39,202</u>	<u>152,244</u>	<u>1,185,562</u>
5,213	-	-	322,087
13,802	-	855	14,657
51,541	-	-	51,541
150	-	-	150
<u>70,706</u>	<u>-</u>	<u>855</u>	<u>388,435</u>
233,138	39,202	151,389	797,127
<u>\$ 233,138</u>	<u>\$ 39,202</u>	<u>\$ 151,389</u>	<u>\$ 797,127</u>

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

	711	712
	College For All	Digital Billboard
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 63,820	\$ 250,375
Total Operating Revenues	<u>63,820</u>	<u>250,375</u>
OPERATING EXPENSES:		
Payroll Costs	-	552
Professional and Contracted Services	25,833	22,818
Supplies and Materials	1,470	4,878
Other Operating Costs	5,127	6,938
Total Operating Expenses	<u>32,430</u>	<u>35,186</u>
Income Before Transfers	31,390	215,189
Transfers Out	-	(523,429)
Change in Net Position	31,390	(308,240)
Total Net Position - September 1 (Beginning)	67,100	583,148
Total Net Position - August 31 (Ending)	<u>\$ 98,490</u>	<u>\$ 274,908</u>

713	714	715	Total Nonmajor Enterprise Funds
ACT-RGV	Swimming	Natatorium	
\$ 972,272	\$ 21,335	\$ 81,770	\$ 1,389,572
972,272	21,335	81,770	1,389,572
482,902	-	23,761	507,215
233,970	-	41,007	323,628
8,561	-	11,055	25,964
13,701	185	-	25,951
739,134	185	75,823	882,758
233,138	21,150	5,947	506,814
-	-	-	(523,429)
233,138	21,150	5,947	(16,615)
-	18,052	145,442	813,742
\$ 233,138	\$ 39,202	\$ 151,389	\$ 797,127

PHARR-SAN JUAN-ALAMO ISD
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2025

	711	712
	College For All	Digital Billboard
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 63,820	\$ 250,375
Cash Payments to Employees for Services	-	(552)
Cash Payments for Suppliers	(27,319)	280,369
Cash Payments for Other Operating Expenses	(5,127)	(6,938)
Net Cash Provided by Operating Activities	<u>31,374</u>	<u>523,254</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	<u>-</u>	<u>(523,429)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	31,374	(175)
Cash and Cash Equivalents at Beginning of Year	67,159	591,914
Cash and Cash Equivalents at End of Year	<u>\$ 98,533</u>	<u>\$ 591,739</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided By Operating Activities:</u>		
Operating Income:	\$ 31,390	\$ 215,189
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable	(16)	308,065
Increase (decrease) in Accrued Wages Payable	-	-
Net Cash Provided by Operating Activities	<u>\$ 31,374</u>	<u>\$ 523,254</u>

713	714	715	Total Nonmajor Enterprise Funds
ACT-RGV	Swimming	Natatorium	
\$ 972,272	\$ 21,335	\$ 81,770	\$ 1,389,572
(483,411)	-	(23,883)	(507,846)
(242,291)	-	(52,061)	(41,302)
(13,701)	(185)	-	(25,951)
<u>232,869</u>	<u>21,150</u>	<u>5,826</u>	<u>814,473</u>
(536,713)	-	-	(1,060,142)
(303,844)	21,150	5,826	(245,669)
303,844	18,052	146,418	1,127,387
<u>\$ -</u>	<u>\$ 39,202</u>	<u>\$ 152,244</u>	<u>\$ 881,718</u>
\$ 233,138	\$ 21,150	\$ 5,947	\$ 506,814
240	-	1	308,290
(509)	-	(122)	(631)
<u>\$ 232,869</u>	<u>\$ 21,150</u>	<u>\$ 5,826</u>	<u>\$ 814,473</u>

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OTHER INFORMATION



PHARR-SAN JUAN-ALAMO ISD
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE YEAR ENDED AUGUST 31, 2025

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ 11,349,164,680
2017	1.170000	0.22920	4,095,443,046
2018	1.170000	0.21920	4,397,907,616
2019	1.170000	0.20920	4,549,434,603
2020	1.068300	0.20420	4,824,721,849
2021	1.050700	0.21680	5,123,571,044
2022	0.997600	0.21910	5,557,046,250
2023	0.974600	0.20910	6,044,138,347
2024	0.789200	0.22910	6,097,897,280
2025 (School year under audit)	0.786900	0.22910	6,492,933,671
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 9/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 1,949,022	\$	\$ 42,275	\$ 6,732	\$ (51,224)	\$ 1,848,793	
176,950		6,818	1,336	(261)	168,535	
191,255		10,224	1,916	(725)	178,392	
213,680		13,567	2,426	(715)	196,972	
238,132		25,519	4,879	(1,186)	206,548	
421,264		71,935	14,838	(58,672)	275,817	
608,021		188,438	41,393	66,730	444,919	
1,264,096		331,629	71,127	(48,681)	812,660	
2,678,421		737,154	214,012	(427,565)	1,299,689	
	64,478,449	48,603,855	14,151,284	880,594	2,603,904	
<u>\$ 7,740,841</u>	<u>\$ 64,478,449</u>	<u>\$ 50,031,414</u>	<u>\$ 14,509,942</u>	<u>\$ 358,294</u>	<u>\$ 8,036,229</u>	

\$ 71,094

PHARR-SAN JUAN-ALAMO ISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 13,119,910	\$ 13,119,910	\$ 15,048,062	\$ 1,928,152
5800 State Program Revenues	9,352,887	9,352,887	8,290,423	(1,062,464)
5020 Total Revenues	22,472,797	22,472,797	23,338,485	865,688
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	13,535,000	13,535,000	15,340,000	(1,805,000)
0072 Interest on Long-Term Liabilities	8,924,147	8,924,147	7,118,772	1,805,375
0073 Bond Issuance Cost and Fees	13,650	13,650	11,075	2,575
6030 Total Expenditures	22,472,797	22,472,797	22,469,847	2,950
1200 Net Change in Fund Balances	-	-	868,638	868,638
0100 Fund Balance - September 1 (Beginning)	6,032,186	6,032,186	6,032,186	-
3000 Fund Balance - August 31 (Ending)	\$ 6,032,186	\$ 6,032,186	\$ 6,900,824	\$ 868,638

PHARR-SAN JUAN-ALAMO ISD
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	43,767,428
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	25,644,062

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	6,867,263
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	4,187,122

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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
Pharr-San Juan-Alamo Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended August 31, 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 23, 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. We identified certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

District's Response to Findings

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

Purpose of This Report

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

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

McAllen, Texas
February 23, 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
Pharr-San Juan-Alamo Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pharr-San Juan-Alamo Independent School District’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Pharr-San Juan-Alamo Independent School District’s major federal programs for the year ended August 31, 2025. The Pharr-San Juan-Alamo Independent School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pharr-San Juan-Alamo Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 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 Pharr-San Juan-Alamo Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Pharr-San Juan-Alamo Independent School District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

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

McAllen, Texas
February 23, 2026

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**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? X yes no

Federal Awards

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

Internal control over major programs:

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 84.424	Title I Grants to Local Education Agencies Student Support and Academic Enrichment Program

Dollar threshold used to distinguish between type A and type B programs: \$ 2,046,793

Auditee qualified as low-risk auditee under 2CFR 200.520? X yes no

**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025**

Section II – Financial Statement Findings

Reference No.: 2025-001

Material Weakness and Compliance Finding - Excess Expenditures Over Appropriations

Condition: As indicated in Exhibit G-1, the District’s total expenditures exceeded the total budget by \$12,799,961. The District’s expenditures exceeded the budget in five functional areas: 11 (instruction), 34 (student pupil transportation), 35 (food services), 41 (general administration), and 51 (facilities maintenance and operations). Also, actual transfers exceeded amended budget amount on the general fund.

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: A final budget amendment was presented and approved in August of 2025. However, the amendment was not sufficient to result in a final budget that covered all expenditures for the year.

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

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

Management Response: See corrective action plan.

**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025**

Section III – Federal Award Findings and Questioned Cost

No findings noted.

**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025**

Section IV – Prior Findings and Questioned Costs for Federal Awards

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2024-001	Excess Expenditures Over Appropriations
	<p>Status: Repeat finding. See 2025-001 finding</p> <p>Contact person: Rebecca Gonzales, Chief Financial Officer</p> <p>Proposed Completion Date: August 31, 2025</p>

Federal Award Findings and Questioned Costs:

No findings noted.

**Pharr-San Juan-Alamo Independent School District
Schedule of Findings and Questioned Costs
Corrective Action Plan
For the Year Ended August 31, 2025**

Financial Statement Findings:

	DESCRIPTION
Reference No.: 2025-001	Excess Expenditures Over Appropriations
	The district will continue to strengthen financial monitoring to promptly detect any discrepancies between budgeted and actual expenses. This includes variance analysis, trend analysis, and ongoing communication with department heads.
	Contact person: Rebecca Gonzales, Assistant Superintendent for Finance
	Proposed Completion Date: August 31, 2026

Federal Award Findings:

None noted.



**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025**

FEDERAL AGENCY PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES (\$)	PAYMENTS TO SUBRECIPIENTS
U. S. DEPARTMENT OF AGRICULTURE				
<u>Passed Through Texas Department of Agriculture</u>				
Local Food for Schools Cooperative Agreement Program	10.185	NT4XL1YGLGC5	\$ 96,321	-
Total AL Number 10.185			<u>96,321</u>	<u>-</u>
Child Nutrition Cluster				
*School Breakfast Program-SBP	10.553	NT4XL1YGLGC5	10,512,745	-
*School Breakfast Program-SSO	10.553	NT4XL1YGLGC5	288,024	-
Total AL Number 10.553			<u>10,800,769</u>	<u>-</u>
*National School Lunch Program - Noncash Assistance	10.555	NT4XL1YGLGC5	1,832,012	-
*National School Lunch Program	10.555	NT4XL1YGLGC5	17,481,554	-
*National School Lunch Program-SSO	10.555	NT4XL1YGLGC5	608,663	-
Total AL Number 10.555			<u>19,922,229</u>	<u>-</u>
*Fresh Fruit and Vegetable Program	10.582	NT4XL1YGLGC5	567,115	-
Total AL Number 10.582			<u>567,115</u>	<u>-</u>
Total Child Nutrition Cluster			<u>31,290,113</u>	<u>-</u>
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	1,547,147	-
Total AL Number 10.558			<u>1,547,147</u>	<u>-</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	NT4XL1YGLGC5	85,434	-
Total AL Number 10.579			<u>85,434</u>	<u>-</u>
Total Passed Through Texas Department of Agriculture			<u>33,019,015</u>	<u>-</u>
<u>Passed Through The University of Texas Rio Grande Valley</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HHS001018600003-02	17,494	-
Total AL Number 10.561			<u>17,494</u>	<u>-</u>
Total Passed Through The University of Texas Rio Grande Valley			<u>17,494</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>33,036,509</u>	<u>-</u>
U.S. DEPARTMENT OF DEFENSE				
<u>Direct Program</u>				
Junior Reserve Officer Training Corps	12.U01	DLP7FE6162B5	317,097	-
Total AL Number 12.U01			<u>317,097</u>	<u>-</u>
Total Direct Program			<u>317,097</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>317,097</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION				
<u>Passed Through Region One ESC</u>				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180025-23	1,880	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180025-24	213,956	-
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A240004	235,297	-
Total AL Number 84.334A			<u>451,133</u>	<u>-</u>
Total Passed Through Region One ESC			<u>451,133</u>	<u>-</u>
<u>Passed Through The University of Texas Rio Grande Valley</u>				
School Safety National Activities	84.184X	DLP7FE6162B5	157,000	-
Total AL Number 84.184X			<u>157,000</u>	<u>-</u>
Total Passed Through The University of Texas Rio Grande Valley			<u>157,000</u>	<u>-</u>
<u>Passed Through State Department of Education</u>				
Special Education (IDEA) Cluster				
*Special Education Grants to States	84.027A	246600011089096600	228,629	-
*Special Education Grants to States	84.027A	256600011089096600	5,315,727	-
*Special Education Grants to States	84.027A	266600011089096600	246,525	-
Total AL Number 84.027A			<u>5,790,881</u>	<u>-</u>

PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2025

FEDERAL AGENCY PASS-THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	CONTRACT/ GRANT NUMBER	EXPENDITURES (\$)	PAYMENTS TO SUBRECIPIENTS
*Special Education Preschool Grants	84.173A	246610011089096610	4,152	-
*Special Education Preschool Grants	84.173A	256610011089096610	78,546	-
*Special Education Preschool Grants	84.173A	266610011089096610	3,393	-
*Special Education Preschool Grants	84.173A	246610011089096000	69,115	-
Total AL Number 84.173A			155,206	-
Total Special Education (IDEA) Cluster			5,946,087	-
Title I Grants to Local Education Agencies	84.010A	24610101108909	675,675	-
Title I Grants to Local Education Agencies	84.010A	25610101108909	19,933,769	-
Title I Grants to Local Education Agencies	84.010A	25610105108909	14,000	-
Title I Grants to Local Education Agencies	84.010A	26610101108909	472,077	-
Total AL Number 84.010A			21,095,521	-
Migrant Education State Grant Program	84.011A	24615001108909	19,348	-
Migrant Education State Grant Program	84.011A	25615001108909	697,387	-
Migrant Education State Grant Program	84.011A	26615001108909	6,554	-
Total AL Number 84.011A			723,289	-
Career and Technical Education - Basic Grants to States	84.048A	25420006108909	648,580	-
Career and Technical Education - Basic Grants to States	84.048A	26420006108909	15,604	-
Total AL Number 84.048A			664,184	-
English Language Acquisition State Grants	84.365A	24671001108909	45,384	-
English Language Acquisition State Grants	84.365A	25671001108909	1,205,574	-
English Language Acquisition State Grants	84.365A	25671003108909	31,853	-
English Language Acquisition State Grants	84.365A	26671001108909	45,844	-
Total AL Number 84.365A			1,328,655	-
Supporting Effective Instruction State Grants	84.367A	24694501108909	75,649	-
Supporting Effective Instruction State Grants	84.367A	25694501108909	1,745,657	-
Supporting Effective Instruction State Grants	84.367A	26694501108909	56,250	-
Supporting Effective Instruction State Grants	84.367A	24694501108909	24,232	-
Total AL Number 84.367A			1,901,788	-
Grants for State Assessments and Related Activities	84.369A	DLP7FE6162B5	78,769	-
Total AL Number 84.369A			78,769	-
Student Support and Academic Enrichment Program	84.424A	24680101108909	59,200	-
Student Support and Academic Enrichment Program	84.424A	25680101108909	1,596,327	-
Student Support and Academic Enrichment Program	84.424A	26680101108909	31,768	-
Total AL Number 84.424A			1,687,295	-
COVID-19 Education Stabilization Fund	84.425U	215280587110110	21,228	-
COVID-19 Education Stabilization Fund	84.425U	21528042108909	106,021	-
COVID-19 Education Stabilization Fund	84.425W	21533002108909	52,495	-
Total AL Number 84.425			179,744	-
Total Passed Through State Department of Education			33,605,332	-
TOTAL U.S. DEPARTMENT OF EDUCATION			34,213,465	-
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed Through Texas Health and Human Services Commission</u>				
Medicaid Cluster				
*Grants to States for Medicaid	93.778	HHS000537900210	659,363	-
Total AL Number 93.778			659,363	-
Total Medicaid Cluster			659,363	-
Total Passed Through Texas Health and Human Services			659,363	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			659,363	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 68,226,434	\$ -

*Clustered Programs

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 1 Summary of Significant Accounting Policies

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

NOTE 2 Indirect Cost Rate

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

NOTE 3 Basis of Presentation

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

NOTE 4 Sub-recipients

During the year ended August 31, 2025, the District had no sub-recipients.

NOTE 5 Federal Loans and Loan Guarantees

During the year ended August 31, 2025, the District had no outstanding federal loans payable or loan guarantees.

NOTE 6 Federally Funded Insurance

During the year ended August 31, 2025, the District had no outstanding federally funded insurance.

NOTE 7 Noncash awards

During the year ended August 31, 2025, the District received \$1,832,012 as non-cash assistance under the National School Lunch Program (Assistance Listing Number 10.555).

NOTE 8 Contingencies

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

**PHARR-SAN JUAN-ALAMO INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025**

NOTE 9 Federal Pass-Through Funds

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

NOTE 10 Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-3

Total Federal Awards Expended	\$ 68,226,434
Federal subsidy	506,644
SHARS	898,127
	<u>\$ 69,631,205</u>

SCHOOLS FIRST QUESTIONNAIRE

Exhibit L-1

Pharr-San Juan-Alamo ISD

Fiscal Year 2025

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	Yes
SF4	Was the school district issued a warrant hold? (Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, answer is still YES.)	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds and/or substantial doubt about the district's ability to continue as a going concern?	Yes
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?	Yes
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 district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	3,031,417