

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED AUGUST 31, 2019 WESLACO, TEXAS





**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE
YEAR ENDED AUGUST 31, 2019**

**PREPARED BY BUSINESS
DEPARTMENT**

**312 W. 5th STREET
WESLACO, TEXAS 78599**

WESLACO INDEPENDENT SCHOOL DISTRICT
Weslaco, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AUGUST 31, 2019

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Weslaco Independent School District Business Office

P.O. Box 266
Weslaco, Texas 78599-0266
(956) 969-6523 – Fax (956) 969-6808

Priscilla Canales, Ph.D.
Superintendent of Schools

January 7, 2020

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

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency (“TEA”) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants 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. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Weslaco Independent School District (the District) for the fiscal year ended August 31, 2019.

The District’s Finance Department has prepared this CAFR, assuming full responsibility for the accuracy and completeness of the information contained therein based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe the data is presented in a manner to fairly represent the financial position and results of operations of the District, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial affairs have been included. The CAFR for the year ended August 31, 2019, is prepared in accordance with generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

Burton, McCumber, & Longoria, LLP has issued an unmodified (“clean”) opinion on the Weslaco Independent School District’s financial statements for the year ended August 31, 2019. The independent auditor’s report is located at the front of the Financial Section.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report provides valuable information for management as well as other users of the financial statements. Copies will be made available to the public, the Texas Education Agency, financial rating services, and other interested parties.

Profile of the District

Weslaco is located in the southern tip of Texas in the heart of the Rio Grande Valley, which is considered to be one of the top growth areas in the state and in the country. Weslaco city officials organized the school district soon after the city's establishment in 1919. With an enrollment of 350 in its first school year, 1921-22, the District had a faculty of ten and a graduating class of nine students. The first official school building, which still stands on the corner of Illinois and 7th Streets, was completed in February 1922.

Today, Weslaco ISD encompasses approximately 54.40 square miles. The District is empowered to levy property taxes on all real and personal property within its boundaries. The District is governed by a seven member Board of Trustees (the Board) elected by the registered voters of the District. The Board is responsible, among other things, for adopting and amending the annual budget, making policy, setting goals, approving contracts and personnel appointments, and hiring the superintendent. The superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District. With an official budget of around \$182 million and over 2,300 employees, Weslaco ISD is the largest employer in the city of Weslaco.

The annual budget is the foundation of the District's financial planning and control. After public hearings, the budget is legally enacted by Board resolution each year prior to September 1. Once it is approved, the budget can only be changed at the function and fund level by amendments approved by a majority of the members of the Board. Budget-to-actual comparisons are provided in this report for the General Fund, the Food Service Program, and the Debt Service Fund. The comparison for the General Fund is presented in Exhibit C-5, and the Child Nutrition Program and Debt Service Fund in Exhibits J-2 and J-3, respectively. Most of the other special revenue funds are controlled by project-length budgets approved by State and Federal grantor agencies, for which budget-to-actual comparisons are not included in this report. A project-length spending plan, as outlined in the ordinances, which authorized the bond issues, is used for any Capital Project Fund.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation, internal auditing, and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognized that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

Weslaco ISD serves a student population of 17,000 students with four high schools, four middle schools, ten elementary schools, a disciplinary alternative education program, and a 21st Century Early Learning Foundation Academy. It offers a technology infused and challenging curriculum aligned to college and career readiness standards taught by highly qualified and effective teachers. The District's mission is to deliver a complete educational experience grounded in creativity, synergy, problem solving, and critical thinking that develops lifelong learners, confident leaders, and engaged citizens. The District follows a school feeder pattern. Students (PK – 5th grade) from its 10 elementary schools are zoned to one of four middle schools. Middle school students (6th – 8th grade) are zoned to one of the two 9th – 12th grade comprehensive high schools. The District also operates one CTE Early College high school, one Alternative high school, a disciplinary alternative education program, as well as a 21st Century Early Learning Foundation Academy. The District's 1,200 teachers are offered ongoing professional learning opportunities on best practices/strategies in instruction, differentiation, pedagogy, technology, curriculum, college readiness, and various other topics of interest. Weslaco ISD provides opportunities for students to participate in a multitude of programs designed to accommodate their individual needs and interests that prepare them for life, college, and career.

Current Economic Condition

Located in the center of the Rio Grande Valley, Weslaco continues to experience steady growth. Property values reflect an increase in comparison to prior year and are expected to continue growing in the next few years.

According to the Texas Workforce Commission data link (TRACER), the unemployment rate has remained between 7 and 9 percent during the last few years. For the first part of 2019, the rates have held steady at around 8.1 percent average. Also, the per capita personal income has increased 20.4 percent over the last ten years.

Due to a strong and healthy economy, Weslaco ISD has maintained a credit rating of A+/Stable from S&P's Global Ratings.

Long-Term Financial Planning

The District continues to experience a decline in student membership of approximately 2.2% over the past 5 years. Anticipated enrollment for the 2019-2020 school year remains at 17,000 students. The 20 school sites that serve the students of Weslaco ISD were built as early as 1922 with the most recent elementary school built in 2010.

Local funding is expected to decrease and state revenue increase over the next few years due to House Bill 3. The District's tax rate for tax year 2019 is \$1.0487 per \$100 valuation for maintenance and operations and \$0.02 for interest and sinking. State funding for the general fund is about 77% of the total general fund revenue. Federal funding is expected to decrease due to the sequestration of federal funds at the National level. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement. The District is focusing on greater efficiency through the use of technology to help reduce labor and time consuming paperwork. Future plans for a bond are continuously evaluated based on facility needs, local economic conditions, and the support of state legislative funding.

The educational stakeholders of the District are working on a five-year strategic plan that accounts for educational programs, technology resources, facilities and staffing that will be implemented over the next several years. By applying conservative principles and proactive staffing guidelines and practices, Weslaco ISD has been able to maintain a strong financial position. Future budgets will be based on the same principles and the District should be able to meet all its needs.

Awards

Weslaco ISD has received the highest financial accountability rating of "Superior Achievement" on the Financial Integrity Rating System of Texas (FIRST) as awarded by the Texas Education Agency for the past seventeen years. Senate Bill 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system referred to as School FIRST. The last three years, Weslaco ISD has received a perfect score. The primary purpose of the Financial Integrity Rating System of Texas (FIRST) is to ensure that school districts will be held accountable for the quality of their financial management practices and to achieve improved performance in the management of their financial resources.

Acknowledgements

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

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

Respectfully,



Priscilla Canales, Ph.D.
Superintendent



Andrés Sánchez Jr., CPA
Assistant Superintendent of Business & Finance

WESLACO INDEPENDENT SCHOOL DISTRICT

WESLACO, TEXAS

LIST OF PRINCIPAL OFFICIALS

For the Year Ended August 31, 2019

BOARD OF TRUSTEES

Isidoro Nieto, President

Dr. Richard Rivera, Vice President

Andrew González, Secretary

Armando Cuéllar, Jr., Trustee

Patrick B. Kennedy, Trustee

Erasmó López, Trustee

Dr. Jaime Rodríguez, Trustee

ADMINISTRATORS

Priscilla Canales, Ph.D., Superintendent

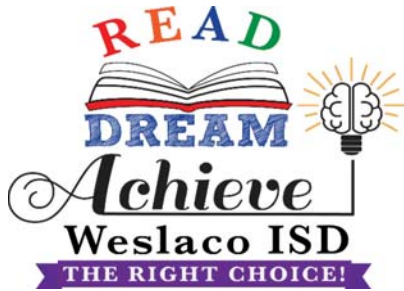
Andrés Sánchez Jr., CPA, Assistant Superintendent of Business & Finance

Sergio García, Ed.D., Assistant Superintendent for Administration & Support Services

Susan Peterson, Assistant Superintendent for Secondary Education & Leadership

Abel Aguilar, Assistant Superintendent for Elementary Education & Leadership

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WESLACO INDEPENDENT SCHOOL DISTRICT

2018-2019 ORGANIZATIONAL CHART



BOARD OF TRUSTEES

Superintendent of Schools
Priscilla Canales, Ph.D.

Assistant Superintendent Elementary Education & Leadership

- Elementary C & I Strategists
- Elementary Principals/ELF
- Elementary Discipline
- Director of Special Education
- Director of Bilingual Education *
- Director of Library Services
- Coordinator of Student Support Services

Assistant Superintendent Secondary Education & Leadership

- Secondary C & I Strategists
- Secondary Discipline
- Executive Director of C & I
- Director of Migrant
- Coordinator of Advanced Academics

Assistant Superintendent Business & Finance

- Director of Food Services
- Director of Warehouse
- Director of Budget
- Director of Payroll
- Director of Purchasing
- Executive Director of Technology
- Director of IS & PEIMS
- Director of Instructional Technology
- Technology Specialist Evaluation & Accountability
- Internet Systems Manager

Assistant Superintendent Administration & Support Services

- Director of Parental Involvement
- Director of CTE
- Director of 21st Century ACE
- Coordinator of Fine Arts
- Coordinator of Health Services
- Policy & Governance
- Partnerships and Special Projects
- Registration & Enrollment

Director of Benefits & Risk Management

- Director of Safety & Security
- Director of Transportation

Director of Human Resources

- Certification and Compensation
- Employee Investigations, Issues, and Development

Director of Athletics

- Assistant Director of Athletics
- Director of Custodians
- Director of Energy Management
- Construction/Maintenance Manager

Director of Instructional Television/Public Relations

- Coordinator of Public Information

BOARD APPROVED 12-10-2018

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CERTIFICATE OF BOARD

Weslaco Independent School District
Name of School District

Hidalgo
County

108-913
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved disapproved for the year ended August 31, 2019, at a meeting of the Board of Trustees of such school district on the 13th day of January, 2020.



Signature of Board Secretary



Signature of Board President

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Weslaco Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District (District) as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District as of August 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11–19 and pension information, other post-employment benefit information and notes to required supplementary information on pages 70–74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, and required Texas Education Agency ("TEA") schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Brent McCall & Associates, LLP

McAllen, Texas
January 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Weslaco 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, 2019. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

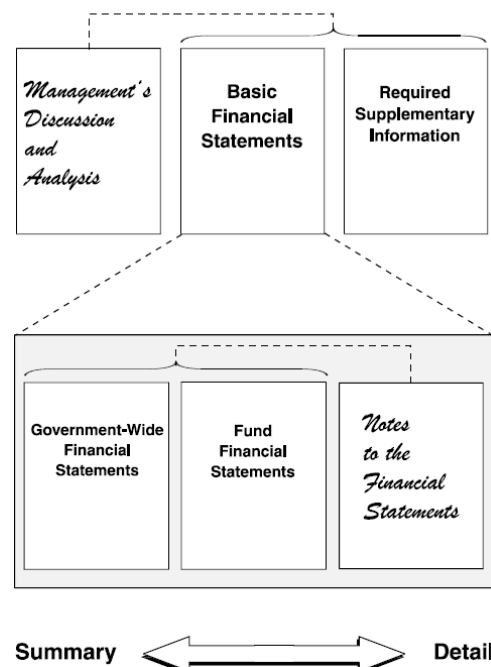
- The District's total net position is \$3,026,245 at August 31, 2019. This amounted to a decrease in net position of \$7,182,676 as a result of current year's operations and an increase of \$2,734,247 due to three prior period adjustments (See Note X).
- During the year, the District's expenditures were \$10,491,212 more than the \$193,953,228 generated in taxes, state funds, and other revenues for governmental programs. This compares to last year when expenditures exceeded revenues by \$9,189,142.
- Total cost of all of the District's programs decreased by \$3,494,087 even though there were increases in salaries, health insurance, and construction costs. The decrease was due to expenditures in the prior year to replace buses, other school vehicles, and other assets lost and repair buildings damaged in the June 20th flood (See Note W).
- The general fund reported a fund balance this year of \$48,946,321, representing an increase of \$7,084,531 from last year. General fund fund balance increased \$7,423,878 as a result of current year's operations and decreased \$339,347 as a result of two prior period adjustments (See Note W).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The 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*.
- *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-1F, 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.

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 position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and changes in the *net position*.

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

Type of Statements

	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District's government (except fiduciary funds) and the District's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses	Instances in which the district is the trustee or agent for someone else's resources
<i>Required financial statements</i>	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net position	♦ Statement of changes in fiduciary net position
			♦ Statement of cash flows	
<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

Net position—the difference between the District’s assets, deferred inflows/outflows, 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, one needs to consider additional nonfinancial factors such as changes in the District’s tax base.

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

- *Governmental funds*—Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position decreased by \$7,182,676, between fiscal years 2018 and 2019 to \$3,026,245 as of August 31, 2019. The decrease was due mainly to an increase in self-insurance payouts and to GASB 68 computations.

(See Table A-1).

Table A-1
Weslaco Independent School District
Net Position

	Governmental Activities			Total Percentage Change
	2019	2018	Change	
Current and Other Assets	\$ 86,520,396	\$ 92,902,093	\$ (6,381,697)	-6.87%
Capital and Non-Current Assets	147,119,415	139,360,947	7,758,468	5.57%
Total Assets	233,639,811	232,263,039	1,376,772	0.59%
Deferred Outflows of Resources	39,998,385	15,318,822	24,679,563	161.11%
Current Liabilities	18,873,838	17,509,245	1,364,593	7.79%
Long Term Liabilities	221,749,325	184,869,029	36,880,296	19.95%
Total Liabilities	240,623,163	202,378,274	38,244,889	18.90%
Deferred Inflows of Resources	29,988,788	34,994,667	(5,005,879)	-14.31%
Net Position:				
Net Investment in Capital Assets	64,654,480	68,417,270	(3,762,790)	-5.50%
Restricted	19,951,983	34,045,172	(14,093,190)	-41.40%
Unrestricted	(81,580,218)	(92,253,522)	10,673,304	-11.57%
Total Net Position	\$ 3,026,245	\$ 10,208,920	\$ (7,182,676)	-70.36%

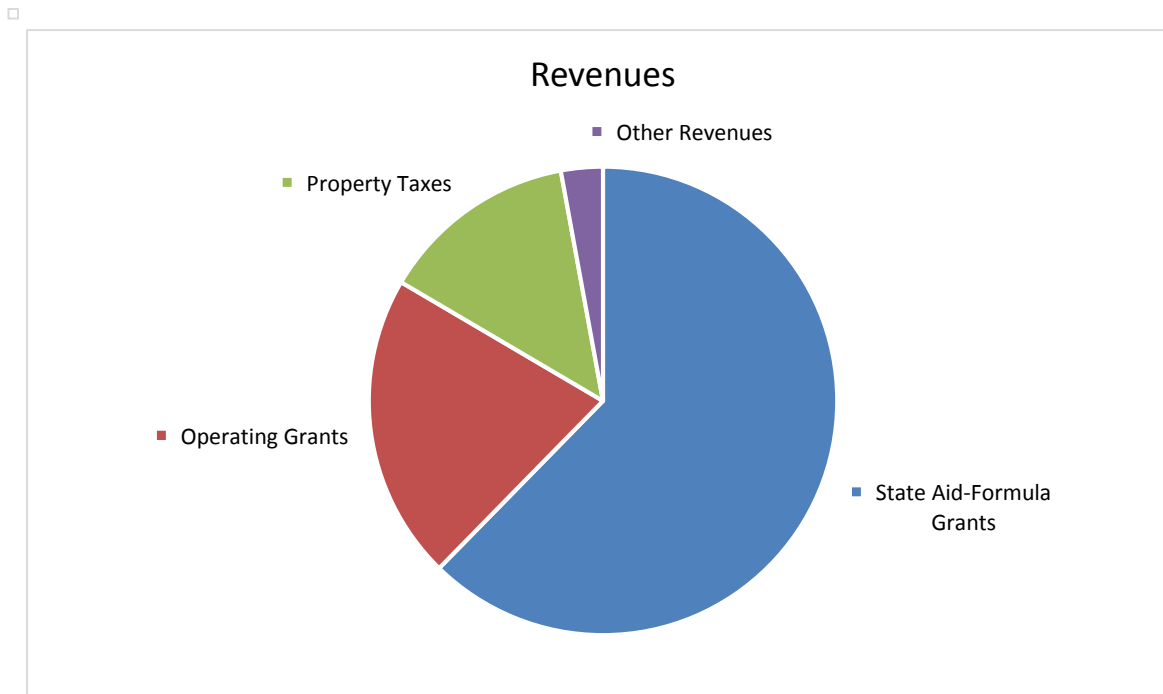
Net position of the District's governmental activities decreased 70.36% to \$3,026,245. However, most of the total net position is either invested in capital assets or is restricted as to the purposes they can be used for. Unrestricted net position amounted to \$(81,580,218) at the end of this fiscal year. The unrestricted balance deficit decreased by 10.91% from the prior year. The deficit in the unrestricted balance was mainly due to GASB 68 and 75.

Governmental Activities

Changes in net position. The District's total revenues were \$197,189,645 for fiscal year ended August 31, 2019. A significant portion of revenue is derived from the following: 62.3% comes from state-aid formula grants, 21.1% of the District's revenue comes from operating grants, and 13.7% is related to property taxes collected, 2.9% of total revenue is composed of investment earnings received, charges for services, and miscellaneous revenue. (See Figure A-3).

Governmental Activities

□ **FIGURE A-3 WISD SOURCES OF REVENUE FOR FISCAL YEAR 2019**



The property tax rate was 1.1597 in 2018-19. The Maintenance and Operations tax rate was 1.1397 and the Debt Service tax rate was 0.02. The property tax rate will decrease in 2019-20 due to House Bill 3 as 1.0487 for maintenance and operations and the Debt Service tax rate at 0.02.

The total cost of all programs and services was \$203,972,678 of which 46.8% of these costs was for instruction, 12.4% was for general administration, 8.0% is for facilities maintenance and operations, and 6.1% for food services to students which represent the major function percentages for fiscal year ended August 31, 2019. (See Figure A-4)

Governmental Activities – Changes in the District's Net Position Table A-2 Continues in next page.

Table A-2				
Weslaco Independent School District				
Changes in Net Position				
	Governmental			Total
	Activities			Percentage
	2019	2018	Change	Change
Program Revenues:				
Charges for Services	\$ 3,780,780	\$ 4,283,549	\$ (502,769)	-11.74%
Operating Grants & Contributions	41,652,961	11,559,296	30,093,665	260.34%
General Revenues :				
Property Taxes	26,920,895	26,799,772	121,122	0.45%
Grants and Contributions , Unrestricted State Aid-Formula	122,918,825	126,931,141	(4,012,316)	-3.16%
Investment Earnings	1,895,536	1,375,217	520,320	37.84%
Miscellaneous	20,648	21,126	(478)	-2.26%
Total Revenues	\$ 197,189,645	\$ 170,970,100	\$ 26,219,544	15.34%
Total Expenses (By-Function)				
Instruction	\$ 95,436,737	\$ 61,875,457	\$ 33,561,281	54.24%
Instructional Resources and Media Services	3,392,142	2,133,005	1,259,137	59.03%
Curriculum and Staff Development	6,150,592	3,444,618	2,705,974	78.56%
Instructional Leaders hip	2,382,522	1,457,965	924,557	63.41%
School Leaders hip	6,132,735	4,182,155	1,950,580	46.64%
Guidance, Counseling and Evaluation Services	6,769,747	3,675,415	3,094,332	84.19%
Social Work Services	1,462,253	1,123,254	338,999	30.18%
Health Services	2,131,586	1,175,267	956,319	81.37%
Student (Pupil) Transportation	5,186,794	4,463,629	723,164	16.20%
Food Services	12,483,909	9,934,616	2,549,293	25.66%
Extracurricular Activities	8,646,890	6,951,528	1,695,363	24.39%
General Administration	25,322,624	18,956,735	6,365,889	33.58%
Facilities Maintenance and Operations	16,356,513	13,666,829	2,689,684	19.68%
Security and Monitoring Services	2,538,862	1,685,302	853,559	50.65%
Data Processing Services	2,225,427	1,639,951	585,476	35.70%
Community Services	3,888,612	2,239,217	1,649,395	73.66%
Debt Service - Interest on Long Term Debt	2,678,823	2,623,023	55,800	2.13%
Debt Service - Bond Issuance Cost and Fees	249,366	138,222	111,144	80.41%
Construction	209,787	-	209,787	0.00%
Payments to Juvenile Justice Alternative Ed. Program	80,582	129,946	(49,364)	-37.99%
Other Intergovernmental Charges	246,175	279,379	(33,205)	-11.89%
Total Expenses	\$ 203,972,678	\$ 141,775,514	\$ 62,197,165	43.87%
Increase (Decrease) in Net Position	\$ (6,783,034)	\$ 29,194,587	\$ (35,977,621)	-123.23%
Extraordinary Item-Net	(399,642)	3,088,259	(3,487,901)	-112.94%
Total Increase (decrease) in Net Position	(7,182,676)	32,282,846	(39,465,521)	-122.25%
Net Position Beginning	7,474,673	94,242,030	(86,767,357)	-92.07%
Prior Period Adjustment	2,734,247	(119,050,203)	121,784,450	-102.30%
Net Position Beginning, as Restated	10,208,920	(24,808,173)	35,017,093	-141.15%
Net Position Ending	3,026,245	7,474,673	(4,448,429)	-59.51%

Governmental Activities-Continued

- The cost of all governmental activities this year was \$203,972,678.
- Cost paid by those who directly benefited from the programs totaled \$3,780,780.
- Other cost were paid by Operating Grants and Contributions of \$41,652,961.
- However, the amount that our taxpayers paid for these activities through property taxes was \$26,920,895.

Table A-4 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

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

	<u>Costs</u>			<u>Net Costs</u>		
	2019	2018	% Change	2019	2018	% Change
Instruction	\$ 95,436,737	\$ 61,875,457	54.24%	\$ 80,235,971	\$ 64,407,533	24.57%
Food Services	12,483,909	9,934,616	25.66%	(142,456)	(2,228,665)	-93.61%
Extracurricular Activities	8,646,890	6,951,528	24.39%	7,731,101	7,026,340	10.03%
General Administration	25,322,624	18,956,735	33.58%	22,249,551	16,201,060	37.33%
Facilities Maintenance / Operations	16,356,513	13,666,829	19.68%	15,130,544	14,407,357	5.02%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

As of August 31, 2019, the District's governmental funds reported ending fund balances of \$63,477,479. Of the current ending fund balances, the general fund reported an ending fund balance of \$48,946,321 while the rest of the funds amounted to a fund balance of \$14,531,159. The following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$2,394,073 is recorded as non-spendable, of which \$992,097 is for as non-spendable for inventories and \$1,401,976 is non-spendable for prepaid Items.
- \$19,449,808 is recorded as restricted, of which \$5,177,298 is restricted for Federal or State Programs; \$10,150,363 is restricted for Capital Acquisitions and Contractual Obligations; and \$4,122,147 is restricted Retirement of Long-Term Debt.
- \$249,365 is recorded as committed fund balance for Student Activities.
- \$3,294,930 is recorded as assigned, of which \$3,169,825 for capital expenditures for equipment; \$88,967 for technology related expenditure; \$25,985 for the scoreboard; \$869 for parental involvement expenditures; and \$9,284 is assigned for scholarships.
- \$38,089,304 is recorded as unassigned and is available for spending at the government's discretion.

Revenues from governmental fund types totaled \$193,953,228 as of August 31, 2019. This is a decrease of \$4,796,156 from August 31, 2018's total of \$198,749,384. The decrease was due mainly to a decrease in Foundation revenues as a result of a decrease in ADA.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget numerous times. Even with these adjustments, actual expenditures were \$10,494,727 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is budgeted for full employment throughout the full year. Budget amounts for vacant positions throughout the year are not revised. Also, due to lower than expected ADA, many vacant positions were not filled during the year.

- Instructional expenses were budgeted at a total of \$90,627,33 and actual expenditures totaled \$88,683,600. This created one of the most significant expenditure variance in the budget which totaled a savings of \$1,943,733 of expected expenses.

On the other hand, resources available were budgeted at a total of \$175,738,542 and actual revenues totaled \$173,447,006, netting a difference of \$2,291,536 less than what was expected. The variance is due to lower State Foundation revenues than expected due to lower ADA.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested \$308,297,918 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-5.) This amount represents a net increase of \$7,758,468 or 5.57% (including additions, deductions and depreciation).

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

	2019	2018	Change	Percentage
Land	\$ 21,819,967	\$ 19,403,219	\$ 2,416,748	12.46%
Construction in Progress	16,883,294	7,854,859	9,028,435	114.94%
Buildings and Improvements	243,516,641	241,464,709	2,051,932	0.85%
Furniture and Equipment	26,078,016	23,916,345	2,161,671	9.04%
Totals at Historical Cost	308,297,918	292,639,132	15,658,786	5.35%
Accumulated Depreciation	(161,178,503)	(153,278,186)	(7,900,318)	5.15%
Net Capital Assets	\$ 147,119,415	\$ 139,360,947	\$ 7,758,468	5.57%

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

Long Term Debt

At year-end, the District had \$42,840,000 million in bonds and \$29,386,339 notes and loans outstanding as shown in Table A-6. More detailed information about the District's debt is presented in the notes to the financial statements (Note G).

Bond Ratings

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

District's Long Term Debt – Table A-6 continues on next page.

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

	2019	2018	Change	Percentage
Bond Payable	\$ 42,840,000	\$ 44,815,000	\$ (1,975,000)	-4.41%
Notes/Loans Payable	29,386,339	24,614,000	4,772,339	19.39%
Premium on Bonds	9,537,169	9,583,275	(46,106)	-0.48%
Compensated Absences	986,460	795,040	191,420	24.08%
Capital Lease Payable	95,617	1,514,676	(1,419,060)	-93.69%
Net Pension Liability	62,235,798	35,675,261	26,560,537	74.45%
Net OPEB Liability	76,667,942	67,871,776	8,796,166	12.96%
Net Capital Assets	<u>\$ 221,749,325</u>	<u>\$ 184,869,028</u>	<u>\$ 36,880,296</u>	<u>19.95%</u>

NEXT YEAR'S BUDGETS AND RATE

The District's elected and appointed officials considered many factors when setting the fiscal year 2020 budget and tax rates.

These indicators were taken into account when adopting the General Fund budget for 2020. Amounts available for appropriation in the General Fund budget are \$ 183.8 million, with an increase of 4.6% over the final 2019 budget of \$ 175.7 million. State per capita payments account for all of the revenue increase. The District will use its revenues to finance programs we currently offer. Budgeted expenditures are expected to increase 8.1% to \$183.8 million from \$ 169.0 million original budget in 2019. Salary increases and increases in health insurance resulted in this increase. The District also added the state mandated Early Education allotment to the 2020 budget.

If these estimates are realized, the District's budgetary General Fund fund balance is expected to stay the same by the close of 2020.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at WESLACO ISD, 312 West Fifth Street, Weslaco, Texas.

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BASIC FINANCIAL STATEMENTS

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WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2019

Data Control Codes		Primary Government
		Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 71,614,568
1220	Property taxes receivable (delinquent)	4,128,275
1230	Allowance for uncollectible taxes	(127,230)
1240	Due from other governments	7,713,562
1290	Other receivables	524,920
1300	Inventories - supplies and materials	1,264,325
1410	Deferred expenditures	1,401,976
	Capital assets not being depreciated:	
1510	Land	6,513,651
1580	Construction in progress	16,883,294
	Capital assets net of accumulated depreciation:	
1510	Land improvements, net	6,915,428
1520	Buildings, net	107,313,484
1530	Furniture and equipment, net	9,493,557
1000	TOTAL ASSETS	\$ 233,639,811
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred charge on refunding	1,806,489
1705	Deferred resource outflows for TRS	31,764,489
1706	Deferred resource outflows for TRS OPEB	6,427,407
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 39,998,385
	LIABILITIES	
2110	Accounts payable	4,354,245
2120	Short-term debt payable	847,895
2140	Interest payable	260,428
2150	Payroll deductions & withholdings	1,170,504
2160	Accrued wages payable	6,649,486
2180	Due to other governments	429
2300	Unearned revenues	5,590,851
	Noncurrent liabilities:	
2501	Due within one year	3,700,227
2502	Due in more than one year	79,145,358
2540	Net pension liabilities	62,235,798
2545	Net OPEB liability (proportionate share)	76,667,942
2000	TOTAL LIABILITIES	\$ 240,623,163
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred inflow for TRS pension	4,355,300
2606	Deferred resource inflow related to TRS OPEB	25,633,488
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 29,988,788
	NET POSITION	
3200	Net investment in capital assets	64,654,480
	Restricted for:	
3820	Federal and state programs	5,410,934
3850	Debt service	4,132,037
3860	Capital projects	10,150,363
3870	Campus activities	249,365
3880	Scholarships	9,284
3900	Unrestricted	(81,580,218)
3000	TOTAL NET POSITION	\$ 3,026,245

The accompanying notes are an integral part of this statement

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

FOR THE YEAR ENDED AUGUST 31, 2019					Net (Expenses) Revenue & Changes in Net Position
		1	Program Revenues		6
Data Control Codes		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 95,436,737	\$ 133,186	\$ 15,067,981	\$ (80,235,571)
12	Instruction resources & media services	3,392,142	-	1,039,298	(2,352,845)
13	Curriculum & staff development	6,150,592	605	2,631,532	(3,518,454)
21	Instructional leadership	2,382,522	-	907,748	(1,474,774)
23	School leadership	6,132,735	6,434	448,622	(5,677,679)
31	Guidance, counseling & evaluation services	6,769,747	-	1,810,952	(4,958,796)
32	Social work services	1,462,253	-	698,257	(763,996)
33	Health services	2,131,586	-	836,857	(1,294,729)
34	Student (pupil) transportation	5,186,794	21,025	1,035,878	(4,129,891)
35	Food services	12,483,909	366,362	12,260,002	142,456
36	Co-curricular/extracurricular activities	8,646,890	670,225	245,565	(7,731,101)
41	General administration	25,322,624	2,307,310	765,763	(22,249,551)
51	Facilities maintenance & operations	16,356,513	101,964	1,124,005	(15,130,544)
52	Security & monitoring services	2,538,862	-	136,969	(2,401,893)
53	Data processing services	2,225,427	-	99,344	(2,126,083)
61	Community services	3,888,612	173,670	2,544,188	(1,170,754)
72	Debt service - interest on long term debt	2,678,823	-	-	(2,678,823)
73	Debt service - bond issuance cost & fees	249,366	-	-	(249,366)
81	Construction	209,787	-	-	(209,787)
95	Payments to Juvenile Justice Alternative Ed. Prog.	80,582	-	-	(80,582)
99	Other intergovernmental charges	246,175	-	-	(246,175)
[TG] Total Government Activities:		203,972,678	3,780,780	41,652,961	(158,538,937)
[TP] TOTAL PRIMARY GOVERNMENT:		\$ 203,972,678	\$ 3,780,780	\$ 41,652,961	(158,538,937)
Data Control Codes	General Revenues Taxes				
MT	Property taxes levied for general purposes				26,447,893
DT	Property taxes levied for debt service				473,001
GC	Grants & contributions not restricted				122,918,825
IE	Investment earnings				1,895,536
MI	Miscellaneous local and intermediate revenue				20,648
E1	Extraordinary item, net				(399,642)
TR	Total General Revenues				151,356,262
CN	Change in Net Position				(7,182,676)
NB	Net position - beginning				7,474,673
PA	Prior period adjustment				2,734,247
NE	Net position - ending				\$ 3,026,245

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes		10			Total Governmental Funds
		General Fund		Other Funds	
ASSETS					
1110	Cash and cash equivalents	\$ 53,329,121	\$	16,213,884	\$ 69,543,005
1220	Property taxes receivable (delinquent)	3,995,820		132,455	4,128,275
1230	Allowance for uncollectible taxes	(114,890)		(12,340)	(127,230)
1240	Due from other governments	4,115,196		3,598,366	7,713,562
1260	Due from other funds	1,700,259		-	1,700,259
1290	Other receivables	195,045		-	195,045
1300	Inventories	1,264,325		-	1,264,325
1410	Deferred expenditures	1,401,976		-	1,401,976
1000	Total Assets	<u>\$ 65,886,852</u>	<u>\$</u>	<u>19,932,365</u>	<u>\$ 85,819,217</u>
LIABILITIES					
Liabilities:					
2110	Accounts payable	\$ 1,202,721	\$	2,467,891	\$ 3,670,612
2150	Payroll deductions & withholdings payable	1,170,504		-	1,170,504
2160	Accrued wages payable	6,153,056		496,430	6,649,486
2170	Due to other funds	152,126		1,288,024	1,440,150
2180	Due to other governments	429		-	429
2300	Unearned revenues	4,559,319		1,031,532	5,590,851
2000	Total Liabilities	<u>13,238,155</u>		<u>5,283,877</u>	<u>18,522,032</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	3,702,377		117,330	3,819,706
2600	Total deferred inflows of resources	<u>3,702,377</u>		<u>117,330</u>	<u>3,819,706</u>
FUND BALANCES					
Nonspendable fund balance:					
3410	Inventories	992,097		-	992,097
3430	Prepaid Items	1,401,976		-	1,401,976
Restricted fund balance:					
3450	Grant restrictions	5,177,298		-	5,177,298
3470	Capital acquisitions	-		10,150,363	10,150,363
3480	Retirement of debt	-		4,122,147	4,122,147
Committed fund balance:					
3545	Other committed fund balances	-		249,365	249,365
Assigned fund balance:					
3570	Capital expenditures for equipment	3,169,825		-	3,169,825
3590	Other assigned fund balance	115,821		9,284	125,105
3600	Unassigned fund balance	38,089,304		-	38,089,304
	Total Fund Balance	<u>\$ 48,946,321</u>	<u>\$</u>	<u>14,531,159</u>	<u>63,477,479</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 65,886,852</u>	<u>\$</u>	<u>19,932,365</u>	<u>\$ 85,819,217</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2019

Total Fund Balance - Governmental Funds	\$ 63,477,479
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 position. The net effect of this consolidation is to increase (decrease) net position.	609,800
Capital Assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$ 292,639,132 and the accumulated depreciation was \$153,278,186. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.	68,417,270
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2019 capital outlays and debt principal payments is to increase (decrease) net position.	19,345,521
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$31,764,489, a deferred resource inflow in the amount of \$4,355,300, and a net pension liability in the amount of \$62,235,798. This resulted in an increase (decrease) in net position.	(34,826,609)
Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$6,427,407, a deferred resource inflow in the amount of \$25,633,488, and a net OPEB liability in the amount of \$76,667,942. This resulted in an increase (decrease) in net position.	(95,874,023)
The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(7,950,486)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(10,172,708)
Net Position of Governmental Activities	<u><u>\$ 3,026,245</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	REVENUES:			
5700	Local and intermediate sources	\$ 28,892,052	\$ 1,320,606	\$ 30,212,657
5800	State program revenues	129,438,261	3,181,570	132,619,831
5900	Federal program revenues	15,116,693	16,004,047	31,120,740
	Total Revenues	<u>173,447,006</u>	<u>20,506,223</u>	<u>193,953,228</u>
	EXPENDITURES:			
	Current			
0011	Instruction	88,683,600	8,607,385	97,290,985
0012	Instruction resources & media services	2,662,938	859,393	3,522,331
0013	Curriculum & staff development	3,714,995	2,330,152	6,045,147
0021	Instructional leadership	1,732,594	713,374	2,445,968
0023	School leadership	6,225,251	116,617	6,341,867
0031	Guidance, counseling & evaluation services	5,613,196	1,236,049	6,849,245
0032	Social work services	871,463	620,024	1,491,487
0033	Health services	1,493,543	711,884	2,205,428
0034	Student (pupil) transportation	5,024,161	109,742	5,133,904
0035	Food services	12,897,969	-	12,897,969
0036	Co-curricular/extracurricular activities	7,094,560	185,384	7,279,943
0041	General administration	5,086,076	-	5,086,076
0051	Facilities maintenance & operations	17,197,808	1,142,001	18,339,809
0052	Security & monitoring services	2,741,461	-	2,741,461
0053	Data processing services	2,315,127	-	2,315,127
0061	Community services	1,381,834	2,353,072	3,734,906
	Debt Service:			
0071	Debt service - principal on long term debt	1,661,567	1,975,000	3,636,567
0072	Debt service - interest on long term debt	954,844	1,977,425	2,932,269
0073	Debt service - bond issuance cost & fees	112,719	1,250	113,969
	Capital Outlay			
0081	Facilities acquisitions and construction	-	13,713,224	13,713,224
	Intergovernmental:			
0095	Payments to Juvenile Justice Alternative Ed. Prog.	80,582	-	80,582
0099	Other intergovernmental charges	246,175	-	246,175
6030	Total Expenditures	<u>167,792,464</u>	<u>36,651,976</u>	<u>204,444,440</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>5,654,542</u>	<u>(16,145,754)</u>	<u>(10,491,212)</u>
	OTHER FINANCING SOURCES (USES)			
7911	Sale of bonds	4,905,000	-	4,905,000
7912	Sale of real and personal property	20,648	-	20,648
7914	Loan proceeds	1,304,339	-	1,304,339
7915	Transfers in	-	3,608,923	3,608,923
7916	Premiums/discounts on bonds	209,705	-	209,705
8911	Transfers out (uses)	(3,608,923)	-	(3,608,923)
8949	Other uses	(1,194,493)	-	(1,194,493)
7080	Total Other Financing Sources (Uses)	<u>1,636,275</u>	<u>3,608,923</u>	<u>5,245,198</u>
	EXTRAORDINARY ITEMS			
7919	Extraordinary items-resource	133,060	49,995	183,056
	Total Extraordinary items	<u>133,060</u>	<u>49,995</u>	<u>183,056</u>
1200	Net change in fund balances	7,423,878	(12,486,835)	(5,062,958)
0100	Fund balance - September 1 (beginning)	41,861,790	27,014,860	68,876,650
1300	Prior period adjustment	(339,347)	3,134	(336,213)
3000	Fund balance - August 31 (ending)	<u>\$ 48,946,321</u>	<u>\$ 14,531,159</u>	<u>\$ 63,477,479</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

Total Net Change in Fund Balance - Governmental Funds	\$ (5,062,958)
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 increase (decrease) net position.	(2,773,726)
Current year capital outlays and long-term principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2019 capital outlays and debt principal payments is to increase (decrease) net position.	19,345,521
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(7,950,486)
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 taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(5,205,163)
GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$3,789,038. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$3,809,404. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$4,832,578. The net result is an increase (decrease) in the change in net position.	(4,852,944)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,065,864. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,060,941. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$687,843. The net result is an increase (decrease) in the change in net position.	(682,920)
Change in Net Position of Governmental Activities	<u><u>\$ (7,182,676)</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Original	Final	Actual Amounts	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Local and intermediate sources	\$ 27,288,108	\$ 28,662,608	\$ 28,892,052	\$ 229,444
5800	State program revenues	127,251,871	130,682,535	129,438,261	(1,244,274)
5900	Federal program revenues	15,402,999	16,393,399	15,116,693	(1,276,706)
	Total Revenues	<u>169,942,978</u>	<u>175,738,542</u>	<u>173,447,006</u>	<u>(2,291,536)</u>
	EXPENDITURES:				
	Current				
0011	Instruction	88,634,735	90,627,333	88,683,600	1,943,733
0012	Instruction Resources & Media Services	2,646,472	2,766,024	2,662,938	103,086
0013	Curriculum & Instructional Staff Development	4,050,360	4,368,012	3,714,995	653,017
0021	Instructional Leadership	1,649,432	1,855,971	1,732,594	123,377
0023	School Leadership	6,336,050	6,452,441	6,225,251	227,190
0031	Guidance, Counseling & Evaluation Services	5,547,534	5,721,699	5,613,196	108,503
0032	Social Work Services	1,047,710	963,198	871,463	91,736
0033	Health Services	1,472,663	1,586,078	1,493,543	92,535
0034	Student (Pupil) Transportation	4,638,477	5,700,750	5,024,161	676,589
0035	Food Services	13,264,467	15,608,291	12,897,969	2,710,322
0036	Co-curricular/Extracurricular Activities	6,943,125	7,564,817	7,094,560	470,257
0041	General Administration	5,313,542	5,423,702	5,086,076	337,626
0051	Plant Maintenance & Operations	17,705,046	19,054,077	17,197,808	1,856,269
0052	Security & Monitoring Services	2,928,862	3,514,590	2,741,461	773,129
0053	Data Processing Services	2,363,641	2,408,641	2,315,127	93,514
0061	Community Services	1,333,094	1,504,094	1,381,834	122,260
0071	Debt service - principal on long term debt	1,661,567	1,661,567	1,661,567	-
0072	Debt service - interest on long term debt	965,274	965,274	954,844	10,430
0073	Debt service - bond issuance cost & fees	2,000	116,705	112,719	3,986
0095	Payments to Juvenile Justice Alternative Ed. Prog.	270,000	125,000	80,582	44,418
0099	Other intergovernmental charges	268,927	298,927	246,175	52,753
6030	Total Expenditures	<u>169,042,978</u>	<u>178,287,191</u>	<u>167,792,464</u>	<u>10,494,727</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>900,000</u>	<u>(2,548,649)</u>	<u>5,654,542</u>	<u>8,203,191</u>
	OTHER FINANCING SOURCES (USES)				
7911	Sale of bonds	-	4,905,000	4,905,000	-
7912	Sale of real and personal property	-	-	20,648	20,648
7914	Loan proceeds	-	1,304,339	1,304,339	-
7916	Premiums/discounts on bonds	-	209,705	209,705	-
8911	Transfers out (uses)	(900,000)	(3,608,923)	(3,608,923)	-
8949	Other Uses	-	(1,194,493)	(1,194,493)	-
7080	Total Other Financing Sources (Uses)	<u>(900,000)</u>	<u>1,615,628</u>	<u>1,636,275</u>	<u>20,648</u>
	EXTRAORDINARY ITEMS				
7919	Extraordinary Items	-	132,989	133,060	71
	Total Extraordinary Item	<u>-</u>	<u>132,989</u>	<u>133,060</u>	<u>71</u>
1200	Net Change in Fund Balances	-	(800,032)	7,423,878	8,223,910
0100	Fund Balance - September 1 (Beginning)	41,861,790	41,861,790	41,861,790	-
1300	Prior Period Adjustment	-	-	(339,347)	(339,347)
3000	Fund Balance - August 31 (Ending)	<u>\$ 41,861,790</u>	<u>\$ 41,061,758</u>	<u>\$ 48,946,321</u>	<u>\$ 7,884,562</u>

The accompanying notes are an integral part of this statement

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2019

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,071,563
Due from general fund	152,126
Other receivables	<u>329,875</u>
Total Assets	<u>\$ 2,553,565</u>
LIABILITIES	
Current Liabilities:	
Account payables	\$ 683,634
Other current liabilities	847,895
Due to general fund	<u>412,235</u>
Total Liabilities	<u>1,943,764</u>
NET POSITION	
Unrestricted	<u>609,800</u>
Total Net Position	<u><u>\$ 609,800</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:	
Charges for services	<u>\$ 17,565,520</u>
Total Operating Revenues	<u>17,565,520</u>
OPERATING EXPENSES:	
Attorney fees	4,290
Fees	2,042,236
Insurance fees	81,509
Insurance claims and expenses	<u>18,270,891</u>
Total Operating Expenses	<u>20,398,926</u>
Operating income (loss)	<u>(2,833,406)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest and investment revenue	<u>59,680</u>
Total Non-Operating Revenue (Expenses)	<u>59,680</u>
Income (Loss) before Contributions and Transfers	(2,773,726)
Transfers in (out)	-
Change in net position	<u>(2,773,726)</u>
Total Net Position-September 1, (Beginning)	2,082,961
Prior period adjustment	<u>1,300,565</u>
Total Net Position - August 31, (Ending)	<u><u>\$ 609,800</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 15,557,959
Receipts from employees	2,249,434
Receipts from other participants	18,237
Receipts from reimbursements and refunds	1,178,719
Payments for benefit claims	(17,806,818)
Payments for administration	<u>(2,128,035)</u>
Net cash used for operating activities	<u>(930,505)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>59,680</u>
Net cash provided from investing activities	<u>59,680</u>
Net decrease in cash and cash equivalents	(870,824)
Cash and Cash equivalents-beginning	<u>2,942,388</u>
Cash and Cash equivalents-ending	<u><u>\$ 2,071,563</u></u>
Reconciliation of operating income/(loss) to net cash used for by operating activities	
Operating income/(loss)	(2,833,406)
Adjustments to reconcile operating loss to net cash provided:	
(Increase) decrease in miscellaneous receivables	119,059
(Increase) decrease in due from other funds	(152,126)
Increase (Decrease) in account payables	675,837
Increase (Decrease) in other current liabilities	847,895
Increase (Decrease) in due to other funds	<u>412,235</u>
Total adjustments	<u>1,902,901</u>
Net cash used for operating activities	<u><u>\$ (930,505)</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2019

	Student Activity Fund
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 566,985
Total Assets	<u>\$ 566,985</u>
LIABILITIES	
Due to student groups	\$ 566,985
Total Liabilities	<u>\$ 566,985</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weslaco Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity", as revised by GASB Statement No. 39, and there are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Inter-fund activities between governmental funds appear as due to/due from on the governmental fund balance sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. The fund financial statements provide reports on the financial conditions and results of operations for two fund categories – governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for District Operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial conditions and results of operations in a separate column.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues 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.

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

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

D. FUND ACCOUNTING

The District reports the following major governmental funds:

- 1. The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Additionally, the District reports the following fund type(s):

Governmental Funds:

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

Proprietary Funds:

5. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund.

Fiduciary Funds:

6. **Agency Fund** – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Funds are.
 - ☐ Textbooks Funds
 - ☐ Student Activity Funds
 - ☐ Faculty Funds

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Health and Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Health and Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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

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

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

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

Assets	Years
Buildings	40
Building Improvements	20
Buses	10
Vehicles	5
Office Equipment	5
Computer Equipment	5
Land Improvements	12

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

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

9. The District complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*. The fiduciary net position of the Teacher Retirement System of Texas (“TRS”) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
10. The District complies GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:
 - Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
 - Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
 - Level 3 are unobservable inputs that reflect the entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

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

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
 - Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
 - Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.
11. The following District insurance programs are self-funded insured plans: the workmen’s compensation, health, and unemployment are self-funded programs. The health insurance program met the minimum state requirement per employee. The health insurance low plan is a 70/30 plan, the health insurance high plan is an 80/20 plan, and the health insurance state plan is a 90/10 plan. The District cost per employee was \$485.
 12. The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to four categories of designations:

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Nonspendable – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

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

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently.

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

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

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General fund	
Nonspendable	
Inventories	\$ 992,097
Prepaid Items	1,401,976
Restricted	
Food Service	2,564,994
State Compensatory Education	1,971,516
High School Allotment	62,011
State Bilingual Education	240,603
Rider 78 Pre-School	338,174
Assigned	
Capital Expenditures for Equipment	3,169,825
Other Assigned Fund Balance - Technology	88,967
Other Assigned Fund Balance - Scoreboard	25,985
Other Assigned Fund Balance - Parental Involvement	869
Total Nonspendable, Restricted, Assigned - General Fund	<u><u>\$ 10,857,017</u></u>
Nonmajor Funds	
Restricted	
Capital Acquisitions	\$ 10,150,363
Retirement of Debt	4,122,147
Committed	
Campus Activity Funds	249,365
Assigned	
Scholarship Fund	<u>9,284</u>
Total Restricted, Committed, Assigned - Nonmajor Funds	<u><u>\$ 14,531,159</u></u>
Total Nonspendable, Restricted, Committed, Assigned - Governmental Funds	<u><u>\$ 25,388,175</u></u>

12. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
13. The Data Control Codes refer to the account code structure prescribed by TEA in the ***Financial Accountability System Resource Guide***. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.
14. The District complies with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal years beginning after June 15, 2017. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 75 also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee

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service. In addition, GASB Statement No. 75 addresses the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits.

15. *New Accounting Standards*

The District evaluated GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A Government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the Statement. It was determined that this Statement was not applicable to the District.

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

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

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction*
- Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No.14 and No.61*
- Statement No. 91, *Conduit Debt Obligations*

Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87 improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of the governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency

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of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period which the cost is incurred for financial statements prepared using the economic resources measurement focus. This Statement becomes effective for reporting periods beginning after December 15, 2019.

Statement No. 90 is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement becomes effective for reporting periods beginning after December 15, 2018.

Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and importing required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

The impact of these statements on the Districts financial statements, has not been determined yet. The District will evaluate these new pronouncements and will implement them as applicable by their effective dates.

16. Rounding Adjustments

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

F. PENSION

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

G. OTHER POST –EMPLOYMENT BENEFITS

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

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II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Capital Assets at the Beginning of the Year	Historical Cost	Accumulated Dereciation	Net Value at the Beginning of the Year	Change in Net Position
Land	\$ 6,081,758	\$ -	\$ 6,081,758	
Construction in Progress	7,854,859	-	7,854,859	
Land Improvements	13,321,461	(7,379,744)	5,941,717	
Buildings	241,464,709	(131,006,798)	110,457,911	
Furniture & Equipment	23,916,345	(14,891,644)	9,024,701	
Change in Net Position				<u>\$ 139,360,947</u>
Long-term Liabilities at the Beginning of the Year			Payable at the Beginning of the Year	
Bonds Payable			44,815,000	
Notes Payable			24,614,000	
Capital Lease Payable			<u>1,514,676</u>	
				<u>(70,943,676)</u>
Net Adjustment to Net Position				<u>\$ 68,417,270</u>

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

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

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	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>
Current Year Capital Outlay		
Land	\$ 944,086	
Buildings & Improvements	247,620	
Furniture & Equipment	2,211,839	
Construction in Progress	12,305,409	
Total Capital Outlay		\$ 15,708,954
Debt Principal Payments		
Bond Principal	1,975,000	
Notes Principal	1,437,000	
Capital Lease Principal	<u>224,567</u>	
Total Principal Payments		<u>3,636,567</u>
Total Adjustment		<u><u>\$ 19,345,521</u></u>

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

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Adjustments to Revenue an Deferred Revenue			
Taxes Collected from Prior Year Levies	\$ 943,202	\$ (943,202)	\$ -
Uncollected Taxes (assumed collectible) from Current Year Levy	1,138,085	1,138,085	1,138,085
Uncollected Taxes (assumed collectible) from Prior Year Levy	2,681,622	(102,125)	2,681,622
Reclassify Proceeds of Bonds, Loans & Capital Leases			
Discount (Premium) on Issuance of Bonds	9,327,464	255,811	(9,327,464)
Deferred Charge on Refunding	1,806,489	(135,397)	1,806,489
Interest Payable	260,428	(2,364)	(260,428)
Loan to Payroff Capital Lease	1,304,339	(109,846)	(109,846)
2018 Tax Note	5,114,705	(5,114,705)	(5,114,705)
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or Unused Sick Leave	986,460	<u>(191,420)</u>	<u>(986,460)</u>
Total		<u><u>\$ (5,205,163)</u></u>	<u><u>\$ (10,172,708)</u></u>

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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J2 and J3.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object levels. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. Reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds are as follows:

August 31, 2019 Fund Balance	
Non-appropriated Budget Funds	<u>\$ 258,649</u>
All Special Revenue Funds	<u>\$ 258,649</u>

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. At August 31, 2019 the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,922,427 and the bank balance was \$5,551,974. The District's cash deposits at August 31, 2019 and during the year ended August 31, 2019 were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name.

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District Policies and Legal and Contractual Provisions Governing Deposits

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

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency to less than 5% of all deposits.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in

(1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2019, Weslaco Independent School District had the following investments:

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
First Public Investment Pool	\$ 51,930,795	\$ 51,930,795	\$ -	\$ -	\$ -
Texas Term	11,264,456	11,264,456	-	-	-
Texpool	6,052,190	6,052,190	-	-	-
Total	<u>\$ 69,247,441</u>	<u>\$ 69,247,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Credit Risk In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of August 31, 2019, the district's investments in First Public Investment Pool were rated AAAM, by Standard & Poor's (S&P), Texas Term was rated AAAM by Standard and Poor's (S&P) and Texpool was rated AAAM by Standard and Poor's (S&P).

Custodial Credit Risk for Investments For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the

WESLACO INDEPENDENT SCHOOL DISTRICT

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possession of an outside party. All of the investments held by third parties were fully collateralized and held in the District's name.

Concentration of Credit Risk The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific single issuer. As of August 31, 2019, the District had 75% of its investments in First Public Investment Pools rated AAA as noted above, 16% of its investments in Texas Term rated AAAf, and 9% in Texpool rated AAAM.

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

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

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The District property taxes are levied on \$ 1.1597 per \$ 100 property tax valuation, \$1.1397 for M & O and \$0.02 for I & S. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On February 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

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D. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2019 were as follows:

	Property Taxes	Due from Other Governments	Due from Other Funds	Other	Total Receivables
<u>Governmental Activities</u>					
General Fund	\$ 3,995,820	\$ 4,115,196	\$ 1,700,259	\$ 195,045	\$ 10,006,320
Non-major Funds	132,455	3,598,366	-	-	3,730,821
Internal Service Fund	-	-	152,126	329,875	482,001
Total Governmental Activities	<u>4,128,275</u>	<u>7,713,562</u>	<u>1,852,385</u>	<u>524,920</u>	<u>14,219,142</u>
Less: Allowance for Uncollectible	<u>(127,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(127,230)</u>
Net Total Receivables	<u>\$ 4,001,045</u>	<u>\$ 7,713,562</u>	<u>\$ 1,852,385</u>	<u>\$ 524,920</u>	<u>\$ 14,091,912</u>

Payables at August 31, 2019 were as follows:

	Accounts Payable	Salaries and Benefits	Due to Other Funds	Due to Other Governments	Other	Total Receivables
<u>Governmental Activities</u>						
General Fund	\$ 1,202,721	\$ 6,153,056	\$ 152,126	\$ 429	\$ 1,170,504	\$ 8,678,836
Non-major Funds	2,467,891	496,430	1,288,024	-	-	4,252,345
Internal Service Fund	638,634	-	412,235	-	847,895	1,898,764
Trust & Agency Fund	-	-	-	-	566,985	566,985
Total Governmental Activities	<u>\$ 4,309,246</u>	<u>\$ 6,649,486</u>	<u>\$ 1,852,385</u>	<u>\$ 429</u>	<u>\$ 2,585,384</u>	<u>\$ 15,396,930</u>

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E. INTERFUND RECEIVABLES AND PAYABLES

Inter-fund balances at August 31, 2019 consisted of the following individual fund balances:

	Due from Other Funds	Due to Other Funds
General Fund		
Non-major Funds	\$ 1,288,024	\$ -
Internal Service Funds	412,235	152,126
Non-major Funds		
General Fund	-	1,288,024
Internal Service Fund		
General Fund	152,126	412,235
 Total	 <u>\$ 1,852,385</u>	 <u>\$ 1,852,385</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds.

WESLACO INDEPENDENT SCHOOL DISTRICT

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F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2019 was as follows:

Governmental Activities	Balance September 1, 2018	Increases	Decreases	Transfers	Balance August 31, 2019
Capital Assets, Not Being Depreciated					
Land	\$ 6,081,758	\$ 431,894	\$ -	\$ -	\$ 6,513,651
Construction in Progress	7,854,859	12,305,409	-	(3,276,974)	16,883,294
Total Capital Assets, Not Being Depreciated	13,936,617	12,737,303	-	(3,276,974)	23,396,945
Capital Assets, Being Depreciated					
Land Improvements	13,321,461	512,192	-	1,472,662	15,306,315
Buildings and Improvements	241,464,709	247,620	-	1,804,312	243,516,641
Furniture and Equipment	23,916,345	2,211,839	(50,168)	-	26,078,017
Total Capital Assets, Being Depreciated	278,702,515	2,971,651	(50,168)	3,276,974	284,900,973
Less Accumulated Depreciation For:					
Land Improvements	(7,379,744)	(1,011,143)	-	-	(8,390,887)
Buildings and Improvements	(131,006,798)	(5,196,359)	-	-	(136,203,157)
Furniture and Equipment	(14,891,644)	(1,742,984)	50,168	-	(16,584,460)
Total Accumulated Depreciation	(153,278,186)	(7,950,486)	50,168	-	(161,178,504)
Governmental Capital Assets	\$ 139,360,946	\$ 7,758,468	\$ -	\$ -	\$ 147,119,414

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,187,821
Instructional Resources and Media Services	101,398
Curriculum Development and Instructional Staff Development	119,883
Instructional Leadership	34,412
School Leadership	209,345
Guidance, Counseling and Evaluation Services	136,441
Social Work Services	33,838
Health Services	60,458
Student (Pupil) Transportation	788,936
Food Services	720,385
Co-curricular/Extracurricular Activities	1,345,877
General Administration	48,461
Facilities Maintenance and Operations	771,296
Security and Monitoring Service	106,035
Data Processing Services	91,258
Community Services	194,652
	<u>\$ 7,950,496</u>

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund and General Fund. A summary of changes in general long-term debt for the year ended August 31, 2019 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Balance 9/1/2018	Issued	Retired	Balance 8/31/2019
Public Property Finance	2.29%						
Contractual Obligations	5.12%	\$ 1,935,000	\$ 6,016	\$ 235,000	\$ -	\$ 235,000	\$ -
Series 2009							
Public Property Note							
Contractual Obligations	4.57%	12,712,000	18,718	9,359,000	-	842,000	8,517,000
Series 2014							
Unlimited Tax Refunding	2.00%						
Bonds, Series 2015A	5.00%	14,470,000	397,375	8,465,000	-	1,035,000	7,430,000
Unlimited Tax Refunding	2.00%						
Bonds, Series 2015B	2.00%	17,100,000	816,550	17,000,000	-	535,000	16,465,000
Unlimited Tax Refunding	5.00%						
Bonds, Series 2016		19,470,000	763,500	19,350,000	-	405,000	18,945,000
Maintenance Tax Notes	3.00%						
Series 2017	5.00%	15,020,000	727,800	15,020,000	-	230,000	14,790,000
Maintenance Tax Notes	2.00%						
Series 2018	4.00%	4,905,000	144,693	-	4,905,000	130,000	4,775,000
Public Property Finance							
Contract 2019	5.125%	1,304,339	-	-	1,304,339	-	1,304,339
			<u>\$ 2,874,652</u>	<u>\$ 69,429,000</u>	<u>\$ 6,209,339</u>	<u>\$ 3,412,000</u>	<u>\$ 72,226,339</u>

In addition to the outstanding bonds and contractual obligations in the amount of \$72,226,339 at year end, the District also reported unamortized premiums and discounts on issuance of bonds of \$9,537,169, capital lease payable of \$95,617 (refer to Note H), a long term liability for sick leave benefits in the amount of \$986,460 (refer to Note J), a liability of \$62,235,798 of Net Pension Liability as per GASB 68 (refer to Note M), and a liability of Net OPEB Liability of \$76,667,942 as per GASB 75 (refer to Note N). These amounts, in aggregate, represent total long term liabilities in the amount of \$221,749,325, as reflected in the *Statement of Net Position*.

Debt service requirements are as follows on the next page:

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Year ended August 31,	General Obligations		Total
	Principal	Interest	Requirements
2020	\$ 3,593,955	\$ 2,871,986	\$ 6,465,941
2021	3,714,062	2,741,760	6,455,822
2022	3,850,750	2,611,002	6,461,752
2023	3,993,736	2,470,223	6,463,959
2024	4,151,926	2,311,262	6,463,188
2025-2029	19,576,910	9,253,856	28,830,766
2030-2034	20,915,000	5,186,125	26,101,125
2035-2029	12,430,000	909,350	13,339,350
	<u>\$ 72,226,339</u>	<u>\$ 28,355,564</u>	<u>\$ 100,581,903</u>

Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At August 31, 2019, the following balances are considered defeased:

Refunded 2006	
Unlimited Tax School Building 2000	\$ 7,520,000
Refunded 2015	
Unlimited Tax Refunded Bonds 2006	7,560,000
Unlimited Tax School Building 2006	17,310,000
Refunded 2016	
Unlimited Tax School Building 2008	19,730,000
	<u>\$ 52,120,000</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2019.

H. CAPITAL LEASES

The District entered into three capital lease purchase obligations in prior fiscal years. These leases qualified as capital leases for accounting purposes since the titles/assets transfer to the District at the end of the lease term. The first was for a Palo Alto Networks PA-5220 Internet Firewall. This bears interest of 0% and was recorded at the present value of the minimum lease payments. The second was for 46 AED's (Automatic External Defibrillators) and the maintenance cost for 4 years. This lease also bears interest of 0% and was recorded at the present value of the minimum lease payments. The third lease was for a Daktronics LED Outdoor Video Display (Scoreboard) at Bobby Lackey Stadium. The interest rate was 5.25% and was recorded at the present value of the future minimum lease payments as of the date of the inception. On April 18, 2019, the District secured a loan with Texas National Bank to pay off this Capital Lease. The loan bears an interest rate of 5.0125% and is for ten years. At August 31, 2019, the balance on the loan was \$1,304,339.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Capital Lease required payments are as follows:

<u>Year ended August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2020	\$ 62,492	\$ -	\$ 62,492
2021	33,125	-	33,125
	<u>\$ 95,617</u>	<u>\$ -</u>	<u>\$ 95,617</u>

I. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2019 as follows:

<u>Year ended August 31,</u>	
2020	\$ 363,283
2021	237,789
2022	74,449
	<u>\$ 675,521</u>

Rental Expenditures in Fiscal Year 2019 \$ 366,313

J. ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave in a lump cash payment to such employee or his/her estate. A summary of changes in the accumulated sick leave liability follows:

	<u>Sick Leave</u>
Balance September 1, 2018	\$ 795,040
Additions - New Entrants and Salary Increments	315,170
Deductions - Payments/Reductions to Participants	(123,750)
Balance August 31, 2019	<u>\$ 986,460</u>

K. ON-BEHALF PAYMENTS

The District has recognized as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to TRS on behalf of the District. For the year ended August 31, 2019, 2018, and 2017 reimbursements of \$450,722, \$356,549, and \$339,245, respectively were received by TRS and allocated to the District. The District also reported \$6,856,137, \$7,163,302, and \$4,474,249, of on behalf State Retirement Contributions for the years ended August 31, 2019, 2018, and 2017, respectively.

L. DEFINED BENEFIT PENSION PLAN

Weslaco Independent School District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS).

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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. 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.

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

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Contribution Rates

	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2019 Employer Contributions		\$3,789,038
2019 Member Contributions		\$8,965,370
2018 NECE On-Behalf Contributions		\$3,295,466

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

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

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

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.3%
Municipal Bond Rate of August 2018	3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Maturity that include only federally tax-exempt municipal bonds as a reported in Fidelity Index's 20 Year Municipal GOAA Index
Salary Increases including inflation	3.05% to 9.05%
Payroll Growth Rate	3.00%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted on July 27, 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 6.907% and was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized on the next page:

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

ASSET CLASS	TARGET ALLOCATION	LONG-TERM EXPECTED GEOMETRIC REAL RATE OF RETURN	EXPECTED CONTRIBUTION TO LONG-TERM PORTFOLIO RETURN*
GLOBAL EQUITY			
U.S.	18%	5.70%	1.04%
Non-U.S. Developed	13%	6.90%	0.90%
Emerging Markets	9%	8.95%	0.80%
Directional Hedge Funds	4%	3.53%	0.14%
Private Equity	13%	10.18%	1.32%
STABLE VALUE			
U.S. Treasuries	11%	1.11%	0.12%
Absolute Return	0%	0.00%	0.00%
Hedge Funds (Stable Value)	4%	3.90%	0.12%
Cash	1%	(0.30%)	0.00%
REAL RETURN			
Global Inflation-Linked Bonds	3%	0.70%	0.02%
Real Assets	14%	5.21%	0.73%
Energy and Natural Resources	5%	7.48%	0.37%
Commodities	0%	0.00%	0.00%
Risk Parity			
Risk Parity	5%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag*			1.00%
TOTAL	<u>100%</u>		<u>9.04%</u>

*The Expected Contribution to Returns incorporates the volatility drag resulting 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 (6.907%) in the measuring the Net Pension Liability.

	1% Decrease in Discount Rate 5.907%	Discount Rate 6.907%	1% Increase in Discount Rate 7.907%
District's Proportionate Share of Net Pension Liability	\$ 93,928,743	\$ 62,235,798	\$ 36,578,480

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

At August 31, 2019, the District reported a liability of \$62,235,798 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 we are follows on the next page:

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

District's proportionate share of the collective net pension liability	\$ 62,235,798
State's proportionate share that is associated with the District	<u>53,878,625</u>
Total	<u><u>\$ 116,114,423</u></u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 and rolled forward to August 31, 2018. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.1130687757% which was an increase of 0.0014950686% from its proportion measured as of August 31, 2017.

Changes Since the Prior Measurement Date

The following were changes to actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.000% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long term assumed rate of return changed from 8.000% to 7.250%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

For the year ended August 31, 2019, the District recognized pension expense of \$13,974,530 and revenue of \$5,332,548 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 387,927	\$ 1,527,021
Changes in actuarial assumptions	22,439,003	701,219
Differences between projected and actual investment earnings	-	1,180,880.00
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>5,148,521</u>	<u>946,180</u>
Total as of August 31, 2018	27,975,451	4,355,300
Contributions paid to TRS subsequent to the measurement date	<u>3,789,038</u>	<u>-</u>
Total as of year end	<u><u>\$ 31,764,489</u></u>	<u><u>\$ 4,355,300</u></u>

The \$3,789,038 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2020. The net amounts of employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31,</u>	
2020	\$ 6,467,891
2021	3,982,819
2022	3,276,899
2023	3,733,776
2024	3,658,877
Thereafter	<u>2,510,889</u>
Total	<u><u>\$ 23,631,151</u></u>

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://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 a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

WESLACO INDEPENDENT SCHOOL DISTRICT

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Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. 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. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Plan Premium Rates Effective Jan. 1, 2018 -Dec. 31, 2018		
	Medicare Plan	TRS-Care 2 Non-Medicare Plan
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

** or surviving spouse*

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75 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.

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Contribution Rates

	<u>2018</u>	<u>2019</u>
Active Employee	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%

District's 2019 FY Employer Contributions	\$ 1,065,864
District's 2019 FY Member Contributions	\$ 756,818
District's 2018 NECE On-Behalf Contributions	\$ 879,683

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in this OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in this report.

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2018 TRS annual pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Additional Actuarial Methods and Assumptions:

Valuation Date	8/31/17, rolled forward to 8/31/18
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69%. Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of 08/31/18
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 costs.
Projected Salary Increases	3.05%-9.05%, including inflation
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65.
Ad-hoc Post Employment Benefit Changes	None

Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate.

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate 2.69%	Current Single Discount Rate 3.69%	1% Increase in Discount Rate 4.69%
District's Proportionate Share of Net OPEB Liability	\$ 91,261,192	\$ 76,667,942	\$ 65,123,740

Discount Rate 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 in Trend Rate 7.50%	Current Healthcare Cost Trend Rate 8.50%	1% Increase in Trend Rate 9.50%
Proportionate Share of the Net OPEB Liability	\$ 63,673,974	\$ 76,667,942	\$ 93,781,278

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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

At August 31, 2019, the District reported a liability of \$76,667,942 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	\$ 76,667,942
State's proportionate share that is associated with the District	<u>63,761,130</u>
Total	<u><u>\$ 140,429,072</u></u>

The Net OPEB Liability was measured as of August 31, 2017 and was rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was 0.1535480390% which is a decrease of 0.0025283712% from its proportion measured as of August 31, 2018.

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

- The total OPEB liability as of August 31, 2018 was developed using the roll forward method of the August 31, 2017 valuation.
- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent, as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.

For the year ended August 31, 2019, the District recognized OPEB expense of \$4,068,031 and revenue of \$2,319,247 for support provided by the State.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

At August 31, 2019, 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 economic experiences	\$ 4,068,483	\$ 1,209,933
Changes in actuarial assumptions	1,279,380	23,034,317
Differences between projected and actual investment earnings	13,408.00	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	272	1,389,238
Total as of August 31, 2018	5,361,543	25,633,488
Contributions paid to TRS subsequent to the measurement date	1,065,864	-
Total as of year-end	<u>\$ 6,427,407</u>	<u>\$ 25,633,488</u>

The \$1,065,864 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2020. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended August 31,</u>	
2020	\$ (3,190,248)
2021	(3,190,248)
2022	(3,190,248)
2023	(3,192,784)
2024	(3,194,234)
Thereafter	(4,314,183)
Total	<u>\$ (20,271,945)</u>

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

N. CHANGES IN LONG-TERM LIABILITIES

The District's long-term liabilities consist of bond and note indebtedness, accrued compensated absences, and net pension liability. General obligation bond expenditure requirements are accounted for in the debt service fund while note payable are accounted for in the general fund. The general fund is used to liquidate accrued compensated absences. Other long-term liabilities are generally liquidated with resources of the general fund. Long-term activity for the year-ended August 31, 2019 was as follows:

Governmental Activities	Balance 9/1/2018	Additions	Reductions	Balance 8/31/2019	Due Within One Year
Bonds and Notes Payable					
General Obligation Bonds and Maintenance Tax Notes	\$ 69,429,000	\$ 6,209,339	\$ 3,412,000	\$ 72,226,339	\$ 3,593,955
Unamortized Premiums/ Discounts	9,583,275	209,705	255,811	9,537,169	-
Total Bonds and Notes Payable	79,012,275	6,419,044	3,667,811	81,763,508	3,593,955
Other Liabilities					
Compensated Balances	795,040	315,170	123,750	986,460	43,780
Capital Lease Payable	1,514,676	-	1,419,060	95,617	62,492
Net Pension Liability	35,675,261	30,369,538	3,809,001	62,235,798	-
Net OPEB Liability	67,871,776	9,855,428	1,059,262	76,667,942	-
Total Other Liabilities	105,856,753	40,540,136	6,411,073	139,985,817	106,272
Total Governmental Activities Long-term Liabilities	\$ 184,869,028	\$ 46,959,180	\$ 10,078,884	\$ 221,749,325	\$ 3,700,227

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

O. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
Athletic Receipts	\$ 34,683	\$ -	\$ 34,683
TAMUK Funds for Stipend	200	-	200
State Funding	4,240,283	-	4,240,283
Score Board Advertising	11,925	-	11,925
Food Service Commodities	272,228	-	272,228
Summer LEP	-	154,170	154,170
T-Stem Blueprint Implementation	-	10,080	10,080
AP/IB Campus Awards	-	40,824	40,824
GR-AP Teacher Grant	-	21,908	21,908
Children's Defense Fund	-	228	228
I.M.A. Funds	-	269,740	269,740
Best Buy Cyber Grant	-	3,465	3,465
Project Lead the Way	-	14,902	14,902
Medicaid Adm. Fund	-	516,215	516,215
Total Unearned Revenue	<u>\$ 4,559,319</u>	<u>\$ 1,031,532</u>	<u>\$ 5,590,851</u>

P. DUE FROM STATE AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2019 are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies except for the Gear-Up program which is received from Region One, the NSLP Equipment Assistance, Child and Adult Care, and Fresh Fruits and Vegetables, and Child and Adult Care programs which pass through the Texas Department of Agriculture, and the Jobs and Education for Texans Grant which flows through the Texas Workforce Commission. The amount reported in Due from other Governments is \$7,713,562, and includes non-entitlement receivables of \$81,673. The receivable balance, \$7,631,889 is as follows:

Fund	<u>State Entitlement</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$ 3,680,585	\$ 354,113	\$4,034,698
Special Revenue	254,721	1,681,428	1,936,149
I&S Fund	1,661,041	-	1,661,041
	<u>\$ 5,596,347</u>	<u>\$ 2,035,542</u>	<u>\$7,631,889</u>

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Non-major Governmental Funds	Total Governmental Funds	Self-Insurance	Total
Property Taxes	\$ 25,586,368	\$ 446,193	\$ 26,032,561	\$ -	\$ 26,032,561
Penalties, Int. and Other					
Tax-related Income	775,749	19,826	795,576	-	795,576
Investment Income	1,332,263	503,593	1,835,856	59,680	1,895,536
Food Sales	382,794	-	382,794	-	382,794
Co-curricular Student Activities	268,788	326,316	595,104	-	595,104
Other	546,090	24,677	570,767	17,565,520	18,136,287
Total	<u>\$ 28,892,052</u>	<u>\$ 1,320,605</u>	<u>\$ 30,212,658</u>	<u>\$ 17,625,200</u>	<u>\$ 47,837,858</u>

R. LITIGATION

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

S. MAINTENANCE OF EFFORT

The District Health Insurance Plan is a self-funded plan. The following is the total amount paid by the district for its employees.

Total District Employers Premium paid for health care 2018– 2019	\$ 13,309,758
Subtract any non-medical expenditures	
Life Insurance	\$ 32,926
Dental Insurance	264,494
	<u>\$ (297,420)</u>
c) 2018 -2019 Maintenance of Effort	<u>\$ 13,012,338</u>

T. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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

	General Fund	Non-major Governmental Funds	Total
Property taxes, unavailable	\$ 3,702,377	\$ 117,329	\$ 3,819,706

At the government-wide financial statements (Exhibit A-1), the District reports deferred charges on refunding as Deferred Outflows of Resources in the amount of \$1,806,489, a Deferred Outflows due to GASB 68 of \$31,764,489, and a Deferred Outflow for TRS OPEB of \$6,427,407 for a total of \$39,998,385 of Deferred Outflows. The District also reported \$4,355,300 of Deferred Inflows due to GASB 68 and \$25,633,488 of Deferred Inflows due to GASB 75 for a total of \$29,988,788 of Deferred Inflows.

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019
Deferred Loss on refunding	\$ 1,941,886	\$ -	\$ 135,397	\$ 1,806,489
Deferred Outflows-GASB 68	12,305,371	34,998,839	15,539,721	31,764,489
Deferred Outflows-GASB 75	1,071,565	6,416,783	1,060,941	6,427,407
Total Deferred Outflows	<u>\$ 15,318,822</u>	<u>\$ 41,415,622</u>	<u>\$ 16,736,059</u>	<u>\$ 39,998,385</u>
Deferred Inflows-GASB 68	\$ 6,603,775	\$ 7,589,650	\$ 9,838,125	\$ 4,355,300
Deferred Inflows-GASB 75	28,390,892	-	2,575,404	25,815,488
Total Deferred Inflows	<u>\$ 34,994,667</u>	<u>\$ 7,589,650</u>	<u>\$ 12,413,529</u>	<u>\$ 30,170,788</u>

U. SHARED SERVICE ARRANGEMENT

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

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

Expenditures allocated to the SSA members as of June 30, 2019 are summarized below:

Member District	Fund			
	315	340	435	Total
Donna	\$ 27,724	\$ 512	\$ 454,601	\$ -
Edcouch-Elsa	7,438	171	121,966	129,57
Edinburg	22,992	682	376,986	400,66
Excellence in Leadership	676	-	11,088	11,76
Hidalgo	1,352	-	22,176	23,52
IDEA	13,524	-	221,757	235,28
La Feria	2,029	-	33,264	35,29
La Joya	23,667	-	388,074	411,74
McAllen	32,458	-	532,214	564,67
Mercedes	6,086	-	99,791	105,87
Mission	18,257	341	299,372	317,97
Monte Alto	676	-	11,088	11,76
Progreso	676	-	11,088	11,76
PSJA	10,819	-	177,405	188,22
Rio Grande City	13,524	-	221,757	235,28
Roma	8,791	171	144,142	153,10
San Isidro	676	-	11,088	11,76
Sharyland	2,029	-	33,264	35,29
South Texas	1,352	-	22,176	23,52
Valley View	4,057	-	66,527	70,58
Vanguard	2,029	-	33,264	35,29
Weslaco	20,286	171	332,635	353,09
Total Allocated	\$ 221,118	\$ 2,048	\$ 3,625,723	\$ 3,848,889

V. EXTRAORDINARY ITEMS

On June 20, 2018, Weslaco, Texas was struck by a catastrophic flood. Many residential and commercial properties in and around Weslaco were severely damaged. The District had approximately \$3.1 million in building damages and \$827 thousand in content damage. District personnel immediately embarked upon the clean-up and restoration of facilities to try to get these buildings ready by the beginning of the 2018-2019 school year. However, the damage at F. D. Roosevelt Elementary was so severe, it could not be restored for the beginning of the 2018-2019 school year. All the students and staff were transferred to Airport Drive and PFC Mario Ybarra Elementary Schools for the 2018-2019 school year. The District has not decided whether F. D. Roosevelt Elementary will be reopened in the future. The flood also damaged 90 buses, 44 other vehicles, and other capital assets. These capital assets had an original value of around \$8.7 million with a book value of a little over \$3 million. The District received \$7.67 million in insurance proceeds. The District also issued Limited Maintenance Tax Notes in the current fiscal year to replace some of these assets. The Tax Notes had a par value of \$4,905,000 with a net offering premium of \$209,704.75. This year, we received \$183,056 of insurance and had \$1,565,784 of expenditures which includes \$983,086 of capital assets related to last year's flood.

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

W. PRIOR PERIOD ADJUSTMENTS

The District had four prior period adjustments.

In accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, property tax revenues should be recognized in the accounting period when they become available and measurable. The District considers revenues to be available if they are collectable within 60 days after fiscal year end. In the prior year, property taxes levied and collected within the 60 days were not recognized as revenue. As a result, a prior period adjustment was recorded to increase fund balance by \$171,049 and \$3,134 for the general fund and debt service fund, respectively.

Expenditures should be recorded in the period in which they are incurred. Various expenditures were recorded in the period in which the District was invoiced by vendors, rather than in the period in which the expenditures were incurred. As a result, a prior period adjustment totaling \$510,397 was recorded to decrease fund balance for expenditures recorded in the 2018-2019 fiscal year that should have been recorded in the 2017-2018 fiscal year. This also reduced net position by the same amount.

The accounting for changes in accounting estimates as they relate to the useful life of capital assets were not accounted for properly in prior years. As a result, capital assets were understated at August 31, 2018. A prior period adjustment totaling \$3,013,396 was recorded to increase net position to correct accounting errors in the accounting for accumulated depreciation.

In the prior year, District and employee contributions made to the District's self-funded health insurance plan to fund employee benefits for the month of August 2018 were not recognized as revenue in the Self Insurance Fund. As a result, a prior period adjustment was recorded to increase the net position of the Self Insurance Fund by \$1,300,565. Because revenues earned and expenditures incurred between the governmental funds and internal service funds are eliminated on the government-wide statement of net position, this prior period adjustment increased net position by \$231,248 for revenues earned from employee contributions to the plan.

X. SUBSEQUENT EVENTS

The District has considered all events through January 13, 2020, the financial statement issuance date.

REQUIRED SUPPLEMENTARY SCHEDULES

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WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	Measurement Year Ended August 31,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.1130687757%	0.1115737071%	0.1150849744%	0.1209544000%	0.0789022000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 62,235,798	\$ 35,675,261	\$ 43,488,901	\$ 42,755,770	\$ 21,075,868
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	53,878,625	52,956,929	62,706,553	60,514,661	54,025,417
Total	<u>\$ 116,114,423</u>	<u>\$ 88,632,190</u>	<u>\$ 106,195,454</u>	<u>\$ 103,270,431</u>	<u>\$ 75,101,285</u>
District's Covered Payroll	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868	\$ 104,235,177
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	53.46%	31.14%	39.44%	39.87%	20.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only five years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	Fiscal Year Ended August 31,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 3,789,038	\$ 3,811,690	\$ 3,656,734	\$ 3,488,340	\$ 3,335,759
Contribution in Relation to the Contractually Required Contribution	(3,789,038)	(3,809,404)	(3,656,734)	(3,488,340)	(3,335,759)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868
Contributions as a percentage of Covered Payroll	3.25%	3.27%	3.19%	3.16%	3.11%

Note: Only five years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	Measurement Year Ended August 31,	
	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.1535480390%	0.1560764102%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 76,667,942	\$ 67,871,776
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	63,761,130	81,789,934
Total	<u>\$ 140,429,072</u>	<u>\$ 149,661,710</u>
District's Covered Payroll	\$ 116,426,339	\$ 114,553,639
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	65.85%	59.25%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	1.57%	0.91%

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

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2019

	Fiscal Year Ended August 31,	
	2019	2018
Contractually Required Contribution	\$ 1,065,864	\$ 1,061,361
Contribution in Relation to the Contractually Required Contribution	(1,065,864)	(1,060,941)
Contribution Deficiency (Excess)	\$ -	\$ 420
District's Covered Payroll	\$ 116,433,422	\$ 116,426,642
Contributions as a percentage of Covered Payroll	0.92%	0.91%

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2019**

A. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

There were changes in actuarial assumptions of other inputs that affected measurement of the total pension liability since the prior measurement period.

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

B. TRS OPEB Plan

Changes of Benefit Terms.

The 85th Legislature, Regular Session passed the following statutory changes which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

Changes in Assumptions

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

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate changed from 3.42% as of August 31, 2017 to 3.69%, as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.

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COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

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

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

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

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

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

226 IDEA - Part B, Discretionary - This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component and also:

- Targeted support to LEAs
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

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

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

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

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

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

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

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

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

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

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

- 429 – Reading to Learn Achievement Academies
- 429 – Math Achievement Academies
- 429 – Literacy Achievement Academies
- 429 – Read to Succeed
- 429 – CTE Certification Exam Reimbursements
- 429 – Community Youth Development (CYD) Program Grant

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

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

- 481 – Barbara Bush Texas Foundation
- 488 – T-Stem Blueprint Implementation
- 489 – Project Lead the Way
- 490 – Children's Defense Fund
- 491 – Best Buy Cyber Grant
- 499 – Other Local Special Revenue Fund-Scholarships

DEBT SERVICE FUNDS

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

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

CAPITAL PROJECT FUNDS

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

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2019

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 Pre-School
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	814,636	188,120	208,044	104
1000	Total Assets	<u>\$ 814,636</u>	<u>\$ 188,120</u>	<u>\$ 208,044</u>	<u>\$ 104</u>
	LIABILITIES				
2110	Accounts payable	\$ 5,790	\$ 855	\$ -	\$ -
2160	Accrued wages payable	218,936	12,602	154,038	-
2170	Due to other funds	589,910	174,662	54,006	104
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>814,636</u>	<u>188,120</u>	<u>208,044</u>	<u>104</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	-	-
3590	Other Assigned Fund Balance	-	-	-	-
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 814,636</u>	<u>\$ 188,120</u>	<u>\$ 208,044</u>	<u>\$ 104</u>

226 IDEA Part - B Discretionary	244 Vocational Ed. Basic Grant	255 ESEA II, A Training & Recruiting	263 English Language Acquisition	265 21st Century Community	272 Medicaid Adm. Claiming Program	274 Gear - Up	289 Other Federal Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 506,777	\$ -	\$ 79,531
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	25,895	112,861	40,472	67,391	9,439	121,935	92,530
<u>\$ -</u>	<u>\$ 25,895</u>	<u>\$ 112,861</u>	<u>\$ 40,472</u>	<u>\$ 67,391</u>	<u>\$ 516,216</u>	<u>\$ 121,935</u>	<u>\$ 172,061</u>
\$ -	\$ -	\$ 17,408	\$ 986	\$ 453	\$ -	\$ 2,325	\$ 17,892
-	1,288	49,140	34,794	4,477	-	19,536	-
-	24,607	46,313	4,693	62,460	-	100,075	-
-	-	-	-	-	516,216	-	154,170
-	25,895	112,861	40,472	67,391	516,216	121,935	172,061
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 25,895</u>	<u>\$ 112,861</u>	<u>\$ 40,472</u>	<u>\$ 67,391</u>	<u>\$ 516,216</u>	<u>\$ 121,935</u>	<u>\$ 172,061</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes		397 Advanced Placement Incentives	410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund
	ASSETS				
1110	Cash and cash equivalents	\$ 40,824	\$ 269,740	\$ -	\$ 259,247
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	-	-	254,721	-
1000	Total Assets	<u>\$ 40,824</u>	<u>\$ 269,740</u>	<u>\$ 254,721</u>	<u>\$ 259,247</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 9,883
2160	Accrued wages payable	-	-	1,619	-
2170	Due to other funds	-	-	231,194	-
2300	Unearned revenues	40,824	269,740	21,908	-
2000	Total Liabilities	<u>40,824</u>	<u>269,740</u>	<u>254,721</u>	<u>9,883</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	-	249,365
3590	Other Assigned Fund Balance	-	-	-	-
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,365</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 40,824</u>	<u>\$ 269,740</u>	<u>\$ 254,721</u>	<u>\$ 259,247</u>

481 B. Bush Texas Fund	488 T-Stem Blueprint Implementation	489 Project Lead The Way	490 Children's Defense Fund	491 Best Buy Cyber Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ 10,080	\$ 14,902	\$ 228	\$ 3,465	\$ 9,284	\$ 1,194,078
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,936,149
<u>\$ -</u>	<u>\$ 10,080</u>	<u>\$ 14,902</u>	<u>\$ 228</u>	<u>\$ 3,465</u>	<u>\$ 9,284</u>	<u>\$ 3,130,227</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,592
-	-	-	-	-	-	496,430
-	-	-	-	-	-	1,288,024
-	10,080	14,902	228	3,465	-	1,031,532
-	10,080	14,902	228	3,465	-	2,871,578
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	249,365
-	-	-	-	-	9,284	9,284
-	-	-	-	-	9,284	258,649
<u>\$ -</u>	<u>\$ 10,080</u>	<u>\$ 14,902</u>	<u>\$ 228</u>	<u>\$ 3,465</u>	<u>\$ 9,284</u>	<u>\$ 3,130,227</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2019

EXHIBIT H-1 (Cont'd)

Data Control Codes	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS					
1110 Cash and cash equivalents	\$ 2,457,144	\$ 7,885,847	\$ 4,676,815	\$ 12,562,662	\$ 16,213,884
1220 Property taxes receivable (delinquent)	132,455	-	-	-	132,455
1230 Allowance for uncollectible taxes	(12,340)	-	-	-	(12,340)
1240 Due from other governments	<u>1,662,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,598,366</u>
1000 Total Assets	<u>\$ 4,239,476</u>	<u>\$ 7,885,847</u>	<u>\$ 4,676,815</u>	<u>\$ 12,562,662</u>	<u>\$ 19,932,365</u>
LIABILITIES					
2110 Accounts payable	\$ -	\$ 897,404	\$ 1,514,895	\$ 2,412,299	\$ 2,467,891
2160 Accrued wages payable	-	-	-	-	496,430
2170 Due to other funds	-	-	-	-	1,288,024
2300 Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031,532</u>
2000 Total Liabilities	<u>-</u>	<u>897,404</u>	<u>1,514,895</u>	<u>2,412,299</u>	<u>5,283,877</u>
DEFERRED INFLOWS OF RESOURCES					
2601 Unavailable revenue - property taxes	<u>117,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,330</u>
2600 Total deferred inflows of resources	<u>117,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,330</u>
Fund Balances:					
3470 Restricted for capital acquisitions	-	6,988,443	3,161,920	10,150,363	10,150,363
3480 Restricted for retirement of debt	4,122,147	-	-	-	4,122,147
3545 Other committed fund balances	-	-	-	-	249,365
3590 Other Assigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,284</u>
Total Fund Equity	<u>4,122,147</u>	<u>6,988,443</u>	<u>3,161,920</u>	<u>10,150,363</u>	<u>14,531,159</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 4,239,476</u>	<u>\$ 7,885,847</u>	<u>\$ 4,676,815</u>	<u>\$ 12,562,662</u>	<u>\$ 19,932,365</u>

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WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA Part B Formula
	REVENUES:			
5700	Local & intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	7,621,114	1,763,898	2,923,150
5020	Total Revenues	<u>7,621,114</u>	<u>1,763,898</u>	<u>2,923,150</u>
	EXPENDITURES:			
	Current			
0011	Instruction	2,285,886	724,963	2,366,514
0012	Instruction resources & media services	859,393	-	-
0013	Curriculum & staff development	1,935,494	189,206	-
0021	Instructional leadership	366,413	157,550	184,416
0023	School leadership	101,641	1,491	-
0031	Guidance, counseling & evaluation services	556,076	68,072	324,653
0032	Social work services	-	613,610	-
0033	Health services	679,968	2,960	28,957
0034	Student (pupil) transportation	9,612	-	18,610
0036	Co-curricular/extracurricular activities	-	-	-
0051	Facilities maintenance & operations	-	403	-
0061	Community services	826,632	5,642	-
	Debt Service:			
0071	Debt service - principal on long term debt	-	-	-
0072	Debt service - interest on long term debt	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-
	Capital Outlay			
0081	Facilities acquisition and construction	-	-	-
6030	Total Expenditures	<u>7,621,114</u>	<u>1,763,898</u>	<u>2,923,150</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	-	-
7919	Extraordinary item	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
1300	Prior period adjustment	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA Part B Pre-School	226 Idea B Part B Discretionary	244 Vocational Basic Grant	255 ESEA II Training & Recruiting	263 English Language Acquisition	265 21st Century Community	274 Gear - Up	289 Other Federal Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
14,120	10,640	311,893	802,043	494,172	1,595,981	214,063	252,974
14,120	10,640	311,893	802,043	494,172	1,595,981	214,063	252,974
14,120	4,405	166,509	723,590	491,590	-	85,026	168,296
-	-	-	-	-	-	-	-
-	500	6,141	73,147	-	-	22,279	38,408
-	-	-	-	-	-	-	4,995
-	-	-	5,306	-	-	1,112	-
-	5,735	139,243	-	-	-	105,598	36,673
-	-	-	-	-	-	-	4,601
-	-	-	-	-	-	-	-
-	-	-	-	-	81,520	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,582	1,514,461	49	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
14,120	10,640	311,893	802,043	494,172	1,595,981	214,063	252,974
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Rev.	461 Campus Activity Fund	481 B. Bush Texas Fund
	REVENUES:					
5700	Local & intermediate sources	\$ -	\$ -	\$ -	\$ 326,316	\$ 2,000
5800	State program revenues	7,866	1,190,368	314,197	-	-
5900	Federal program revenues	-	-	-	-	-
5020	Total Revenues	<u>7,866</u>	<u>1,190,368</u>	<u>314,197</u>	<u>326,316</u>	<u>2,000</u>
	EXPENDITURES:					
	Current					
0011	Instruction	7,866	1,190,368	234,414	128,702	-
0012	Instruction resources & media services	-	-	-	-	-
0013	Curriculum & staff development	-	-	62,976	-	2,000
0021	Instructional leadership	-	-	-	-	-
0023	School leadership	-	-	-	6,317	-
0031	Guidance, counseling & evaluation services	-	-	-	-	-
0032	Social work services	-	-	-	-	-
0033	Health services	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-	185,384	-
0051	Facilities maintenance & operations	-	-	16,807	-	-
0061	Community services	-	-	-	-	-
	Debt Service:					
0071	Debt service - principal on long term debt	-	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-	-
	Capital Outlay					
0081	Facilities acquisition and construction	-	-	-	-	-
6030	Total Expenditures	<u>7,866</u>	<u>1,190,368</u>	<u>314,197</u>	<u>320,403</u>	<u>2,000</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	5,913	-
	OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-	-
7919	Extraordinary item	-	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	-	5,913	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	243,452	-
1300	Prior period adjustment	-	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,365</u>	<u>\$ -</u>

488 T-Stem Blueprint Implem.	489 Project Lead The Way	490 Children's Defense Fund	491 Best Buy Cyber Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Rev. Funds	599 I & S Fund	610 Construction Fund
\$ 13,253	\$ 3,156	\$ 4,695	\$ -	\$ -	\$ 349,420	\$ 509,857	\$ 291,173
-	-	-	-	-	1,512,431	1,669,139	-
-	-	-	-	-	16,004,047	-	-
<u>13,253</u>	<u>3,156</u>	<u>4,695</u>	<u>-</u>	<u>-</u>	<u>17,865,899</u>	<u>2,178,996</u>	<u>291,173</u>
12,729	2,406	-	-	-	8,607,385	-	-
-	-	-	-	-	859,393	-	-
-	-	-	-	-	2,330,152	-	-
-	-	-	-	-	713,374	-	-
-	750	-	-	-	116,617	-	-
-	-	-	-	-	1,236,049	-	-
525	-	1,288	-	-	620,024	-	-
-	-	-	-	-	711,884	-	-
-	-	-	-	-	109,742	-	-
-	-	-	-	-	185,384	-	-
-	-	-	-	-	17,209	-	1,109,236
-	-	3,407	-	300	2,353,072	-	-
-	-	-	-	-	-	1,975,000	-
-	-	-	-	-	-	1,977,425	-
-	-	-	-	-	-	1,250	-
-	-	-	-	-	-	-	8,189,701
<u>13,253</u>	<u>3,156</u>	<u>4,695</u>	<u>-</u>	<u>300</u>	<u>17,860,286</u>	<u>3,953,675</u>	<u>9,298,938</u>
-	-	-	-	(300)	5,613	(1,774,679)	(9,007,764)
-	-	-	-	-	-	2,900,000	708,923
-	-	-	-	-	-	-	49,995
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,900,000</u>	<u>758,918</u>
-	-	-	-	(300)	5,613	1,125,321	(8,248,846)
-	-	-	-	9,584	253,036	2,993,691	15,237,289
-	-	-	-	-	-	3,134	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,284</u>	<u>\$ 258,649</u>	<u>\$ 4,122,147</u>	<u>\$ 6,988,443</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT H-2 Cont's

Data Control Codes		617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	REVENUES:			
5700	Local & intermediate sources	\$ 170,155	\$ 461,328	\$ 1,320,606
5800	State program revenues	-	-	3,181,570
5900	Federal program revenues	-	-	16,004,047
5020	Total Revenues	<u>170,155</u>	<u>461,328</u>	<u>20,506,223</u>
	EXPENDITURES:			
	Current			
0011	Instruction	-	-	8,607,385
0012	Instruction resources & media services	-	-	859,393
0013	Curriculum & staff development	-	-	2,330,152
0021	Instructional leadership	-	-	713,374
0023	School leadership	-	-	116,617
0031	Guidance, counseling & evaluation services	-	-	1,236,049
0032	Social work services	-	-	620,024
0033	Health services	-	-	711,884
0034	Student (pupil) transportation	-	-	109,742
0036	Co-curricular/extracurricular activities	-	-	185,384
0051	Facilities maintenance & operations	15,555	1,124,791	1,142,001
0061	Community services	-	-	2,353,072
	Debt Service:			
0071	Debt service - principal on long term debt	-	-	1,975,000
0072	Debt service - interest on long term debt	-	-	1,977,425
0073	Debt service - bond issuance cost & fees	-	-	1,250
	Capital Outlay			
0081	Facilities acquisition and construction	<u>5,523,523</u>	<u>13,713,224</u>	<u>13,713,224</u>
6030	Total Expenditures	<u>5,539,078</u>	<u>14,838,016</u>	<u>36,651,976</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,368,923)	(14,376,688)	(16,145,754)
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	708,923	3,608,923
7919	Extraordinary item	-	49,995	49,995
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>758,918</u>	<u>3,658,918</u>
1200	Net Change in Fund Balances	(5,368,923)	(13,617,769)	(12,486,835)
0100	Fund Balance - September 1 (Beginning)	8,530,843	23,768,132	27,014,860
1300	Prior period adjustment	<u>-</u>	<u>-</u>	<u>3,134</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 3,161,920</u>	<u>\$ 10,150,363</u>	<u>\$ 14,531,159</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2019

	Self Insurance Fund	Workers Comp Fund	Unemployment Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,434,709	\$ 188,232	\$ 448,622	\$ 2,071,563
Due from general fund	-	104,288	47,838	152,126
Other receivables	<u>329,875</u>	<u>-</u>	<u>-</u>	<u>329,875</u>
Total Assets	<u>\$ 1,764,585</u>	<u>\$ 292,519</u>	<u>\$ 496,460</u>	<u>\$ 2,553,565</u>
LIABILITIES				
Current Liabilities:				
Account payables	\$ 683,634	\$ -	\$ -	\$ 683,634
Other current liabilities	804,318	43,577	-	847,895
Due to general fund	<u>412,235</u>	<u>-</u>	<u>-</u>	<u>412,235</u>
Total Liabilities	<u>1,900,187</u>	<u>43,577</u>	<u>-</u>	<u>1,943,764</u>
NET POSITION				
Unrestricted	<u>(135,602)</u>	<u>248,942</u>	<u>496,460</u>	<u>609,800</u>
Total Net Position	<u>\$ (135,602)</u>	<u>\$ 248,942</u>	<u>\$ 496,460</u>	<u>\$ 609,800</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2019

	Self Insurance Fund	Workers Comp Fund	Unemployment Fund	Total Internal Service Funds
OPERATING REVENUES:				
Charges for Services	<u>\$ 17,065,738</u>	<u>\$ 391,541</u>	<u>\$ 108,242</u>	<u>\$ 17,565,520</u>
Total Operating Revenues	<u>17,065,738</u>	<u>391,541</u>	<u>108,242</u>	<u>17,565,520</u>
OPERATING EXPENSES:				
Attorney fees	-	4,290	-	4,290
Fees	1,940,541	64,557	37,138	2,042,236
Insurance fees	2,228	79,282	-	81,509
Insurance claims and expenses	<u>18,018,589</u>	<u>252,302</u>	<u>-</u>	<u>18,270,891</u>
Total Operating Expenses	<u>19,961,357</u>	<u>400,431</u>	<u>37,138</u>	<u>20,398,926</u>
Operating Income (Loss)	<u>(2,895,620)</u>	<u>(8,890)</u>	<u>71,104</u>	<u>(2,833,406)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	<u>46,062</u>	<u>2,807</u>	<u>10,811</u>	<u>59,680</u>
Total non-operating revenue (expenses)	<u>46,062</u>	<u>2,807</u>	<u>10,811</u>	<u>59,680</u>
Income (Loss) before Contributions and Transfers	(2,849,557)	(6,083)	81,915	(2,773,726)
Transfers in (out)	-	-	-	-
Change in Net Position	<u>(2,849,557)</u>	<u>(6,083)</u>	<u>81,915</u>	<u>(2,773,726)</u>
Total Net Position-September 1, (Beginning)	1,413,390	255,025	414,545	2,082,961
Prior period adjustment	<u>1,300,565</u>	<u>-</u>	<u>-</u>	<u>1,300,565</u>
Total Net Position - August 31, (Ending)	<u><u>\$ (135,602)</u></u>	<u><u>\$ 248,942</u></u>	<u><u>\$ 496,460</u></u>	<u><u>\$ 609,800</u></u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Self Insurance Fund	Workers Comp Fund	Unemployment Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 15,210,302	\$ 287,253	\$ 60,404	\$ 15,557,959
Receipts from employees	2,249,434	-	-	2,249,434
Receipts from other participants	18,237	-	-	18,237
Receipts from reimbursements and refunds	1,173,031	5,688	-	1,178,719
Payments for benefit claims	(17,592,571)	(214,247)	-	(17,806,818)
Payments for administration	(1,942,768)	(148,129)	(37,138)	(2,128,035)
Net cash provided in operating activities	(884,336)	(69,435)	23,265	(930,505)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	46,062	2,807	10,811	59,680
Net cash provided from investing activities	46,062	2,807	10,811	59,680
Net increase in cash and cash equivalents	(838,273)	(66,628)	34,077	(870,824)
Cash and Cash equivalents-beginning	2,272,983	254,860	414,545	2,942,388
Cash and Cash equivalents-ending	\$ 1,434,709	\$ 188,232	\$ 448,622	\$ 2,071,563
Reconciliation of operating income to net cash provided by operating activities				
Operating income/(loss)	\$ (2,895,620)	\$ (8,890)	\$ 71,104	(2,833,406)
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in miscellaneous receivables	118,894	166	-	119,059
(Increase) decrease in due from other funds	-	(104,288)	(47,838)	(152,126)
Increase (Decrease) in account payables	675,837	-	-	675,837
Increase (Decrease) in other current liabilities	804,318	43,577	-	847,895
Increase (Decrease) in due to other funds	412,235	-	-	412,235
Total adjustments	2,011,284	(60,545)	(47,838)	1,902,901
Net cash provided by operating activities	\$ (884,336)	\$ (69,435)	\$ 23,265	\$ (930,505)

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AGENCY FUNDS

Agency Funds:

To account for funds which are custodial in nature and for which the District is acting as an agent. The District has established the following agency funds:

Student Activity – Accounts for student activity funds held for various clubs on the campuses.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2019

	Balance September 1 2018	Additions	Deductions	Balance August 31 2019
STUDENT ACTIVITY FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 583,317</u>	<u>\$ 2,174,774</u>	<u>\$ 2,191,107</u>	<u>\$ 566,985</u>
Total Assets	<u><u>\$ 583,317</u></u>	<u><u>\$ 2,174,774</u></u>	<u><u>\$ 2,191,107</u></u>	<u><u>\$ 566,985</u></u>
LIABILITIES				
Due to student groups	<u>\$ 583,317</u>	<u>\$ 2,174,774</u>	<u>\$ 2,191,107</u>	<u>\$ 566,985</u>
Total Liabilities	<u><u>\$ 583,317</u></u>	<u><u>\$ 2,174,774</u></u>	<u><u>\$ 2,191,107</u></u>	<u><u>\$ 566,985</u></u>

REQUIRED TEA SCHEDULES

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2019

Last 10 Years Ended August 31,	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purpose
	Maintenance	Debt Service	
2010 & Prior	Various	Various	Various
2011	1.0307	0.1090	1,802,628,745
2012	1.1397	-	1,828,879,472
2013	1.1397	-	1,860,366,711
2014	1.1397	-	1,891,048,258
2015	1.1397	-	2,018,278,834
2016	1.1397	-	2,058,098,631
2017	1.1397	-	2,169,706,968
2018	1.1397	0.0200	2,292,112,169
2019 (School Year under Audit)	1.1397	0.0200	2,302,601,674
1000 TOTALS			

EXHIBIT J-1

(10) Beginning Balance 9/1/2018	(20) Current Year's Levy	(31) Maintenance Total Collection	(32) Interest & Sinking Total Collection	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2019
\$ 1,061,051	\$ -	\$ 51,379	\$ 5,523	\$ (28,411)	\$ 975,738
146,624	-	9,361	897	(3,117)	133,248
155,608	-	15,974	-	(3,780)	135,854
169,836	-	22,964	-	(4,608)	142,265
205,936	-	36,722	-	(1,505)	167,709
260,045	-	57,551	-	(3,530)	198,964
336,554	-	120,666	-	11,540	227,428
538,445	-	183,917	-	(27,162)	327,367
1,203,061	-	529,649	9,295	(98,964)	565,154
	26,276,635	24,550,683	430,826	(40,577)	1,254,549
<u>\$ 4,077,159</u>	<u>\$ 26,276,635</u>	<u>\$ 25,578,864</u>	<u>\$ 446,541</u>	<u>\$ (200,114)</u>	<u>\$ 4,128,275</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-CHILD NUTRITION PROGRAM
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

Data Control Codes			Budgeted Amount		Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)			
			Original	Final					
REVENUES:									
5700	Local and intermediate sources	\$	394,050	\$	395,550	\$	442,783	\$	47,233
5800	State program revenues		58,000		58,000		53,230		(4,770)
5900	Federal program revenues		13,697,999		14,074,499		12,765,827		(1,308,672)
5020	Total Revenues		14,150,049		14,528,049		13,261,840		(1,266,209)
EXPENDITURES:									
0035	Food services		13,249,467		15,593,291		12,880,428		2,712,863
0051	Facilities maintenance and operations		900,582		932,582		612,884		319,698
6030	Total Expenditures		14,150,049		16,525,873		13,493,312		3,032,561
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		-		(1,997,824)		(231,473)		1,766,351
OTHER FINANCING SOURCES (USES)									
7912	Sale of real and personal property		-		-		16,905		16,905
7080	Total Other Financing Sources (Uses)		-		-		16,905		16,905
7919	Extraordinary items		-		-		71		71
	Total Extraordinary Items		-		-		71		71
1200	Net Change in Fund Balance		-		(1,997,824)		(214,497)		1,783,327
0100	Fund Balance - September 1 (Beginning)		3,038,222		3,038,222		3,038,222		-
1300	Prior period adjustment		-		-		(25,095)		-
3000	Fund Balance - August 31 (Ending)	\$	3,038,222	\$	1,040,398	\$	2,798,630	\$	1,783,327

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

Data Control Codes				Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)
				</	

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STATISTICAL SECTION

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WESLACO INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION OVERVIEW

(Unaudited)

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

The statistical section is organized in the following sections:

Government-Wide Information – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.

Fund Information – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.

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

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

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN YEARS

TABLE L-1

	2010	2011	2012	2013	2014	2015 *	2016	2017	2018 **	2019
Governmental Activities										
<i>Net Investment in Capital Assets</i>	\$58,807,896	\$66,572,016	\$69,662,775	\$67,109,281	\$57,955,030	\$65,082,018	\$70,172,243	\$53,852,720	\$68,417,270	\$64,654,480
<i>Restricted</i>	13,615,686	13,764,073	7,955,149	9,567,330	17,964,766	13,318,765	20,308,022	31,073,280	34,045,172	19,951,983
<i>Unrestricted</i>	28,103,888	28,317,501	36,610,978	38,892,701	40,694,713	13,712,717	11,348,644	9,316,031	-92,484,770	-81,580,218
<i>Total Net Position</i>	<u>\$100,527,470</u>	<u>\$108,653,590</u>	<u>\$114,228,902</u>	<u>\$115,569,312</u>	<u>\$116,614,509</u>	<u>\$92,113,501</u>	<u>\$101,828,909</u>	<u>\$94,242,030</u>	<u>\$9,977,672</u>	<u>\$3,026,245</u>

Source: Financial Statements and Independent Auditor's Report
Statement of Net Position (Exhibit A-1)
2010-2019 Fiscal Year End 8/31
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-2

Expenses	2010	2011	2012	2013	2014	2015 *	2016	2017	2018 **	2019
<i>Governmental Activities:</i>										
<i>Instruction</i>	\$86,030,384	\$86,148,829	\$82,073,900	\$82,820,029	\$86,818,655	\$89,938,794	\$93,758,756	\$92,471,673	\$61,875,457	\$95,436,737
<i>Instructional Resource and Media Services</i>	3,007,296	3,165,490	3,126,658	3,147,877	3,138,683	3,219,111	3,407,707	3,270,878	2,133,005	3,392,142
<i>Curriculum and Staff Development</i>	6,655,625	7,227,046	7,168,419	5,981,991	5,771,075	5,833,373	7,866,159	6,672,451	3,444,618	6,150,592
<i>Instructional Leadership</i>	1,878,756	1,842,193	1,614,531	1,763,693	1,741,556	1,918,149	1,958,667	2,102,624	1,457,965	2,382,522
<i>School Leadership</i>	5,600,566	5,635,650	4,848,957	4,851,895	4,896,405	5,353,983	5,347,324	5,525,639	4,182,155	6,132,735
<i>Guidance, Counseling and Evaluation Services</i>	5,094,891	5,282,492	5,357,658	5,805,284	5,873,335	5,922,963	6,457,628	6,274,128	3,675,415	6,769,747
<i>Social Work Services</i>	1,942,594	1,897,984	1,951,984	1,851,636	1,590,345	1,744,838	1,893,278	2,078,113	1,123,254	1,462,253
<i>Health Services</i>	1,768,177	1,801,320	1,866,796	1,903,517	1,833,597	1,917,008	2,031,580	1,991,617	1,175,267	2,131,586
<i>Student Transportation</i>	3,205,949	3,491,384	3,445,601	3,637,229	3,877,637	4,053,767	4,372,443	4,841,325	4,463,629	5,186,794
<i>Food Services</i>	9,521,527	9,936,549	10,529,742	11,100,321	11,065,882	10,967,135	12,651,725	12,346,731	9,934,616	12,483,909
<i>Cocurricular/Extracurricular Activities</i>	5,822,399	6,273,296	6,542,716	6,975,634	7,063,184	7,850,006	8,388,595	8,491,903	6,951,528	8,646,890
<i>General Administration</i>	16,660,646	15,119,601	15,782,665	16,482,896	17,115,853	20,123,067	21,627,390	24,261,944	18,956,735	25,322,624
<i>Facilities Maintenance and Operations</i>	14,715,609	14,970,462	15,911,132	15,596,403	15,587,518	15,576,051	17,098,058	16,614,367	13,666,829	16,356,513
<i>Security and Monitoring Services</i>	1,612,865	1,487,063	1,602,277	1,604,098	2,058,835	2,100,843	2,057,040	2,235,845	1,685,302	2,538,862
<i>Data Processing Services</i>	1,829,298	1,781,587	1,860,420	2,141,748	2,016,328	2,019,983	2,163,703	2,034,553	1,639,951	2,225,427
<i>Community Services</i>	1,958,365	2,113,316	2,049,804	2,099,332	2,181,705	2,121,282	2,261,487	3,991,891	2,239,217	3,888,612
<i>Debt Service-Interest and Fees on Long Term Del</i>	3,519,393	3,917,022	2,448,647	3,399,527	3,377,883	3,448,931	2,620,552	2,900,318	2,761,245	2,928,189
<i>Facilities Acquisition and Construction</i>	702,185	614,633	50,717	-	-	-	-	-	-	209,787
<i>Payments Related to Shared Services Arrangemen</i>	-	-	-	-	-	-	-	-	-	-
<i>Payment to Juvenile Justice Alternative Ed. Prg</i>	231,380	220,000	184,460	189,500	242,000	220,000	239,520	248,000	129,946	80,582
<i>Other Intergovernmental Charges</i>	179,371	173,582	185,752	204,067	196,658	230,394	245,133	161,539	279,379	246,175
Total Governmental Activities Expenses	171,937,276	173,099,498	168,602,835	171,556,677	176,447,134	184,559,678	196,446,745	198,515,540	141,775,514	203,972,678
Program Revenues										
<i>Charges for Services:</i>										
<i>Instruction</i>	\$201,522	\$207,308	\$170,849	\$148,192	\$209,036	\$132,283	\$152,654	\$113,191	\$119,627	\$133,186
<i>Instructional Resources and Media Services</i>	143	-	-	-	3,375	-	83	470	121	-
<i>Curriculum and Staff Development</i>	-	1,205	-	154	288	645	269	367	182	605
<i>Instructional Leadership</i>	-	-	-	-	-	-	-	-	-	-
<i>School Leadership</i>	227	1,895	1,633	1,568	-	519	-	791	896	6,434
<i>Guidance, Counseling and Evaluation Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Social Work Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Health Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Student Transportation</i>	1,056	10,191	9,239	19,455	20	52,641	20	15	4,302	21,025
<i>Food Services</i>	843,552	734,023	696,412	693,023	697,330	582,296	463,055	374,151	343,168	366,362
<i>Cocurricular/Extracurricular Activities</i>	596,215	799,758	707,984	798,852	677,440	725,639	593,179	602,391	609,479	670,225
<i>General Administration</i>	1,873,180	1,891,549	2,142,898	2,014,912	1,891,137	2,087,523	3,101,767	2,590,722	2,937,756	2,307,310
<i>Facilities Maintenance and Operations</i>	125,896	133,863	59,232	102,444	93,702	72,560	303,091	35,734	73,515	101,964
<i>Security and Monitoring Services</i>	-	3,229	-	-	-	-	-	-	-	-
<i>Data Processing Services</i>	-	118	-	-	-	-	-	-	-	-
<i>Community Services</i>	150,994	148,071	166,356	174,118	172,343	197,761	190,100	170,131	194,503	173,670
<i>Debt Service-Interest and Fees on Long Term Del</i>	-	-	-	-	-	-	-	-	-	-
<i>Facilities Acquisition and Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Intergovernmental Charges</i>	-	-	-	-	-	-	-	-	-	-
<i>Operating Grants/Capital and Contributions</i>	48,092,848	53,045,902	41,310,808	38,414,155	36,330,426	40,834,221	42,251,555	41,621,847	11,559,296	41,652,961
Total Governmental Activities Program Revenues	51,885,631	56,977,111	45,265,410	42,366,872	40,075,097	44,686,089	47,055,774	45,509,811	15,842,845	45,433,741
Net Government Activities Revenue/(Expenses)	\$(120,051,645)	\$(116,122,387)	\$(123,337,425)	\$(129,189,804)	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)

Source: Financial Statements and Independent Auditor's Report
Statement of Activities(Exhibit B-1)
2010-2019 Fiscal Year End 8/31
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-3

	2010	2011	2012	2013	2014	2015 *	2016	2017	2018 **	2019
Net Governmental Activities										
Revenue/(Expenses)	\$(120,051,645)	\$(116,122,387)	\$(123,337,425)	\$(129,189,804)	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)
General Revenue and Changes in Net Position:										
<i>Governmental Activities:</i>										
<i>Property Taxes-General</i>	18,737,690	18,863,335	21,150,387	21,932,794	21,618,492	23,546,542	23,882,403	24,915,531	26,329,885	26,447,893
<i>Property Taxes-Debt Services</i>	1,966,244	1,815,130	44,825	59,893	34,993	18,319	17,547	13,984	469,888	473,001
<i>Grants & Contributions Not Restricted</i>	103,455,054	103,449,609	102,902,449	109,184,686	114,534,319	115,521,053	130,154,799	119,855,162	126,931,141	122,918,825
<i>Investment Earnings</i>	282,041	81,992	110,381	96,168	70,414	78,825	222,846	564,446	1,375,217	1,895,536
<i>Miscellaneous</i>	31,645	38,441	41,474	21,897	20,741	86,890	17,789	69,727	21,126	20,648
<i>Extraordinary Item-Net</i>	-	-	-	-	-	-	-	-	3,088,259	(399,642)
<i>Special Item - (Use)</i>	-	-	-	-	-	-	-	-	-	-
<i>Sale of Real Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfers In (Out)</i>	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	124,472,674	124,248,506	124,249,516	131,295,437	136,278,958	139,251,628	154,295,385	145,418,850	158,215,514	151,356,262
Changes in Net Position	\$4,421,030	\$8,126,119	\$912,091	\$2,105,633	\$(93,078)	\$(621,961)	\$4,904,414	\$(7,586,879)	\$32,282,846	\$(7,182,676)

Source: Financial Statements and Independent Auditor's Report
Statement of Activities(Exhibit B-1)
2010-2019 Fiscal Year End 8/31
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General										
PRE GASB 54										
<i>Reserved Fund Balances:</i>										
<i>Investment in Inventory</i>	\$873,679	-	-	-	-	-	-	-	-	-
<i>Prepaid Items</i>	955,296	-	-	-	-	-	-	-	-	-
<i>Outstanding Encumbrances</i>	70,489	-	-	-	-	-	-	-	-	-
<i>Reserve for Food Service</i>	1,546,976	-	-	-	-	-	-	-	-	-
<i>Other Reserves for Fund Balance</i>	6,292,785	-	-	-	-	-	-	-	-	-
<i>Other Designated of Fund Balance</i>	-	-	-	-	-	-	-	-	-	-
<i>Unreserved and Undesignated:</i>										
<i>Reported in General Fund</i>	15,697,714	-	-	-	-	-	-	-	-	-
POST GASB 54										
<i>Non-spendable:</i>										
<i>Inventories</i>	-	902,671	904,773	939,967	938,278	903,195	847,969	960,789	848,180	992,097
<i>Prepaid Items</i>	-	1,402,071	1,671,484	1,783,576	1,760,386	1,564,045	1,584,354	1,379,451	1,350,744	1,401,976
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	-	2,943,719	3,544,964	4,381,575	4,494,889	5,695,725	7,302,864	5,093,955	5,862,080	5,177,298
<i>Other Restrictions of Fund Balance</i>	-	-	1,547,158	4,632,264	-	-	-	-	-	-
<i>Assigned:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	-	-	-	3,169,825
<i>Other</i>	-	-	-	4,104,229	11,114,670	11,245,626	19,470,602	23,385,542	15,800,786	115,821
<i>Unassigned:</i>	-	19,009,349	23,582,400	15,500,000	16,000,000	16,500,000	17,000,000	17,500,000	18,000,000	38,089,304
Total General Fund Balance	\$25,436,938	\$24,257,809	\$31,250,779	\$31,341,611	\$34,308,222	\$35,908,591	\$46,205,789	\$48,319,737	\$41,861,790	\$48,946,321
All Other Governmental Funds										
PRE GASB 54										
<i>Reserved, Reported In:</i>										
<i>Special Revenue</i>										
<i>Other Reserves</i>	483,010	-	-	-	-	-	-	-	-	-
<i>Debt Service/Retirement of Long Term Debt</i>										
<i>Retirement of Long Term Debt</i>	2,407,103	-	-	-	-	-	-	-	-	-
<i>Capital, Projects</i>										
<i>Outstanding Encumbrances</i>	622,818	-	-	-	-	-	-	-	-	-
<i>Construction</i>	8,159,056	-	-	-	-	-	-	-	-	-
<i>Unreserved and Undesignated:</i>										
<i>Reported in General Fund</i>	-	-	-	-	-	-	-	-	-	-
<i>Reported in Special Revenue Funds</i>	-	-	-	-	-	-	-	-	-	-
<i>Reported in Capital Projects Funds</i>	-	-	-	-	-	-	-	-	-	-
POST GASB 54										
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	-	444,242	10,668	10,668	10,668	10,668	10,668	10,668	-	-
<i>Capital Acquisition and Contractual Obligation</i>	-	6,100,790	2,534,596	3,574,020	10,691,736	5,043,128	4,278,991	21,250,253	23,768,132	10,150,363
<i>Retirement of Long Term Debt</i>	-	3,645,675	3,985	273,431	1,499,721	1,287,408	7,427,367	3,306,023	2,993,691	4,122,147
<i>Other Restrictions of Fund Balance</i>	-	-	-	-	-	-	-	-	-	-
<i>Committed:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Commitments of Fund Balance</i>	-	196,629	191,887	260,805	245,912	292,792	270,009	244,819	243,452	249,365
<i>Assigned:</i>										
<i>Other</i>	-	35,253	35,278	35,278	9,584	9,584	9,584	9,584	9,584	9,284
<i>Unassigned:</i>	-	-	-	-	-	-	-	-	-	-
Total All	11,671,986	10,422,589	2,776,414	4,154,202	12,457,620	6,643,581	11,996,619	24,821,347	27,014,860	14,531,159
Total Governmental Funds -Fund Balance	\$37,108,923	\$34,680,398	\$34,027,193	\$35,495,813	\$46,765,842	\$42,552,172	\$58,202,409	\$73,141,084	\$68,876,650	\$63,477,479
Governmental Funds -										
<i>Beginning Fund Balance</i>	50,453,341	37,108,923	34,680,398	34,027,193	35,495,813	46,765,842	42,552,172	58,202,409	73,141,084	68,876,650
<i>Prior Period Adjustment</i>	-	-	4,663,222	-	1,138,275	-	4,810,995	-	-	(336,213)
<i>Net Change in Fund Balance</i>	(13,344,418)	(2,428,526)	(5,316,427)	1,468,621	10,131,754	(4,213,670)	10,839,242	14,938,675	(4,264,434)	(5,062,958)
Ending Fund Balance	\$37,108,923	\$34,680,398	\$34,027,193	\$35,495,813	\$46,765,842	\$42,552,172	\$58,202,409	\$73,141,084	\$68,876,650	\$63,477,479

Source: Financial Statements and Independent Auditor's Report
Balance Sheet - Governmental Funds (Exhibit C-1) 2010-2019
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2010-2019 Fiscal Year End 8/31
Per GASB 54 - 2011

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

TABLE L-5

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Investment Income	Other	Per Capita and Foundation	On Behalf TRS Payments	Other		
2010	20,709,196	277,305	1,965,801	100,090,477	5,670,594	5,957,211	39,805,820	174,476,403
2011	20,796,366	78,037	1,972,928	98,595,138	5,531,485	6,653,224	45,695,778	179,322,955
2012	21,377,518	100,837	2,179,126	104,671,853	5,529,121	149,301	33,817,761	167,825,518
2013	21,799,267	84,580	1,950,888	109,686,971	5,799,485	554,976	31,555,773	171,431,941
2014	21,860,201	59,178	1,874,415	115,075,604	6,027,826	1,225,436	28,523,599	174,646,259
2015	23,828,401	69,479	1,790,487	116,096,469	6,552,087	3,360,290	30,392,295	182,089,508
2016	23,878,352	206,734	1,738,866	128,561,142	5,854,875	3,655,672	31,065,845	194,961,485
2017	24,900,863	561,541	1,416,357	120,529,452	4,813,494	1,596,924	33,226,272	187,044,904
2018	26,172,229	1,341,246	2,303,180	125,377,866	7,519,851	4,394,436	31,640,576	198,749,384
2019	26,032,561	1,835,856	2,344,241	121,882,771	7,306,859	3,430,201	31,120,740	193,953,228

Source: Financial Statements and Independent Auditor's Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2010-2019 Fiscal Year End 8/31

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

TABLE L-6

	Instructional And	Instructional	Support		Support					Facilities			Ratio of
	Instructional	and	Services	Administrative	Services		Debt	Service	Debt	Acquisition &	Inter-	Total	Debt Services
Fiscal	Related	School	Student	Support	Non-Student	Ancillary	Service	Interest	Service	Constructio	Governmental	Governmental	to Non-Capital
Year	Services	Leadership	Other	Services	Based	Services	Principal	and Other	Other Fees	Capital Outlay	Charges	Fund Expenditures	Expenditures
2010	98,187,003	7,844,323	27,736,484	4,856,639	19,371,860	1,972,683	3,567,294	4,241,467	4,143	19,659,820	410,751	187,852,467	4.67%
2011	99,014,829	7,820,540	28,964,925	4,401,917	19,207,249	2,080,189	3,510,500	4,299,171	2,593	12,194,426	393,582	181,889,922	4.63%
2012	94,785,719	6,734,797	30,100,121	4,630,078	20,693,813	1,981,619	3,367,499	4,209,311	2,518	6,907,732	370,212	173,783,418	4.60%
2013	93,837,846	6,894,608	30,726,311	4,437,268	20,307,498	2,015,672	4,208,000	3,373,197	2,556	1,788,693	393,567	167,985,217	4.58%
2014	97,149,232	6,906,652	31,023,969	4,059,382	20,567,994	2,160,887	4,379,000	3,193,816	193,729	7,173,927	438,658	177,247,245	4.58%
2015	101,502,586	7,607,364	33,756,126	4,785,079	20,799,472	2,066,825	5,595,000	2,835,623	398,973	8,961,815	450,394	188,759,258	4.97%
2016	103,403,648	7,333,985	35,547,335	4,818,619	21,667,224	2,109,182	4,947,000	2,668,955	3,455	1,155,976	484,653	184,140,033	4.20%
2017	103,876,653	7,848,224	37,345,499	5,056,378	21,649,161	3,853,593	4,654,000	2,191,565	491,418	1,162,753	409,539	188,538,783	3.98%
2018	106,669,533	9,111,967	42,080,897	5,387,771	23,865,350	3,754,897	4,443,492	3,009,612	2,825	9,202,858	409,325	207,938,527	3.89%
2019	106,858,463	8,787,835	35,857,976	5,086,076	23,396,398	3,734,906	3,636,567	2,932,269	113,969	13,713,224	326,757	204,444,440	3.54%

Source: Financial Statements and Independent Auditor's Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2010-2019 Fiscal Year End 8/31

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

TABLE L-7

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Excess of Revenue Over</i>										
<i>(Under) Expenditures</i>	\$(13,376,063)	\$(2,466,966)	\$(5,957,901)	\$3,446,724	\$(2,600,987)	\$(6,669,750)	\$10,821,452	\$(1,493,880)	\$(9,189,142)	\$(10,491,212)
<i>Other Financing Sources (Uses)</i>										
<i>Issuance of Bonds</i>	-	-	-	-	-	-	-	-	-	4,905,000
<i>Refunding Bonds Issued</i>	-	-	-	-	-	31,570,000	-	19,470,000	-	-
<i>Sale of Real and Personal Property</i>	31,645	38,441	41,474	21,897	20,741	36,472	17,789	69,727	21,126	20,648
<i>Proceeds from Sales of Capital Assets</i>	-	-	-	-	-	-	-	-	-	-
<i>Issuance of Capital Leases</i>	-	-	-	-	-	-	-	-	1,577,168	-
<i>Issuance of Loans</i>	-	-	-	-	12,712,000	-	-	15,020,000	-	1,304,339
<i>Issuance on Non-Current Debt</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfer In</i>	3,600,000	12,233,755	7,980,000	9,279,145	20,526,320	11,251,447	5,700,039	21,609,631	14,359,549	3,608,923
<i>Premium on Issuance of Bonds</i>	-	-	-	-	-	5,463,084	-	4,623,821	-	209,705
<i>Other Resources</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfer Out</i>	(3,600,000)	(12,233,755)	(7,380,000)	(11,279,145)	(20,526,320)	(9,251,447)	(5,700,039)	(22,749,631)	(18,519,549)	(3,608,923)
<i>Other Uses</i>	-	-	-	-	-	(36,613,477)	-	(21,610,993)	-	(1,194,493)
<i>Total Other Financing Sources (Uses)</i>	31,645	38,441	641,474	(1,978,103)	12,732,741	2,456,079	17,789	16,432,555	(2,561,706)	5,245,198
<i>Special Items</i>	-	-	-	-	-	-	-	-	-	-
<i>Extraordinary Items (Resources)</i>	-	-	-	-	-	-	-	-	7,486,415	183,056
<i>Net Changes in Fund Balances</i>	<u>\$(13,344,418)</u>	<u>\$(2,428,526)</u>	<u>\$(5,316,427)</u>	<u>\$1,468,621</u>	<u>\$10,131,754</u>	<u>\$(4,213,670)</u>	<u>\$10,839,242</u>	<u>\$14,938,675</u>	<u>\$(4,264,434)</u>	<u>\$(5,062,958)</u>

Source: Financial Statements and Independent Auditor's Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2010-2019 Fiscal Year End 8/31

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

TABLE L-8

		Instructional and	Instructional	Support		Support		Debt				
Fiscal	Average	Instructional	and	Services	Administrative	Services		Debt	Service	Capital	Inter-	Total
Year	Daily	Related	School	Student	Support	Non-Student	Ancillary	Service	Interest	Outlay	Governmental	Governmental
	Attendance	Services	Leadership	Other	Services	Based	Services	Principal	and Other		Charges	Fund
												Expenditures
2010	16,029	6,126	489	1,730	303	1209	123	223	265	1227	26	11,720
2011	16,319	6,068	479	1,775	270	1177	127	215	264	747	24	11,146
2012	16,289	5,819	413	1,848	284	1270	122	207	259	424	23	10,669
2013	16,310	5,754	423	1,884	272	1245	124	258	207	110	24	10,300
2014	16,320	5,953	423	1,901	249	1260	132	268	208	440	27	10,861
2015	15,991	6,347	476	2,111	299	1301	129	350	202	560	28	11,804
2016	16,253	6,362	451	2,187	296	1333	130	304	164	71	30	11,330
2017	16,023	6,483	490	2,331	316	1351	240	290	167	73	26	11,766
2018	15,850	6,730	575	2,655	340	1506	237	280	190	581	26	13,119
2019	15,869	6,734	554	2,260	321	1474	235	229	192	864	21	12,884

Source: Financial Statements and Independent Auditor's Report
PEIMS DATA Report (PFR7D001) 2010-1919
Stat Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2010-2019 Fiscal Year End 8/31

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

TABLE L-9

Ratio of Total							
Assessed Value					Taxable Assessed Value		
Fiscal	Personal Property		Less	Total Taxable	Estimated Actual	to Estimated	Total Direct
Year	Real Property	& Mineral	Exemptions	Assessed Value	Taxable Value	Actual Taxable Value	Tax Rate
2010	2,334,580,888	237,960,540	790,295,233	1,782,246,195	2,572,541,428	69.28%	1.1397
2011	2,338,476,081	255,356,623	791,203,959	1,802,628,745	2,593,832,704	69.50%	1.1397
2012	2,367,783,766	258,366,051	797,270,345	1,828,879,472	2,626,149,817	69.64%	1.1397
2013	2,411,429,436	262,506,917	813,599,642	1,860,336,711	2,673,936,353	69.57%	1.1397
2014	2,422,290,310	282,384,716	813,626,768	1,891,048,258	2,704,675,026	69.92%	1.1397
2015	2,588,036,036	285,634,774	855,391,976	2,018,278,834	2,873,670,810	70.23%	1.1397
2016	2,732,705,107	303,776,931	978,383,407	2,058,098,631	3,036,482,038	67.78%	1.1397
2017	2,835,567,160	312,988,562	978,848,754	2,169,706,968	3,148,555,722	68.91%	1.1397
2018	3,007,673,308	319,921,470	1,035,482,609	2,292,112,169	3,327,594,778	68.88%	1.1597
2019	3,057,178,970	302,968,791	1,057,546,087	2,302,601,674	3,360,147,761	68.53%	1.1597

Source: Financial Statements and Independent Auditor's Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Assessment Roll Grand Totals from Hidalgo County Appraisal District (Supplement I)
2010-2019 Fiscal Year End 8/31

WESLACO NDEPENDENT SCHOOL DISTRICT
PROPERTY LEVIES AND COLLECTIONS
LAST TEN YEARS

TABLE L-10

Fiscal Year	Total Original Tax Levy	Total Adjusted Tax Levy	Collected within the		Collection	Total Collections to Date	
			Fiscal year of Levy		Subsequent Years	% of Adjusted	
			Amount	% of Original Levy		Amount	Levy
2010	19,965,490	19,889,187	18,278,824	91.55%	1,484,436	19,763,261	99.37%
2011	20,156,456	19,899,396	18,422,759	91.40%	1,343,388	19,766,148	99.33%
2012	20,472,469	20,327,157	19,065,966	93.13%	1,125,337	20,191,303	99.33%
2013	20,814,899	20,676,104	19,485,245	93.61%	1,048,594	20,533,840	99.31%
2014	21,200,328	21,007,470	19,766,065	93.23%	1,073,697	20,839,761	99.20%
2015	22,612,366	22,701,548	21,526,880	95.20%	975,703	22,502,584	99.12%
2016	23,079,685	22,996,844	21,886,165	94.83%	883,251	22,769,416	99.01%
2017	24,363,529	24,014,863	22,896,620	93.98%	790,877	23,687,497	98.64%
2018	26,145,817	26,055,837	24,951,740	95.43%	538,943	25,490,683	97.83%
2019	26,276,635	26,236,058	24,981,509	95.07%	N/A	24,981,509	95.22%

Source: Financial Statements and Independent Auditor's Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
2010-2019 Fiscal Year End 8/31

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

TABLE L-11

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	Debt		Total	Debt		Original
	General	Service		General	Service	Levy
	Fund	Fund		Fund	Fund	Total
2010	1.0307	0.1090	1.1397	18,056,007	1,909,484	19,965,490
2011	1.0307	0.1090	1.1397	18,393,186	1,763,270	20,156,456
2012	1.1397	0.0000	1.1397	20,472,469	-	20,472,469
2013	1.1397	0.0000	1.1397	20,814,899	-	20,814,899
2014	1.1397	0.0000	1.1397	21,200,328	-	21,200,328
2015	1.1397	0.0000	1.1397	22,612,366	-	22,612,366
2016	1.1397	0.0000	1.1397	23,079,685	-	23,079,685
2017	1.1397	0.0000	1.1397	24,363,529	-	24,363,529
2018	1.1397	0.0200	1.1597	25,694,911	450,907	26,145,817
2019	1.1397	0.0200	1.1597	25,823,473	453,163	26,276,635

Source: Financial Statements and Independent Auditor's Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Detail General Ledger Reports
2010-2019 Fiscal Year End 8/31

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

TABLE L-12

Fiscal	Tax	Hidalgo	South	Drainage	Weslaco		City of	Total Direct	Original
Year	Year	County	Texas ISD	District No.1	ISD	STC	Weslaco	and Overlapping	Levy Total
2010	2009	0.5900	0.0492	0.0725	1.1397	0.1497	0.6967	2.6978	19,965,490
2011	2010	0.5900	0.0492	0.0725	1.1397	0.1497	0.6967	2.6978	20,156,456
2012	2011	0.5900	0.0492	0.0725	1.1397	0.1497	0.6967	2.6978	20,472,469
2013	2012	0.5900	0.0492	0.0733	1.1397	0.1507	0.6967	2.6996	20,814,899
2014	2013	0.5900	0.0492	0.0957	1.1397	0.1500	0.6867	2.7113	21,200,328
2015	2014	0.5900	0.0492	0.0957	1.1397	0.1850	0.6767	2.7363	22,612,366
2016	2015	0.5900	0.0492	0.0951	1.1397	0.1850	0.6767	2.7357	23,079,685
2017	2016	0.5800	0.0492	0.0951	1.1397	0.1850	0.6667	2.7157	24,363,529
2018	2017	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,145,817
2019	2018	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,276,635

Source: Financial Statements and Independent Auditor's Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)
City of Weslaco
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
2018 AND 2009

TABLE L-13

Fiscal Year 2019			Fiscal Year 2010		
	Tax Year 2018 Assessed Valuation	Percentage Total Assessed Valuation		Tax Year 2009 Assessed Valuation	Percentage Total Assessed Valuation
1 H.E.Butt Grocery Company	\$40,026,198	1.74%	1 H.E.Butt Grocery Company	\$41,774,373	2.34%
2 AEP Texas Central Co.	24,422,830	1.06%	2 Wal-Mart Property Tax Dept.	17,368,861	0.97%
3 Wal-Mart Real Estate Business TR	21,047,156	0.91%	3 Pioneer Hi-Bred Int'l, Inc.	14,197,364	0.80%
4 Pioneer Hi-Bred Int'l, Inc.	15,924,173	0.69%	4 HEB Weslaco Transportation	13,894,053	0.78%
5 HEB Weslaco Transportation	15,442,020	0.67%	5 Clearview Weslaco LLP	10,886,445	0.61%
6 Capcor Weslaco LTD	14,940,436	0.65%	6 John Knox Village	10,715,472	0.60%
7 G3C Weslaco LP	13,373,856	0.58%	7 Woodcrafter TX, LP	9,370,707	0.53%
8 Woodcrafters Home Products LLC	9,611,980	0.42%	8 AEP Texas Central Co.	8,968,140	0.50%
9 JC Penny #1101	8,760,114	0.38%	9 Reyna Family Land Dev LTD	8,661,014	0.49%
10 Lowe's Home Centers, Inc.	8,324,554	0.36%	10 Woodcrafter TX, LP	8,501,576	0.48%
	\$171,873,317	7.46%		\$144,338,005	8.10%

Source: Hidalgo Appraisal District
Top Taxpayer 2019 & 2010
Weslaco Approval Tax Roll

WESLACO INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

TABLE L-14

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				**Total Debt		Ratio of Total Debt to Estimated		Total Debt to Average
	General	Premium on	Accretion	Maintenance	Premium/(Discount)	Loans	Capital Lease	Total	to Personal	***Total Debt	Actual	Daily
	Obligation	Bonds	of Bonds	Tax Notes	on Tax Notes	Payable	Payable	Debt	Income	to Per Capita	Taxable Value	Membership
2010	73,094,999	1,620,631	1,252,970	8,649,000	5,887	-	-	84,623,487	16.46%	2,439	3.29%	5,063
2011	70,763,499	1,079,737	1,313,684	7,470,000	(2,078)	-	-	80,624,842	15.19%	2,260	3.11%	4,733
2012	68,385,000	533,521	-	6,481,000	(9,108)	-	-	75,390,413	13.21%	2,046	2.87%	4,431
2013	65,205,000	494,480	-	18,165,000	(4,882)	-	-	83,859,598	14.47%	2,261	3.14%	4,859
2014	61,890,000	317,639	-	17,101,000	107	-	-	79,308,746	13.46%	2,109	2.93%	4,629
2015	54,140,000	4,979,384	-	15,156,000	3,391	-	-	74,278,775	12.12%	1,882	2.58%	4,408
2016	51,110,000	4,887,934	-	13,239,000	(3,028)	-	-	69,233,906	10.07%	1,729	2.28%	4,063
2017	47,515,000	7,622,679	-	26,295,000	2,215,439	-	-	83,648,118	12.04%	2,073	2.66%	5,001
2018	44,815,000	7,363,577	-	24,614,000	2,219,699	-	1,514,676	80,526,952	11.58%	2,019	2.42%	4,855
2019	42,840,000	7,114,685	-	28,082,000	2,422,484	1,304,339	95,617	81,859,125	11.14%	1,988	2.44%	5,019

Source: Financial Statements and Independent Auditor's Report
Notes to Financial Statements Long-Term Debt Obligations 2010-2019
Academic Excellence Indicator System (AEIS Report)
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING DEBT
GOVERNMENTAL ACTIVITIES DEBT

TABLE L-15

Political Subdivision	*Gross Debt Amounts		As of	**Percentage Applicable to WISD	***Estimated Share of Direct and Overlapping Debt
DIRECT DEBT					
<i>Weslaco ISD</i>	\$72,321,956	*	8/31/2019	100.00%	\$72,321,956
					<u>\$72,321,956</u>
OVERLAPPING DEBT					
<i>City Of Weslaco</i>	\$67,900,000	*	8/31/2019	99.53%	\$67,580,870
<i>Hidalgo County</i>	211,290,000	*	8/31/2019	7.64%	16,142,556
<i>City Of Mercedes</i>	18,645,000	*	8/31/2019	18.07%	3,369,152
<i>Hidalgo Co Drainage District #1</i>	129,300,000	*	8/31/2019	8.01%	10,356,930
<i>South Texas College</i>	152,495,000	*	8/31/2019	5.81%	8,859,960
<i>Total Net Overlapping Debt</i>					<u>106,309,467</u>
<i>Total Direct and Overlapping Debt:</i>					<u><u>\$178,631,423</u></u>
Percent of Assessed Valuation:					7.80%
Direct Overlapping Debt per Capita:					\$2,409

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

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

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

Source: Municipal Advisory Council of Texas

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

TABLE L-16

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Assessed Valuation</i>	<u>\$1,782,246,195</u>	<u>\$1,802,628,745</u>	<u>1,828,879,472</u>	<u>\$1,860,336,711</u>	<u>\$1,891,048,258</u>	<u>2,018,278,834</u>	<u>2,058,098,631</u>	<u>2,169,706,968</u>	<u>2,292,112,169</u>	<u>2,302,601,674</u>
<i>Debt Limit-10% of</i>										
<i>Assessed Valuation</i>	\$178,224,620	\$180,262,875	\$182,887,947	\$186,033,671	\$189,104,826	\$201,827,883	\$205,809,863	\$216,970,697	\$229,211,217	\$230,260,167
<i>General Obligation Bonds</i>	73,094,999	70,763,499	68,385,000	65,205,000	61,890,000	54,140,000	51,110,000	47,515,000	44,815,000	42,840,000
<i>Deduct Amount Available in</i>										
<i>Debt Services Fund</i>	<u>(2,407,103)</u>	<u>(3,645,675)</u>	<u>(3,985)</u>	<u>(273,431)</u>	<u>(1,499,721)</u>	<u>(1,287,408)</u>	<u>(7,427,367)</u>	<u>(3,306,023)</u>	<u>(2,996,826)</u>	<u>(4,122,147)</u>
<i>Net General Bonded Debt</i>	70,687,897	67,117,824	68,381,015	64,931,569	60,390,279	52,852,592	43,682,633	44,208,977	41,818,174	38,717,853
<i>Maintenance Tax Note</i>	8,649,000	7,470,000	6,481,000	18,165,000	17,101,000	15,156,000	13,239,000	26,295,000	24,614,000	28,082,000
<i>Loans Payable</i>	-	-	-	-	-	-	-	-	-	1,304,339
<i>Capital Leases</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,514,676</u>	<u>95,617</u>
<i>Less : Applicable Debt Margin</i>	<u>79,336,897</u>	<u>74,587,824</u>	<u>74,862,015</u>	<u>83,096,569</u>	<u>77,491,279</u>	<u>68,008,592</u>	<u>56,921,633</u>	<u>70,503,977</u>	<u>67,946,851</u>	<u>68,199,809</u>
<i>Legal Debt Margin</i>	<u><u>\$98,887,723</u></u>	<u><u>\$105,675,051</u></u>	<u><u>\$108,025,933</u></u>	<u><u>\$102,937,102</u></u>	<u><u>\$111,613,546</u></u>	<u><u>\$133,819,291</u></u>	<u><u>\$148,888,230</u></u>	<u><u>\$146,466,720</u></u>	<u><u>\$161,264,366</u></u>	<u><u>\$162,060,358</u></u>
<i>Debt Margin as a Percentage of the Debt Limit</i>	55.48%	58.62%	59.07%	55.33%	59.02%	66.30%	72.34%	67.51%	70.36%	70.38%

Source: Financial Statements and Independent Auditor's Report
Notes to Financial Statements Computation of ECISD's Legal Debt Margin
Notes to Financial Statements Long-Term Debt Obligations 2010-2019
Tax Roll Report Hidalgo County Tax Assessor
Budgetary Comparison Schedule Exhibit J-4
2010-2019 Fiscal Year End 8/31

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

TABLE L-17

Fiscal Year	Average	Estimated	General	Premium on Bonds	Accretion of Bonds	Less: Amount	Net Bonded Debt	Net	General
	Daily	Actual	Obligation			Available In		Bonded Debt	Obligation Bonds
	Membership	Taxable Value	Bonds			Debt		to Estimated Actual	Per Average
						Service		Taxable Value	Daily Membership
2010	16,713	2,572,541,428	73,094,999	1,620,631	1,252,970	2,407,103	73,561,497	2.86%	4,373
2011	17,036	2,593,832,704	70,763,499	1,079,737	1,313,684	3,645,675	69,511,245	2.68%	4,154
2012	17,016	2,626,149,817	68,385,000	533,521	-	3,985	68,914,536	2.62%	4,019
2013	17,258	2,673,936,353	65,205,000	494,480	-	273,431	65,426,049	2.45%	3,778
2014	17,133	2,704,675,026	61,890,000	317,639	-	1,499,721	60,707,918	2.24%	3,612
2015	16,849	2,873,670,810	54,140,000	4,979,384	-	1,287,408	57,831,977	2.01%	3,213
2016	17,041	3,036,482,038	51,110,000	4,887,934	-	7,427,367	48,570,567	1.60%	2,999
2017	16,727	3,148,555,722	47,515,000	7,622,679	-	3,306,023	51,831,656	1.65%	2,841
2018	16,585	3,327,594,778	44,815,000	7,363,577	-	2,996,826	49,181,751	1.48%	2,702
2019	16,311	3,360,147,761	42,840,000	7,114,685	-	4,122,147	45,832,538	1.36%	2,626

Source: Financial Statements and Independent Auditor's Report
Notes to Financial Statements Long-Term Debt Obligations 2010-2019
Assessment Roll Grand Totals Hidalgo County Tax Assessor-Collector
2010-2019 Fiscal Year End 9/30

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

TABLE L-18

Fiscal Year	Principal	Interest*	Annual	Total	Ratio of
			Debt	General Fund	Annual Debt Service
			Service	Expenditures	to Total General
					Fund Expenditures
2010	2,433,294	3,861,764	6,295,059	131,564,690	4.78%
2011	2,331,500	3,967,015	6,298,515	128,769,393	4.89%
2012	2,378,499	3,919,441	6,297,940	136,370,338	4.62%
2013	3,180,000	3,121,396	6,301,396	139,896,249	4.50%
2014	3,315,000	2,981,603	6,296,603	146,570,954	4.30%
2015	3,650,000	2,641,997	6,291,997	154,063,148	4.08%
2016	3,030,000	2,521,713	5,551,713	158,759,955	3.50%
2017	2,690,000	2,094,150	4,784,150	159,717,528	3.00%
2018	2,700,000	2,086,500	4,786,500	171,381,789	2.79%
2019	1,975,000	1,977,425	3,952,425	167,792,464	2.36%

Source: Financial Statements and Independent Auditor's Report
 Budgetary Comparison Schedule Exhibit J-3, J-4
 Budgetary Comparison Schedule Exhibit C-5
 2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CALENDAR YEAR 2018 AND 2008

TABLE L-19

Employer	2018			2008		
	Employees	Rank	Percentage	Employees	Rank	Percentage
<i>Weslaco Independent School District</i>	2,358	1	43.39%	2,825	1	43.99%
<i>Knapp Medical Center</i>	900	2	16.56%	980	2	15.62%
<i>HEB (3 locations)</i>	450	3	8.28%	407	4	6.36%
<i>Woodcrafters</i>	375	4	6.90%	541	3	9.24%
<i>City of Weslaco</i>	298	5	5.48%	390	6	5.48%
<i>Wal-Mart</i>	260	6	4.78%	455	7	4.06%
<i>Payne Auto Group</i>	250	7	4.60%	330	5	6.07%
<i>South Texas College</i>	214	8	3.94%	193	8	3.34%
<i>Valley Grande Manor</i>	180	9	3.31%	-	-	-
<i>Tx A&M University</i>	150	10	2.76%	147	9	3.22%
<i>Foremost Paving</i>	-	-	-	166	10	2.62%
<i>Total Top Ten</i>	5,435		100.00%	6,434		100.00%

Source: Weslaco Economic Development Corporation
WorkForce Solutions

* Data not available

WESLACO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

TABLE L-20

			*Per			Percentage
			Capita		Average	Economically
Fiscal	Estimated ⁽¹⁾	*Personal	Personal	Unemployment	Daily	Disadvantage
Year	Population	Income	Income	Rate	Attendance	Students
2010	34,701	514,199,418	14,818	9.90%	16,029	85.9%
2011	35,670	530,698,260	14,878	11.30%	16,319	86.0%
2012	36,846	570,744,540	15,490	11.40%	16,289	86.0%
2013	37,093	579,466,846	15,622	10.20%	16,310	85.7%
2014	37,601	589,433,276	15,676	8.20%	16,320	85.6%
2015	39,474	612,754,902	15,523	10.00%	15,991	74.0%
2016	40,033	687,726,907	17,179	9.70%	16,253	80.1%
2017	40,358	694,803,328	17,216	8.00%	16,023	81.7%
2018	39,881	695,325,235	17,435	7.90%	15,850	82.4%
2019	41,171	734,655,324	17,844	8.10%	15,869	85.6%

Source: U.S. Census Bureau 2010-2019
Economagic.com
PEIMS DATA +
PEIMS Edit + Report (PRF7D001)
Texas Academic Performance Report (TAPR formerly AEIS)
2010-2019 Fiscal Year End 8/31
* MSA statistics
Department of Number website
City of Weslaco
Weslaco Chamber of Commerce
Texas Hometown Locator Website

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

TABLE L-21

Classification	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Number of Employees</i>										
<i>Teachers</i>	1,077	1,079	1,054	1,082	1,093	1,084	1,084	1,094	1,105	1,101
<i>Professional Support</i>	194	194	199	208	210	222	228	241	238	226
<i>Campus Administration</i>	43	39	27	24	20	20	17	20	21	25
<i>Central Administration</i>	24	23	22	21	19	19	18	19	21	23
<i>Educational Aides</i>	221	203	239	179	196	196	176	204	205	203
<i>Auxiliary Staff</i>	811	805	760	811	756	790	755	745	769	757
<i>Total Employees</i>	2,370	2,343	2,301	2,324	2,294	2,330	2,278	2,324	2,358	2,334
<i>Percent of Total</i>										
<i>Teachers</i>	45.45%	46.07%	45.80%	46.54%	47.65%	46.53%	46.54%	47.09%	46.84%	47.16%
<i>Professional Support</i>	8.17%	8.29%	8.67%	8.94%	9.14%	9.53%	8.74%	10.39%	10.08%	9.67%
<i>Campus Administration</i>	1.81%	1.67%	1.17%	1.03%	0.86%	0.84%	1.80%	0.86%	0.89%	1.07%
<i>Central Administration</i>	1.00%	0.98%	0.95%	0.90%	0.83%	0.80%	0.30%	0.82%	0.89%	0.99%
<i>Educational Aides</i>	9.34%	8.64%	10.37%	7.70%	8.55%	8.41%	10.00%	8.78%	8.70%	8.70%
<i>Auxiliary Staff</i>	34.22%	34.34%	33.05%	34.89%	32.96%	33.90%	32.62%	32.06%	32.60%	32.43%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports (PRF4D004)
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION
LAST TEN YEARS

TABLE L-22

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate Degree		Average Teacher's	Average		
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Salary	Years of Experience	Bachelor's Education	Master's Education
2010	23,392	66,193	44,100	73,516	53,160	62,420	51,247	11.6	85.2%	15.8%
2011	24,144	67,015	44,700	74,908	53,000	63,620	52,134	12.1	83.5%	17.0%
2012	24,713	68,122	45,700	76,547	54,000	64,620	52,889	12.9	80.8%	18.1%
2013	25,682	68,893	46,100	79,852	55,000	65,620	53,345	13.2	82.0%	18.2%
2014	26,601	70,493	48,300	87,604	56,600	67,220	54,651	13.2	81.2%	18.3%
2015	50,300	50,300	50,300	50,300	50,300	50,300	50,300	12.8	76.3%	19.8%
2016	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.0	76.1%	18.5%
2017	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.3	76.5%	20.8%
2018	47,700	75,273	48,400	84,143	60,200	72,020	57,221	13.6	77.3%	20.3%
2019	48,100	76,103	48,100	85,080	60,950	72,770	57,770	13.0	77.0%	23.0%

Source: District's Human Resource Department
Texas Academic Performance Report (TAPR Report formerly AEIS)
PEIMS Edit + Reports Data Review PRF4D004
2010-2019 Fiscal Year End 8/31

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

TABLE L-23

Fiscal	Average	Average	Percent of
Year	Daily	Daily	
	Attendance	Membership	Attendance
2010	16,029	16,713	95.91%
2011	16,319	17,036	95.79%
2012	16,289	17,016	95.73%
2013	16,310	17,258	94.51%
2014	16,320	17,133	95.25%
2015	15,991	16,849	94.91%
2016	16,253	17,041	95.38%
2017	16,023	16,727	95.79%
2018	15,850	16,585	95.57%
2019	15,869	16,311	97.29%

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports Data Review (PRF7D001)
TEA Budgeted Financial Data
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS TABLE
LAST TEN YEARS

TABLE L-24

	Average	General Fund	Cost	Per	•Governmental	Cost	Per
Fiscal	Daily	Operating	Per	Pupil	Operating	Per	Pupil
Year	Attendance	Expenditures*	Pupil	Change	Expenditures*	Pupil	Change
2010	16,029	130,047,869	8,113	-2.05%	160,379,742	10,006	2.50%
2011	16,319	127,256,493	7,798	-3.88%	161,883,231	9,920	-0.85%
2012	16,289	135,089,800	8,293	6.35%	159,296,358	9,779	-1.42%
2013	16,310	138,614,743	8,499	2.48%	158,612,771	9,725	-0.55%
2014	16,320	145,102,348	8,891	4.62%	162,306,774	9,946	2.27%
2015	15,991	151,892,543	9,498	6.83%	170,967,848	10,691	7.50%
2016	16,253	156,693,732	9,641	1.50%	175,364,647	10,790	0.92%
2017	16,023	157,300,562	9,817	1.82%	180,039,047	11,236	4.13%
2018	15,850	168,714,235	10,645	8.43%	191,279,740	12,068	7.41%
2019	15,869	165,063,333	10,402	-2.28%	184,048,410	11,598	-3.89%

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

Source: PEIMS Edit + Reports Data Review (PRF7D001)
Financial Statements and Auditor's Independent Report
Statement of Activities (Exhibit C-3)
Budgetary Comparison Schedule (Exhibit C-5)
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION
LAST TEN YEARS

TABLE L-25

Fiscal Year	Teacher/ Student Ratio	Percentage of Free and Reduced Lunch	Number of Economically Disadvantage Students	Percentage of Economically Disadvantage Students
2010	16.0	7.27%	14,843	85.9%
2011	16.5	4.13%	15,346	86.0%
2012	16.8	1.03%	15,305	86.0%
2013	16.5	1.38%	15,367	85.7%
2014	16.1	0.40%	15,186	85.6%
2015	16.0	47.09%	12,878	74.0%
2016	16.4	51.58%	14,269	80.1%
2017	15.9	54.40%	14,228	81.7%
2018	15.5	58.27%	14,145	82.4%
2019	15.7	59.73%	14,786	85.6%

Source: Texas Academic Performance Reports (TAPR formerly AEIS Report)
Child Nutrition Program
2010-2019 Fiscal Year End 8/31

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDING AND PORTABLES
AUGUST 31,2019

TABLE L-26

	Estimated Square Footage	Building Capacity	Portable Square Footage	Year built
<i>High Schools</i>				
<i>Weslaco High School</i>	365,516	3,000	320	1975
<i>Weslaco East High School</i>	339,369	3,000	-	2000
<i>South Palm Gardens High School</i>	10,973	275	3,762	1982
<i>Early College High School</i>	57,297	850	-	1962
Sub-Total	773,155	7,125	4,082	
<i>Middle Schools</i>				
<i>Mary Hoge Middle School</i>	140,792	1,425	-	1997
<i>Cuellar Middle School</i>	114,618	1,275	-	2011
<i>Central Middle School</i>	233,267	1,625	-	2010
<i>B Garza Middle School</i>	141,244	1,325	-	1997
Sub-Total	800,099	5,650	-	
<i>Elementary Schools</i>				
<i>F. D. Roosevelt Elementary</i>	91,766	1,034		2009
<i>Sam Houston Elementary</i>	99,316	968		2012
<i>Rodolfo Rudy Silva Jr. Elementary</i>	87,675	1,056		2002
<i>Justice A. Gonzalez Elementary</i>	92,875	1,078		2002
<i>Margo Elementary</i>	119,403	1,826		1983
<i>Airport Elementary</i>	126,953	1,276		1990
<i>Memorial Elementary</i>	126,953	1,298		1990
<i>North Bridge Elementary</i>	129,953	1,298		1992
<i>A.N. (Tony) Rico Elementary</i>	89,022	1,232		1994
<i>Cleckler-heald Elementary</i>	89,772	1,232		1994
<i>PFC Mario Ybarra Elementary</i>	96,250	1,078		2011
Sub-Total	1,149,938	13,376	-	
<i>Other</i>				
<i>Calvillo CATE Center</i>	64,440	350		2002
<i>Horton DAEP</i>	17,356	350	-	1924
Sub-Total	17,356	700	-	
Total	2,740,548	26,851	4,082	

Source: Weslaco ISD Facilities

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SINGLE AUDIT SECTION

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

To the Board of Trustees
Weslaco Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District (District) as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 8, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

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

We noted certain other matters that were reported to management of the District in a separate letter dated January 8, 2020.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Burton McCall & Long, LLP

McAllen, Texas
January 8, 2020

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

To the Board of Trustees
Weslaco Independent School District

Report on Compliance for Each Major Federal Program

We have audited the Weslaco Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Burton McCall & Long, LLP

McAllen, Texas
January 8, 2020

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal Control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal awards

Internal control over major programs:

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

Type of auditors’ report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553

Child Nutrition Cluster

10.555

National School Breakfast Program

National School Lunch Program

84.011

Migrant Education-State Grant Program
(Title I, Part C of ESEA)

84.367

Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A
and Type B programs:

\$879,727

Auditee qualifies as a low-risk auditee?

 X yes _____ no

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference Number 2019-001

Journal Entries Posting

Criteria:	Journal entries should be signed and dated by the preparer and the reviewer documenting the approval for posting. Appropriate supporting documentation should also be maintained for all journal entries posted.
Condition Found:	Instances were noted where journal entries were not signed and dated by the preparer and reviewer. We also noted one instance where the supporting documentation attached to journal entries did not properly support the entries (i.e., supporting documentation was a District-prepared excel spreadsheet with no source document to support the balances on the excel spreadsheet).
Context:	We reviewed a sample of 46 journal entries. These journal entries were selected based on a scope set for the audit and were not based on a random sample. Of the 46 entries reviewed, none were signed and dated by the preparer and reviewer. The supporting documentation attached to one journal entry was not sufficient to support the journal entries being posted.
Effect:	Posting journal entries without review and approval from a second individual and not maintaining the appropriate supporting documentation may result in errors or fictitious entries from not being detected. This may result in material misstatements in the financial statements.
Cause:	The District's internal control processes and procedures as they relate to the posting of journal entries are not suitably designed to prevent and/or detect errors.
Recommendation:	We recommend the District's journal entries be reviewed and approved by an individual other than the preparer. The review and approval should be documented by having the preparer and reviewer sign and date journal entries. The review and approval process should include verification that appropriate supporting documentation is attached to journal entries.
Views of Responsible Officials:	See management's corrective action plan.

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference Number 2019-002

Expenditure Cutoff

Criteria:	In accordance with generally accepted accounting principles, expenditures should be recorded in the period in which they are incurred.
Condition Found:	Instances were noted where expenditures were not recorded in the proper period. In such cases, expenditures were recorded in a period based on their invoice dates. However, at times the invoice date (the date in which the invoice was prepared by a vendor) does not fall in the same period in which the expenditure was incurred (the period in which the vendor provided the District a good or service).
Context:	Condition was identified as part of audit procedures designed to test for cutoff of expenditures.
Effect:	Not recording expenditures in the proper period may result in material misstatements in the financial statements.
Cause:	Invoices are not analyzed in detail to properly identify the period in which they should be recorded.
Recommendation:	We recommend the District strengthen controls to ensure expenditures are recorded in the proper period. We recommend the District provide training to staff involved in the posting of invoices to ensure invoices are reviewed in detail and the proper period for posting is identified.
Views of Responsible Officials:	See management's corrective action plan.

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
US DEPARTMENT OF EDUCATION			
Passed Through Region One Service Center			
Gaining Early Awareness and Readiness for			
Undergraduate Program (GEAR-UP)	84.334A	P-334A110180	\$ 214,063
Total Passed Through Region One Service Center			<u>214,063</u>
Passed Through Region Twenty Service Center			
Special Education Grants to States	84.027A	108913	10,140
Total Passed Through Region Twenty Service Center			<u>10,140</u>
Passed Through Region Eleven Service Center			
Special Education Grants to States	84.027A	108913	500
Total Passed Through Region Eleven Service Center			<u>500</u>
Passed Through State Department of Education			
Title I Grants to Local Educational Agencies	84.010A	20610101108913	738,955
Title I Grants to Local Educational Agencies	84.010A	19610101108913	7,134,196
Title I Grants to Local Educational Agencies	84.010A	19810101108913	3,835
Title I Grants to Local Educational Agencies	84.010A	19610103108913	26,526
Total CFDA Number 84.010A			<u>7,903,512</u>
Migrant Education-State Grant Program	84.011	20615001108913	149,603
Migrant Education-State Grant Program	84.011	19615001108913	1,677,972
Total CFDA Number 84.011			<u>1,827,575</u>
Special Education Grants to States	84.027	206600011089136000	34,876
Special Education Grants to States	84.027	196600011089136000	2,392,974
Special Education Grants to States	84.027	186600011089136000	603,861
Total CFDA Number 84.027			<u>3,031,711</u>
Special Education - Preschool Grants	84.173A	196610011089136610	14,659
Total CFDA Number 84.173A			<u>14,659</u>
Career and Technical Education-Basic Grants to States	84.048	20420006108913	25,726
Career and Technical Education-Basic Grants to States	84.048	19420006108913	297,626
Total CFDA Number 84.048			<u>323,353</u>
Supporting Effective Instruction State Grants	84.367A	20694501108913	51,085
Supporting Effective Instruction State Grants	84.367A	19694501108913	780,942
Total CFDA Number 84.367A			<u>832,027</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
English Language Acquisition State Grants	84.365A	20671001108913	36,171
English Language Acquisition State Grants	84.365A	19671001108913	476,373
Total CFDA Number 84.365A			<u>512,544</u>
Student Support and Academic Enrichment Program	84.424A	19680101108913	262,611
Total CFDA Number 84.424A			<u>262,611</u>
Twenty-First Century Community Learning Centers	84.287C	206950247110031	67,391
Twenty-First Century Community Learning Centers	84.287C	196950247110031	1,558,306
Total CFDA Number 84.287C			<u>1,625,697</u>
Total Passed Through State Department of Education			<u>16,333,688</u>
TOTAL DEPARTMENT OF EDUCATION			<u><u>\$ 16,558,391</u></u>
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through State Department of Education			
National School Lunch Program-Cash Assistance	10.555	186TX332N1099	\$ 7,153,365
National School Lunch Program-Non-Cash Assistance	10.555	108913	184,560
Total CFDA Number 10.555			<u>7,337,925</u>
National School Breakfast Program	10.553	186TX332N1099	4,357,363
Total CFDA Number 10.553			<u>4,357,363</u>
Total Passed Through State Department of Education			<u>11,695,288</u>
Total Child Nutrition Cluster			<u>11,695,288</u>
Passed Through Texas Department of Agriculture:			
Child Nutrition Discretionary Limited Availability	10.579	4MU12	135,000
Child and Adult Care Food Program	10.558	186TX332N1099	561,476
Fresh Fruit and Vegetable Program	10.582	186TX375L1603	374,062
Total Passed Through Texas Department of Agriculture			<u>1,070,538</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>\$ 12,765,827</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 29,324,217</u></u>

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2019

1. GENERAL

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

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

2. BASIS OF ACCOUNTING AND PRESENTATION

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund, or in some instances, in the General Fund which are Governmental Fund type funds.

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

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

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

CFDA numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.

3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

4. INDIRECT COSTS

The District received a negotiated indirect cost rate from TEA through June 30, 2019. As of July 1, 2019, the District received an indirect cost rate from TEA based on a worksheet prepared by the District.

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

Total Federal Award Expended	\$ 29,324,217
School Health and Related Services (SHARS) Revenue	1,687,617
Jr. ROTC	<u>108,906</u>
Exhibit C-3	<u>\$ 31,120,740</u>



WESLACO

Independent School District

319 West Fourth Street / P.O. Box 266, Weslaco, Texas 78599-0266 (956) 969-6500

Weslaco Independent School District
Corrective Action Plan
For the year ended August 31, 2019

Findings Related to the Financial Statements

2019-001 Journal Entries Posting

Corrective Action Plan – Journal entries now will be signed by the preparer and reviewed and signed by a second business office administrator. Also, most of the supporting documentation in excel format are Alio Intelligence or Alio reports. The District prepared excel spreadsheets will have copies of supporting documentation to support the figures on the spreadsheet.

Proposed Completion Date – 01/31/2020

Contact Person – Javiel Ruiz

2019-002 Expenditure Cutoff

Corrective Action Plan – The District will provide training to the Accounts Payable Department and to the other bookkeepers that enter invoices. Also, the Accounts Payable supervisor will review all invoice postings at the end of the old fiscal year and at the beginning of the new fiscal year to make sure they are posted in the year incurred.

Proposed Completion Date – 02/28/2020

Contact Person – Jesse Fonseca

Findings Related to Federal Awards

Not applicable

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2019

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
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ -
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 62,235,798
SF13	Net OPEB Liability (2545) at fiscal year-end	\$ 76,667,942