

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

# WESLACO, TEXAS









**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED JUNE 30, 2023**

**Report Issued by the  
Business Office**

**312 W. 5<sup>th</sup> Street  
Weslaco, Texas 78599**

**[www.wisd.us](http://www.wisd.us)**





**WESLACO INDEPENDENT SCHOOL DISTRICT**

Weslaco, Texas

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

JUNE 30, 2023

**TABLE OF CONTENTS**

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents .....	i	
Letter of Transmittal .....	1	
List of Principal Officials .....	7	
GFOA Certificate of Achievement .....	9	
Administrative Organizational Chart .....	11	
Certificate of Board .....	13	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report .....	17	
Management's Discussion and Analysis .....	21	
<i>Basic Financial Statements:</i>		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position .....	33	A-1
Statement of Activities .....	34	B-1
<i>Fund Financial Statements:</i>		
Balance Sheet - Governmental Funds .....	35	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position .....	36	C-2
Statement of Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds .....	37	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,		
and Changes in Fund Balances to the Statement of Activities .....	38	C-4
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and		
Actual - General Fund .....	39	C-5
Statement of Net Position - Proprietary Funds .....	40	D-1
Statement of Revenues, Expenses, and Changes in Net		
Position - Proprietary Funds .....	41	D-2
Statement of Cash Flows - Proprietary Funds .....	42	D-3
Statement of Fiduciary Net Position - Fiduciary Funds .....	43	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	44	E-2
Notes to the Financial Statements .....	45	
<i>Required Supplementary Schedules:</i>		
Schedule of the District's Proportionate Share of the Net Pension Liability -		
Teacher Retirement System of Texas .....	92	G-2
Schedule of District's Contributions For Pensions - Teacher Retirement System		
of Texas .....	94	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability -		
Teacher Retirement System of Texas .....	96	G-4

**WESLACO INDEPENDENT SCHOOL DISTRICT**

Weslaco, Texas

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

JUNE 30, 2023

**TABLE OF CONTENTS**

	<u>Page Number</u>	<u>Exhibit</u>
<b>FINANCIAL SECTION (Continued)</b>		
Schedule of District's OPEB Contributions - Teacher Retirement System of Texas	98	G5
Notes to Required Supplementary Information .....	100	
<i>Other Supplementary:</i>		
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet .....	106	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance ...	112	H-2
<i>Internal Service Funds:</i>		
Combining Statement of Net Position - Internal Service Funds .....	118	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds .....	119	H-4
Combining Statement of Cash Flows - Internal Service Funds .....	120	H-5
<i>Texas Education Agency – Required Schedules:</i>		
Schedule of Delinquent Taxes Receivable .....	122	J-1
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Child Nutrition Program .....	124	J-2
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund .....	125	J-3
State Compensatory Education and Bilingual Education Program Expenditures ...	126	J-4
<b>STATISTICAL SECTION</b>		
<i>Financial Trends Information:</i>		
Net Position by Component - Last Ten Years .....	132	L-1
Governmental Activities Expenses and Program Revenues - Last Ten Years .....	134	L-2
General Revenues and Changes in Net Position - Last Ten Years .....	136	L-3
Fund Balances of Governmental Funds - Last Ten Years .....	138	L-4
Governmental Fund Revenue by Source - Last Ten Years .....	140	L-5
Governmental Fund Expenditures by Function - Last Ten Years .....	142	L-6
Governmental Funds Other Sources, Uses and Changes in Fund Balances - Last Ten Years .....	144	L-7
Governmental Fund Expenditures by Function Per Average Daily Attendance - Last Ten Years .....	146	L-8
<i>Revenue Capacity Information:</i>		
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years .....	150	L-9
Property Tax Levies and Collections - Last Ten Years .....	152	L-10
Allocation of Property Tax Rates and Levies - Last Ten Years .....	155	L-11

**WESLACO INDEPENDENT SCHOOL DISTRICT**

Weslaco, Texas

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

JUNE 30, 2023

**TABLE OF CONTENTS**

	<u>Page Number</u>	<u>Exhibit</u>
Property Tax Rates - Direct and Overlapping Governments (Per \$100 Assessed Valuation) - Last Ten Years .....	156	L-12
Principal Property Taxpayers - 2023 and 2014 .....	158	L-13
<i>Debt Capacity Information:</i>		
Outstanding Debt by Type - Last Ten Years .....	162	L-14
Direct and Overlapping Debt - Governmental Activities Debt .....	165	L-15
Computation of Legal Debt Margin - Last Ten Years .....	166	L-16
Ratio of Net General Obligation Bonded Debt to Estimated Actual Taxable Value And Per Average Daily Membership - Last Ten Years .....	168	L-17
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures - Last Ten Years .....	170	L-18
<i>Demographic and Economic Information:</i>		
Principal Employers - Calendar Year 2023 and 2014 .....	172	L-19
Demographic and Economic Statistics - Last Ten Years .....	174	L-20
<i>Operating Information:</i>		
Workforce Composition by Employee Classification - Last Ten Years .....	176	L-21
Schedule of Teacher Information - Last Ten Years .....	178	L-22
Schedule of Attendance and Membership - Last Ten Years .....	180	L-23
Operating Statistics Table - Last Ten Years .....	181	L-24
Schedule of Student Information - Last Ten Years .....	182	L-25
Schedule of School Buildings and Portables .....	183	L-26

**SINGLE AUDIT SECTION**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	187	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	189	
Schedule of Findings and Questioned Costs .....	192	
Schedule of Expenditures of Federal Awards .....	196	K-1
Notes to Schedule of Expenditures of Federal Awards .....	198	
Corrective Action Plan .....	203	
Schedule of Required Responses to Selected School First Indicators .....	204	



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

November 16, 2023

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"). 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 Annual Comprehensive Financial Report (ACFR) of the Weslaco Independent School District (the "District") for the fiscal year ended June 30, 2023.

The District's Finance Department has prepared this ACFR, 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 ACFR for the year ended June 30, 2023, 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).

Carr, Riggs, & Ingram, LLC has issued an unmodified ("clean") opinion on the Weslaco Independent School District's financial statements for the year ended June 30, 2023. The independent auditors' report is located at the front of the Financial Section.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' 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 7<sup>th</sup> 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 \$237 million and over 2,200 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 July 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 Fund, and the Debt Service Fund. The comparison for the General Fund is presented in Exhibit C-5, and the Food Service Fund 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.

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 unauthorized 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 around 16,500 students with four high schools, four middle schools, ten elementary schools, a disciplinary alternative education program, and a 21<sup>st</sup> 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 – 5<sup>th</sup> grade) from its 10 elementary schools are zoned to one of four middle schools. Middle school students (6<sup>th</sup> – 8<sup>th</sup> grade) are zoned to one of the two 9<sup>th</sup> – 12<sup>th</sup> 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 21<sup>st</sup> Century Early Learning Foundation Academy. The District's 1,022 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**

The state and local economy have been affected by the coronavirus (Covid-19). On March 13, 2020 the Texas governor declared a statewide disaster for Covid-19. The federal government approved Texas as a major disaster on March 25, 2020 which allowed the state to receive federal assistance due to Covid-19. In 2020 and 2021, Congress passed three stimulus bills that provided nearly \$190.5 billion to the Elementary and Secondary School Emergency Relief (ESSER) Fund. States receive funds based on the same proportion that each state receives under the Elementary and Secondary Education Act (ESEA) Title I Part A. States must distribute at least 90% of funds to local education agencies (LEAs) based on their proportional share of ESEA Title I Part A funds. States have the option to reserve 10% of the allocation for emergency needs as determined by the state to address issues responding to the COVID-19 pandemic. TEA allocated approximately \$77.2 million of ESSER funding to the District starting 2019-20 and going through 2024-25. TEA substituted \$10.3 million of this federal revenue for the state revenue the District would have received from the foundation school program for fiscal year 2020 and 2021. The rest is additional federal funding for the District.

Currently, as the country recovers from the pandemic, we are experiencing economic uncertainty. We are currently experiencing very high inflation rates. Consumer prices are up over 3.1% from a year ago. The U.S. Federal Reserve has raised interest rates seven times this year in an effort to slow down consumer spending and cool off housing markets and other areas where prices have been rising too quickly. Higher borrowing costs raise the risk of a recession and higher unemployment. Despite the increases in interest rates, the U.S. job market has stayed strong. The U.S. gross domestic product grew about 2.4% per quarter in the 2023. Overall, the U.S. economy is slowing due to the effects of the Russia-Ukraine conflict, surging energy and food prices, the end of crisis-era stimulus programs, and tighter monetary policy. However, the country is currently not in a recession.

### **Local Economy**

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.

At the end of June 2023, the national unemployment was at about 3.5% which has recovered significantly from June of 2022. Texas was slightly above the national average at 4.1%. According to the Texas Workforce Commission, the unemployment rate in Weslaco has decreased from 7.4% percent in June

2022 to 6.9 percent in June 2023. However, even with Covid-19, the per capita personal income has increased 5.4 percent over the previous year.

The District has maintained a stable fund balance. This strong financial position allows the District to receive AA+ high bond ratings issued by both Fitch and Standard and Poor's. A strong fund balance also allows the District to respond to unexpected situations that arise.

### **Long-Term Financial Planning**

The District continues to experience a decline in student enrollment of approximately 10.5% over the past five years to a little over 14,600 students in 2023. In an effort to increase ADA for future years, the District offered pre-school for all 3 and 4 year olds starting in 2022-2023. Anticipated enrollment for the 2023-2024 school year is expected to increase to around 16,000 students. The twenty school sites that serve these students were built as early as 1922 with the most recent elementary school built in 2010.

The Texas Legislature passed House Bill 3 (HB3) on June 11, 2019. HB3 made significant changes to the state's funding formulas and provided property tax relief through compression of school districts' maintenance and operations (M&O) property tax rates. Districts with property value growth of more than the state average are required to compress their maintenance and operations tax rate. The M&O tax rate for fiscal year 2022-23 is \$0.9233 compared to \$0.9407 for fiscal year 2021-22. The I&S tax rate decreased to \$0.036 in 2022-23 from \$0.04 in 2021-22. State funding for the general fund is about 71.3% of the total general fund revenue. In addition, Congress passed various supplemental appropriations to prevent, prepare for, and respond to the coronavirus pandemic. The District has received supplemental federal funds that must be obligated by September 2022 (ESSER I), September 2023 (ESSER II), and September 2024 (ESSER III). However, other federal funding is expected to decrease 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. Currently, future plans for a bond in November 2023 are being evaluated based on facility needs, local economic conditions, and the support of state legislative funding.

The educational stakeholders of the District continue working on strategic plans 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 should be able to meet all the District's 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 twenty-one years. Senate Bill 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system referred to as School FIRST. Weslaco ISD has received a perfect score in six out of the last seven years. 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.

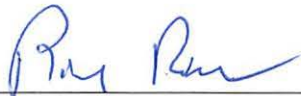
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Weslaco Independent School District for its Annual Comprehensive Financial Report in 2019 through 2021. Weslaco ISD first earned this prestigious award in 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only. The Certificate of Achievement applications for 2022 are pending. However, we believe that our 2023 Annual Comprehensive Financial Reports continue to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

Preparation of the Annual Comprehensive 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, Carr, Riggs, & Ingram, LLC for their assistance in the preparation of this report.

Respectfully,



---

Dr. Richard Rivera  
Superintendent of Schools



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Mr. David Robledo, RTSBA, MACC  
Chief Financial Officer



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# **WESLACO INDEPENDENT SCHOOL DISTRICT**

## **WESLACO, TEXAS**

### **LIST OF PRINCIPAL OFFICIALS**

**2022 - 2023**

#### **BOARD OF TRUSTEES**

Jaclyn Sustaita, President

Isidoro Nieto, Vice President

Dr. Jaime Rodríguez, Secretary

Ben Castillo, Trustee

Armando Cuéllar Jr., Trustee

Marcos De Los Santos Jr., Trustee

Jesse Treviño, Trustee

#### **ADMINISTRATORS**

Dr. Richard Rivera, Superintendent of Schools

Abel Aguilar, Deputy Superintendent

David Robledo, Chief Financial Officer

Daniel Budimir, Assistant Superintendent for School Leadership

Beatriz Solano, Assistant Superintendent for School Leadership

Janie Ybarra Rodríguez, Assistant Superintendent for Human Resources

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Government Finance Officers Association

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Texas**

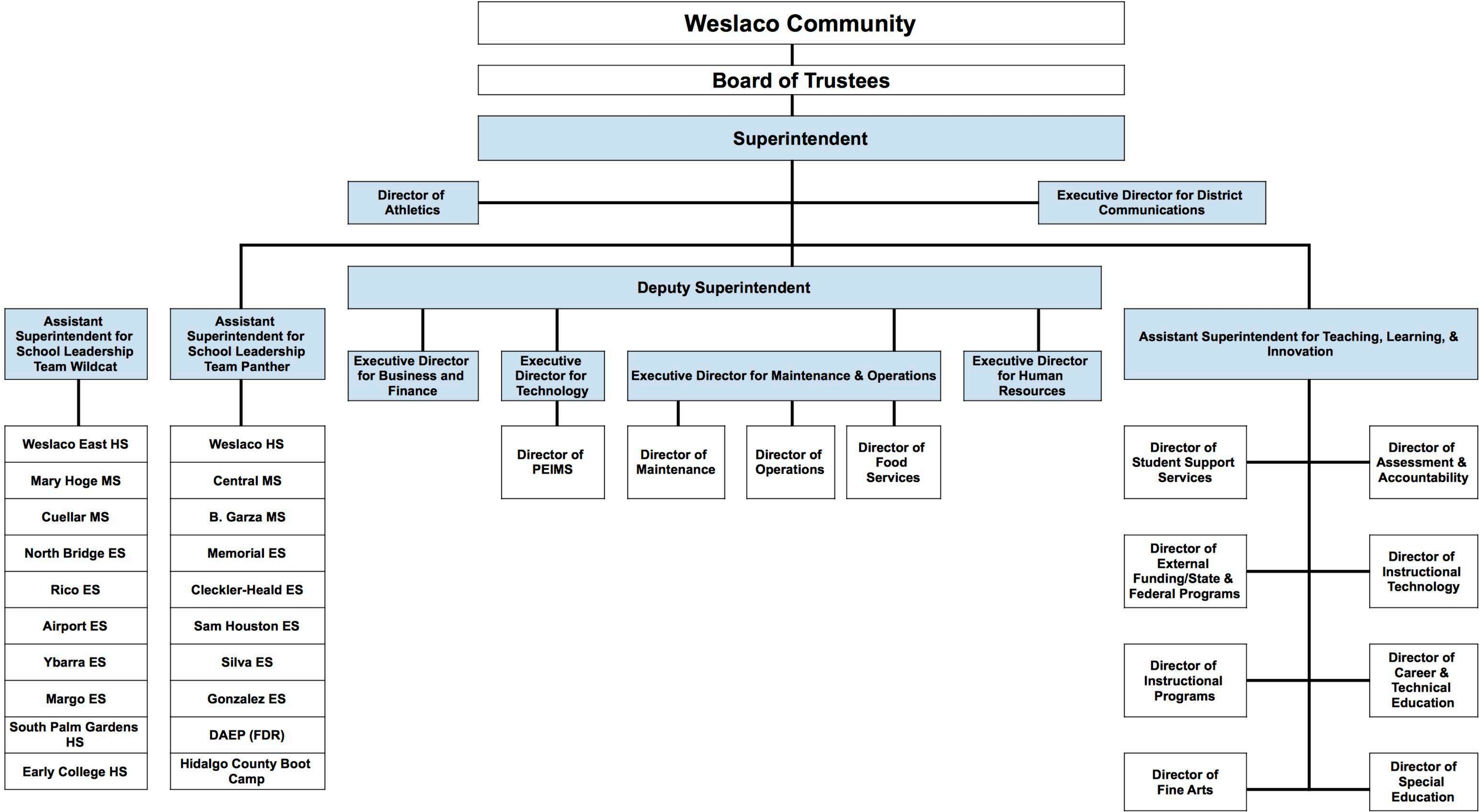
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2021

*Christopher P. Morill*

Executive Director/CEO

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### CERTIFICATE OF BOARD

Weslaco Independent School District  
Name of School District

Hidalgo  
County

108-913  
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved \_\_\_\_ disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 16<sup>th</sup> day of November, 2023.

  
\_\_\_\_\_  
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 AUDITORS' REPORT**

To the Board of Trustees  
Weslaco Independent School District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Weslaco Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Weslaco Independent School District basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the Weslaco Independent School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As described in Note IV.X. to the financial statements, in 2023, the District adopted new accounting guidance, *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Pension and OPEB liabilities related schedules, and the related notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

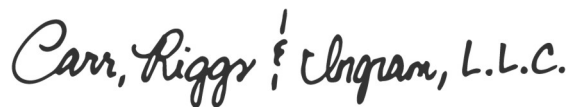
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

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

McAllen, Texas  
November 16, 2023

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Weslaco Independent School District’s annual comprehensive financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

The District’s total net position is \$30,304,130 at June 30, 2023 as shown on the government-wide financial statements. This amounted to an increase in net position of \$16,553,484 as a result of current year’s operations and an increase of \$105,004 due to a prior period adjustment due to GASB 96 (Note X).

The District’s governmental fund financial statements reported an ending fund balance of \$86.8 million at June 30, 2023, which is a net increase in fund balance of \$10.9 million as a result of current year’s operations. The increase in governmental fund balances was primarily due to an increase in the General Fund fund balance of \$14.3 million, and a decrease of \$3.3 million in the Capital Projects Fund.

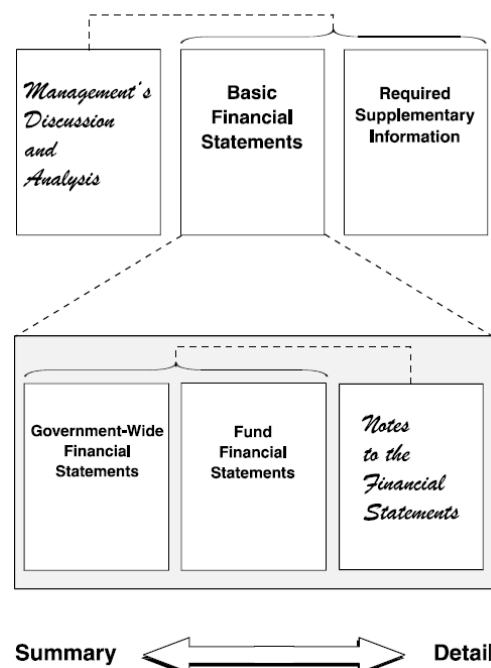
At June 30, 2023, total unassigned fund balance for the General Fund was \$63.5 million or 37.5 percent of the total General Fund expenditures of \$169.5 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- \* The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- \* The 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-1, Required Components of the District’s Annual Financial Report**



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

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

## Government-wide Statements

The 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>	<input type="checkbox"/> Statement of net position	<input type="checkbox"/> Balance sheet	<input type="checkbox"/> Statement of net position	<input type="checkbox"/> Statement of fiduciary net position	
	<input type="checkbox"/> Statement of activities	<input type="checkbox"/> Statement of revenues, expenditures & changes in fund balances	<input type="checkbox"/> Statement of revenues, expenses and changes in fund net position	<input type="checkbox"/> Statement of changes in fiduciary net position	
			<input type="checkbox"/> 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 increased by \$16,553,484, between fiscal years 2022 and the fiscal year ending June 30, 2023 to \$30,304,130. (See Table A-1 on the next page).

**Table A-1**  
Weslaco Independent School District  
Net Position

	Governmental Activities			Total Percentage
	2023	Restated 2022	Change	Change
Current and other assets	\$ 120,642,494	\$ 108,789,569	\$ 11,852,925.42	10.90%
Capital and non-current assets	129,646,160	135,285,725	(5,639,565)	-4.17%
Total Assets	<b>250,288,654</b>	<b>244,075,294</b>	<b>6,213,360</b>	<b>2.55%</b>
Deferred outflow of resources	38,456,156	23,771,031	14,685,125	61.78%
Current liabilities	30,719,990	31,785,323	(1,065,333)	-3.35%
Long term liabilities	160,741,772	144,796,194	15,945,578	11.01%
Total Liabilities	<b>191,461,762</b>	<b>176,581,516</b>	<b>14,880,246</b>	<b>8.43%</b>
Deferred inflow of resources	66,978,918	77,514,162	(10,535,244)	-13.59%
Net Position:				
Net investment in capital assets	65,732,749	67,009,618	(1,276,869)	-1.91%
Restricted	10,645,411	12,009,680	(1,364,269)	-11.36%
Unrestricted	(46,074,030)	(65,268,652)	19,194,622	-29.41%
Total Net Position	<b>\$ 30,304,130</b>	<b>\$ 13,750,646</b>	<b>\$ 16,553,484</b>	<b>120.38%</b>

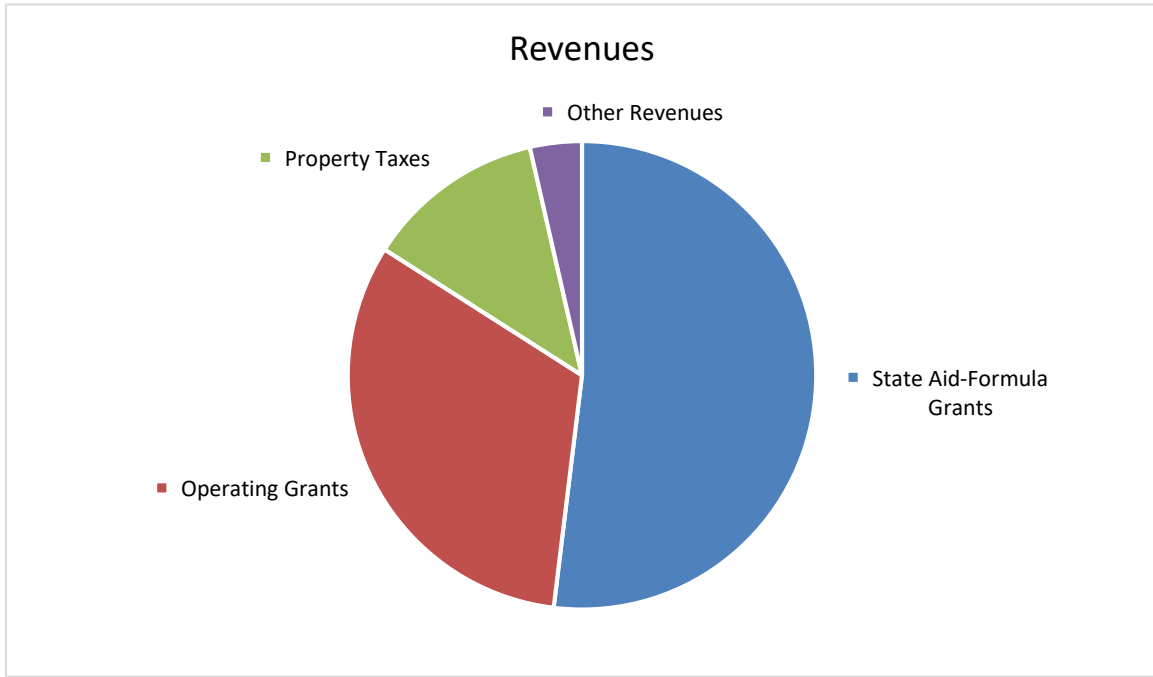
The District's net position increased 120.38% from a prior year amount of \$13,750,646 to \$30,304,130 at June 30, 2023. However, most of the total net position is either net invested in capital assets or is restricted as to the purposes they can be used for. Restricted net position decreased 11.36% due to a decrease in restricted for construction. Unrestricted net position amounted to \$(46,074,030) at June 30, 2023. The unrestricted balance deficit decreased by 29.41% from the prior year. The deficit in the unrestricted balance was mainly due to GASB 68 and 75 transactions.

#### Governmental Activities

**Changes in net position.** The District's total revenues were \$235,188,954 for the fiscal year ended June 30, 2023. A significant portion of revenue is derived from the following: 51.93% comes from state-aid formula grants, 32.10% of the District's revenue comes from operating grants, and 12.38% is related to property taxes collected, 3.58% of total revenue is composed of investment earnings received, charges for services, and miscellaneous revenue. (See Figure A-2 on the next page).

**Governmental Activities-Continued**

**FIGURE A-2 WISD SOURCES OF REVENUE FOR THE FISCAL YEAR ENDING JUNE 30, 2023**



The property tax rate was 0.9593 in 2022-23. The Maintenance and Operations tax rate was 0.9233 and the Debt Service tax rate was 0.036. The property tax rate will decrease in 2023-24 due to an increase in the District's certified values. The Maintenance and Operations tax rate will be 0.7314 and the Debt Service tax rate will be 0.2150 for a total tax rate of 0.9464.

The total cost of all programs and services was \$218,635,470 of which 47.31% of these costs was for instruction, 12.43% was for general administration, 8.77% is for facilities maintenance and operations, and 5.66% for food services to students which represent the major function percentages for the fiscal year ended June 30, 2023. (See Figure A-4).

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

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

	Governmental Activities			Total Percentage Change
	2023	2022	Change	
Program Revenues:				
Charges for services	\$ 5,106,657	\$ 4,327,662	\$ 778,995	18.00%
Operating grants & contributions	75,495,760	45,619,840	29,875,920	65.49%
General Revenues :				
Property taxes	29,125,058	27,705,887	1,419,170	5.12%
Grants and contributions , unrestricted state aid-formula	122,142,451	113,802,896	8,339,555	7.33%
Investment earnings	3,173,943	215,187	2,958,756	1374.97%
Miscellaneous	145,085	71,526	73,559	102.84%
Total Revenues	<b>\$ 235,188,954</b>	<b>\$ 191,742,999</b>	<b>\$ 43,445,955</b>	<b>22.66%</b>
Total Expenses (By-Function)				
Instruction	\$ 103,433,069	\$ 87,215,143	\$ 16,217,926	18.60%
Instructional resources and media services	3,533,694	3,171,683	362,010	11.41%
Curriculum and staff development	2,884,443	6,145,143	(3,260,700)	-53.06%
Instructional leadership	2,863,368	1,912,459	950,909	49.72%
School leadership	9,888,779	5,098,741	4,790,038	93.95%
Guidance, counseling and evaluation services	7,800,278	6,427,660	1,372,618	21.35%
Social work services	986,907	887,796	99,111	11.16%
Health services	2,680,265	2,769,198	(88,933)	-3.21%
Student (pupil) transportation	6,002,038	4,167,353	1,834,685	44.03%
Food services	12,364,774	9,518,394	2,846,380	29.90%
Extracurricular activities	8,903,700	7,245,687	1,658,013	22.88%
General administration	27,179,611	22,862,775	4,316,836	18.88%
Facilities maintenance and operations	19,176,373	15,045,414	4,130,959	27.46%
Security and monitoring services	3,528,441	2,448,670	1,079,771	44.10%
Data processing services	2,832,481	2,125,849	706,632	33.24%
Community services	2,424,153	1,864,414	559,740	30.02%
Debt service - interest on long term debt	1,763,808	1,415,110	348,698	24.64%
Debt service - bond issuance cost and fees	3,095	212,119	(209,024)	-98.54%
Payments to juvenile justice alternative ed. program	126,690	(31,330)	158,020	-504.37%
Other Intergovernmental Charges	259,501	270,375	(10,874)	-4.02%
Total Expenses	<b>\$ 218,635,470</b>	<b>\$ 180,772,654</b>	<b>\$ 37,862,816</b>	<b>20.94%</b>
Total Increase (decrease) in Net Position	\$ 16,553,484	\$ 10,970,345	\$ 5,583,139	50.89%
Net position beginning	13,645,643	2,675,298	10,970,345	410.06%
Prior Period Adjustment	105,004	-	105,004	N/A
Net position on beginning, as restated	13,750,646	2,675,298	11,075,349	413.99%
Net Position Ending	<b>\$ 30,304,130</b>	<b>\$ 13,645,643</b>	<b>\$ 16,658,488</b>	<b>122.08%</b>

## Governmental Activities-Continued

- The cost of all governmental activities this year was \$218,635,470.
- Cost paid by those who directly benefited from the programs totaled \$5,106,657.
- Other cost were paid by Operating Grants and Contributions of \$75,495,760.
- However, the amount that our taxpayers paid for these activities through property taxes was \$29,125,057.

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. Facilities Maintenance & Operations, Food Service, and School Administration net costs increased 31.11%, 5.40% and 86.09%, respectively. There are a few of reasons for this. One, the Board approved an increase in salaries and stipends during the 22/23 school year. The second reason is, inflation increased the costs of food and other items during the 22/23 school year. Finally, all campus facilitators became assistant principals and were moved from curriculum and instructional staff development to school administration. This resulted in a dramatic increase in the net costs on school administration. Instruction and General Administration net costs decreased by 5.74% and 8.27%, respectively. This is due to costs being reclassified to Federal Programs such as ESSER.

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

	<u>Costs</u>			<u>Net Costs</u>		
	2023	2022	% Change	2023	2022	% Change
Instruction	\$ 103,433,069	\$ 87,215,143	18.60%	\$ 65,349,441	\$ 69,326,998	-5.74%
General Administration	27,179,611	22,862,775	18.88%	15,865,853	17,296,029	-8.27%
Facilities Maintenance & Operations	19,176,373	15,045,414	27.46%	16,924,028	12,907,893	31.11%
Food Service	12,364,774	9,518,394	29.90%	(2,061,231)	(1,955,627)	5.40%
School Administration	9,888,779	5,098,741	93.95%	8,980,333	4,825,870	86.09%

## FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

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

As of June 30, 2023, the District's governmental funds reported ending fund balances of \$86,822,474. Of the current ending fund balances, the general fund reported an ending fund balance of \$84,032,070 while the rest of the funds amounted to a fund balance of \$2,790,404. The following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$3,474,446 is recorded as non-spendable, of which \$1,280,741 is non-spendable for inventories and \$2,193,705 is non-spendable for prepaid items.
- \$11,049,869 is recorded as restricted, of which \$8,853,182 is restricted for federal or state programs; \$2,179,139 is restricted for capital acquisitions and contractual obligations; and \$17,548 is restricted retirement of long-term debt.
- \$552,974 is recorded as committed fund balance for student activities.
- \$8,283,012 is recorded as assigned, of which \$8,000,000 for construction related items, \$237,473 for unliquidated purchase orders rolled forward; \$3,797 for technology related expenditures; \$40,742 is assigned for scholarships; and \$1,000 is assigned for parental involvement.
- \$63,462,173 is recorded as unassigned and is available for spending at the government's discretion.

Revenues from governmental fund types totaled \$234,340,423 as of June 30, 2023. This is an increase of \$38,040,468 from June 30, 2022's total of \$196,299,955. The increase was mainly due to an over 8.64% increase in state funding due to small increase in ADA numbers, additional interest income, and the use of ESSER for covering teacher salaries.

## **General Fund**

The general fund is the chief operating fund of the District. At the end of the fiscal year, the fund balance of the general fund was \$84,032,070. This represents an increase of \$14,251,439 or 20.42%. Factors listed below contributed to the overall increase in fund balance to the General Fund.

- Tax revenues increased by 5.12% due primarily to the increase of taxable property values by 9.79% driven by increased local real estate market values.
- Indirect cost increased by 70.35% primarily due to indirect costs from the ESSER funds.
- The District paid 8 months of elementary teachers out of ESSER funds during the fiscal year.
- SHARS revenue increased by 46.02% due to the COVID-19 pandemic coming to an end during the 22/23 school year.
- The District did not fill many vacant positions due to the lower than expected enrollment and attendance rate.

## **General Fund Budgetary Highlights**

Over the course of the year, the District revised its budget numerous times. The most significant revision was a \$15.95 million reduction to budgeted salaries for salaries earned that was transferred to ESSER. Even with these adjustments, actual expenditures were \$13,077,670 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 ADA, many vacant positions were not filled during the year.

- Instructional expenses were budgeted at a total of \$85,308,697 and actual expenditures totaled \$81,391,955. The District reclassified 8 months of elementary teachers' salaries to ESSER II funds due to the lower than expected ADA. This created one of the most significant expenditure variance in the budget which totaled a savings of \$3,916,702 of expected expenses.

On the other hand, resources available were originally budgeted at a total of \$178,952,754. Like the District's budgeted expenditures, this figure was revised numerous times during the year. The most significant revision was a \$15.95 million reduction for reduction of State Aid due to lower ADA. The final budgeted resources available amount ended up at \$172,831,078 and actual revenues totaled \$183,240,211, netting a difference of \$10,409,133 more.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of June 2023, the District had invested \$321,595,610 in a broad range of capital assets, including land, equipment, buildings, vehicles, and right to use leased assets (See Table A-5 on the next page). This amount represents a net decrease of \$5,639,565 or 4.17% (including additions, deductions and depreciation/amortization).

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

	2023	Restated 2022	Change	Change
Land and Improvements	\$ 25,457,587	\$ 24,064,769	\$ 1,392,818	5.79%
Construction in Progress	1,325,728	5,282,525	(3,956,797)	-74.90%
Buildings and Improvements	265,762,870	261,549,243	4,213,626	1.61%
Furniture and Equipment	27,743,903	27,713,562	30,342	0.11%
Right to use Leased Assets	884,406	555,116	329,290	59.32%
SBITA Assets	421,115	108,446	312,669	288.32%
<b>Totals at Historical Cost</b>	<b>321,595,610</b>	<b>319,273,661</b>	<b>2,321,948</b>	<b>0.73%</b>
Accumulated Depreciation/Amortization	(191,949,449)	(183,987,936)	(7,961,513)	4.33%
<b>Net Capital Assets</b>	<b>\$ 129,646,160</b>	<b>\$ 135,285,725</b>	<b>\$ (5,639,565)</b>	<b>-4.17%</b>

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 \$33,954,977 in bonds and \$23,108,740 notes and loans outstanding as shown in Table A-6. The District's long term liabilities increased by 10.84% due mainly to a large increase in our Net Pension Liability (GASB 68). More detailed information about the District's debt is presented in the notes to the financial statements (Note G).

#### Bond Ratings

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

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

	2023	Restated 2022	Change	% Change
Bond Payable	\$ 33,954,977	\$ 36,339,977	\$ (2,385,000)	-6.56%
Notes/Loans Payable	23,108,740	24,727,482	(1,618,742)	-6.55%
Premium on Bonds	6,875,473	7,459,841	(584,369)	-7.83%
Compensated Absences	996,640	1,055,510	(58,870)	-5.58%
Accumulated Accretion on CABs	67,180	15,018	52,162	347.34%
Lease Payable	400,767	361,446	39,321	10.88%
SBITA Payable	332,194	108,446	223,747	206.32%
Net Pension Liability	65,695,196	26,230,954	39,464,242	150.45%
Net OPEB Liability	33,928,424	52,884,936	(18,956,512)	-35.84%
<b>Total Long Term Liabilities</b>	<b>\$ 165,359,590</b>	<b>\$ 149,183,610</b>	<b>\$ 16,175,981</b>	<b>10.84%</b>

#### NEXT YEAR'S BUDGETS AND RATE

The District's elected and appointed officials considered many factors when setting the fiscal year 2024 budget and tax rates. For the 2023-24 school year, the District is expecting a large increase in enrollment. The District will be offering all day pre-school for all 3 and 4 year olds in an effort to increase ADA for future years. The COVID-19 pandemic continues to present many unforeseen challenges that include food shortages, construction material delays, labor shortages, and high inflation. Even though the Legislature has committed to funding HB3, local districts are

concerned because of the high costs of HB3. Further implementation of HB3 will be the focus of future fiscal years and how the State of Texas will address any shortfalls in revenue due to the recovering economy. The District will continue to budget conservatively in order to adjust to any legislative actions that may occur in future sessions.

Overall, the District budgets assumed reducing the total tax rate from \$0.9593 in fiscal year 2022-23 to \$0.9464 for 2023-24 based on certified values.

These indicators were taken into account when adopting the General Fund budget for 2024. Amounts available for appropriation in the General Fund budget are \$176.71 million, with an increase of 2.24% over the final 2023 budget of \$172.8 million. State foundation payments account for most all of the expected revenue increase. This increase is due to higher expected ADA in the 2023/24 school year than the 2022/23 school year. As planned, as of mid-October 2023, ADA was approximately 1,612 students higher than budgeted ADA of 14,000. The District will continue to reach out to all students registered last year who did not show up at the start of school in August 2023.

The District will use its revenues to finance programs we currently offer, which includes all day pre-school for all 3 and 4 year olds. Budgeted expenditures are expected to decrease 1.25% to \$176.71 million from \$178.95 million original budget in 2023. This decrease is due mainly due to an adjustment of projected Average Daily Attendance.

If these estimates are realized, the District's budgetary General Fund fund balance is expected to remain stable by the close of 2024.

#### **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 Mr. David Robledo, Chief Financial Officer, at the District's Business Office, at WESLACO ISD, 312 West Fifth Street, Weslaco, Texas.



## **BASIC FINANCIAL STATEMENTS**

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WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

		Primary Government	
Data			
Control		Governmental	
Codes		Activities	
ASSETS			
1110	Cash and cash equivalents	\$	94,919,823
1220	Property taxes receivable		4,467,836
1230	Allowance for uncollectible taxes		(271,931)
1240	Due from other governments		17,167,633
1290	Other receivables		723,749
1300	Inventories - supplies and materials		1,378,594
1410	Prepaid items		2,256,791
	Capital assets not being depreciated:		
1510	Land		6,661,889
1580	Construction in progress		1,325,728
	Capital assets net of accumulated depreciation:		
1510	Land improvements, net		6,737,796
1520	Buildings, net		108,694,717
1530	Furniture and equipment, net		5,501,809
1550	Right-to-use leased assets, net		391,272
1553	SBITA assets, net		332,949
1000	TOTAL ASSETS		250,288,654
DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred charge on refunding		607,028
1705	Deferred outflows for TRS pension		27,273,908
1706	Deferred outflows for TRS OPEB		10,575,220
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES		38,456,156
LIABILITIES			
2110	Accounts payable		3,449,666
2120	Accrued liabilities		811,351
2140	Interest payable		791,625
2150	Payroll deductions & withholdings		1,841,129
2160	Accrued wages payable		17,309,360
2180	Due to other governments		99,059
2300	Unearned revenues		1,799,982
	Noncurrent liabilities:		
2501	Due within one year: Loans, Notes, Leases,etc.		4,617,818
	Due in more than one year		
2502	Bonds, Notes, Leases, etc.		61,118,152
2540	Net pension liabilities		65,695,196
2545	Net OPEB liability (proportionate share)		33,928,424
2000	TOTAL LIABILITIES		191,461,762
DEFERRED INFLOWS OF RESOURCES			
2605	Deferred inflows for TRS pension		7,135,999
2606	Deferred inflows for TRS OPEB		59,842,919
2600	TOTAL DEFERRED INFLOWS OF RESOURCES		66,978,918
NET POSITION			
3200	Net investment in capital assets		65,732,749
	Restricted for:		
3820	Federal and state programs		8,944,840
3860	Capital projects		1,700,570
3900	Unrestricted		(46,074,030)
3000	TOTAL NET POSITION	\$	30,304,130

The accompanying notes are an integral part of this statement

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

Data	10				
Control					
Codes	General		Other	Total	
	Fund	ESSER III	Funds	Governmental	
				Funds	
ASSETS					
1110	Cash and cash equivalents	\$ 86,113,708	\$ -	\$ 4,676,315	\$ 90,790,023
1220	Property taxes receivable	4,293,348	-	174,488	4,467,836
1230	Allowance for uncollectible taxes	(257,589)	-	(14,342)	(271,931)
1240	Due from other governments	5,991,182	5,994,107	5,182,343	17,167,633
1260	Due from other funds	4,307,158	-	-	4,307,158
1290	Other receivables	39,168	-	-	39,168
1300	Inventories	1,378,594	-	-	1,378,594
1410	Prepaid items	2,193,705	-	-	2,193,705
1000	Total Assets	\$ 104,059,274	\$ 5,994,107	\$ 10,018,804	\$ 120,072,185
LIABILITIES					
2110	Accounts payable	\$ 1,183,080	\$ 38,179	\$ 1,087,262	\$ 2,308,521
2150	Payroll deductions & withholdings payable	1,841,129	-	-	1,841,129
2160	Accrued wages payable	11,165,256	3,673,907	2,470,197	17,309,360
2170	Due to other funds	-	2,280,129	2,027,029	4,307,158
2180	Due to other governments	97,063	1,892	104	99,059
2300	Unearned revenues	297,862	-	1,502,120	1,799,982
2000	Total Liabilities	14,584,389	5,994,107	7,086,712	27,665,209
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	3,529,523	-	141,688	3,671,211
2602	Unavailable revenue - SHARS	1,913,291	-	-	1,913,291
2600	Total deferred inflows of resources	5,442,814	-	141,688	5,584,502
FUND BALANCES					
Nonspendable fund balance:					
3410	Inventories	1,280,741	-	-	1,280,741
3430	Prepaid items	2,193,705	-	-	2,193,705
Restricted fund balance:					
3450	Grant restrictions	8,853,182	-	-	8,853,182
3470	Capital acquisitions	-	-	2,179,139	2,179,139
3480	Retirement of debt	-	-	17,548	17,548
Committed fund balance:					
3545	Other committed fund balances	-	-	552,974	552,974
Assigned fund balance:					
3550	Assigned fund balance-construction	8,000,000	-	-	8,000,000
3590	Other assigned fund balance	242,269	-	40,742	283,012
3600	Unassigned fund balance	63,462,173	-	-	63,462,173
	Total Fund Balances	84,032,070	-	2,790,404	86,822,474
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 104,059,274	\$ 5,994,107	\$ 10,018,804	\$ 120,072,185

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2023

Total Fund Balance - Governmental Funds	\$ 86,822,474
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of position. The net effect of this consolidation is to increase (decrease) net position.	2,924,972
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 \$319,273,661 and the accumulated depreciation and amortization was \$183,987,936. 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.	73,748,374
Current year capital outlays, new right to use asset agreements, new SBITA agreements, and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital and right to use assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays, new right to use asset agreements, new SBITA agreements, and debt principal is an increase /(decrease) in net position.	7,562,303
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 \$27,273,908, a deferred resource inflow in the amount of \$7,135,999, and a net pension liability in the amount of \$65,695,196. This resulted in a decrease in net position.	(45,557,287)
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 \$10,575,220, a deferred resource inflow in the amount of \$59,842,919, and a net OPEB liability in the amount of \$33,928,424. This resulted in a decrease in net position.	(83,196,123)
The 2023 depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation and amortization is to decrease net position.	(8,851,571)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, recognizing the liabilities associated with maturing long-term debt, interest, and compensated balances. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(3,149,012)
<b>Net Position of Governmental Activities</b>	<b>\$ 30,304,130</b>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

Data	10			Total
Control	General		Other	Governmental
Codes	Fund	ESSER III	Funds	Funds
REVENUES:				
5700	Local and intermediate sources	\$ 32,204,402	\$ -	\$ 33,959,384
5800	State program revenues	130,581,481	-	132,202,503
5900	Federal program revenues	20,454,328	18,888,415	68,178,536
	Total Revenues	<u>183,240,211</u>	<u>18,888,415</u>	<u>234,340,423</u>
EXPENDITURES:				
Current				
0011	Instruction	81,391,995	17,338,282	116,445,572
0012	Instruction resources & media services	2,035,804	-	4,038,616
0013	Curriculum & staff development	1,703,380	153,275	3,321,031
0021	Instructional leadership	2,395,788	289,423	3,215,830
0023	School leadership	10,433,615	800	11,180,436
0031	Guidance, counseling & evaluation services	7,027,380	630,066	8,958,071
0032	Social work services	948,269	-	1,117,875
0033	Health services	1,516,167	394,094	3,094,084
0034	Student (pupil) transportation	5,521,200	11,817	6,356,975
0035	Food services	12,558,319	-	13,282,573
0036	Co-curricular/extracurricular activities	7,804,388	-	8,107,395
0041	General administration	5,741,471	-	5,975,036
0051	Facilities maintenance & operations	18,721,605	47,248	20,562,802
0052	Security & monitoring services	3,653,205	-	3,924,406
0053	Data processing services	3,190,378	-	3,312,586
0061	Community services	1,566,738	23,410	2,646,402
Debt Service:				
0071	Debt service - principal on long term debt	1,944,382	-	4,348,375
0072	Debt service - interest on long term debt	927,609	-	2,244,782
0073	Debt service - bond issuance cost & fees	595	-	3,095
Capital Outlay				
0081	Facilities acquisitions and construction	-	-	1,649,647
Intergovernmental:				
0095	Payments to Juvenile Justice Alternative Ed. Prog.	126,690	-	126,690
0099	Other intergovernmental charges	259,501	-	259,501
6030	Total Expenditures	<u>169,468,481</u>	<u>18,888,415</u>	<u>224,171,780</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>13,771,730</u>	<u>-</u>	<u>10,168,643</u>
OTHER FINANCING SOURCES (USES)				
7912	Sale of real and personal property	147,008	-	147,008
7913	Proceeds from right to use leased assets	329,290	-	329,290
7915	Operating transfers in	-	275,000	275,000
7949	SBITA proceeds	278,411	-	278,411
8911	Operating transfers out	(275,000)	-	(275,000)
7080	Total Other Financing Sources (Uses)	<u>479,709</u>	<u>-</u>	<u>754,709</u>
1200	Net change in fund balances	14,251,439	-	10,923,352
0100	Fund balance - July 1 (beginning)	<u>69,780,631</u>	<u>-</u>	<u>75,899,122</u>
3000	Fund balance - June 30 (ending)	<u>\$ 84,032,070</u>	<u>\$ -</u>	<u>\$ 86,822,474</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balance - Governmental Funds	\$ 10,923,352
The District uses internal service funds to charge the costs of certain activities such as self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net position.	2,398,073
Current year capital outlays, new right to use asset agreements, new SBITA agreements, and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital and right to use assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays, new right to use asset agreements, new SBITA agreements, and debt principal is an increase/(decrease) in net position.	7,562,303
The 2023 depreciation and amortization expense increases accumulated depreciation and amortization. The net effect of the current year's depreciation and amortization is to decrease net position.	(8,851,571)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, and recognizing the liabilities associated with maturing long-term debt, interest, and compensated balances. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(260,032)
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 \$4,649,616. 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 \$4,373,200. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$2,136,448. The net result is a decrease in the change in net position.	(1,860,032)
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 \$983,121. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$934,197. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$6,592,467. The net result is an increase in the change in net position.	6,641,391
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 16,553,484</b>

The accompanying notes are an integral part of this statement.



WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Original	Final	Actual Amounts	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Local and intermediate sources	\$ 28,054,841	\$ 31,015,048	\$ 32,204,402	\$ 1,189,354
5800	State program revenues	136,516,055	123,420,157	130,581,481	7,161,324
5900	Federal program revenues	14,381,858	18,395,873	20,454,328	2,058,455
	Total Revenues	<u>178,952,754</u>	<u>172,831,078</u>	<u>183,240,211</u>	<u>10,409,133</u>
	EXPENDITURES:				
	Current				
0011	Instruction	91,482,022	85,308,697	81,391,995	3,916,702
0012	Instruction Resources & Media Services	1,925,020	2,235,162	2,035,804	199,358
0013	Curriculum & Instructional Staff Development	3,495,458	2,721,745	1,703,380	1,018,365
0021	Instructional Leadership	2,279,305	2,684,338	2,395,788	288,550
0023	School Leadership	10,937,753	11,096,032	10,433,615	662,417
0031	Guidance, Counseling & Evaluation Services	6,982,773	7,500,457	7,027,380	473,077
0032	Social Work Services	1,007,162	1,128,162	948,269	179,893
0033	Health Services	1,430,070	1,745,070	1,516,167	228,903
0034	Student (Pupil) Transportation	4,974,548	6,371,175	5,521,200	849,975
0035	Food Services	11,749,532	14,123,247	12,558,319	1,564,928
0036	Co-curricular/Extracurricular Activities	7,589,142	8,286,779	7,804,388	482,391
0041	General Administration	5,919,302	6,570,731	5,741,471	829,260
0051	Facilities Maintenance & Operations	18,264,791	19,530,702	18,721,605	809,097
0052	Security & Monitoring Services	3,200,319	4,088,245	3,653,205	435,040
0053	Data Processing Services	2,846,446	3,418,315	3,190,378	227,937
0061	Community Services	1,541,072	2,008,100	1,566,738	441,362
0071	Debt service - principal on long term debt	2,023,770	2,329,675	1,944,382	385,293
0072	Debt service - interest on long term debt	904,544	909,794	927,609	(17,815)
0073	Debt service - bond issuance cost & fees	3,000	3,000	595	2,405
0095	Payments to Juvenile Justice Alternative Ed. Prog.	100,000	170,000	126,690	43,310
0099	Other intergovernmental charges	296,725	316,725	259,501	57,224
6030	Total Expenditures	<u>178,952,754</u>	<u>182,546,151</u>	<u>169,468,481</u>	<u>13,077,670</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>-</u>	<u>(9,715,073)</u>	<u>13,771,730</u>	<u>23,486,803</u>
	Expenditures				
	OTHER FINANCING SOURCES (USES)				
7912	Sale of real and personal property	-	102,100	147,008	(44,908)
7913	Proceeds from right to use leased assets	-	693,060	329,290	363,770
7949	SBITA proceeds	-	-	278,411	(278,411)
8911	Operating transfers out	-	(250,000)	(275,000)	25,000
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>545,160</u>	<u>479,709</u>	<u>65,451</u>
1200	Net Change in Fund Balances	-	(9,169,913)	14,251,439	23,552,253
0100	Fund balance - July 1 (beginning)	<u>69,780,631</u>	<u>69,780,631</u>	<u>69,780,631</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 69,780,631</u>	<u>\$ 60,610,718</u>	<u>\$ 84,032,070</u>	<u>\$ 23,552,253</u>

The accompanying notes are an integral part of this statement

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 4,129,800
Other receivables	684,581
Prepaid items	<u>63,086</u>
Total Assets	<u><u>4,877,468</u></u>
LIABILITIES	
Current Liabilities:	
Account payables	1,141,144
Accrued expenses	<u>811,351</u>
Total Liabilities	<u>1,952,496</u>
NET POSITION	
Unrestricted	<u>2,924,972</u>
Total Net Position	<u><u>\$ 2,924,972</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 20,511,729
Federal program revenues	<u>3,490,489</u>
Total Operating Revenues	<u>24,002,219</u>
OPERATING EXPENSES:	
Professional and Contracted Services	4,819,737
Other Operating Costs	<u>16,915,236</u>
Total Operating Expenses	<u>21,734,973</u>
Operating Income (Loss)	<u>2,267,245</u>
NONOPERATING REVENUES:	
Earning from Temporary Deposits and Investments	<u>130,828</u>
Total Nonoperating Revenues	<u>130,828</u>
Change in Net Position	2,398,073
Total Net Position-July 1, (Beginning)	<u>526,899</u>
Total Net Position - June 30, (Ending)	<u><u>\$ 2,924,972</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities <u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 16,909,417
Receipts from employees	3,600,042
Receipts from other participants	2,271
Receipts from reimbursements and refunds	1,600,571
Receipts from governmental agencies	3,813,883
Payments for benefit claims	(19,237,527)
Payments for administration	<u>(5,189,332)</u>
Net cash provided by operating activities	<u>1,499,324</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>130,828</u>
Net cash provided by investing activities	<u>130,828</u>
Net decrease in cash and cash equivalents	1,630,152
Cash and Cash equivalents-beginning	<u>2,499,648</u>
Cash and Cash equivalents-ending	<u><u>\$ 4,129,800</u></u>
<b>Reconciliation of operating income/(loss) to net cash used in operating activities</b>	
Operating income	\$ 2,267,245
Adjustments to reconcile operating income to net cash used in:	
(Increase) decrease in other receivables	(144,083)
(Increase) decrease in prepaid items	(46,201)
Increase (Decrease) in account payables	198,106
Increase (Decrease) in other current liabilities	<u>(775,743)</u>
Total adjustments	<u>(767,921)</u>
Net cash provided by operating activities	<u><u>\$ 1,499,324</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

	Custodial Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 690,801
Other receivables	<u>6,049</u>
Total Assets	<u>696,850</u>
NET POSITION	
Restricted for Other Purposes	<u>696,850</u>
Total Net Position	<u><u>\$ 696,850</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS:	
Miscellaneous Revenue - Student Activities	\$ 1,695,054
Contributions, Gifts, and Donations	<u>330,343</u>
Total Additions	<u>2,025,397</u>
DEDUCTIONS	
Supplies and Materials	980,403
Scholarship Payments	113,292
Other Deductions	<u>884,999</u>
Total Deductions	<u>1,978,694</u>
Change in Fiduciary Net Position	46,703
Total Net Position - July 1 (Beginning)	<u>650,147</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 696,850</u></u>

The accompanying notes are an integral part of this statement.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The following is a summary of the most significant accounting policies.

**A. REPORTING ENTITY**

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

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

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

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**A. REPORTING ENTITY - Continued**

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

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues are considered available when they are collected within the current period or within 60 days after the District's fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

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

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

**D. FUND ACCOUNTING**

The District reports the following major governmental fund:

- 1. General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- 2. Elementary and Secondary School Emergency Relief Fund III (ESSER III)** – This fund is used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D. FUND ACCOUNTING – Continued**

Additionally, the District reports the following fund types:

**Governmental Funds:**

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

**Proprietary Funds:**

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

*Health Insurance Fund*

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

*Workers' Compensation Fund*

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

*Unemployment Insurance Fund*

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

**Fiduciary Funds:**

7. **Custodial Funds** – The District accounts for resources held for others in a custodial capacity. The District's custodial funds are:

- ☐ Student Activity Funds

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Money market investments which are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments in entities (such as investment pools) that calculate Net Asset Value per Share and follow the requirements of GASB Statement NO. 79 are also reported at amortized cost. Nonparticipating interest-earning investment contracts, including repurchase agreements, are reported using a cost-based measure. The term nonparticipating means that the investment's value does not vary with market interest rate changes. All other investments are reported at fair value.
3. The District reports inventories of supplies at average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Health and Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Health and Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

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

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

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES – Continued**

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

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

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

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

7. The District has a central receiving warehouse where all equipment and supplies are received. All assets received are tagged and labeled before they are delivered. The equipment is posted and confirmed with the purchase order. The items are labeled for delivery to make sure they reach their destination. Transfer forms are used when the assets are moved from one location to another.
8. The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of net assets that applies to future periods, and deferred inflows of resources, which represent an acquisition of net position that applies to future periods.
9. The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
10. The District complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*. The fiduciary net position of the Teacher Retirement System of Texas (“TRS”) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES - Continued**

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

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

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

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
  - Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
  - Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.
12. The following District insurance programs are self-funded insured plans: the workmen's compensation, health, and unemployment are self-funded programs. The health insurance program met the minimum state requirement per employee. The health insurance low plan is a 70/30 plan, the health insurance high plan is an 80/20 plan, and the health insurance state plan is a 90/10 plan. The District cost per employee was \$640.
13. The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to four categories of designations:

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

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES – Continued**

itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed fund balance in the Campus Activity Fund in the amount of \$552,974 for uses benefiting the respective campuses where the funds were raised.

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES - Continued**

General fund		
Nonspendable		
Inventories	\$	2,193,705
Prepaid Items		-
Restricted		
Food Service		3,336,747
State Vocational		403,878
State Compensatory Education		3,524,114
State Bilingual Education		270,765
State Dyslexia		117,612
Early Education Allotment		580,801
CCMR		619,265
Assigned		
Assigned Fund Balance - Construction		242,269
Other Assigned Fund Balance - PO Rollforward		63,457,376
Other Assigned Fund Balance - Technology		3,797
Other Assigned Fund Balance - Parental Involvement		1,000
Total Nonspendable, Restricted, Assigned - General Fund	\$	<u>74,751,329</u>
Nonmajor Funds		
Restricted		
Capital Acquisitions	\$	17,548
Retirement of Debt		-
Committed		
Campus Activity Funds		-
Assigned		
Scholarship Fund		-
Total Restricted, Committed, Assigned - Nonmajor Funds	\$	<u>17,548</u>
Total Nonspendable, Restricted, Committed, Assigned - Governmental Funds	\$	<u>74,768,876</u>

14. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
15. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES - Continued**

16. The District complies with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal years beginning after June 15, 2017. The objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 75 also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB Statement No. 75 addresses the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits plan and for employers whose employees are provided with defined contribution other postemployment benefits.

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

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

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



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES – Continued**

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

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

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

*17. New Accounting Standards*

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. OTHER ACCOUNTING POLICIES – Continued**

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

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

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

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

- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. OTHER ACCOUNTING POLICIES – Continued**

Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective as follows: related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges are effective upon issuance; related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022; and related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

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

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

*18. Rounding Adjustments*

Throughout this annual comprehensive financial 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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**G. OTHER POST - EMPLOYMENT BENEFITS – Continued**

position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

<u>Capital Assets at the Beginning of the Year as Restated</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Beginning of the Year</u>	<u>Change in Net Position</u>
Land	\$ 6,661,889	\$ -	\$ 6,661,889	
Construction in Progress	5,282,525	-	5,282,525	
Land Improvements	17,402,879	(11,067,075)	6,335,805	
Buildings	261,549,243	(151,449,240)	110,100,003	
Furniture & Equipment	27,713,562	(21,271,155)	6,442,406	
Right-to-Use Leased Equipment	555,116	(200,466)	354,650	
Right-to-Use Subscription Assets	108,446	-	108,446	
<b>Change in Net Position</b>				<u>\$ 135,285,725</u>
<u>Long-term Liabilities at the Beginning of the Year as Rstated</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			\$ 36,339,977	
Notes Payable			23,745,000	
Loan Payable			982,482	
Right-to-Use Lease Liability			361,446	
SBITA Liability			108,446	
				<u>(61,537,351)</u>
Net Adjustment to Net Position				<u>\$ 73,748,374</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

	Amount	Adjustments to Changes in Net Position	Adjustments to Net Position
Current Year Capital Outlay			
Land & Improvements	\$ 808,302		
Buildings & Improvements	(29,779)		
Furniture & Equipment	922,322		
Right to Use Leased Equipment	329,290		
SBITA Agreements	312,669		
Construction in Progress	871,124		
Total Capital Outlay		\$ 3,213,929	\$ 3,213,929
Debt Principal Payments			
Bond Principal	2,385,000		
Notes Principal	1,499,000		
Loan Principal	119,742		
Lease Principal	289,969		
SBITA Principal	54,664		
Total Principal Payments		4,348,375	4,348,375
Total Adjustment		<u>\$ 7,562,303</u>	<u>\$ 7,562,303</u>

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Adjustments to Revenue and Unavailable Revenue			
Taxes Collected from Prior Year Levies	\$ 1,066,173	\$ (1,066,173)	\$ -
Uncollected Taxes (assumed collectible) from			
Current Year Levy	1,218,071	1,218,071	1,218,071
Uncollected Taxes (assumed collectible) from			
Prior Year Levy	2,453,140	(45,706)	2,453,140
Uncollected SHARS Revenue	1,913,291	(296,445)	1,913,291
Reclassify Proceeds of Bonds, Loans, & Right to Use Assets			
Discount (Premium) on Issuance of Bonds	6,875,473	584,369	(6,875,473)
Deferred Charge on Refunding	607,028	(68,720)	607,028
Interest Payable	791,625	17,488	(791,625)
Accreted Interest on Cap Bonds	67,180	(52,162)	(67,180)
Current Year Right to Use Leases	329,290	(329,290)	(329,290)
Current Year SBITA Agreements	278,411	(278,411)	(278,411)
Undepreciated Amount on Retired Asset	1,922	(1,922)	(1,922)
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or Unused Sick Leave	996,640	58,870	(996,640)
Total		<u>\$ (260,032)</u>	<u>\$ (3,149,012)</u>

**C. COMPUTATION OF NET INVESTMENT IN CAPITAL ASSETS**

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

Capital Assets	\$ 321,595,610
Less:	
Accumulated depreciation/amortization	(191,949,449)
Outstanding debt	(57,796,678)
Capital projects funds payables	(326,858)
Premiums on debt	(6,875,473)
Add:	
Deferred charge on refunding	607,028
Unspent bond proceeds	478,569
Net investment in capital assets	<u>\$ 65,732,749</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

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

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

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

<b>June 30, 2023 Fund Balance</b>	
Non-appropriated Budget Funds	<u>\$ 593,717</u>
<b>All Special Revenue Funds</b>	<b><u>\$ 593,717</u></b>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 June 30, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$349,306 and the bank balance was \$3,314,478. The District's cash deposits at June 30, 2023 and during the year ended June 30, 2023 were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name. The following is a reconciliation of the District's total cash and investments with the Statement of Net Position:

Deposits	\$ 349,306
Cash With Paying Agent	3,852
Petty Cash	7,439
Investments	<u>95,250,027</u>
Total of all funds	95,610,625
Less: Statement of Fiduciary Net Position	<u>(690,801)</u>
Statement of Net Position	<u><u>\$ 94,919,823</u></u>

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

- a. Name of Bank: Texas National Bank
- b. The amount of pledged securities as of the date of the highest combined balance on deposit was \$13,700,000.
- c. The largest combined balances of cash and savings accounts amounted to \$13,865,284 and occurred during the month of March 2023.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$500,000.

**District Policies and Legal and Contractual Provisions Governing Deposits**

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

**Foreign Currency Risk** The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by limiting all deposits denominated in a foreign currency to less than 5% of all deposits. At June 30, 2023, the District was not exposed to foreign currency risk.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**A. DEPOSITS AND INVESTMENTS - Continued**

dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2256 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. All of the investment pools that the District is invested in have met the criteria established under GASB Statement No. 79 to report their value at amortized cost. All of the investment pools strive to maintain a \$1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

As of June 30, 2023, Weslaco Independent School District had the following investments:

	Weighted Average <u>Maturity</u>	Reported <u>Amount</u>
First Public Investment Pool	23 days average	\$ 77,022,586
Texas Range Investment Program	30 days average	11,862,036
Texpool	28 days average	<u>6,365,405</u>
		<u>\$ 95,250,027</u>

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

**Credit Risk** In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of June 30, 2023, the District's investments in First Public Investment Pool were rated AAAM, by Standard & Poor's (S&P), Texas Range Investment Program 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 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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**A. DEPOSITS AND INVESTMENTS - Continued**

class of investments, specific maturity, or specific single issuer. As of June 30, 2023, the District had 80.9% of its investments in First Public Investment Pools rated AA Af/S1+ as noted above, 12.5% of its investments in Texas Range Investment Program rated AA Ammf, and 6.6% in Texpool rated AA Am.

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

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

**B. PROPERTY TAXES**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The District's property taxes are levied on \$ 0.9593 per \$ 100 property tax valuation, \$0.9233 for M & O and \$0.0360 for I & S. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1<sup>st</sup> of the year following the year in which imposed. On February 1<sup>st</sup> of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

**C. DELINQUENT TAXES RECEIVABLE**

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

**D. SUMMARY OF RECEIVABLES AND PAYABLES**

Receivables at June 30, 2023 were as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**D. SUMMARY OF RECEIVABLES AND PAYABLES-Continued**

	Property Taxes	Due from Other Governments	Due from Other Funds	Other	Total Receivables
<b><u>Governmental Funds</u></b>					
General Fund	\$ 4,293,348	\$ 5,991,182	\$ 4,307,158	\$ 39,168	\$ 14,630,856
ESSER III	-	5,994,107	-	-	5,994,107
Non-major Funds	174,488	5,182,343	-	-	5,356,831
<b>Total Governmental Funds</b>	<b>4,467,836</b>	<b>17,167,633</b>	<b>4,307,158</b>	<b>39,168</b>	<b>25,981,795</b>
<b><u>Proprietary Funds</u></b>					
Internal Service Fund	-	-	-	684,581	684,581
<b>Total Proprietary Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>684,581</b>	<b>684,581</b>
<b>Total</b>	<b>4,467,836</b>	<b>17,167,633</b>	<b>4,307,158</b>	<b>723,749</b>	<b>26,666,376</b>
Less: Allowance for Uncollectible	(271,931)	-	-	-	(271,931)
<b>Total Receivables, Net</b>	<b>\$4,195,905</b>	<b>\$17,167,633</b>	<b>\$ 4,307,158</b>	<b>\$ 723,749</b>	<b>\$ 26,394,445</b>

Payables at June 30, 2023 were as follows:

	Accounts Payable	Accrued Wages Payable	Due to Other Funds	Due to Other Governments	Other	Total Payables
<b><u>Governmental Funds</u></b>						
General Fund	\$ 1,183,080	\$ 11,165,256	\$ -	\$ 97,063	\$ 1,841,129	\$ 14,286,528
ESSER III	38,179	3,673,907	2,280,129	1,892	-	5,994,107
Non-major Funds	1,087,262	2,470,197	2,027,029	104	-	5,584,592
<b>Total Governmental Funds</b>	<b>2,308,521</b>	<b>17,309,360</b>	<b>4,307,158</b>	<b>99,059</b>	<b>1,841,129</b>	<b>25,865,227</b>
<b><u>Proprietary Funds</u></b>						
Internal Service Fund	1,141,144	-	-	-	811,351	1,952,496
<b>Total Proprietary Funds</b>	<b>1,141,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>811,351</b>	<b>1,952,496</b>
<b>Total</b>	<b>\$ 3,449,666</b>	<b>\$ 17,309,360</b>	<b>\$ 4,307,158</b>	<b>\$ 99,059</b>	<b>\$ 2,652,480</b>	<b>\$ 27,817,723</b>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2023 is as follows:

	Due from Other Funds	Due to Other Funds
<b>General Fund</b>		
ESSER III	\$ 2,280,129	\$ -
Non-major Funds	2,027,029	-
<b>ESSER III</b>		
General Fund	-	2,280,129
<b>Non-major Funds</b>		
General Fund	-	2,027,029
	<u>                    </u>	<u>                    </u>
Totals	<u>\$ 4,307,158</u>	<u>\$ 4,307,158</u>

Funds:	Transfers In	Transfers out	Purpose
General Fund	\$ -	\$ 275,000	Equity Transfer
Other Funds	275,000	-	Equity Transfer
Totals	<u>\$ 275,000</u>	<u>\$ 275,000</u>	

The transfer into other funds from the general fund was for the purpose of having a positive restricted fund balance for retirement of debt.

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

**F. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended June 30, 2023 was as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**F. CAPITAL ASSET ACTIVITY-Continued**

Governmental Activities	Restated Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Capital Assets, Not Being Depreciated					
Land	\$ 6,661,889	\$ -	\$ -	\$ -	\$ 6,661,889
Construction in Progress	5,282,525	871,124	-	(4,827,921)	1,325,728
<b>Total Capital Assets, Not Being Depreciated</b>	11,944,415	871,124	-	(4,827,921)	7,987,618
Capital Assets, Being Depreciated					
Land Improvements	17,402,879	808,302	-	584,516	18,795,697
Buildings and Improvements	261,549,243	(29,779)	-	4,243,405	265,762,870
Furniture and Equipment	27,713,562	922,322	(891,980)	-	27,743,903
<b>Total Capital Assets, Being Depreciated</b>	306,665,685	1,700,845	(891,980)	4,827,921	312,302,470
Capital Assets, Being Amortized					
Right-to-use Leased Equipment	555,116	329,290	-	-	884,406
Right-to-use Subscription Assets	108,446	312,669	-	-	421,115
<b>Total Capital Assets, Being Amortized</b>	663,562	641,959	-	-	1,305,521
Less Accumulated Depreciation For:					
Land Improvements	(11,067,075)	(990,826)	-	-	(12,057,901)
Buildings and Improvements	(151,449,240)	(5,618,913)	-	-	(157,068,153)
Furniture and Equipment	(21,271,155)	(1,860,997)	890,058	-	(22,242,095)
<b>Total Accumulated Depreciation</b>	(183,787,471)	(8,470,736)	890,058	-	(191,368,149)
Less Accumulated Amortization For:					
Right-to-use Leased Equipment	(200,466)	(292,669)	-	-	(493,135)
Right-to-use Subscription Assets	-	(88,166)	-	-	(88,166)
<b>Total Accumulated Amortization</b>	(200,466)	(380,835)	-	-	(581,301)
<b>Governmental Capital Assets</b>	<b>\$ 135,285,725</b>	<b>\$ (5,637,643)</b>	<b>\$ (1,922)</b>	<b>\$ -</b>	<b>\$ 129,646,160</b>

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**F. CAPITAL ASSET ACTIVITY-Continued**

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

Instruction	\$ 3,757,855
Instructional Resources and Media Services	197,529
Curriculum Development and Instructional Staff Development	40,392
Instructional Leadership	75,215
School Leadership	362,081
Guidance, Counseling and Evaluation Services	175,544
Social Work Services	35,420
Health Services	129,128
Student (Pupil) Transportation	819,800
Food Services	536,851
Co-curricular/Extracurricular Activities	1,306,870
General Administration	32,711
Facilities Maintenance and Operations	888,016
Security and Monitoring Service	117,420
Data Processing Services	208,180
Community Services	168,559
	<u>\$ 8,851,571</u>

**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 June 30, 2023 is as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS-Continued**

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Restated Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Public Property Note							
Contractual Obligations Series 2014	0.200%	\$ 12,712,000	\$ 11,960	\$ 5,980,000	\$ -	\$ 849,000	\$ 5,131,000
Unlimited Tax Refunding Bonds, Series 2015A	2.000% 5.000%	\$ 14,470,000	199,750	3,995,000	-	1,265,000	2,730,000
Unlimited Tax Refunding Bonds, Series 2015B	2.000%	\$ 17,100,000	144,000	2,880,000	-	630,000	2,250,000
Unlimited Tax Refunding Bonds, Series 2016	5.000%	\$ 19,470,000	702,600	17,620,000	-	480,000	17,140,000
Maintenance Tax Notes Series 2017	3.000% 5.000%	\$ 15,020,000	663,750	13,275,000	-	550,000	12,725,000
Maintenance Tax Notes Series 2018	2.000% 4.000%	\$ 4,905,000	178,600	4,490,000	-	100,000	4,390,000
Public Property Finance Contract 2019	5.125%	\$ 1,304,339	49,534	982,482	-	119,742	862,740
Unlimited Tax Refunding Bonds, Series 2022	2.290% 3.000%	\$ 11,844,977	269,895	11,844,977	-	10,000	11,834,977
			<u>\$ 2,220,089</u>	<u>\$ 61,067,459</u>	<u>\$ -</u>	<u>\$ 4,003,742</u>	<u>\$ 57,063,717</u>

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

In addition to the outstanding bonds and contractual obligations in the amount of \$57,063,717 at June 30, 2023, the District also reported accreted interest on capital appreciation bonds of \$67,180, unamortized premiums and discounts on issuance of bonds of \$6,875,473, right to use lease liability of \$400,767 (refer to Note H), SBITA liability of \$332,194 (refer to Note I), long term liability for sick leave benefits in the amount of \$996,640 (refer to Note J), a liability of \$65,695,196 of Net Pension Liability as per GASB 68 (refer to Note M), and a liability of Net OPEB Liability of \$33,928,424 as per GASB 75 (refer to Note N). These amounts, in aggregate, represent total long term liabilities in the amount of \$165,359,590, as reflected in the *Statement of Net Position*.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS-Continued**

Debt service requirements are as follows:

Year ended June 30,	General Obligations		Total
	Principal	Interest	Requirements
2024	\$ 4,161,931	\$ 2,091,988	\$ 6,253,919
2025	4,340,673	1,925,543	6,266,217
2026	3,903,657	1,750,504	5,654,161
2027	3,225,422	2,398,452	5,623,873
2028	3,235,275	2,394,986	5,630,261
2029-2033	21,886,759	5,747,669	27,634,428
2034-2038	16,310,000	1,757,790	18,067,790
	<u>\$ 57,063,717</u>	<u>\$ 18,066,932</u>	<u>\$ 75,130,649</u>

**Refunding**

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements, but are still considered outstanding. At June 30, 2023, the following balances are considered defeased:

Refunded 2006	
Unlimited Tax School Building 2000	\$ 2,790,000
Refunded 2015	
Unlimited Tax Refunded Bonds 2006	2,745,000
Unlimited Tax School Building 2006	14,370,000
Refunded 2016	
Unlimited Tax School Building 2008	16,860,000
Refunded 2022	
Unlimited Tax Refunded Bonds 2015B	11,845,000
	<u>\$ 48,610,000</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2023.

**H. LEASES**

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

In January 2023, the District entered into a lease for 36 new copiers totaling \$366,031 for 36 months. The assets are right to use assets for leased equipment. The future cash flows were also discounted at a rate of 7.0% and are expected to complete in January 2026.



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**H. LEASES-Continued**

As a result of these right to use leases, the District has recorded a right to use asset with a net book value of \$391,272. See note F-Capital Asset Activity for more detail.

Description	Restate Balance 7/01/2022	Increases	Decreases	Balance 6/30/2023
Right-to-Use Leases	555,116	329,290	-	884,406
	<u>\$ 555,116</u>	<u>\$ 329,290</u>	<u>\$ -</u>	<u>\$ 884,406</u>

Changes in the lease liability for the year ended June 30, 2023 are as follows:

Description	Restated Balance 7/01/2022	Issued	Retired	Balance 6/30/2023
Right to Use Lease Liability	361,446	329,290	289,969	400,767
	<u>\$ 361,446</u>	<u>\$ 329,290</u>	<u>\$ 289,969</u>	<u>\$ 400,767</u>

Lease required payments are as follows:

Year ended June 30,	Principal	Interest	Total Requirements
2024	\$ 210,408	\$ 18,700	\$ 229,108
2025	128,512	8,951	137,462
2026	61,847	1,312	63,159
	<u>\$ 400,767</u>	<u>\$ 28,962</u>	<u>\$ 429,729</u>

**I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

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

SBITA liabilities at June 30, 2023 are as follows:

In November of 2021, the District entered in an agreement with VAR Technology Finance for a ContentKeeper web filter for 3 annual payments of \$56,471. The SBITA liability is measured at a discount rate of 5%.

\$ 53,782

In October of 2022, the District entered in an agreement with LEAF Capital Funding for a Palo Alto Firewall for 5 annual payments of \$85,357. The SBITA liability is measured at a discount rate of 8.69%, which is the stated rate in the agreement.

278,411  
Total SBITA Liability \$ 332,194

As a result of these right to use subscriptions, the District has recorded a right to use subscription asset with a net book value of \$332,949. See note F-Capital Asset Activity for more detail.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**I. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS - Continued**

Changes in the lease liability for the year ended June 30, 2023 are as follows:

Description	Restate Balance 7/01/2022	Increases	Decreases	Balance 6/30/2023
SBITA Liability	108,446	278,411	54,664	332,194
	<u>\$ 108,446</u>	<u>\$ 278,411</u>	<u>\$ 54,664</u>	<u>\$ 332,194</u>

The future minimum SBITA obligations and the net present value of these minimum payments as of June 30, 2023 are as follows:

Year ended June 30,	Principal	Interest	Total Requirements
2024	\$ 114,939	\$ 26,890	\$ 141,829
2025	66,473	18,884	85,357
2026	72,251	13,106	85,357
2027	78,531	6,826	85,357
	<u>\$ 332,194</u>	<u>\$ 65,707</u>	<u>\$ 397,900</u>

**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:

	Sick Leave
Balance July 1, 2022	\$ 1,055,510
Additions - New Entrants and Salary Increments	270,730
Deductions - Payments/Reductions to Participants	(329,600)
Balance June 30, 2023	<u>\$ 996,640</u>

**K. CONSTRUCTION COMMITMENTS AND ENCUMBRANCES**

At June 30, 2023, the District had the following remaining construction commitments:

Project	Authorization	Expended	Remaining	Sources	Est. Completion Date
Central MS Access Controls	\$ 224,633	\$ 221,606	\$ 3,027	Capital Projects Fund	January 2024
B Garza MS Access Controls	129,106	127,359	1,747	Capital Projects Fund	January 2024
Cuellar MS Access Controls	199,697	133,728	65,969	Capital Projects Fund	January 2024
Mary Hoge MS Access Controls	121,067	87,599	33,467	Capital Projects Fund	January 2024
Running Track-Lackey Stadium	716,812	706,485	10,327	Capital Projects Fund	November 2023
Weslaco East Scoreboard	69,950	22,000	47,950	Capital Projects Fund	January 2024
Aquatic Center RTU Replacement	1,026,000	20,250	1,005,750	Capital Projects Fund	June 2024
	<u>\$ 2,487,265</u>	<u>\$ 1,319,028</u>	<u>\$ 1,168,236</u>		

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - Continued**

**K. CONSTRUCTION COMMITMENTS AND ENCUMBRANCES - Continued**

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

End-of-year outstanding encumbrances that are provided for in the subsequent year's budget were \$237,473 for the General Fund.

**L. MEDICARE PART D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2023, the ten month period ended June 30, 2022, and the year ended August 31, 2021, the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Year</u>	<u>Restated Medicare Part D</u>
2023	\$ 673,614
2022	510,187
2021	517,740

**M. DEFINED BENEFIT PENSION PLAN**

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

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

**Pension Plan Fiduciary Net Position**

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

That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_publications.aspx](https://www.trs.texas.gov/Pages/about_publications.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN - Continued**

**Benefits Provided**

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

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

**Contributions**

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

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

**Contribution Rates**

	<b><u>2022</u></b>	<b><u>2023</u></b>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
2023 Employer Contributions		\$5,441,516
2023 Member Contributions		\$10,120,642
2022 measurement year NECE On-Behalf Contributions		\$5,980,530

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).

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN - Continued**

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.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Actuarial Assumptions**

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2022 TRS ACFR, Note 11, page 87.*

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate of August 2022	3.91%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20 Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN – Continued**

Salary Increases including inflation	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target 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, 2022 are summarized on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN – Continued**

<b>Table 3.A.1: Asset Allocations</b>			
<b>Asset Class</b>	<b>Target Allocation %**</b>	<b>Long-Term Expected Geometric Real Rate of Return***</b>	<b>Expected Contribution to Long-Term Portfolio Returns</b>
<b>Global Equity</b>			
USA	18.00 %	4.60 %	1.12 %
Non-US Developed	13.00	4.90	0.90
Emerging Markets	9.00	5.40	0.75
Private Equity*	14.00	7.70	1.55
<b>Stable Value</b>			
Government Bonds	16.00	1.00	0.22
Absolute Return*	0.00	3.70	0.00
Stable Value Hedge Funds	5.00	3.40	0.18
<b>Real Return</b>			
Real Estate	15.00	4.10	0.94
Energy, Natural Resources & Infrastructure	6.00	5.10	0.37
Commodities	0.00	3.60	0.00
<b>Risk Parity</b>	8.00	4.60	0.43
<b>Asset Allocation Leverage</b>			
Cash	2.00	3.00	0.01
Asset Allocation Leverage	(6.00)	3.60	(0.05)
Inflation Expectation			2.70
Volatility Drag****			(0.91)
<b>Expected Return</b>	<b>100.00 %</b>		<b>8.19 %</b>
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2022 policy model.			
***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

**Discount Rate Sensitivity Analysis**

The following schedule presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate. The discount rate can be found in the 2022 TRS ACFR, Note 11, page 87 and the Table of Sensitivities [Table 11.H.1] can be found on page 87.

	1% Decrease in Discount Rate 6.00%	Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
District's Proportionate Share of Net Pension Liability	\$ 102,196,817	\$ 65,695,196	\$ 36,108,920

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN - Continued**

At June 30, 2023, the District reported a liability of \$65,695,196 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District follows:

District's proportionate share of the collective net pension liability	\$ 65,695,196
State's proportionate share that is associated with the District	76,087,917
Total	<u>\$ 141,783,113</u>

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

At August 31, 2022, the employer's proportion of the collective net pension liability was 0.1106586528% which was an increase of 0.0076566951% from its proportion measured as of August 31, 2021.

**Changes Since the Prior Actuarial Valuation**

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

For the year ended June 30, 2023, the District recognized pension expense of \$13,782,790 and revenue of \$7,273,142 for support provided by the State.

At June 30, 2023, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 952,575	\$ 1,432,280
Changes in actuarial assumptions	12,241,153	3,050,837
Net difference between projected and actual investment earnings	6,490,475	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>2,940,089</u>	<u>2,652,882</u>
Total as of August 31, 2022 measurement date	22,624,292	7,135,999
Contributions paid to TRS subsequent to the measurement date	4,649,616	-
Total as of fiscal year-end	<u>\$ 27,273,908</u>	<u>\$ 7,135,999</u>

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



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**M. DEFINED BENEFIT PENSION PLAN - Continued**

<u>Year ended June 30,</u>	<u>Pension Expense Amount</u>	<u>Balance of Deferred Outflows/ (Inflows)</u>
2024	\$ 3,916,666	\$ 11,571,627
2025	2,046,873	9,524,754
2026	630,856	8,893,898
2027	7,618,775	1,275,123
2028	1,275,124	(1)
Thereafter	(1)	-
Total	<b>15,488,293</b>	

**N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

**Plan Description**

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

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

**OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_publications.aspx](http://www.trs.texas.gov/Pages/about_publications.aspx); 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 to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS-Continued**

<b>TRS-Care Plan Premium Rates</b>		
	<b>Medicare Plan</b>	<b>TRS-Care 2 Non-Medicare Plan</b>
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 .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table on the next page shows contributions to the TRS-Care plan by type of contributor.

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

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 1,166,691
Current fiscal year member contributions		\$ 822,302
2022 measurement year NECE on-behalf contributions		\$ 1,419,692

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued**

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 \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

**Actuarial Assumptions**

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	Rates of Disability Incidence
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale MP-2018.

***Additional Actuarial Methods and Assumptions:***

Valuation Date	8/31/21, rolled forward to 8/31/22
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on Plan Specific Experience
Expenses	Third Party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

**Discount Rate**

A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. There was an increase of 1.96 percent in the discount rate since the previous year. The Discount Rate can be found in the 2022 TRS ACFR on page 77. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued**

required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to **not be able** to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate 2.91%	Current Single Discount Rate 3.91%	1% Increase in Increase Rate 4.91%
District's Proportionate Share of Net OPEB Liability	\$ 40,004,302	\$ 33,928,424	\$ 29,006,182

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

At June 30, 2023 the District reported a liability of \$33,928,424 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	\$ 33,928,424
State's proportionate share that is associated with the District	41,387,346
Total	<u>\$ 75,315,770</u>

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

At August 31, 2022, the employer's proportion of the collective Net OPEB Liability was 0.1416990320% which is an increase of 0.0046007438% from its proportion measured as of August 31, 2021.

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 Discount Rate	Current Healthcare Cost Trend Rate	1% Increase in Increase Rate
District's Proportionate Share of the Net OPEB Liability	\$ 27,957,174	\$ 33,928,424	\$ 41,669,381

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**N. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued**

**Changes Since the Prior Actuarial Valuation** – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period: These can be found in the 2022 TRS ACFR on page 77.

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(11,531,469) and revenue of \$(5,873,199) for support provided by the State.

At June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources: on the next page:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 1,886,300	\$ 28,265,422
Changes in actuarial assumptions	5,167,971	23,571,450
Net differences between projected and actual investment earnings	101,064	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,436,764	8,006,047
Total as of August 31, 2022 measurement date	9,592,099	59,842,919
Contributions paid to TRS subsequent to the measurement date	983,121	-
Total as of fiscal year-end	<u>\$ 10,575,220</u>	<u>\$ 59,842,919</u>

The \$983,121 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 June 30, 2024. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	OPEB Expense Amount	Balance of Deferred Outflows/ (Inflows)
2024	\$ (9,293,780)	\$ 40,957,040
2025	(9,293,414)	31,663,626
2026	(7,854,630)	23,808,996
2027	(5,906,765)	17,902,231
2028	(6,345,357)	11,556,874
Thereafter	<u>(11,556,874)</u>	-
	<b>(50,250,820)</b>	

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**O. CHANGES IN LONG-TERM LIABILITIES**

The District's long-term liabilities consist of bond and note indebtedness, accrued compensated absences, and net pension liability. General obligation bond expenditure requirements are accounted for in the debt service fund while notes payable are accounted for in the general fund. The general fund is used to liquidate accrued compensated absences. Other long-term liabilities are generally liquidated with resources of the general fund. Long-term activity for the ten month period ended June 30, 2023 was as follows:

	Restated Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
<b>Governmental Activities</b>					
<b>Bonds and Notes Payable</b>					
General Obligation Bonds, Maintenance Tax Notes, and Notes Unamortized Premiums/ Discounts	\$ 61,067,459	\$ -	\$ 4,003,742	\$ 57,063,717	\$ 4,161,931
	7,459,841	-	584,369	6,875,473	-
<b>Total Bonds and Notes Payable</b>	<b>68,527,300</b>	<b>-</b>	<b>4,588,111</b>	<b>63,939,190</b>	<b>4,161,931</b>
<b>Other Liabilities</b>					
Compensated Balances	1,055,510	270,730	329,600	996,640	130,540
Lease Liability	361,446	329,290	289,969	400,767	210,408
SBITA Liability	108,446	278,411	54,664	332,194	114,939
Accumulated Accretion on Cap Bonds	15,018	52,162	-	67,180	-
Net Pension Liability	26,230,954	44,627,902	5,163,660	65,695,196	-
Net OPEB Liability	52,884,936	-	18,956,512	33,928,424	-
<b>Total Other Liabilities</b>	<b>80,656,310</b>	<b>45,558,496</b>	<b>24,794,405</b>	<b>101,420,401</b>	<b>455,888</b>
<b>Total Governmental Activities</b>					
<b>Long-term Liabilities</b>	<b>\$ 149,183,610</b>	<b>\$ 45,558,496</b>	<b>\$ 29,382,516</b>	<b>\$ 165,359,590</b>	<b>\$ 4,617,818</b>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**P. UNEARNED REVENUE**

Unearned revenue at year end consisted of the following:

	General Fund	Non-major Funds	Total
Food Service Commodities	\$ 97,852	\$ -	\$ 97,852
Supply Chain Grant	197,510	-	197,510
Parental Donation	2,500		2,500
Medicaid Adm. Fund	-	695,377	695,377
Summer LEP	-	74,189	74,189
Teacher Training Reimbursement	-	34,993	34,993
I.M.A. Funds	-	369,936	369,936
GR-AP Teacher Grant	-	22,147	22,147
Barbara Bush Foundation-Silva	-	5,000	5,000
Children's Defense Fund	-	3,500	3,500
Blended Learners Fund	-	11,589	11,589
Mentoring and Leadership Grant	-	13,980	13,980
Project Lead the Way	-	14,909	14,909
United Way Fund	-	3,214	3,214
Best Buy Cyber Grant	-	3,465	3,465
No Kind Hungry Grant	-	2,650	2,650
IFA Funding	-	247,171	247,171
Total Unearned Revenue	<u>\$ 297,862</u>	<u>\$ 1,502,120</u>	<u>\$ 1,799,982</u>

**Q. DUE FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023 are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from other Governments except for the Gear-Up program and the COVID-19 Public Health Workforce Supplemental Funding Grant which are received from Region One, the NSLP Equipment Assistance, Child and Adult Care, Fresh Fruits and Vegetables, and Child and Adult Care programs which pass through the Texas Department of Agriculture, and the K-12 COVID-19 Testing Program which flows through the Department of State Health Services. The amount reported in Due from other Governments is \$17,167,633, and includes non-entitlement receivables of \$2,051,103. The receivable balance, \$15,116,530 is as follows:

Fund	State Entitlement	Federal Grants	Total
General	\$ 2,379,588	\$ 1,564,107	\$ 3,943,695
ESSER III	-	5,994,107	5,994,107
Non-Major Funds	454,924	4,723,803	5,178,727
	<u>\$ 2,834,512</u>	<u>\$ 12,282,018</u>	<u>\$ 15,116,530</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**R. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

During the year ended June 30, 2023, current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Non-major Governmental Funds	Total Governmental Funds	Self- Insurance	Fiduciary Funds	Total
Property Taxes	\$ 27,238,142	\$ 1,053,936	\$ 28,292,078	\$ -	\$ -	\$ 28,292,078
Penalties, Int. and Other						
Tax-related Income	700,635	26,152	726,787	-	-	726,787
Investment Income	2,894,962	148,153	3,043,115	130,828	-	3,173,943
Food Sales	279,414	-	279,414	-	-	279,414
Co-curricular Student Activities	314,829	418,371	733,199	-	1,695,054	2,428,253
Other	776,419	108,371	884,790	20,511,729	330,343	21,726,863
Total	<u>\$ 32,204,402</u>	<u>\$ 1,754,982</u>	<u>\$ 33,959,384</u>	<u>\$ 20,642,557</u>	<u>\$ 2,025,397</u>	<u>\$ 56,627,338</u>

**S. LITIGATION**

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

**T. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

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

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

	General Fund	Non-major Governmental Funds	Total
Property taxes, unavailable	\$ 3,529,523	\$ 141,688	\$ 3,671,211
Estimated SHARS, unavailable	1,913,291	-	1,913,291
	<u>\$ 5,442,814</u>	<u>\$ 141,688</u>	<u>\$ 5,584,502</u>

At the government-wide financial statements (Exhibit A-1), the District reports deferred charges on refunding as Deferred Outflows of Resources in the amount of \$607,028, a Deferred Outflows due to GASB 68 of \$27,273,908, and a Deferred Outflow for TRS OPEB of \$10,575,220 for a total of \$38,456,156 of Deferred Outflows. The District also reported \$7,135,999 of Deferred Inflows due to GASB 68 and \$59,842,919 of Deferred Inflows due to GASB 75 for a total of \$66,978,918 of Deferred Inflows.



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**T. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - Continued**

	Balance July 01, 2022	Additions	Reductions	Balance June 30, 2023
Deferred charge on refunding	\$ 675,748	\$ -	\$ 68,720	\$ 607,028
Deferred outflows for TRS pension	13,968,949	46,308,654	33,003,695	27,273,908
Deferred outflows for TRS OPEB	9,126,334	2,383,449	934,563	10,575,220
Total Deferred Outflows	<u>\$ 23,771,031</u>	<u>\$ 48,692,103</u>	<u>\$ 34,006,978</u>	<u>\$ 38,456,156</u>
Deferred inflow for TRS pension	\$ 31,435,250	\$ 26,170,745	\$ 50,469,996	\$ 7,135,999
Deferred inflow for TRS OPEB	46,078,912	13,764,373	366	59,842,919
Total Deferred Inflows	<u>\$ 77,514,162</u>	<u>\$ 39,935,118</u>	<u>\$ 50,470,362</u>	<u>\$ 66,978,918</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 to the Program for the Deaf are Donna ISD, Edcouch-Elsa ISD, Edinburg CISD, Excellence in Leadership Academy, Hidalgo ISD, IDEA Public Schools, La Joya ISD, La Villa ISD, Mercedes ISD, Mission CISD, Progreso ISD, Pharr-San Juan-Alamo ISD (PSJA), Rio Grande City ISD, Roma ISD, San Isidro ISD, Sharyland ISD, South Texas ISD, Triumph Public High Schools, Valley View ISD, and Vanguard Academy.

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

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

Expenditures allocated to the SSA members as of June 30, 2023 are summarized on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**U. SHARED SERVICE ARRANGEMENT - Continued**

<u>Member District</u>	<u>Fund</u>			
	<u>315</u>	<u>340</u>	<u>435</u>	<u>Total</u>
Donna	\$ 17,175	\$ 9	\$ 138,083	\$ 155,267
Edcouch-Elsa	5,153	3	41,425	46,581
Edinburg	12,595	-	101,261	113,856
Excellence in Leadership	573	1	4,603	5,177
Hidalgo	1,145	1	9,206	10,352
IDEA	16,603	16	133,481	150,100
La Joya	20,610	15	165,700	186,325
La Villa	573	-	4,603	5,176
McAllen	28,053	18	225,536	253,607
Mercedes	2,863	2	23,014	25,879
Mission	11,450	7	92,056	103,513
Progreso	1,145	-	9,206	10,351
PSJA	6,298	-	50,631	56,929
Rio Grande City	10,878	8	87,453	98,339
Roma	6,298	3	50,631	56,932
Sharyland	11,450	9	92,056	103,515
South Texas	1,145	1	9,206	10,352
Triumph Public High Schools	1,718	2	13,808	15,528
Valley View	4,008	3	32,219	36,230
Vanguard	5,725	6	46,028	51,759
Weslaco	16,030	10	128,878	144,918
<b>Total Allocated</b>	<b>\$ 181,488</b>	<b>\$ 114</b>	<b>\$ 1,459,084</b>	<b>\$ 1,640,686</b>

**V. COMPLIANCE AND ACCOUNTABILITY**

The District does not have funds with deficit fund balances at year-end. The District has a negative unrestricted net position in the Governmental Activities of (\$46,074,030) at year-end. The result of this negative balance is due to the effect of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* implemented in a prior year (Refer to Note M).

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**W. RISK MANAGEMENT**

*A. General*

During the fiscal year, the District maintained insurance for all governmental functions it may be liable for claims. The more significant of these included a property insurance policy covering District buildings and properties in an aggregate amount of approximately \$485,966,085, for all perils, except named storms.

During the year ended June 30, 2023, the District made no property damage claims.

There were no reductions in coverage in the year ended June 30, 2023 and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

*B. Health Plan*

During the year ended June 30, 2023, employees of the Weslaco Independent School District were covered by a health care insurance plan (the Plan) which is accounted for in the Internal Service Fund. The plan year runs from September 1 through August 31. The District contributed premiums of \$640 per employee per month through the plan year ended June 30, 2023. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. The Plan was authorized by Section 22.005, Texas Education Code, and was documented by contractual agreement.

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

For the plan year, stop-loss coverage was in effect for individual claims exceeding \$150,000. Minimum aggregate retention was \$22,096,015 with a maximum aggregate stop loss limit of \$1,000,000. Management believes that adequate funding plans have been made for all incurred and anticipated claims at June 30, 2023.

*C. Workers' Compensation*

The District has a self-insured workers' compensation program which is accounted for in the Internal Service Fund. The District is self-insured for individual claims up to \$500,000. Management believes that adequate funding has been made for all incurred and anticipated claims at June 30, 2023.

*D. Claims Liabilities*

The claims for health insurance and workers' compensation insurance liability of \$811,351 reported in the Internal Service Fund at June 30, 2023, is based on the requirements of Governmental Accounting Standards Board Statement No. 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS – Continued**

**W. RISK MANAGEMENT - Continued**

Changes in the Fund's claims liability amount in the ten months ended June 30, 2022 and in fiscal year 2023 were as follows:

	<b>2022</b>		<b>2023</b>	
	<b>Health</b>	<b>Workers' Compensation</b>	<b>Health</b>	<b>Workers' Compensation</b>
Beginning of fiscal year claims	\$ 1,714,274	\$ 155,156	\$ 1,485,198	\$ 101,896
Current year claims and changes in estimates	14,495,461	277,508	16,647,908	427,315
Claim payments net of stop loss	(14,724,538)	(330,767)	(17,446,243)	(404,722)
End of fiscal year claims liability	<u>\$ 1,485,198</u>	<u>\$ 101,896</u>	<u>\$ 686,862</u>	<u>\$ 124,490</u>

**X. PRIOR PERIOD ADJUSTMENT/CHANGE IN ACCOUNTING PRINCIPLES**

During the fiscal year ending June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this Statement for the District requires the restatement of the June 30, 2022 net position to record the cumulative effect of recording right-to-use subscription assets less accumulated amortization, net of the respective subscription liabilities as of June 30, 2022. The District had recorded the liability as a notes payable in the prior year.

	<b>Activities</b>
Net position, June 30, 2022 as previously reported	\$ 13,645,643
Right-to-use subscription assets	108,446
Subscription liabilities	(108,446)
Notes payable	105,004
Net position, June 30, 2022, restated	<u><b>\$ 13,750,646</b></u>

**Y. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 16, 2023, which is the date these financial statements were available to be issued.

On November 7, 2023, voters approved a \$160,000,000 bond issue for Weslaco ISD for roofing, HVAC improvements, student restrooms repairs and upgrades, safety and security, and other needs for campuses, the fine arts center, athletic facilities, and other District buildings.

There are no other subsequent events that require disclosure.

## **REQUIRED SUPPLEMENTARY SCHEDULES**

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

	Measurement Year Ended August 31,		
	2022	2021	2020
District's Proportion of the Net Pension Liability (Asset)	0.1106586528%	0.1030019577%	0.1089628511%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 65,695,196	\$ 26,230,954	\$ 58,358,280
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	76,087,917	35,572,740	79,599,099
<b>Total</b>	<b>\$ 141,783,113</b>	<b>\$ 61,803,694</b>	<b>\$ 137,957,379</b>
District's Covered Payroll	\$ 124,265,853	\$ 119,063,022	\$ 122,673,262
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	52.87%	22.03%	47.57%
Plan Fiduciary Net Position as a % of Total Pension Liability	75.62%	88.79%	75.54%

Note: Only nine 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."

## EXHIBIT G-2

Measurement Year Ended August 31,					
2019	2018	2017	2016	2015	2014
0.1086991998%	0.1130687757%	0.1115737071%	0.1150849744%	0.1209544000%	0.0789022000%
\$ 56,505,242	\$ 62,235,798	\$ 35,675,261	\$ 43,488,901	\$ 42,755,770	\$ 21,075,868
80,301,107	53,878,625	52,956,929	62,706,553	60,514,661	54,025,417
<u>\$ 136,806,349</u>	<u>\$ 116,114,423</u>	<u>\$ 88,632,190</u>	<u>\$ 106,195,454</u>	<u>\$ 103,270,431</u>	<u>\$ 75,101,285</u>
\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868	\$ 104,235,177
48.53%	53.46%	31.14%	39.44%	39.87%	20.22%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2023

	Fiscal Year Ended June 30, 2023	For the Ten Month Period Ended June 30, 2022	Fiscal Year Ended August 31, 2021
Contractually Required Contribution	\$ 5,441,516	\$ 4,373,200	\$ 4,399,138
Contribution in Relation to Contractually Required Contribution	<u>(5,441,516)</u>	<u>(4,373,200)</u>	<u>(4,399,138)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 126,508,036	\$ 103,306,022	\$ 119,063,022
Contributions as a % of Covered Payroll	4.30%	4.23%	3.69%

Note: Only nine 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."



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Fiscal Year Ended August 31,					
2020	2019	2018	2017	2016	2015
\$ 4,494,769	\$ 3,789,038	\$ 3,811,690	\$ 3,656,734	\$ 3,488,340	\$ 3,335,759
<u>(4,494,769)</u>	<u>(3,789,038)</u>	<u>(3,809,404)</u>	<u>(3,656,734)</u>	<u>(3,488,340)</u>	<u>(3,335,759)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,286</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868
3.66%	3.25%	3.27%	3.19%	3.16%	3.11%

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

	Measurement Year Ended August 31, 2022
District's Proportion of the Net OPEB Liability (Asset)	0.1416990320%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 33,928,424
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	<u>41,387,346</u>
Total	<u><u>\$ 75,315,770</u></u>
District's Covered Payroll	\$ 124,266,285
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	27.30%
Plan Fiduciary Net Position as a % of Total OPEB Liability	11.52%

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2023

	Fiscal Year Ended June 30, 2023
	<u>2023</u>
Contractually Required Contribution	\$ 1,166,691
Contribution in Relation to Contractually Required Contribution	<u>(1,166,691)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered Payroll	\$126,507,970
Contributions as a % of Covered Payroll	0.92%

Note: Only six 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."

## EXHIBIT G-5

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**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*

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

*Other Information*

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

**B. TRS OPEB Plan**

*Changes of Benefit Terms.*

There were no changes in benefit terms since the prior measurement date.

*Changes in Assumptions*

The following assumptions, methods, and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change decreased the Total OPEB Liability (TOL).

## **COMBINING STATEMENTS**

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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



**281 Elementary and Secondary School Emergency Relief Fund II (ESSER II)** – This fund is used to account for federal stimulus ESSER II funds granted to LEAs through the CRRSA Act to support LEAs' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

**284 IDEA—Part B, Formula—American Rescue Plan Act of 2021** – This fund classification is to be used to account, on a project basis, for funds granted under the ARP Act to operate educational programs for children with disabilities.

**285 IDEA—Part B, Preschool—American Rescue Plan Act of 2021** – This fund classification is to be used to account, on a project basis, for funds granted under the ARP Act to operate educational programs for preschool children with disabilities.

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

- 289 – Summer School LEP Students in K1
- 289 – Title IV, Part A – SSAEP
- 289 – COVID-19-Public Health Emergency Response
- 289 – COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases

**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 – Strong Foundations Math & Literacy Framework
- 429 – Silent Panic Alert
- 429 – Dyslexia Funding Support Grant
- 429 – School Safety Standards
- 429 – Blended Learning Development
- 429 – School Safety and Security Grant
- 429 – JET Grant

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

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

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

## **DEBT SERVICE FUNDS**

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

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

## **CAPITAL PROJECT FUNDS**

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

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

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

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WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

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	\$ -	\$ -	\$ -	\$ 313
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	1,843,910	49,158	473,037	1,142
1000	Total Assets	<u>\$ 1,843,910</u>	<u>\$ 49,158</u>	<u>\$ 473,037</u>	<u>\$ 1,455</u>
	LIABILITIES				
2110	Accounts payable	\$ 5,235	\$ 30,259	\$ -	\$ 1,455
2160	Accrued wages payable	1,015,225	14,352	419,651	-
2170	Due to other funds	823,449	4,546	53,386	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>1,843,910</u>	<u>49,158</u>	<u>473,037</u>	<u>1,455</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>\$ 1,843,910</u>	<u>\$ 49,158</u>	<u>\$ 473,037</u>	<u>\$ 1,455</u>

244	255	263	272	274	280	281	284
Vocational Ed. Basic Grant	ESEA II, A Training & Recruiting	English Language Acquisition	Medicaid Adm. Claiming Program	Gear - Up	ARP Homeless	ESSER II	IDEA B ARP
\$ 7,673	\$ -	\$ -	\$ 695,422	\$ -	\$ 104	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,284	210,897	-	157,036	-	1,297,941	-
<u>\$ 7,673</u>	<u>\$ 9,284</u>	<u>\$ 210,897</u>	<u>\$ 695,422</u>	<u>\$ 157,036</u>	<u>\$ 104</u>	<u>\$ 1,297,941</u>	<u>\$ -</u>
\$ -	\$ 3,608	\$ 25,810	\$ 45	\$ 10,719	\$ -	\$ 4,647	\$ -
7,673	-	169,458	-	32,976	-	715,070	-
-	5,677	15,629	-	113,341	-	578,224	-
-	-	-	-	-	104	-	-
-	-	-	695,377	-	-	-	-
<u>7,673</u>	<u>9,284</u>	<u>210,897</u>	<u>695,422</u>	<u>157,036</u>	<u>104</u>	<u>1,297,941</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 7,673</u>	<u>\$ 9,284</u>	<u>\$ 210,897</u>	<u>\$ 695,422</u>	<u>\$ 157,036</u>	<u>\$ 104</u>	<u>\$ 1,297,941</u>	<u>\$ -</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

Data Control Codes		285 IDEA B Pre School ARP	289 Other Federal Grants	397 Advanced Placement Incentives	410 State Textbook Fund
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ 131,781	\$ 34,993	\$ 387,308
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	-	681,397	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 813,179</u>	<u>\$ 34,993</u>	<u>\$ 387,308</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ 643,200	\$ -	\$ 17,372
2160	Accrued wages payable	-	95,790	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	74,189	34,993	369,936
2000	Total Liabilities	<u>-</u>	<u>813,179</u>	<u>34,993</u>	<u>387,308</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>\$ -</u>	<u>\$ 813,179</u>	<u>\$ 34,993</u>	<u>\$ 387,308</u>

429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund	483 Children's Defense Fund	485 Blended Learners	488 Mentoring and Leadership	489 Project Lead The Way
\$ -	\$ 566,814	\$ 5,000	\$ 3,500	\$ 13,803	\$ 13,980	\$ 14,909
-	-	-	-	-	-	-
-	-	-	-	-	-	-
454,924	-	-	-	-	-	-
<u>\$ 454,924</u>	<u>\$ 566,814</u>	<u>\$ 5,000</u>	<u>\$ 3,500</u>	<u>\$ 13,803</u>	<u>\$ 13,980</u>	<u>\$ 14,909</u>
\$ -	\$ 13,840	\$ -	\$ -	\$ 2,214	\$ -	\$ -
-	-	-	-	-	-	-
432,777	-	-	-	-	-	-
-	-	-	-	-	-	-
22,147	-	5,000	3,500	11,589	13,980	14,909
<u>454,924</u>	<u>13,840</u>	<u>5,000</u>	<u>3,500</u>	<u>13,803</u>	<u>13,980</u>	<u>14,909</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	552,974	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>552,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 454,924</u>	<u>\$ 566,814</u>	<u>\$ 5,000</u>	<u>\$ 3,500</u>	<u>\$ 13,803</u>	<u>\$ 13,980</u>	<u>\$ 14,909</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023

Data Control Codes		490 United Way Fund	491 Best Buy Cyber Grant	492 No Kid Hungry Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
	ASSETS					
1110	Cash and cash equivalents	\$ 3,214	\$ 3,465	\$ 2,650	\$ 41,242	\$ 1,926,172.85
1220	Property taxes receivable (delinquent)	-	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-	-
1240	Due from other governments	-	-	-	-	5,178,727
1000	Total Assets	<u>\$ 3,214</u>	<u>\$ 3,465</u>	<u>\$ 2,650</u>	<u>\$ 41,242</u>	<u>\$ 7,104,900</u>
	LIABILITIES					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 500	\$ 758,904
2160	Accrued wages payable	-	-	-	-	2,470,197
2170	Due to other funds	-	-	-	-	2,027,029
2180	Due to other governments	-	-	-	-	104
2300	Unearned revenues	3,214	3,465	2,650	-	1,254,949
2000	Total Liabilities	<u>3,214</u>	<u>3,465</u>	<u>2,650</u>	<u>500</u>	<u>6,511,183</u>
	DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	-	-	-	-	-
2600	Total deferred inflows of resources	<u>-</u>	<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	-	-	-	-	552,974
3590	Other Assigned Fund Balance	-	-	-	40,742	40,742
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,742</u>	<u>593,717</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,214</u>	<u>\$ 3,465</u>	<u>\$ 2,650</u>	<u>\$ 41,242</u>	<u>\$ 7,104,900</u>



599	610	617	Total	Total
I & S	Construction	2017	Nonmajor	Nonmajor
Fund	Fund	Tax Notes	Capital	Governmental
		Fund	Project Funds	Funds
\$ 244,145	\$ 2,027,428	\$ 478,569	\$ 2,505,997	\$ 4,676,315
174,488	-	-	-	174,488
(14,342)	-	-	-	(14,342)
3,616	-	-	-	5,182,343
<u>\$ 407,907</u>	<u>\$ 2,027,428</u>	<u>\$ 478,569</u>	<u>\$ 2,505,997</u>	<u>\$ 10,018,804</u>
\$ 1,500	\$ 326,858	\$ -	\$ 326,858	\$ 1,087,262
-	-	-	-	2,470,197
-	-	-	-	2,027,029
-	-	-	-	104
247,171	-	-	-	1,502,120
<u>248,671</u>	<u>326,858</u>	<u>-</u>	<u>326,858</u>	<u>7,086,712</u>
141,688	-	-	-	141,688
<u>141,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,688</u>
-	1,700,570	478,569	2,179,139	2,179,139
17,548	-	-	-	17,548
-	-	-	-	552,974
-	-	-	-	40,742
<u>17,548</u>	<u>1,700,570</u>	<u>478,569</u>	<u>2,179,139</u>	<u>2,790,404</u>
<u>\$ 407,907</u>	<u>\$ 2,027,428</u>	<u>\$ 478,569</u>	<u>\$ 2,505,997</u>	<u>\$ 10,018,804</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

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	7,809,746	284,999	2,729,167
5020	Total Revenues	<u>7,809,746</u>	<u>284,999</u>	<u>2,729,167</u>
	EXPENDITURES:			
	Current			
0011	Instruction	3,845,403	63,891	2,309,483
0012	Instruction resources & media services	1,607,023	-	-
0013	Curriculum & staff development	340,468	105,538	-
0021	Instructional leadership	182,646	-	87,268
0023	School leadership	-	-	-
0031	Guidance, counseling & evaluation services	-	-	306,148
0032	Social work services	-	103,410	-
0033	Health services	803,463	-	2,266
0034	Student (pupil) transportation	114,998	-	24,001
0035	Food services	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance & operations	-	-	-
0052	Security & monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	908,823	1,932	-
	Debt Service:			
0071	Debt service - principal on long term debt	6,601	9,752	-
0072	Debt service - interest on long term debt	322	477	-
0073	Debt service - bond issuance cost & fees	-	-	-
	Capital Outlay			
0081	Facilities acquisition and construction	-	-	-
6030	Total Expenditures	<u>7,809,746</u>	<u>284,999</u>	<u>2,729,167</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES (USES)			
7915	Operating transfers in	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - July 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA Part B Pre-School	244 Vocational Basic Grant	255 ESEA II Training & Recruiting	263 English Language Acquisition	272 Medicaid Adm. Claiming Program	274 Gear - Up	280 ARP Homeless	281 ESSER II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
10,168	314,529	792,694	512,031	4,342	398,811	1,648	14,664,148
10,168	314,529	792,694	512,031	4,342	398,811	1,648	14,664,148
10,168	197,465	113,978	454,907	3,753	70,506	1,648	9,457,722
-	-	-	-	-	-	-	388,787
-	3,949	675,947	38,487	-	10,366	-	92,606
-	-	-	1,766	-	-	-	151,342
-	-	-	6,092	-	128	-	725,175
-	113,115	-	-	-	314,853	-	495,125
-	-	-	-	-	-	-	66,196
-	-	-	-	589	-	-	236,706
-	-	-	-	-	-	-	388,160
-	-	-	-	-	-	-	724,254
-	-	-	-	-	2,343	-	88,759
-	-	-	-	-	-	-	216,193
-	-	-	-	-	-	-	1,141,433
-	-	-	-	-	-	-	239,702
-	-	-	-	-	-	-	122,208
-	-	-	10,779	-	616	-	129,784
-	-	2,640	-	-	-	-	-
-	-	129	-	-	-	-	-
-	-	-	-	-	-	-	-
10,168	314,529	792,694	512,031	4,342	398,811	1,648	14,664,148
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		284 IDEA B ARP	285 IDEA B Pre School ARP	289 Other Federal Grants	397 Advanced Placement Incentives
	REVENUES:				
5700	Local & intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	14,436
5900	Federal program revenues	188,637	5,314	1,119,558	-
5020	Total Revenues	188,637	5,314	1,119,558	14,436
	EXPENDITURES:				
	Current				
0011	Instruction	105,545	5,314	263,783	-
0012	Instruction resources & media services	-	-	-	-
0013	Curriculum & staff development	-	-	96,885	10,436
0021	Instructional leadership	12,747	-	-	-
0023	School leadership	-	-	-	4,000
0031	Guidance, counseling & evaluation services	70,345	-	1,038	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	140,800	-
0034	Student (pupil) transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance & operations	-	-	-	-
0052	Security & monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	Debt Service:				
0071	Debt service - principal on long term debt	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-
	Capital Outlay				
0081	Facilities acquisition and construction	-	-	617,052	-
6030	Total Expenditures	188,637	5,314	1,119,558	14,436
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES)				
7915	Operating transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - July 1 (beginning)	-	-	-	-
3000	Fund balance - June 30 (ending)	\$ -	\$ -	\$ -	\$ -

## EXHIBIT H-2 (Cont'd)

[illegible]

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant	492 No Kid Hungry Grant
	REVENUES:				
5700	Local & intermediate sources	\$ -	\$ -	\$ -	\$ 2,820
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	-	-	-	2,820
	EXPENDITURES:				
	Current				
0011	Instruction	-	-	-	-
0012	Instruction resources & media services	-	-	-	-
0013	Curriculum & staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling & evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance & operations	-	-	-	-
0052	Security & monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	2,820
	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	-	-	-	2,820
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES)				
7915	Operating transfers in	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - July 1 (beginning)	-	-	-	-
3000	Fund balance - June 30 (ending)	\$ -	\$ -	\$ -	\$ -

499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,293	\$ 527,390	\$ 1,089,189	\$ 110,163	\$ 28,240	\$ 138,403	\$ 1,754,982
-	953,426	667,596	-	-	-	1,621,022
-	28,835,793	-	-	-	-	28,835,793
<u>1,293</u>	<u>30,316,608</u>	<u>1,756,785</u>	<u>110,163</u>	<u>28,240</u>	<u>138,403</u>	<u>32,211,796</u>
-	17,715,295	-	-	-	-	17,715,295
-	2,002,812	-	-	-	-	2,002,812
-	1,464,376	-	-	-	-	1,464,376
-	530,619	-	-	-	-	530,619
-	746,021	-	-	-	-	746,021
-	1,300,625	-	-	-	-	1,300,625
-	169,606	-	-	-	-	169,606
-	1,183,823	-	-	-	-	1,183,823
-	527,159	-	42,468	254,330	296,798	823,958
-	724,254	-	-	-	-	724,254
-	303,007	-	-	-	-	303,007
-	233,565	-	-	-	-	233,565
-	1,141,433	-	576,151	76,365	652,516	1,793,949
-	239,702	-	31,500	-	31,500	271,202
-	122,208	-	-	-	-	122,208
1,500	1,056,254	-	-	-	-	1,056,254
-	18,993	2,385,000	-	-	-	2,403,993
-	928	1,316,245	-	-	-	1,317,173
-	-	2,500	-	-	-	2,500
-	773,398	-	876,249	-	876,249	1,649,647
<u>1,500</u>	<u>30,254,075</u>	<u>3,703,745</u>	<u>1,526,369</u>	<u>330,695</u>	<u>1,857,064</u>	<u>35,814,884</u>
(207)	62,534	(1,946,960)	(1,416,205)	(302,456)	(1,718,661)	(3,603,087)
-	-	275,000	-	-	-	275,000
-	-	275,000	-	-	-	275,000
(207)	62,534	(1,671,960)	(1,416,205)	(302,456)	(1,718,661)	(3,328,087)
<u>40,949</u>	<u>531,183</u>	<u>1,689,507</u>	<u>3,116,776</u>	<u>781,025</u>	<u>3,897,800</u>	<u>6,118,491</u>
<u>\$ 40,742</u>	<u>\$ 593,717</u>	<u>\$ 17,548</u>	<u>\$ 1,700,570</u>	<u>\$ 478,569</u>	<u>\$2,179,139</u>	<u>\$ 2,790,404</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2023

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 3,329,340	\$ 236,873	\$ 563,588	\$ 4,129,800
Other receivables	683,931	650	-	684,581
Prepaid items	-	63,086	-	63,086
Total Assets	<u>4,013,271</u>	<u>300,609</u>	<u>563,588</u>	<u>4,877,468</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Account payables	1,141,144	-	-	1,141,144
Accrued expenses	<u>686,862</u>	<u>124,490</u>	<u>-</u>	<u>811,351</u>
Total Liabilities	<u>1,828,006</u>	<u>124,490</u>	<u>-</u>	<u>1,952,496</u>
<b>NET POSITION</b>				
Unrestricted	<u>2,185,265</u>	<u>176,119</u>	<u>563,588</u>	<u>2,924,972</u>
Total Net Position	<u>\$ 2,185,265</u>	<u>\$ 176,119</u>	<u>\$ 563,588</u>	<u>\$ 2,924,972</u>



WESLACO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 19,918,462	\$ 464,796	\$ 128,472	\$ 20,511,729
Federal program revenues	<u>3,490,489</u>	<u>-</u>	<u>-</u>	<u>3,490,489</u>
Total Operating Revenues	<u>23,408,951</u>	<u>464,796</u>	<u>128,472</u>	<u>24,002,219</u>
OPERATING EXPENSES:				
Professional and Contracted Services	4,603,066	159,986	56,685	4,819,737
Other Operating Costs	<u>16,647,908</u>	<u>267,329</u>	<u>-</u>	<u>16,915,236</u>
Total Operating Expenses	<u>21,250,974</u>	<u>427,315</u>	<u>56,685</u>	<u>21,734,973</u>
Operating Income (Loss)	<u>2,157,977</u>	<u>37,481</u>	<u>71,787</u>	<u>2,267,245</u>
NONOPERATING REVENUES:				
Earning from Temporary Deposits and Investments	<u>101,756</u>	<u>9,025</u>	<u>20,047</u>	<u>130,828</u>
Total Nonoperating Revenues	<u>101,756</u>	<u>9,025</u>	<u>20,047</u>	<u>130,828</u>
Change in Net Position	2,259,733	46,506	91,834	2,398,073
Fund balance - July 1 (beginning)	<u>(74,468)</u>	<u>129,613</u>	<u>471,754</u>	<u>526,899</u>
Total Net Position - June 30, (Ending)	<u>\$ 2,185,265</u>	<u>\$ 176,119</u>	<u>\$ 563,588</u>	<u>\$ 2,924,972</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 16,316,149	\$ 464,796	\$ 128,472	\$ 16,909,417
Receipts from employees	3,600,042	-	-	3,600,042
Receipts from other participants	2,271	-	-	2,271
Receipts from reimbursements and refunds	1,578,021	22,551	-	1,600,571
Receipts from governmental agencies	3,813,883	-	-	3,813,883
Payments for benefit claims	(18,969,714)	(267,813)	-	(19,237,527)
Payments for administration	(4,926,460)	(206,187)	(56,685)	(5,189,332)
Net cash provided by operating activities	<u>1,414,191</u>	<u>13,346</u>	<u>71,787</u>	<u>1,499,324</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<u>101,756</u>	<u>9,025</u>	<u>20,047</u>	<u>130,828</u>
Net cash provided by investing activities	<u>101,756</u>	<u>9,025</u>	<u>20,047</u>	<u>130,828</u>
Net increase in cash and cash equivalents	1,515,947	22,371	91,834	1,630,152
Cash and cash equivalents-beginning	<u>1,813,392</u>	<u>214,502</u>	<u>471,754</u>	<u>2,499,648</u>
Cash and cash equivalents-ending	<u>\$ 3,329,340</u>	<u>\$ 236,873</u>	<u>\$ 563,588</u>	<u>\$ 4,129,800</u>
<b>Reconciliation of operating income/(loss) to net cash used in operating activities</b>				
Operating income/(loss)	\$ 2,157,977	\$ 37,481	\$ 71,787	\$ 2,267,245
Adjustments to reconcile operating loss to net cash used in:				
(Increase) decrease in other receivables	(143,556)	(527)	-	(144,083)
(Increase) decrease in prepaid items	-	(46,201)	-	(46,201)
Increase (decrease) in account payables	198,106	-	-	198,106
Increase (decrease) in other current liabilities	(798,336)	22,593	-	(775,743)
Total adjustments	<u>(743,786)</u>	<u>(24,135)</u>	<u>-</u>	<u>(767,921)</u>
Net cash provided by operating activities	<u>\$ 1,414,191</u>	<u>\$ 13,346</u>	<u>\$ 71,787</u>	<u>\$ 1,499,324</u>

## **REQUIRED TEA SCHEDULES**

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2023

Last 10 Years Ended August 31,	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purpose
	Maintenance	Debt Service	
2014 & Prior	Various	Various	Various
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	1.1397	0.0200	2,302,601,674
2020	1.0487	0.0200	2,409,136,097
2021	0.9989	0.0200	2,558,311,523
2022	0.9407	0.0400	2,727,607,664
2023 (School year under audit)	0.9233	0.0360	2,994,824,232
1000      TOTALS JUNE 30, 2023			

## EXHIBIT J-1

	(10) Beginning Balance 7/1/2022	(20) Current Year's Levy	(31) Maintenance Total Collection	(32) Interest & Sinking Total Collection	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$	1,199,835	\$ -	\$ 49,476	\$ 3,235	\$ (126,774)	\$ 1,020,350
	120,845	-	12,088	-	(432)	108,325
	122,643	-	13,977	-	(426)	108,240
	140,226	-	17,862	-	(164)	122,200
	190,493	-	36,102	633	(11,632)	142,125
	285,098	-	85,627	1,503	(2,598)	195,370
	355,021	-	181,613	3,464	65,284	235,229
	501,644	-	157,171	3,147	(1,177)	340,150
	1,293,170	-	646,368	27,484	(24,477)	594,840
	-	28,409,990	25,881,037	1,009,117	81,171	1,601,007
\$	<u>4,208,975</u>	<u>\$ 28,409,990</u>	<u>\$ 27,081,320</u>	<u>\$ 1,048,583</u>	<u>\$ (21,226)</u>	<u>\$ 4,467,836</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL-CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes				Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)				
Budgeted Amount									
Original				Final					
REVENUES:									
5700	Local and intermediate sources	\$	174,620	\$	174,920	\$	347,841	\$	172,921
5800	State program revenues		-		-		41,395		41,395
5900	Federal program revenues		12,193,406		12,917,421		14,077,200		1,159,779
5020	Total Revenues		12,368,026		13,092,341		14,466,436		1,374,095
EXPENDITURES:									
0035	Food services		11,731,926		14,105,641		12,533,907		1,571,734
0051	Facilities maintenance and operations		636,100		660,700		689,471		(28,771)
6030	Total Expenditures		12,368,026		14,766,341		13,223,378		1,542,963
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		-		(1,674,000)		1,243,059		2,917,059
1200	Net Change in Fund Balance		-		(1,674,000)		1,243,059		2,917,059
0100	Fund balance - July 1 (beginning)		2,185,347		2,185,347		2,185,347		-
3000	Fund Balance - June 30 (Ending)	\$	2,185,347	\$	511,347	\$	3,428,405	\$	2,917,059

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL-DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes		Budgeted Amount		Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Local and intermediate sources	\$ 1,133,477	\$ 1,060,021	\$ 1,089,189	\$ 29,168
5800	State program revenues	1,050,635	747,402	667,596	(79,806)
5020	Total Revenues	<u>2,184,112</u>	<u>1,807,423</u>	<u>1,756,785</u>	<u>(50,638)</u>
	EXPENDITURES:				
0071	Debt service - principal on long term debt	2,385,000	2,385,000	2,385,000	-
0072	Debt service - interest on long term debt	1,316,246	1,316,246	1,316,246	-
0073	Debt service - bond issuance cost & fees	3,000	3,000	2,500	500
6030	Total Expenditures	<u>3,704,246</u>	<u>3,704,246</u>	<u>3,703,746</u>	<u>500</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,520,134)</u>	<u>(1,896,823)</u>	<u>(1,946,961)</u>	<u>(50,138)</u>
	OTHER FINANCING SOURCES (USES)				
7915	Operating transfer in	-	250,000	275,000	(25,000)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>275,000</u>	<u>(25,000)</u>
1200	Net Change in Fund Balances	(1,520,134)	(1,646,823)	(1,671,961)	(75,138)
0100	Fund balance - July 1 (beginning)	<u>1,689,507</u>	<u>1,689,507</u>	<u>1,689,507</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 169,373</u>	<u>\$ 42,684</u>	<u>\$ 17,547</u>	<u>\$ (75,138)</u>

## STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

Weslaco Independent School District

For the year ended June30, 2023

Data Codes		
	<b><u>Section A: Compensatory Education Programs</u></b>	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$21,215,681
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$11,334,048
	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 2,185,679
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$ 931,358



## **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:

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

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

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

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

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

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## **FINANCIAL TRENDS INFORMATION**

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN YEARS**

	2014	2015 *	2016	2017	2018 **
Governmental Activities					
<i>Net Investment in Capital Assets</i>	\$57,955,030	\$65,082,018	\$70,172,243	\$53,852,720	\$68,417,270
<i>Restricted</i>	17,964,766	13,318,765	20,308,022	31,073,280	34,045,172
<i>Unrestricted</i>	40,694,713	13,712,717	11,348,644	9,316,031	(92,484,770)
 <i>Total Net Position</i>	 \$116,614,509	 \$92,113,501	 \$101,828,909	 \$94,242,030	 \$9,977,672

Source: Financial Statements and Independent Auditors' Report  
Statement of Net Position (Exhibit A-1)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30  
\*Implementation of GASB 65  
\*\*Implementation of GASB 75

**TABLE L-1**

2019	2020	2021	2022	2023
\$64,654,480	\$67,359,544	\$67,097,951	\$66,904,615	\$65,732,749
19,951,983	18,907,287	14,223,015	12,009,680	10,275,581
(81,580,218)	(87,504,983)	(78,645,669)	(65,268,652)	(45,704,200)
\$3,026,245	\$ (1,238,152)	\$ 2,675,298	\$ 13,645,643	\$ 30,304,130

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

<b>Expenses</b>	<b>2014</b>	<b>2015 *</b>	<b>2016</b>	<b>2017</b>
<i>Governmental Activities:</i>				
<i>Instruction</i>	\$86,818,655	\$89,938,794	\$93,758,756	\$92,471,673
<i>Instructional Resource and Media Services</i>	3,138,683	3,219,111	3,407,707	3,270,878
<i>Curriculum and Staff Development</i>	5,771,075	5,833,373	7,866,159	6,672,451
<i>Instructional Leadership</i>	1,741,556	1,918,149	1,958,667	2,102,624
<i>School Leadership</i>	4,896,405	5,353,983	5,347,324	5,525,639
<i>Guidance, Counseling and Evaluation Services</i>	5,873,335	5,922,963	6,457,628	6,274,128
<i>Social Work Services</i>	1,590,345	1,744,838	1,893,278	2,078,113
<i>Health Services</i>	1,833,597	1,917,008	2,031,580	1,991,617
<i>Student Transportation</i>	3,877,637	4,053,767	4,372,443	4,841,325
<i>Food Services</i>	11,065,882	10,967,135	12,651,725	12,346,731
<i>Cocurricular/Extracurricular Activities</i>	7,063,184	7,850,006	8,388,595	8,491,903
<i>General Administration</i>	17,115,853	20,123,067	21,627,390	24,261,944
<i>Facilities Maintenance and Operations</i>	15,587,518	15,576,051	17,098,058	16,614,367
<i>Security and Monitoring Services</i>	2,058,835	2,100,843	2,057,040	2,235,845
<i>Data Processing Services</i>	2,016,328	2,019,983	2,163,703	2,034,553
<i>Community Services</i>	2,181,705	2,121,282	2,261,487	3,991,891
<i>Debt Service-Interest and Fees on Long Term Debt</i>	3,377,883	3,448,931	2,620,552	2,900,318
<i>Facilities Acquisition and Construction</i>	-	-	-	-
<i>Payments Related to Shared Services Arrangement</i>	-	-	-	-
<i>Payment to Juvenile Justice Alternative Ed. Prg</i>	242,000	220,000	239,520	248,000
<i>Other Intergovernmental Charges</i>	196,658	230,394	245,133	161,539
<b>Total Governmental Activities Expenses</b>	<b>\$ 176,447,134</b>	<b>\$ 184,559,678</b>	<b>\$ 196,446,745</b>	<b>\$ 198,515,540</b>
<i>Program Revenues</i>				
<i>Charges for Services:</i>				
<i>Instruction</i>	\$209,036	\$132,283	\$152,654	\$113,191
<i>Instructional Resources and Media Services</i>	3,375	-	83	470
<i>Curriculum and Staff Development</i>	288	645	269	367
<i>Instructional Leadership</i>	-	-	-	-
<i>School Leadership</i>	-	519	-	791
<i>Guidance, Counseling and Evaluation Services</i>	-	-	-	-
<i>Social Work Services</i>	-	-	-	-
<i>Health Services</i>	-	-	-	-
<i>Student Transportation</i>	20	52,641	20	15
<i>Food Services</i>	697,330	582,296	463,055	374,151
<i>Cocurricular/Extracurricular Activities</i>	677,440	725,639	593,179	602,391
<i>General Administration</i>	1,891,137	2,087,523	3,101,767	2,590,722
<i>Facilities Maintenance and Operations</i>	93,702	72,560	303,091	35,734
<i>Security and Monitoring Services</i>	-	-	-	-
<i>Data Processing Services</i>	-	-	-	-
<i>Community Services</i>	172,343	197,761	190,100	170,131
<i>Debt Service-Interest and Fees on Long Term Debt</i>	-	-	-	-
<i>Facilities Acquisition and Construction</i>	-	-	-	-
<i>Other Intergovernmental Charges</i>	-	-	-	-
<i>Operating Grants/Capital and Contributions</i>	36,330,426	40,834,221	42,251,555	41,621,847
<b>Total Governmental Activities</b>	<b>\$ 40,075,097</b>	<b>\$ 44,686,089</b>	<b>\$ 47,055,774</b>	<b>\$ 45,509,811</b>
<b>Net Government Activities</b>	<b>\$(136,372,037)</b>	<b>\$(139,873,589)</b>	<b>\$(149,390,971)</b>	<b>\$(153,005,729)</b>

Source: Financial Statements and Independent Auditors' Report  
Statement of Activities( Exhibit B-1)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

\*Implementation of GASB 65

\*\*Implementation of GASB 75



TABLE L-2

2018 **	2019	2020	2021	2022	2023
\$61,875,457	\$95,436,737	\$105,000,280	\$100,410,445	\$87,215,143	\$103,433,069
2,133,005	3,392,142	3,778,530	3,596,076	3,171,683	3,533,694
3,444,618	6,150,592	8,242,148	7,582,845	6,145,143	2,884,443
1,457,965	2,382,522	2,602,581	2,374,248	1,912,459	2,863,368
4,182,155	6,132,735	6,917,888	6,478,937	5,098,741	9,888,779
3,675,415	6,769,747	7,683,091	7,271,716	6,427,660	7,800,278
1,123,254	1,462,253	1,422,668	1,263,214	887,796	986,907
1,175,267	2,131,586	2,535,787	2,412,946	2,769,198	2,680,265
4,463,629	5,186,794	5,114,576	4,427,142	4,167,353	6,002,038
9,934,616	12,483,909	11,777,372	11,775,865	9,518,394	12,364,774
6,951,528	8,646,890	8,587,794	6,557,145	7,245,687	8,903,700
18,956,735	25,322,624	21,989,362	26,477,291	22,862,775	27,179,611
13,666,829	16,356,513	17,892,505	19,074,364	15,045,414	19,176,373
1,685,302	2,538,862	3,527,828	2,387,880	2,448,670	3,528,441
1,639,951	2,225,427	2,368,371	2,609,708	2,125,849	2,832,481
2,239,217	3,888,612	4,001,334	3,998,704	1,864,414	2,424,153
2,761,245	2,928,189	2,649,331	2,345,521	1,627,229	1,766,903
-	209,787	200,435	-	-	-
-	-	-	-	-	-
129,946	80,582	85,635	100,000	-31,330	126,690
279,379	246,175	248,201	259,939	270,375	259,501
\$ 141,775,514	\$ 203,972,678	\$ 216,625,715	\$ 211,403,986	\$ 180,772,654	\$ 218,635,470
\$119,627	\$133,186	\$70,060	\$6,788	\$67,669	\$184,471
121	-	-	-	855	10,953
182	605	-	5	125	321
-	-	-	-	141	426
896	6,434	9,827	11,921	4,662	28,713
-	-	-	-	181	414
-	-	-	-	-	-
-	-	-	-	633	193
4,302	21,025	54,065	12,525	6,772	887
343,168	366,362	257,904	42,967	165,905	275,620
609,479	670,225	718,532	141,670	696,029	753,879
2,937,756	2,307,310	3,936,962	3,857,689	3,149,423	3,604,292
73,515	101,964	38,868	29,356	27,469	30,680
-	-	-	-	45	436
-	-	-	-	262	1,098
194,503	173,670	136,589	153,067	207,490	214,274
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,559,296	41,652,961	53,350,814	49,462,645	45,619,840	75,495,760
\$ 15,842,845	\$ 45,433,741	\$ 58,573,620	\$ 53,718,633	\$ 49,947,502	\$ 80,602,417
<u>\$(125,932,669)</u>	<u>\$(158,538,937)</u>	<u>\$(158,052,095)</u>	<u>\$(157,685,353)</u>	<u>\$(130,825,152)</u>	<u>\$(138,033,053)</u>

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

	2014	2015 *	2016	2017
<b>Net Governmental Activities</b>				
<b>Revenue/(Expenses)</b>	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)
<b>General Revenue and Changes in Net Position:</b>				
<i>Governmental Activities:</i>				
<i>Property Taxes-General</i>	21,618,492	23,546,542	23,882,403	24,915,531
<i>Property Taxes-Debt Services</i>	34,993	18,319	17,547	13,984
<i>Grants &amp; Contributions Not Restricted</i>	114,534,319	115,521,053	130,154,799	119,855,162
<i>Investment Earnings</i>	70,414	78,825	222,846	564,446
<i>Miscellaneous</i>	20,741	86,890	17,789	69,727
<i>Extraordinary Item-Net</i>	-	-	-	-
<i>Special Item - (Use)</i>	-	-	-	-
<i>Sale of Real Property</i>	-	-	-	-
<i>Transfers In (Out)</i>	-	-	-	-
<b>Total Governmental Activities</b>	136,278,958	139,251,628	154,295,385	145,418,850
<b>Changes in Net Position</b>	\$(93,078)	\$(621,961)	\$4,904,414	\$(7,586,879)

Source: Financial Statements and Independent Auditors' Report  
Statement of Activities( Exhibit B-1)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30  
\*Implementation of GASB 65  
\*\*Implementation of GASB 75

**TABLE L-3**

2018 **	2019	2020	2021	2022	2023
\$(125,932,669)	\$(158,538,937)	\$(158,052,095)	\$(157,685,353)	\$(130,825,152)	\$(138,033,053)
26,329,885	26,447,893	25,165,883	26,279,167	26,574,436	28,037,089
469,888	473,001	478,881	531,746	1,131,451	1,087,968
126,931,141	122,918,825	127,012,919	134,574,757	113,802,896	122,142,451
1,375,217	1,895,536	1,093,132	89,255	215,187	3,173,943
21,126	20,648	36,884	36,501	71,526	145,085
3,088,259	(399,642)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
158,215,514	151,356,262	153,787,699	161,511,426	141,795,497	154,586,537
\$32,282,846	\$(7,182,676)	\$(4,264,397)	\$3,826,073	\$10,970,345	\$16,553,484

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

	2014	2015	2016	2017
<b>General</b>				
<b>POST GASB 54</b>				
<i>Non-spendable:</i>				
<i>Inventories</i>	\$ 938,278	\$ 903,195	\$ 847,969	\$ 960,789
<i>Prepaid Items</i>	1,760,386	1,564,045	1,584,354	1,379,451
<i>Restricted:</i>				
<i>Federal/State Funds Grant Restrictions</i>	4,494,889	5,695,725	7,302,864	5,093,955
<i>Other Restrictions of Fund Balance</i>	-	-	-	-
<i>Assigned:</i>				
<i>Construction</i>	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-
<i>Other</i>	11,114,670	11,245,626	19,470,602	23,385,542
<i>Unassigned:</i>	16,000,000	16,500,000	17,000,000	17,500,000
<b>Total General Fund Balance</b>	<b>\$ 34,308,222</b>	<b>\$ 35,908,591</b>	<b>\$ 46,205,789</b>	<b>\$ 48,319,737</b>
<b>All Other Governmental Funds</b>				
<b>POST GASB 54</b>				
<i>Restricted:</i>				
<i>Federal/State Funds Grant Restrictions</i>	\$ 10,668	\$ 10,668	\$ 10,668	\$ 10,668
<i>Capital Acquisition and Contractual Obligation</i>	10,691,736	5,043,128	4,278,991	21,250,253
<i>Retirement of Long Term Debt</i>	1,499,721	1,287,408	7,427,367	3,306,023
<i>Other Restrictions of Fund Balance</i>	-	-	-	-
<i>Committed:</i>				
<i>Construction</i>	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-
<i>Other Committments of Fund Balance</i>	245,912	292,792	270,009	244,819
<i>Assigned:</i>				
<i>Other</i>	9,584	9,584	9,584	9,584
<i>Unassigned:</i>	-	-	-	-
<i>Total All</i>	12,457,620	6,643,581	11,996,619	24,821,347
<b>Total Governmental Funds -Fund Balance</b>	<b>\$ 46,765,842</b>	<b>\$ 42,552,172</b>	<b>\$ 58,202,409</b>	<b>\$ 73,141,084</b>
<b>Governmental Funds -</b>				
<i>Beginning Fund Balance</i>	\$ 35,495,813	\$ 46,765,842	\$ 42,552,172	\$ 58,202,409
<i>Prior Period Adjustment</i>	1,138,275	-	4,810,995	-
<i>Net Change in Fund Balance</i>	10,131,754	(4,213,670)	10,839,242	14,938,675
<b>Ending Fund Balance</b>	<b>\$ 46,765,842</b>	<b>\$ 42,552,172</b>	<b>\$ 58,202,409</b>	<b>\$ 73,141,084</b>

Source: Financial Statements and Independent Auditors' Report  
Balance Sheet - Governmental Funds (Exhibit C-1) 2014-2023  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30  
Per GASB 54 - 2011

TABLE L-4

2018		2019		2020		2021		2022		2023	
\$	848,180	\$	992,097	\$	1,104,190	\$	1,324,486	\$	1,284,963	\$	1,280,741
	1,350,744		1,401,976		537,627		1,303,050		1,388,301		2,193,705
	5,862,080		5,177,298		6,574,402		6,948,370		7,481,618		8,853,182
	-		-		-		-		-		-
	-		-		-		-		-		8,000,000
	-		3,169,825		1,228,530		-		-		-
	15,800,786		115,821		63,400		252,880		1,131,072		242,269
	18,000,000		38,089,304		39,032,046		50,357,236		58,494,676		63,462,173
\$	41,861,790	\$	48,946,321	\$	48,540,195	\$	60,186,022	\$	69,780,631	\$	84,032,070
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	23,768,132		10,150,363		10,723,179		5,405,526		3,897,800		2,179,139
	2,993,691		4,122,147		3,291,769		2,520,676		1,689,507		17,548
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	243,452		249,365		316,891		389,959		490,234		552,974
	9,584		9,284		44,321		40,864		40,949		40,742
	-		-		-		-		-		-
	27,014,860		14,531,159		14,376,159		8,357,024		6,118,491		2,790,404
\$	68,876,650	\$	63,477,479	\$	62,916,354	\$	68,543,046	\$	75,899,122	\$	86,822,474
\$	73,141,084	\$	68,876,650	\$	63,477,479	\$	62,916,354	\$	68,543,046	\$	75,899,122
	-		(336,213)		-		87,377		-		-
	(4,264,434)		(5,062,958)		(561,125)		5,539,315		7,356,076		10,923,352
\$	68,876,650	\$	63,477,479	\$	62,916,354	\$	68,543,046	\$	75,899,122	\$	86,822,474

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

Fiscal Year	Local and Intermediate Sources			State Programs
	Property Tax	Investment Income	Other	Per Capita and Foundation
2014	21,860,201	59,178	1,874,415	115,075,604
2015	23,828,401	69,479	1,790,487	116,096,469
2016	23,878,352	206,734	1,738,866	128,561,142
2017	24,900,863	561,541	1,416,357	120,529,452
2018	26,172,229	1,341,246	2,303,180	125,377,866
2019	26,032,561	1,835,856	2,344,241	121,882,771
2020	25,000,546	1,059,301	2,017,966	126,934,947
2021	26,169,473	82,004	1,334,657	134,183,191
2022	27,064,049	201,234	1,920,880	113,612,633
2023	28,292,078	3,043,115	2,624,191	122,133,121

Source: Financial Statements and Independent Auditors' Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-5**

State Programs		Federal Programs	Total
On Behalf TRS Payments	Other		
6,027,826	1,225,436	28,523,599	174,646,259
6,552,087	3,360,290	30,392,295	182,089,508
5,854,875	3,655,672	31,065,845	194,961,485
4,813,494	1,596,924	33,226,272	187,044,904
7,519,851	4,394,436	31,640,576	198,749,384
7,306,859	3,430,201	31,120,740	193,953,228
8,432,280	2,173,740	35,508,235	201,127,015
7,848,777	1,337,825	37,566,355	208,522,283
6,650,114	1,419,768	45,431,279	196,299,955
8,403,465	1,665,917	68,178,536	234,340,423

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

	Instructional And	Instructional	Support		Support	
	Instructional	and	Services	Administrative	Services	
Fiscal	Related	School	Student	Support	Non-Student	Ancillary
Year	Services	Leadership	Other	Services	Based	Services
2014	97,149,232	6,906,652	31,023,969	4,059,382	20,567,994	2,160,887
2015	101,502,586	7,607,364	33,756,126	4,785,079	20,799,472	2,066,825
2016	103,403,648	7,333,985	35,547,335	4,818,619	21,667,224	2,109,182
2017	103,876,653	7,848,224	37,345,499	5,056,378	21,649,161	3,853,593
2018	106,669,533	9,111,967	42,080,897	5,387,771	23,865,350	3,754,897
2019	106,858,463	8,787,835	35,857,976	5,086,076	23,396,398	3,734,906
2020	113,652,568	9,390,234	35,224,338	5,047,190	25,097,258	3,743,556
2021	114,697,784	9,228,453	33,062,768	5,618,825	24,823,898	3,929,140
2022	111,464,195	8,301,241	33,550,108	4,945,072	21,637,730	2,108,712
2023	123,805,219	14,396,266	40,916,973	5,975,036	27,799,794	2,646,402

Source: Financial Statements and Independent Auditors' Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30



**TABLE L-6**

Debt Service Principal	Service Interest and Other	Debt Service Other Fees	Facilities	Inter- Governmental Charges	Total Governmental Fund Expenditures	Ratio of
			Acquisition & Construction- Capital Outlay			Debt Services to Non-Capital Expenditures
4,379,000	3,193,816	193,729	7,173,927	438,658	177,247,245	4.58%
5,595,000	2,835,623	398,973	8,961,815	450,394	188,759,258	4.97%
4,947,000	2,668,955	3,455	1,155,976	484,653	184,140,033	4.20%
4,654,000	2,191,565	491,418	1,162,753	409,539	188,538,783	3.98%
4,443,492	3,009,612	2,825	9,202,858	409,325	207,938,527	3.89%
3,636,567	2,932,269	113,969	13,713,224	326,757	204,444,440	3.54%
3,657,030	2,871,403	2,150	2,705,463	333,836	201,725,025	3.31%
3,746,690	2,742,257	1,700	4,808,015	359,939	203,019,468	3.27%
4,100,896	1,388,898	212,119	1,490,951	239,045	189,438,967	3.08%
4,348,375	2,244,782	3,095	1,649,647	386,191	224,171,780	3.00%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Excess of Revenue Over				
(Under) Expenditures	\$(2,600,987)	\$(6,669,750)	\$10,821,452	\$(1,493,880)
Other Financing Sources (Uses)				
Issuance of Bonds	-	-	-	-
Refunding Bonds Issued	-	31,570,000	-	19,470,000
Sale of Real and Personal Property	20,741	36,472	17,789	69,727
Proceeds from Sales of Capital Assets	-	-	-	-
Issuance of Capital Leases	-	-	-	-
Proceeds from Right-to-use Leased Assets	-	-	-	-
Issuance of Loans	12,712,000	-	-	15,020,000
Issuance on Non-Current Debt	-	-	-	-
Transfer In	20,526,320	11,251,447	5,700,039	21,609,631
Premium on Issuance of Bonds	-	5,463,084	-	4,623,821
Proceeds from SBITA Agreements	-	-	-	-
Transfer Out	(20,526,320)	(9,251,447)	(5,700,039)	(22,749,631)
Other Uses	-	(36,613,477)	-	(21,610,993)
Total Other Financing Sources (Uses)	12,732,741	2,456,079	17,789	16,432,555
Special Items				
Extraordinary Items (Resources)	-	-	-	-
Net Changes in Fund Balances	<u>\$10,131,754</u>	<u>\$(4,213,670)</u>	<u>\$10,839,242</u>	<u>\$14,938,675</u>

Source: Financial Statements and Independent Auditors' Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-7**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$(9,189,142)	\$(10,491,212)	\$(598,010)	\$5,502,815	\$6,860,988	\$10,168,643
-	4,905,000	-	-	-	-
-	-	-	-	11,844,977	-
21,126	20,648	36,884	36,501	71,526	147,008
-	-	-	-	-	-
1,577,168	-	-	-	-	-
-	-	-	-	48,547	329,290
-	1,304,339	-	-	161,475	-
-	-	-	-	-	-
14,359,549	3,608,923	5,816,000	2,159,528	-	275,000
-	209,705	-	-	1,373,505	-
-	-	-	-	-	278,411
(18,519,549)	(3,608,923)	(5,816,000)	(2,159,528)	-	(275,000)
-	(1,194,493)	-	-	(13,004,943)	-
(2,561,706)	5,245,198	36,884	36,501	495,088	754,709
<u>7,486,415</u>	<u>183,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$(4,264,434)</u></u>	<u><u>\$(5,062,958)</u></u>	<u><u>\$(561,125)</u></u>	<u><u>\$5,539,315</u></u>	<u><u>\$7,356,076</u></u>	<u><u>\$10,923,352</u></u>

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

		Instructional and	Instructional	Support	
	Average	Instructional	and	Services	Administrative
Fiscal	Daily	Related	School	Student	Support
Year	Attendance	Services	Leadership	Other	Services
2014	16,421	5,916	421	1,889	247
2015	16,056	6,322	474	2,102	298
2016	16,333	6,331	449	2,176	295
2017	16,096	6,453	488	2,320	314
2018	15,906	6,706	573	2,646	339
2019	15,851	6,742	554	2,262	321
2020	15,094	7,530	622	2,334	334
2021	14,986	7,654	616	2,206	375
2022	13,660	8,160	608	2,456	362
2023	13,622	9,089	1,057	3,004	439

Source: Financial Statements and Independent Auditors' Report  
PEIMS DATA Report (PFR7D001) 2012-2021  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-8**

Support		Debt				
Services		Debt	Service		Inter-	Total
Non-Student	Ancillary	Service	Interest	Capital	Governmental	Governmental
Based	Services	Prinicpal	and Other	Outlay	Charges	Fund
						Expenditures
1,253	132	267	206	437	27	10,794
1,295	129	348	201	558	28	11,757
1,327	129	303	164	71	30	11,274
1,345	239	289	167	72	25	11,713
1,500	236	279	189	579	26	13,073
1,476	236	229	192	865	21	12,898
1,663	248	242	190	179	22	13,365
1,656	262	250	183	321	24	13,547
1,584	154	300	117	109	18	13,869
2,041	194	319	165	121	28	16,457

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## **REVENUE CAPACITY INFORMATION**

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

Fiscal Year	Assessed Value		
	Real Property	Personal Property & Mineral	Less Exemptions
2014	2,422,290,310	282,384,716	813,626,768
2015	2,588,036,036	285,634,774	855,391,976
2016	2,732,705,107	303,776,931	978,383,407
2017	2,835,567,160	312,988,562	978,848,754
2018	3,007,673,308	319,921,470	1,035,482,609
2019	3,057,178,970	302,968,791	1,057,546,087
2020	3,155,166,207	321,881,136	1,067,911,246
2021	3,391,379,928	307,500,112	1,140,568,517
2022	3,595,900,905	321,423,038	1,189,716,279
2023	4,082,635,741	357,545,737	1,445,357,246

Source: Financial Statements and Independent Auditors' Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Assessment Roll Grand Totals from Hidalgo County Appraisal District (Supplement I)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30



**TABLE L-9**

Ratio of Total Taxable Assessed Value			
Total Taxable Assessed Value	Estimated Actual Taxable Value	to Estimated Actual Taxable Value	Total Direct Tax Rate
1,891,048,258	2,704,675,026	69.92%	1.1397
2,018,278,834	2,873,670,810	70.23%	1.1397
2,058,098,631	3,036,482,038	67.78%	1.1397
2,169,706,968	3,148,555,722	68.91%	1.1397
2,292,112,169	3,327,594,778	68.88%	1.1597
2,302,601,674	3,360,147,761	68.53%	1.1597
2,409,136,097	3,477,047,343	69.29%	1.0687
2,558,311,523	3,698,880,040	69.16%	1.0189
2,727,607,664	3,917,323,943	69.63%	0.9807
2,994,824,232	4,440,181,478	67.45%	0.9593

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

Fiscal	Total Original	Total Adjusted	Collected within the Fiscal year of Levy	
Year	Tax Levy	Tax Levy	Amount	% of Original Levy
2014	21,200,328	20,992,256	19,766,065	93.23%
2015	22,612,366	22,709,463	21,526,880	95.20%
2016	23,079,685	22,991,719	21,886,165	94.83%
2017	24,363,529	24,019,852	22,896,620	93.98%
2018	26,145,817	26,017,099	24,951,740	95.43%
2019	26,276,635	26,099,435	24,981,509	95.07%
2020	25,421,226	25,179,402	24,037,947	94.56%
2021	25,670,034	25,959,585	25,064,319	97.64%
2022	26,211,702	27,258,228	25,989,535	99.15%
2023	28,409,990	28,491,161	26,890,153	94.65%

Source: Financial Statements and Independent Auditors' Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-10**

Collection Subsequent	Total Collections to Date	
	Amount	% of Adjusted Levy
Years		
1,125,105	20,891,169	99.52%
1,074,257	22,601,138	99.52%
997,315	22,883,479	99.53%
1,001,032	23,897,652	99.49%
923,234	25,874,974	99.45%
922,556	25,904,065	99.25%
906,226	24,944,174	99.07%
555,116	25,619,435	98.69%
673,853	26,663,388	97.82%
N/A	26,890,153	94.38%

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TABLE L-11

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

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	Debt		Total	Debt		Original
	General	Service		General	Service	Levy
	Fund	Fund		Fund	Fund	Total
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
2020	1.0487	0.0200	1.0687	24,945,485	475,741	25,421,226
2021	0.9989	0.0200	1.0189	25,166,157	503,877	25,670,034
2022	0.9407	0.0400	0.9807	25,142,601	1,069,102	26,211,702
2023	0.9233	0.0360	0.9593	27,343,838	1,066,152	28,409,990

Source: Financial Statements and Independent Auditors' Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Detail General Ledger Reports  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

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

Fiscal Year	Tax Year	Hidalgo County	South Texas ISD	Drainage District No.1	Weslaco ISD
2014	2013	0.5900	0.0492	0.0957	1.1397
2015	2014	0.5900	0.0492	0.0957	1.1397
2016	2015	0.5900	0.0492	0.0951	1.1397
2017	2016	0.5800	0.0492	0.0951	1.1397
2018	2017	0.5800	0.0492	0.0951	1.1597
2019	2018	0.5800	0.0492	0.0951	1.1597
2020	2019	0.5750	0.0492	0.1051	1.0687
2021	2020	0.5750	0.0492	0.1026	1.0189
2022	2021	0.5750	0.0492	0.1264	0.9807
2023	2022	0.5750	0.0492	0.1179	0.9593

Source: Financial Statements and Independent Auditors' Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-12**

		Total Direct and Overlapping	Original Levy Total
STC	City of Weslaco		
0.1500	0.6867	2.7113	21,200,328
0.1850	0.6767	2.7363	22,612,366
0.1850	0.6767	2.7357	23,079,685
0.1850	0.6667	2.7157	24,363,529
0.1780	0.6667	2.7287	26,145,817
0.1780	0.6667	2.7287	26,276,635
0.1733	0.6967	2.6680	25,421,226
0.0492	0.6967	2.4916	25,670,034
0.1715	0.6967	2.5995	26,211,702
0.1615	0.6967	2.5596	28,409,990

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**2023 AND 2014**

		Fiscal Year 2023	
		Tax Year 2022 Assessed Valuation	Percentage Total Assessed Valuation
1	H.E.Butt Grocery Company	\$39,395,935	1.32%
2	AEP Texas Central Co.	31,799,920	1.06%
3	HEB Weslaco Transportation	17,730,872	0.59%
4	Wal-Mart Real Estate Business TR	17,199,339	0.57%
5	Capcor Weslaco LTD	15,129,160	0.51%
6	Llano Grande Holdings Company LLC	13,923,138	0.46%
7	G3C Weslaco Westgate LLC	11,500,000	0.38%
8	NWI Tenet Micro Hospital Weslaco LP	10,918,443	0.36%
9	Wesfar Apts LLC	10,806,497	0.36%
10	Jazman RGV Group LLC	9,842,550	0.33%
		\$178,245,854	5.95%

Source: Hidalgo Appraisal District  
Top Taxpayer 2022 & 2014  
Weslaco Approval Tax Roll



**TABLE L-13**

		Fiscal Year 2014	
		Tax Year 2013 Assessed Valuation	Percentage Total Assessed Valuation
1	H.E.Butt Grocery Company	\$35,773,799	1.89%
2	Pioneer Hi-Bred Int'l INC	26,543,711	1.40%
3	HEB Weslaco Transportation	19,052,947	1.01%
4	AEP Texas Central Co.	15,872,010	0.84%
5	Clearview Weslaco LLP	15,343,482	0.81%
6	CAPCOR Weslaco, LTD	10,655,558	0.56%
7	Woodcrafters Home Products LLC	9,363,832	0.50%
8	Woodcrafters Home Products LLC	8,727,229	0.46%
9	Wal-Mart Real Estate Business TR	8,667,453	0.46%
10	Woodcrafters Home Products LLC	7,621,775	0.40%
		\$157,621,796	8.34%

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## **DEBT CAPACITY INFORMATION**

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN YEARS**

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt		
	General					
	Obligation	Premium on	Accretion	Maintenance	Premium/(Discount)	Loans
	Bonds	Bonds	of Bonds	Tax Notes	on Tax Notes	Payable
2014	61,890,000	317,639	-	17,101,000	107	-
2015	54,140,000	4,979,384	-	15,156,000	3,391	-
2016	51,110,000	4,887,934	-	13,239,000	(3,028)	-
2017	47,515,000	7,622,679	-	26,295,000	2,215,439	-
2018	44,815,000	7,363,577	-	24,614,000	2,219,699	-
2019	42,840,000	7,114,685	-	28,082,000	2,422,484	1,304,339
2020	40,775,000	6,805,326	-	26,653,000	2,387,811	1,203,801
2021	38,610,000	6,424,531	-	25,212,000	2,343,027	1,096,236
2022	36,339,977	5,170,033	15,018	23,745,000	2,289,808	1,087,485
2023	33,954,977	4,679,142	67,180	22,246,000	2,196,331	862,740

Source: Financial Statements and Independent Auditors' Report  
Notes to Financial Statements Long-Term Debt Obligations 2014-2023  
Academic Excellence Indicator System (AEIS Report)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-14**

Other Governmental Activities Debt					Ratio of Total	Total Debt
			**Total Debt		Debt to Estimated	to Average
Lease	SBITA	Total	to Personal	***Total Debt	Actual	Daily
Payable	Liability	Debt	Income	to Per Capita	Taxable Value	Membership
-	-	79,308,746	13.46%	2,109	2.93%	4,629
-	-	74,278,775	12.12%	1,882	2.58%	4,408
-	-	69,233,906	10.07%	1,729	2.28%	4,063
-	-	83,648,118	12.04%	2,073	2.66%	5,001
1,514,676	-	80,526,952	11.58%	2,019	2.42%	4,855
95,617	-	81,859,125	11.14%	1,988	2.44%	5,019
33,125	-	77,858,062	10.91%	1,852	2.24%	4,961
-	-	73,685,794	9.69%	1,739	1.99%	4,632
361,446	-	69,008,767	8.16%	1,676	1.76%	4,602
400,767	332,194	64,739,330	7.99%	1,578	1.46%	4,434

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**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING DEBT**  
**GOVERNMENTAL ACTIVITIES DEBT**

**TABLE L-15**

Political Subdivision	*Gross Debt Amounts		As of	**Percentage Applicable to WISD	***Estimated Share of  Direct and Overlapping Debt
<b>DIRECT DEBT</b>					
<i>Weslaco ISD</i>	\$64,006,370	*	6/30/2023	100.00%	\$64,006,370
					<u>\$64,006,370</u>
<b>OVERLAPPING DEBT</b>					
<i>City Of Weslaco</i>	\$89,396,000	*	5/31/2023	99.17%	\$88,654,013
<i>Hidalgo County</i>	367,135,000	*	5/31/2023	7.19%	26,397,007
<i>City Of Mercedes</i>	20,161,821	*	9/30/2022	16.24%	3,274,280
<i>Hidalgo Co Drainage District #1</i>	240,946,000	*	5/31/2023	7.44%	17,926,382
<i>South Texas College</i>	105,751,235	*	8/31/2021	5.84%	6,175,872
<i>Total Net Overlapping Debt</i>					<u>142,427,554</u>
<i>Total Direct and Overlapping Debt:</i>					<u><u>\$206,433,924</u></u>
Percent of Assessed Valuation:					6.67%
Direct Overlapping Debt per Capita:					\$2,696

\* 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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Valuation	\$ 1,891,048,258	\$ 2,018,278,834	\$ 2,058,098,631	\$ 2,169,706,968
Debt Limit-10% of				
Assessed Valuation	\$189,104,826	\$201,827,883	\$205,809,863	\$216,970,697
General Obligation Bonds	61,890,000	54,140,000	51,110,000	47,515,000
Deduct Amount Available in				
Debt Services Fund	<u>(1,499,721)</u>	<u>(1,287,408)</u>	<u>(7,427,367)</u>	<u>(3,306,023)</u>
Net General Bonded Debt	60,390,279	52,852,592	43,682,633	44,208,977
Maintenance Tax Note	17,101,000	15,156,000	13,239,000	26,295,000
Loans Payable	-	-	-	-
Leases Payable	-	-	-	-
SBITA Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less : Applicable Debt Margin	<u>77,491,279</u>	<u>68,008,592</u>	<u>56,921,633</u>	<u>70,503,977</u>
Legal Debt Margin	<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>
Debt Margin as a Percentage of the Debt Limit	59.02%	66.30%	72.34%	67.51%

Source: Financial Statements and Independent Auditors' Report  
Notes to Financial Statements Computation of ECISD's Legal Debt Margin  
Notes to Financial Statements Long-Term Debt Obligations 2014-2023  
Tax Roll Report Hidalgo County Tax Assessor  
Budgetary Comparison Schedule Exhibit J-4  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30



**TABLE L-16**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>\$ 2,292,112,169</u>	<u>\$ 2,302,601,674</u>	<u>\$2,409,136,097</u>	<u>\$2,558,311,523</u>	<u>\$2,727,607,664</u>	<u>\$2,994,824,232</u>
\$229,211,217	\$230,260,167	\$240,913,610	\$ 255,831,152	\$ 272,760,766	\$ 299,482,423
44,815,000	42,840,000	40,775,000	38,610,000	36,339,977	33,954,977
<u>(2,996,826)</u>	<u>(4,122,147)</u>	<u>(3,291,769)</u>	<u>(2,520,676)</u>	<u>(1,689,507)</u>	<u>(17,548)</u>
41,818,174	38,717,853	37,483,231	36,089,324	34,650,470	33,937,430
24,614,000	28,082,000	26,653,000	25,212,000	23,745,000	22,246,000
-	1,304,339	1,203,801	1,096,236	1,087,485	862,740
1,514,676	95,617	33,125	-	361,446	400,767
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,194</u>
<u>67,946,851</u>	<u>68,199,809</u>	<u>65,373,157</u>	<u>62,397,560</u>	<u>59,844,401</u>	<u>57,779,130</u>
<u><u>\$161,264,366</u></u>	<u><u>\$162,060,358</u></u>	<u><u>\$175,540,453</u></u>	<u><u>\$193,433,592</u></u>	<u><u>\$212,916,366</u></u>	<u><u>\$241,703,293</u></u>
70.36%	70.38%	72.86%	75.61%	78.06%	80.71%

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

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Bonds</u>	<u>Premium on Bonds</u>	<u>Accretion of Bonds</u>
2014	17,133	2,704,675,026	61,890,000	317,639	-
2015	16,849	2,873,670,810	54,140,000	4,979,384	-
2016	17,041	3,036,482,038	51,110,000	4,887,934	-
2017	16,727	3,148,555,722	47,515,000	7,622,679	-
2018	16,585	3,327,594,778	44,815,000	7,363,577	-
2019	16,311	3,360,147,761	42,840,000	7,114,685	-
2020	15,693	3,477,047,343	40,775,000	6,805,326	-
2021	15,909	3,698,880,040	38,610,000	6,424,531	-
2022	14,994	3,917,323,943	36,339,977	5,170,033	15,018
2023	14,600	4,440,181,478	33,954,977	4,679,142	67,180

Source: Financial Statements and Independent Auditors' Report  
Notes to Financial Statements Long-Term Debt Obligations 2014-2023  
Assessment Roll Grand Totals Hidalgo County Tax Assessor-Collector  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

**TABLE L-17**

Less: Amount Available In Debt Service	Net Bonded Debt	Net Bonded Debt to Estimated Actual Taxable Value	General Obligation Bonds Per Average Daily Membership
1,499,721	60,707,918	2.24%	3,612
1,287,408	57,831,977	2.01%	3,213
7,427,367	48,570,567	1.60%	2,999
3,306,023	51,831,656	1.65%	2,841
2,996,826	49,181,751	1.48%	2,702
4,122,147	45,832,538	1.36%	2,626
3,291,769	44,288,557	1.27%	2,598
2,520,676	42,513,855	1.15%	2,427
1,689,507	39,835,521	1.02%	2,424
17,548	38,683,752	0.87%	2,326

TABLE L-18

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

Fiscal Year	Principal	Interest*	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Total General Fund Expenditures
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%
2020	2,065,000	1,886,025	3,951,025	169,638,517	2.33%
2021	2,165,000	1,788,075	3,953,075	169,720,400	2.33%
2022	2,270,000	868,425	3,138,425	153,849,713	2.04%
2023	2,385,000	1,316,245	3,701,245	169,468,481	2.18%

Source: Financial Statements and Independent Auditors' Report  
 Budgetary Comparison Schedule Exhibit J-3, J-4  
 Budgetary Comparison Schedule Exhibit C-5  
 2014-2021 Fiscal Year End 8/31  
 2022-2023 Fiscal Year End 06/30

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CALENDAR YEAR 2023 AND 2014**

Employer	2023		
	Employees	Rank	Percentage
<i>Weslaco Independent School District</i>	2,221	1	45.40%
<i>Knapp Medical Center</i>	557	2	11.39%
<i>HEB (3 locations)</i>	430	3	8.79%
<i>City of Weslaco</i>	360	4	7.36%
<i>Woodcrafters</i>	300	5	6.13%
<i>Wal-Mart</i>	260	6	5.31%
<i>Payne Auto Group</i>	220	7	4.50%
<i>South Texas College</i>	214	8	4.37%
<i>Valley Grande Manor</i>	180	9	3.68%
<i>Tx A&amp;M University</i>	150	10	3.07%
<i>Foremost Paving</i>			
<i>Inernation Wood</i>	-	-	-
<i>Total Top Ten</i>	4,892		100.00%

Source: Weslaco Economic Development Corporation  
WorkForce Solutions

**TABLE L-19**

2014		
Employees	Rank	Percentage
2,825	1	44.68%
980	2	15.50%
407	5	6.44%
280	7	4.43%
541	3	8.55%
455	4	7.19%
330	6	5.22%
	#N/A	0.00%
	#N/A	0.00%
166	9	2.62%
193	8	3.05%
147	10	2.32%
6,324		100.00%

**TABLE L-20**

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN YEARS**

Fiscal Year	Estimated Population	*Personal Income	*Per Capita Personal Income	Unemployment Rate	Average Daily Attendance	Percentage Economically Disadvantage Students
2013	37,093	\$ 579,466,846	\$ 15,622	10.20%	16,409	85.7%
2014	37,601	589,433,276	15,676	8.20%	16,421	85.6%
2015	39,474	612,754,902	15,523	10.00%	16,056	74.0%
2016	40,033	687,726,907	17,179	9.70%	16,333	80.1%
2017	40,358	694,803,328	17,216	8.00%	16,096	81.7%
2018	39,881	695,325,235	17,435	7.90%	15,906	82.4%
2019	41,171	734,655,324	17,844	8.10%	15,851	85.6%
2020	42,038	713,595,050	16,975	12.40%	15,094	84.1%
2021	42,380	760,721,000	17,950	11.50%	14,986	84.7%
2022	41,170	845,961,160	20,548	9.00%	13,660	82.2%
2023	41,024	810,224,000	19,750	7.90%	13,622	82.7%

Source: U.S. Census Bureau 2014-2023  
 Economagic.com  
 PEIMS DATA +  
 PEIMS Edit + Report (PRF7D001)  
 Texas Academic Performance Report (TAPR formerly AEIS)  
 2014-2021 Fiscal Year End 8/31  
 2022-2023 Fiscal Year End 06/30  
 \* MSA statistics  
 Department of Number website  
 City of Weslaco  
 Weslaco Chamber of Commerce  
 Texas Hometown Locator Website



## **OPERATING INFORMATION**

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

<u>Classification</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Number of Employees</i>				
<i>Teachers</i>	1,093	1,084	1,084	1,094
<i>Professional Support</i>	210	222	228	241
<i>Campus Administration</i>	20	20	17	20
<i>Central Administration</i>	19	19	18	19
<i>Educational Aides</i>	196	196	176	204
<i>Auxiliary Staff</i>	<u>756</u>	<u>790</u>	<u>755</u>	<u>745</u>
<i>Total Employees</i>	<u>2,294</u>	<u>2,330</u>	<u>2,278</u>	<u>2,324</u>
 <i>Percent of Total</i>				
<i>Teachers</i>	47.65%	46.53%	46.54%	47.09%
<i>Professional Support</i>	9.14%	9.53%	8.74%	10.39%
<i>Campus Administration</i>	0.86%	0.84%	1.80%	0.86%
<i>Central Administration</i>	0.83%	0.80%	0.30%	0.82%
<i>Educational Aides</i>	8.55%	8.41%	10.00%	8.78%
<i>Auxiliary Staff</i>	<u>32.96%</u>	<u>33.90%</u>	<u>32.62%</u>	<u>32.06%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Texas Academic Performance Report (TAPR formerly AEIS)  
PEIMS Edit + Reports (PDM1-110-004)  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

TABLE L-21

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1,105	1,101	1,084	1,043	1,042	1,022
238	226	247	236	237	263
21	25	27	26	24	18
21	23	24	24	24	20
205	203	189	199	208	196
<u>769</u>	<u>757</u>	<u>724</u>	<u>700</u>	<u>678</u>	<u>702</u>
<u>2,358</u>	<u>2,334</u>	<u>2,295</u>	<u>2,227</u>	<u>2,214</u>	<u>2,221</u>
46.84%	47.16%	47.22%	46.83%	47.07%	46.02%
10.08%	9.67%	10.76%	10.60%	10.71%	11.84%
0.89%	1.07%	1.16%	1.15%	1.10%	0.81%
0.89%	0.99%	1.04%	1.08%	1.10%	0.90%
8.70%	8.70%	8.25%	8.93%	9.38%	8.82%
<u>32.60%</u>	<u>32.43%</u>	<u>31.56%</u>	<u>31.41%</u>	<u>30.64%</u>	<u>31.61%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF TEACHER INFORMATION**  
**LAST TEN YEARS**

Fiscal Year	Bachelor's Degree		Master's Degree	
	Minimum	Maximum	Minimum	Maximum
2014	26,601	70,493	48,300	87,604
2015	50,300	50,300	50,300	50,300
2016	50,300	50,300	50,300	50,300
2017	50,300	50,300	50,300	50,300
2018	47,700	75,273	48,400	84,143
2019	48,100	76,103	48,100	85,080
2020	51,250	72,750	52,250	73,750
2021	51,150	79,860	51,800	88,068
2022	52,150	96,481	53,150	90,487
2023	53,500	91,656	54,280	108,470

Source: District's Human Resource Department  
Texas Academic Performance Report (TAPR Report formerly AEIS)  
PEIMS Edit + Reports Data Review PRF4D004  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

TABLE L-22

Doctorate Degree		Average	Average		
Minimum	Maximum	Teacher's	Years of	Bachelor's	Master's
		Salary	Experience	Education	Education
56,600	67,220	54,651	13.2	81.2%	18.3%
50,300	50,300	50,300	12.8	76.3%	19.8%
50,300	50,300	50,300	13.0	76.1%	18.5%
50,300	50,300	50,300	13.3	76.5%	20.8%
60,200	72,020	57,221	13.6	77.3%	20.3%
60,950	72,770	57,770	13.0	77.0%	23.0%
61,050	76,770	60,427	15.0	81.0%	18.0%
61,050	76,770	60,624	16.7	80.0%	20.0%
61,650	78,770	62,253	17.0	80.0%	20.0%
64,010	80,470	65,227	16.4	75.0%	23.7%

TABLE L-23

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

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Average Daily Membership</u>	<u>Percent of Attendance</u>
2014	16,421	17,133	95.84%
2015	16,056	16,849	95.29%
2016	16,333	17,041	95.85%
2017	16,096	16,727	96.23%
2018	15,906	16,585	95.91%
2019	15,851	16,311	97.18%
2020	15,094	15,693	96.18%
2021	14,986	15,909	94.20%
2022	13,660	14,994	91.10%
2023	13,622	14,600	93.30%

Source: Texas Academic Performance Report (TAPR formerly AEIS)  
PEIMS Edit + Reports Data Review (PRF7D001)  
TEA Budgeted Financial Data  
2014-2021 Fiscal Year End 8/31  
2022-2023 Fiscal Year End 06/30

TABLE L-24

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
*OPERATING STATISTICS TABLE*  
*LAST TEN YEARS*

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures*	Cost Per Pupil	Per Pupil Change	Governmental Operating Expenditures*	Cost Per Pupil	Per Pupil Change
2014	16,421	145,102,348	8,837	4.61%	162,306,774	9,884	2.26%
2015	16,056	151,892,543	9,460	7.06%	170,967,848	10,648	7.73%
2016	16,333	156,693,732	9,594	1.41%	175,364,647	10,737	0.83%
2017	16,096	157,300,562	9,772	1.86%	180,039,047	11,185	4.17%
2018	15,906	168,714,235	10,607	8.54%	191,279,740	12,026	7.52%
2019	15,851	165,063,333	10,414	-1.82%	184,048,410	11,612	-3.44%
2020	15,094	167,060,659	11,068	6.28%	192,488,980	12,753	9.83%
2021	14,986	167,184,078	11,156	0.79%	191,879,406	12,804	0.40%
2022	13,660	151,517,185	11,092	-0.57%	182,246,104	13,342	4.20%
2023	13,622	166,595,895	12,230	10.26%	219,416,370	16,108	20.73%

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

Source: PEIMS Edit + Reports Data Review (PRF7D001)  
 Financial Statements and Auditors' Independent Report  
 Statement of Activities (Exhibit C-3)  
 Budgetary Comparison Schedule (Exhibit C-5)  
 2014-2021 Fiscal Year End 8/31  
 2022-2023 Fiscal Year End 06/30

TABLE L-25

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF STUDENT INFORMATION*  
*LAST TEN YEARS*

<u>Fiscal Year</u>	<u>Teacher/ Student Ratio</u>	<u>Percentage of Free and Reduced Lunch</u>	<u>Number of Economically Disadvantage Students</u>	<u>Percentage of Economically Disadvantage Students</u>
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%
2020	15.8	54.28%	14,431	84.1%
2021	15.9	54.16%	14,033	84.7%
2022	15.0	49.56%	12,853	82.2%
2023	14.3	51.16%	13,632	82.7%

Source: PEIMS Edit + Reports Data Review (PDM1-100-012)  
 Child Nutrition Program  
 2014-2021 Fiscal Year End 8/31  
 2022-2023 Fiscal Year End 06/30



**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF SCHOOL BUILDING AND PORTABLES**  
 JUNE 30, 2023

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

Source: Weslaco ISD Facilities

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## **SINGLE AUDIT SECTION**

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

To the Board of Trustees  
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, the major funds, and the aggregate remaining fund information of Weslaco Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 16, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **District's Response to Findings**

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

#### **Purpose of This Report**

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

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

McAllen, Texas  
November 16, 2023

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

To the Board of Trustees  
Weslaco Independent School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Weslaco Independent School District ("the District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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



material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

McAllen, Texas

November 16, 2023

**WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

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

***Federal Awards***

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

<u>Assistance Listing Number</u>	<u>Federal Program</u>
----------------------------------	------------------------

84.027 & 84.173	Special Education Cluster (IDEA)
-----------------	----------------------------------

84.425	COVID-19 Education Stabilization Fund
--------	---------------------------------------

- |   |             |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,084,257 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                         | Yes         |

**WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
YEAR ENDED JUNE 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Significant Deficiency in Internal Control**

**Reference Number 2023-001**

Partly Repeat Finding (2022-001)

**Allotment Spending Requirements**

District did not spend the required percentage of allotment for Bilingual Education (Short \$145,677) for the year ended June 30, 2023.

Condition:

Criteria:

As reflected on the Texas Education Agency's Summary of Finances, the District is required to spend 55% of the Bilingual Education Allotment.

Cause:

Monitoring of spending requirements was not performed periodically during the year to ensure compliance.

Effect:

Not meeting the required allotment spending requirements results in non-compliance. TEA has historically enforced corrective action plans for school districts if they fail to meet their spending requirements over a three-year average. This practice was adopted into law under House Bill 3 (HB 3).

Recommendation:

We recommend the District to continue monitoring expenditures on all spending requirements on a periodic basis to ensure compliance with state spending requirements.

Management's Response:

See management's corrective action plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
YEAR ENDED JUNE 30, 2023**

**Section IV – Prior Findings and Questioned Costs for Federal Awards**

**Financial Statement Findings:**

**Reference Number: (2022-001)**

**Allotment Spending Requirements**

Status:

The District continues working on monitoring of its required allotment spending requirements. Programs noted last year met the allotment spending requirements in year ending June 30, 2023. However a new program is now below the spending requirements. **Conclusion:** Partly repeated in current year as finding (2023-001)

**Federal Award Findings:**

No prior findings noted.

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WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS THROUGH TO SUBRECIPIENTS FEDERAL EXPENDITURES
<b>US DEPARTMENT OF EDUCATION</b>			
Passed Through Region One Service Center			
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-23	\$ - \$ 336,462
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-22	-
<b>Total Passed Through Region One Service Center</b>			398,811
Passed Through Texas Education Agency			
Title I Grants to Local Educational Agencies	84.010	23610101108913	8,096,498
Title I Grants to Local Educational Agencies	84.010	22610101108913	8,508
Title I Grants to Local Educational Agencies	84.010	23610103108913	26,277
<b>Total Assistance Listing Number 84.010</b>			8,131,284
Migrant Education-State Grant Program	84.011	23615001108913	294,850
Migrant Education-State Grant Program	84.011	22615001108913	1,134
<b>Total Assistance Listing Number 84.011</b>			295,985
Career and Technical Education-Basic Grants to States	84.048	23420006108913	314,529
<b>Total Assistance Listing Number 84.048</b>			314,529
Supporting Effective Instruction State Grants	84.367	23694501108913	817,078
Supporting Effective Instruction State Grants	84.367	22694501108913	8,330
<b>Total Assistance Listing Number 84.367</b>			825,409
English Language Acquisition State Grants	84.365	23671001108913	522,271
<b>Total Assistance Listing Number 84.365</b>			522,271
LEP Summer School	84.369A	695519	3,231
LEP Summer School	84.369A	695518	13,768
LEP Summer School	84.369A	695517	16,620
LEP Summer School	84.369A	695516	17,474
LEP Summer School	84.369A	695515	13,357
LEP Summer School	84.369A	695514	19,918
LEP Summer School	84.369A	695513	20,035
LEP Summer School	84.369A	695512	23,422
LEP Summer School	84.369A	695511	12,208
LEP Summer School	84.369A	695510	15,041
LEP Summer School	84.369A	695509	2,327
<b>Total Assistance Listing Number 84.369A</b>			157,401
Student Support and Academic Enrichment Program	84.424	23680101108913	825,444
<b>Total Assistance Listing Number 84.424</b>			825,444
COVID-19 Education Stabilization Fund – ESSER II	84.425D	21521001108913	19,830,387
<b>Total Assistance Listing Number 84.425D</b>			19,830,387
COVID-19 Education Stabilization Fund – TCLAS High Quality After School	84.425U	215280587110164	468,696
COVID-19 Education Stabilization Fund – ESSER III	84.425U	21528001108913	20,169,731
<b>Total Assistance Listing Number 84.425U</b>			20,638,427
COVID-19 Education Stabilization Fund – ARP Homeless II	84.425W	21533002108913	1,810
<b>Total Assistance Listing Number 84.425W</b>			1,810
<b>Total Assistance Listing Number 84.425</b>			40,470,625
*COVID-19 Special Education-Grants to States-ARP	84.027	225350011089135350	170,705
*COVID-19 Special Education-Grants to States-ARP	84.027	225350021089135350	25,717
*Special Education-Grants to States	84.027	236600011089136600	2,841,800
<b>Total Assistance Listing Number 84.027</b>			3,038,222
*COVID-19 Special Education-Preschool Grants-ARP	84.173	225360011089135360	3,438
*COVID-19 Special Education-Preschool Grants-ARP	84.173	225360021089135360	2,095
*Special Education-Preschool Grants	84.173	236610011089136610	10,588
<b>Total Assistance Listing Number 84.173</b>			16,121
Total Special Education Cluster (IDEA)			3,054,343
Total Passed Through Texas Education Agency			54,597,289
<b>TOTAL DEPARTMENT OF EDUCATION</b>			54,996,101

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS THROUGH TO SUBRECIPIENTS  FEDERAL EXPENDITURES
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Region One:			
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	HHS001101500001	-
<b>Total Passed Through Region One</b>			70,208
<b>Total Assistance Listing Number 93.354</b>			70,208
Passed through Department of State Health Services:			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	DVRJAJJE5H5	\$ - \$ 70,592
<b>Total Passed Through Department of State Health Services</b>			70,592
<b>Total Assistance Listing Number 93.323</b>			70,592
Medicaid Cluster-			
*Medicaid Administrative Claiming Program-MAC	93.778	HHS00537900156	-
<b>Total Assistance Listing Number 93.778</b>			4,342
Total Medicaid Cluster			4,342
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			145,141
<b>US DEPARTMENT OF AGRICULTURE</b>			
Passed through Texas Department of Agriculture:			
*School Breakfast Program	10.553	236TX332N1099	-
<b>Total Assistance Listing Number 10.553</b>			4,365,046
*COVID-19 National School Lunch Program (Supply Chain Assistance Grant)	10.555	236TX332N1099	-
*National School Lunch Program	10.555	236TX332N1099	-
<b>Total Assistance Listing Number 10.555</b>			8,328,857
* Fresh Fruits and Vegetables Program	10.582	236TX375L1603	-
<b>Total Assistance Listing Number 10.582</b>			392,088
Total Child Nutrition Cluster			13,718,634
Commodity Supplemental Food Program	10.565	236TX877Y8005	-
<b>Total Assistance Listing Number 10.565</b>			13,271
*Emergency Food Assistance Program (Food Commodities)	10.569	NT4XL1YGLGC5	-
<b>Total Assistance Listing Number 10.569</b>			231,771
Total Food Distribution Cluster			245,042
Child and Adult Food Care Program (CACFP)	10.558	236TX332N1099	-
<b>Total Assistance Listing Number 10.558</b>			113,524
<b>Total Passed Through Texas Department of Agriculture</b>			14,077,200
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			14,077,200
<b>US DEPARTMENT OF DEFENSE</b>			
Direct Programs:			
Junior Reserve Officer Training Corps	12.U01	108-913	-
<b>Total Assistance Listing Number 12.U01</b>			105,165
<b>TOTAL DEPARTMENT OF DEFENSE</b>			105,165
<b>FEDERAL COMMUNICATIONS COMMISSION</b>			
Direct Programs:			
COVID-19 Emergency Connectivity Funds	32.009	108-913	-
<b>Total Assistance Listing Number 32.009</b>			151,640
<b>TOTAL FEDERAL COMMUNICATIONS COMMISSION</b>			151,640
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ - \$ 69,475,247

\* Clustered Programs

# **WESLACO INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

### **1. GENERAL**

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

Federal funds for R.O.T.C, the Child Nutrition Cluster, the Food Distribution Cluster, the Child and Adult Care Food Program, School Health and Related Services (SHARS), the COVID-19 Emergency Connectivity Funds, and revenues for indirect costs are reported in the General Fund. All other federal programs are accounted for and reported in Special Revenue Funds.

### **2. BASIS OF ACCOUNTING AND PRESENTATION**

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

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

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

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



**3. SUB-RECIPIENTS**

During the year ended June 30, 2023, the District had no sub-recipients.

**4. INDIRECT COST RATE**

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

**5. FEDERAL LOANS AND LOAN GUARANTEES**

During the year ended June 30, 2023, the District had no outstanding federal loans payable or loan guarantees.

**6. FEDERALLY FUNDED INSURANCE**

During the year ended June 30, 2023, the District had no outstanding federally funded insurance.

**7. NONCASH AWARDS**

During the year ended June 30, 2023, the District received \$231,771 as non-cash assistance under the National School Lunch Program and \$70,592 as non-cash assistance under the COVID-19 Testing Grant.

**8. CONTINGENCIES**

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

**9. FEDERAL PASS-THROUGH FUNDS**

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

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

Total Federal Award Expended	\$69,475,247
ESSER II Revenue Received in Proprietary Funds	(3,490,489)
School Health and Related Services (SHARS) Revenue	<u>2,193,778</u>
Exhibit C-3	<u>\$68,178,536</u>

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## **CORRECTIVE ACTION**

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

Weslaco Independent School District  
Corrective Action plan  
For the year ended June 30, 2023

### **Findings Related to the Financial Statements**

#### **2023-001 Allotment Spending Requirements**

Corrective Action Plan – Our Bilingual funds will be used to provide services and resources to close the achievement gap of our Emergent Bilinguals (EB). We will be purchasing classroom libraries and supplemental second language resources that will improve the listening, speaking, reading, and writing proficiency of our EBs. All expenditures are in alignment to the Student Achievement Improvement Plan. We will also monitor our budget reports throughout the year to ensure we are spending the amount required by TEA. Finally, we will also monitor our ADA reports from our PEIMS department throughout the year and communicate with our Business Office so that adjustments to our bilingual budget can be made throughout the 23/24 school year. Expected completion date is June 30, 2024.

Contact Person – Maria Moreno

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF JUNE 30, 2023

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 67,180