



WESLACO INDEPENDENT SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2022
WESLACO, TEXAS



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE
TEN MONTH PERIOD ENDED
JUNE 30, 2022**

**PREPARED BY BUSINESS
DEPARTMENT**

**312 W. 5th STREET
WESLACO, TEXAS 78596**

WESLACO INDEPENDENT SCHOOL DISTRICT
Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
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	
FINANCIAL SECTION		
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	91	G-2
Schedule of District's Contributions For Pensions - Teacher Retirement System		
of Texas	92	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability -		
Teacher Retirement System of Texas	93	G-4

WESLACO INDEPENDENT SCHOOL DISTRICT

Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>	<u>Exhibit</u>
FINANCIAL SECTION (Continued)		
Schedule of District's OPEB Contributions - Teacher Retirement System of Texas	94	G5
Notes to Required Supplementary Information	95	
<i>Other Supplementary:</i>		
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet	102	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance ...	108	H-2
<i>Internal Service Funds:</i>		
Combining Statement of Net Position - Internal Service Funds	114	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	115	H-4
Combining Statement of Cash Flows - Internal Service Funds	116	H-5
<i>Texas Education Agency – Required Schedules:</i>		
Schedule of Delinquent Taxes Receivable	118	J-1
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Child Nutrition Program	120	J-2
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	121	J-3
State Compensatory Education and Bilingual Education Program Expenditures ...	122	J-4
STATISTICAL SECTION		
<i>Financial Trends Information:</i>		
Net Position by Component - Last Ten Years	128	L-1
Governmental Activities Expenses and Program Revenues - Last Ten Years	129	L-2
General Revenues and Changes in Net Position - Last Ten Years	130	L-3
Fund Balances of Governmental Funds - Last Ten Years	131	L-4
Governmental Fund Revenue by Source - Last Ten Years	132	L-5
Governmental Fund Expenditures by Function - Last Ten Years	133	L-6
Governmental Funds Other Sources, Uses and Changes in Fund Balances - Last Ten Years	134	L-7
Governmental Fund Expenditures by Function Per Average Daily Attendance - Last Ten Years	135	L-8
<i>Revenue Capacity Information:</i>		
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	138	L-9
Property Tax Levies and Collections - Last Ten Years	139	L-10
Allocation of Property Tax Rates and Levies - Last Ten Years	140	L-11

WESLACO INDEPENDENT SCHOOL DISTRICT

Weslaco, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>	<u>Exhibit</u>
Property Tax Rates - Direct and Overlapping Governments (Per \$100 Assessed Valuation) - Last Ten Years	141	L-12
Principal Property Taxpayers - 2022 and 2013	142	L-13
<i>Debt Capacity Information:</i>		
Outstanding Debt by Type - Last Ten Years	144	L-14
Direct and Overlapping Debt - Governmental Activities Debt	145	L-15
Computation of Legal Debt Margin - Last Ten Years	146	L-16
Ratio of Net General Obligation Bonded Debt to Estimated Actual Taxable Value And Per Average Daily Membership - Last Ten Years	147	L-17
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures - Last Ten Years	148	L-18
<i>Demographic and Economic Information:</i>		
Principal Employers - Calendar Year 2022 and 2013	150	L-19
Demographic and Economic Statistics - Last Ten Years	151	L-20
<i>Operating Information:</i>		
Workforce Composition by Employee Classification - Last Ten Years	154	L-21
Schedule of Teacher Information - Last Ten Years	155	L-22
Schedule of Attendance and Membership - Last Ten Years	156	L-23
Operating Statistics Table - Last Ten Years	157	L-24
Schedule of Student Information - Last Ten Years	158	L-25
Schedule of School Buildings and Portables	159	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>	163	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	165	
Schedule of Findings and Questioned Costs	168	
Schedule of Expenditures of Federal Awards	172	K-1
Notes to Schedule of Expenditures of Federal Awards	174	
Corrective Action Plan	179	
Schedule of Required Responses to Selected School First Indicators	180	

This page is left blank intentionally

Board of Trustees
Armando Cuellar, Jr., President
Dr. Jaime Rodriguez, Vice President
Jesse Treviño, Secretary



Marcos De Los Santos, Trustee
Andrew Gonzalez, Trustee
Isidoro Nieto, Trustee
Jaclyn Sustaita, Trustee

**WESLACO INDEPENDENT SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT, DR. DINO CORONADO**

November 15, 2022

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 ten month period ended June 30, 2022.

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 ten month ended June 30, 2022, 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 ten month ended June 30, 2022. 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 7th Streets, was completed in February 1922.

Today, as Weslaco ISD celebrates its centennial, it encompasses approximately 54.40 square miles. The District is empowered to levy property taxes on all real and business 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 policies, 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 \$175 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 workshops and a public hearing, the budget is legally enacted by Board resolution each year prior to September 1. Once it is approved, the budget can only be changed at the function and fund level by amendments approved by a majority of the members of the Board. Budget-to-actual comparisons are provided in this report for the General Fund, the Food Service 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 recognizes 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 15,600 students with four high schools, four middle schools, ten elementary schools, a disciplinary alternative education program, and a 21st Century Early Learning Foundation Academy. It offers a technology infused and challenging curriculum aligned to college and career readiness standards taught by highly qualified and effective teachers. The District's mission is to deliver a complete educational experience grounded in creativity, synergy, problem solving, and critical thinking that develops lifelong learners, confident leaders, and engaged citizens. The District follows a school feeder pattern. Students (PK – 5th grade) from its 10 elementary schools are zoned to one of four middle schools. Middle school students (6th – 8th grade) are zoned to one of the two 9th – 12th grade comprehensive high schools. The District also operates one CTE Early College high school, one Alternative high school, a disciplinary alternative education program, as well as a 21st Century Early Learning Foundation Academy. The District's 1,042 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 were 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 state 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 received 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 \$99.3 million of ESSER funding to the District starting 2019-20 and going through 2023-24. 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 years 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 8% from a year ago. The U.S. Federal Reserve has raised interest rates five 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. However, the U.S. gross domestic product went backward in the first half of 2022. 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 as prior years and are expected to continue growing in the next few years.

At the end of June 2022, the national unemployment rate was at about 3.1% which has recovered significantly from June of 2020 when we were under the impact of COVID-19. Texas was slightly above the national average at 4.1%. According to the Texas Workforce Commission data link (TRACER), the unemployment rate in Weslaco has decreased from 12.4 percent in June 2020 to 9.0 percent in June 2022. The per capita personal income has increased 31.53 percent over the last ten years.

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 well to unexpected situations that may arise.

Long-Term Financial Planning

The District continues to experience a decline in student enrollment of approximately 10.2% over the past five years to a little over 15,600 students in 2022. In an effort to increase ADA for future years, the District will be offering pre-school for all 3 and 4 year olds starting in 2022-2023. Anticipated enrollment for the 2022-2023 school year is expected to increase to around 16,500 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 69% 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. Future plans for a bond are continuously evaluated based on facility needs, local economic conditions, and the support of state legislative funding.

The educational stakeholders of the District 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 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 five out of the last six 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 and 2020. 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 2021 and 2022 are pending. However, we believe that our 2021 and 2022 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,



Dino Coronado, Ed.D.
Superintendent



Andres Sanchez Jr., RTSBA, CPA
Executive Director for Business & Finance

This page is left blank intentionally

WESLACO INDEPENDENT SCHOOL DISTRICT

WESLACO, TEXAS

LIST OF PRINCIPAL OFFICIALS

2021 - 2022

BOARD OF TRUSTEES

Armando Cuéllar Jr., President

Dr. Jaime Rodríguez, Vice President

Jesse Treviño, Secretary

Marcos de los Santos Jr., Trustee

Andrew González, Trustee

Isidoro Nieto, Trustee

Jaclyn Sustaita, Trustee

ADMINISTRATORS

Dr. Dino Coronado, Superintendent

Andrés Sánchez Jr., CPA, Executive Director for Business & Finance

Abel Aguilar, Deputy Superintendent

This page is left blank intentionally



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Weslaco Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morill

Executive Director/CEO

This page is left blank intentionally



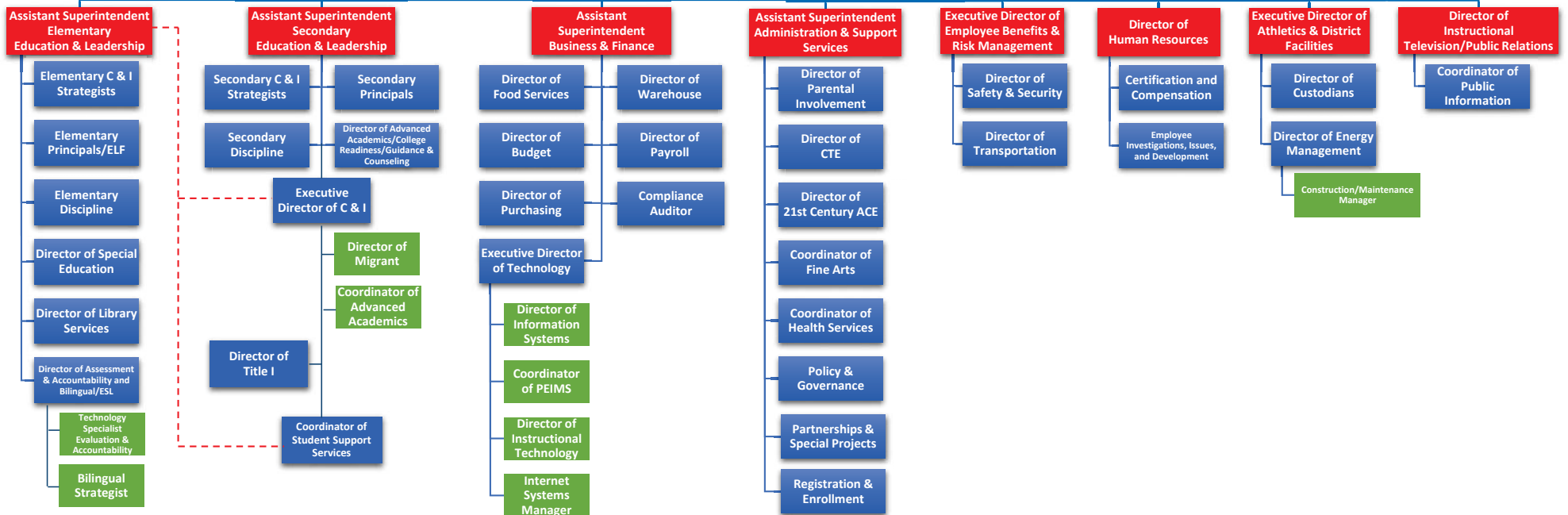
WESLACO INDEPENDENT SCHOOL DISTRICT

2021-2022 ORGANIZATIONAL CHART



BOARD OF TRUSTEES

Superintendent of Schools
Dino Coronado, Ed.D.



BOARD APPROVED 12-10-2018

This page is left blank intentionally

CERTIFICATE OF BOARD

Weslaco Independent School District
Name of School District

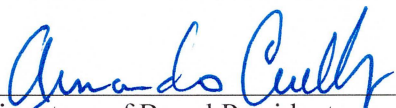
Hidalgo
County

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, 2022, at a meeting of the Board of Trustees of such school district on the 15th day of November, 2022.



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)

This page is left blank intentionally

FINANCIAL SECTION

This page is left blank intentionally

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 fund, and the aggregate remaining fund information of the Weslaco Independent School District (the "District"), as of and for the ten months ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the ten months 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.W. to the financial statements, in 2022, the District adopted new accounting guidance, *GASB Statement No. 87, Leases*. 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor fund financial statements, 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, 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 15, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

McAllen, Texas
November 15, 2022

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 ten month period ended June 30, 2022. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District’s total net position is \$13,645,643 at June 30, 2022 as shown on the government-wide financial statements. This amounted to an increase in net position of \$10,970,345 as a result of current year’s operations.

The District’s governmental fund financial statements reported an ending fund balance of \$75.9 million at June 30, 2022, which is a net increase in fund balance of \$7.36 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 \$9.59 million, offset by a decrease of Debt Service fund balance of \$0.83 million, and a decrease of \$1.51 million in the Capital Projects Fund.

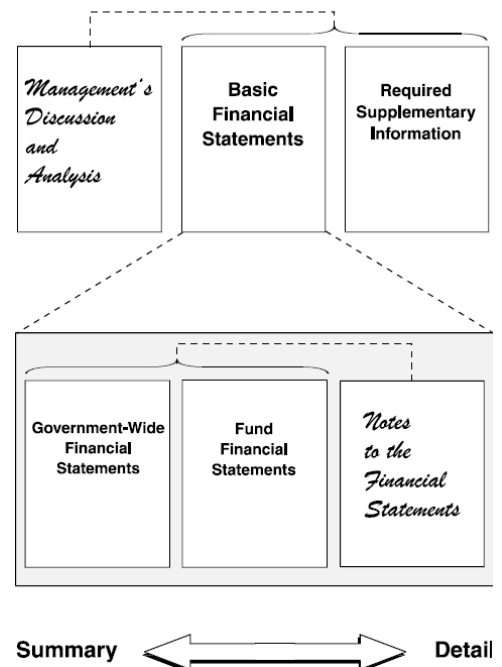
At June 30, 2022, total unassigned fund balance for the General Fund was \$58.5 million or 38.02 percent of the total General Fund expenditures of \$153.8 million.

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 \$10,970,345, between fiscal years 2021 and the ten month period ending June 30, 2022 to \$13,645,643 as of June 30, 2022. (See Table A-1 on the next page).

Table A-1
Weslaco Independent School District
Net Position

	Governmental Activities			Total Percentage
	2022	Restated 2021	Change	Change
Current and other assets	\$ 108,789,569	\$ 97,037,860	\$11,751,708.73	12.11%
Capital and non-current assets	135,177,279	140,528,609	(5,351,330)	-3.81%
Total Assets	243,966,847	237,566,469	6,400,379	2.69%
Deferred outflow of resources	23,771,031	30,101,519	(6,330,489)	-21.03%
Current liabilities	31,781,880	25,122,822	6,659,057	26.51%
Long term liabilities	144,796,194	185,395,315	(40,599,122)	-21.90%
Total Liabilities	176,578,074	210,518,138	(33,940,064)	-16.12%
Deferred inflow of resources	77,514,162	54,474,553	23,039,609	42.29%
Net Position:				
Net investment in capital assets	66,904,615	67,097,951	(193,337)	-0.29%
Restricted	12,009,680	14,223,015	(2,213,335)	-15.56%
Unrestricted	(65,268,652)	(78,645,669)	13,377,016	-17.01%
Total Net Position	\$ 13,645,643	\$ 2,675,298	\$ 10,970,345	410.06%

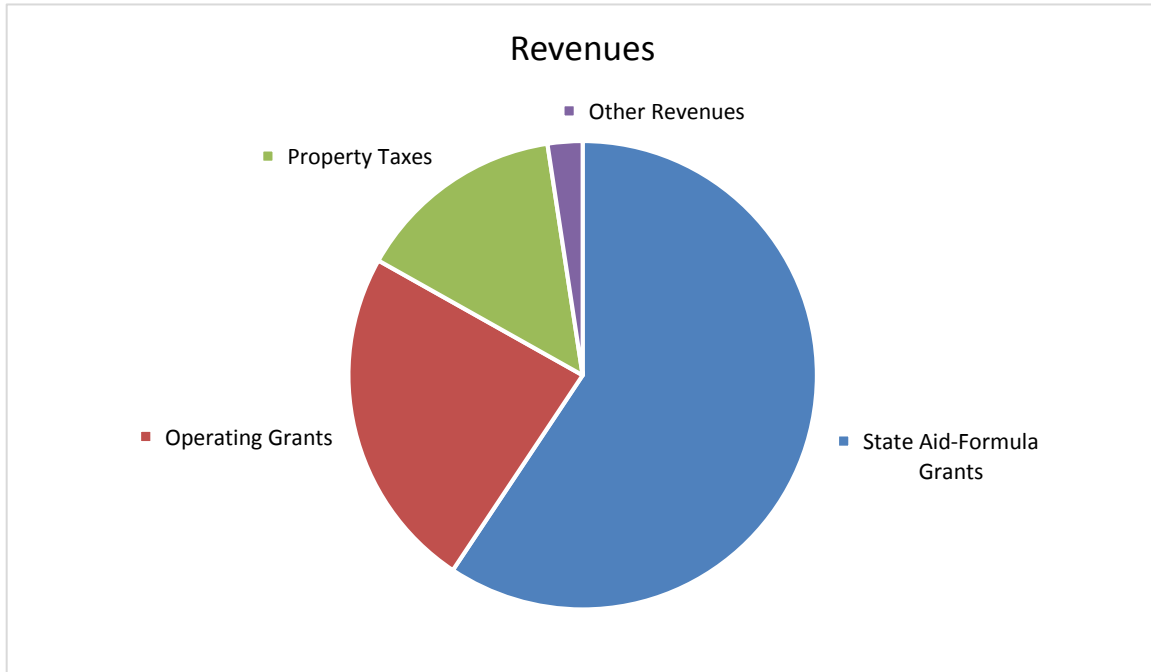
The District's net position increased 410.06% from a prior year amount of \$2,675,298 to \$13,645,643 at June 30, 2022. However, most of the total net position is either net invested in capital assets or is restricted as to the purposes they can be used for. Restricted net position decreased 15.56% due to a decrease in restricted for construction and a decrease in restricted for debt service net position. Unrestricted net position amounted to \$(65,268,652) at June 30, 2022. The unrestricted balance deficit decreased by 17.01% 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 \$191,742,999 for the 10 months ended June 30, 2022. A significant portion of revenue is derived from the following: 59.35% comes from state-aid formula grants, 23.79% of the District's revenue comes from operating grants, and 14.45% is related to property taxes collected, 2.41% 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 10 MONTH PERIOD ENDING JUNE 30, 2022



The property tax rate was 0.9807 in 2021-22. The Maintenance and Operations tax rate was 0.9407 and the Debt Service tax rate was 0.04. The property tax rate will decrease in 2022-23 due to an increase in the District's certified values. The Maintenance and Operations tax rate will be 0.9233 and the Debt Service tax rate will be 0.0360.

The total cost of all programs and services was \$180,772,654 of which 48.2% of these costs was for instruction, 12.6% was for general administration, 8.3% is for facilities maintenance and operations, and 5.3% for food services to students which represent the major function percentages for the ten month period ended June 30, 2022. (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
	2022	2021	Change	
Program Revenues:				
Charges for services	\$ 4,327,662	\$ 4,255,988	\$ 71,675	1.68%
Operating grants & contributions	45,619,840	49,462,645	(3,842,805)	-7.77%
General Revenues :				
Property taxes	27,705,887	26,810,913	894,974	3.34%
Grants and contributions , unrestricted state aid-form	113,802,896	134,574,757	(20,771,861)	-15.44%
Investment earnings	215,187	89,255	125,933	141.09%
Miscellaneous	71,526	36,501	35,025	95.96%
Total Revenues	\$ 191,742,999	\$ 215,230,059	\$ (23,487,059)	-10.91%
Total Expenses (By-Function)				
Instruction	\$ 87,215,143	\$ 100,410,445	\$ (13,195,302)	-13.14%
Instructional resources and media services	3,171,683	3,596,076	(424,393)	-11.80%
Curriculum and staff development	6,145,143	7,582,845	(1,437,702)	-18.96%
Instructional leadership	1,912,459	2,374,248	(461,789)	-19.45%
School leadership	5,098,741	6,478,937	(1,380,196)	-21.30%
Guidance, counseling and evaluation services	6,427,660	7,271,716	(844,056)	-11.61%
Social work services	887,796	1,263,214	(375,418)	-29.72%
Health services	2,769,198	2,412,946	356,253	14.76%
Student (pupil) transportation	4,167,353	4,427,142	(259,789)	-5.87%
Food services	9,518,394	11,775,865	(2,257,471)	-19.17%
Extracurricular activities	7,245,687	6,557,145	688,541	10.50%
General administration	22,862,775	26,477,291	(3,614,516)	-13.65%
Facilities maintenance and operations	15,045,414	19,074,364	(4,028,950)	-21.12%
Security and monitoring services	2,448,670	2,387,880	60,791	2.55%
Data processing services	2,125,849	2,609,708	(483,859)	-18.54%
Community services	1,864,414	3,998,704	(2,134,290)	-53.37%
Debt service - interest on long term debt	1,415,110	2,237,527	(822,416)	-36.76%
Debt service - bond issuance cost and fees	212,119	107,994	104,125	96.42%
Payments to juvenile justice alternative ed. program	(31,330)	100,000	(131,330)	-131.33%
Other Intergovernmental Charges	270,375	259,939	10,436	4.01%
Total Expenses	\$ 180,772,654	\$ 211,403,986	\$ (30,631,332)	-14.49%
Total Increase (decrease) in Net Position	\$ 10,970,345	\$ 3,826,073	\$ 7,144,272	186.73%
Net position beginning	2,675,298	(1,238,152)	3,913,450	-316.07%
Prior Period Adjustment	-	87,377	(87,377)	N/A
Net position on beginning, as restated	2,675,298	(1,150,776)	3,826,073	-332.48%
Net Position Ending	13,645,643	2,675,298	10,970,345	410.06%

Governmental Activities-Continued

- The cost of all governmental activities this year was \$180,772,654.
- Cost paid by those who directly benefited from the programs totaled \$4,327,662.
- Other cost were paid by Operating Grants and Contributions of \$45,619,840.
- However, the amount that our taxpayers paid for these activities through property taxes was \$27,705,887.

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. General Administration and Facilities Maintenance & Operations net costs decreased 18.8% and 17.91%, respectively. This was due mainly to the ten month fiscal year. July and August expenditures for these functions were paid out of the 2022/2023 budget. Food Service also benefited by the ten month fiscal year. Food Service net costs decreased by 2,348.36%. Food service expenses decreased by over 19.17% due to the ten month fiscal year, the District no longer severing the community due to the pandemic in 21/22, and current year effects due to GASB 68 and 75. Instruction net costs decreased by 14.32% also due mainly to the ten month fiscal year and the current year effects due to GASB 68 and 75. However, Co-Curricular and Extra Curricular net cost increased by 5.91%. There are a couple of reasons for this. One, the Board approved an increase in Co-Curricular/Extra Curricular stipends during the 21/22 year. The second reason is, Co-Curricular and Extra Curricular expenses decreased during the pandemic. Now that we are coming out of the pandemic, these expenses have increased by over 10.5% over the 20/21 fiscal year.

Table A-4

Weslaco Independent School District
Net Cost of District's Major Governmental Activities

	<u>Costs</u>			<u>Net Costs</u>		
	2022	Restated 2021	% Change	2022	2021	% Change
Instruction	\$ 87,215,143	\$ 100,410,445	-13.14%	\$ 69,326,998	\$ 80,910,814	-14.32%
Co-Curricular/Extra Curricular Activities	7,245,687	6,557,145	10.50%	6,548,006	6,182,855	5.91%
Food Service	9,518,394	11,775,865	-19.17%	(1,947,989)	86,640	-2348.36%
General Administration	22,862,775	26,477,291	-13.65%	17,296,029	21,300,021	-18.80%
Facilities Maintenance & Operations	15,045,414	19,074,364	-21.12%	12,907,893	15,723,729	-17.91%

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, 2022, the District's governmental funds reported ending fund balances of \$75,899,122. Of the current ending fund balances, the general fund reported an ending fund balance of \$69,780,631 while the rest of the funds amounted to a fund balance of \$6,118,491. The following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$2,673,264 is recorded as non-spendable, of which \$1,284,963 is non-spendable for inventories and \$1,388,301 is non-spendable for prepaid items.
- \$13,068,926 is recorded as restricted, of which \$7,481,618 is restricted for federal or state programs; \$3,897,800 is restricted for capital acquisitions and contractual obligations; and \$1,689,507 is restricted retirement of long-term debt.
- \$490,234 is recorded as committed fund balance for student activities.
- \$1,172,022 is recorded as assigned, of which \$1,116,684 for unliquidated purchase orders rolled

forward; \$13,388 for technology related expenditures; \$40,949 is assigned for scholarships; and \$1,000 assigned for a parental involvement donation.

- \$58,494,676 is recorded as unassigned and is available for spending at the government's discretion.

Revenues from governmental fund types totaled \$196,299,955 as of June 30, 2022. This is a decrease of \$12,222,328 from August 31, 2021's total of \$208,522,283. The decrease was due mainly to an over 15.3% drop in state funding due to reduced ADA numbers, an increase in appraised values by almost 10.00%, and accruing of 7 days of 21/22 state funding in August 2021 due to students attending school in August 2021 for the 21/22 school year.

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 \$69,780,631. This represents an increase of \$9,594,609 or 15.94%. Factors listed below contributed to the overall increase in fund balance to the General Fund.

- Tax revenues increased by 3.42 % due primarily to the increase of taxable property values by almost 10.0% driven by increased local real estate market values.
- The District Expenditures incurred in July and August 2022 were recorded as expenditures of the 22/23 budget.
- The District had earned almost all of its 21/22 state funding as of June 30, 2022.
- Indirect cost increased by 93.75% primarily due to indirect costs from the ESSER funds.
- The District paid 3 months of 2nd, 3rd, and 4th grade teachers out of ESSER funds during the fiscal year.
- The District did not fill many vacant positions due to the lower than expected enrollment and attendance rate.
- The District had no operating transfers to the District's Construction or I & S funds during the ten month fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget numerous times. The most significant revision was a \$6.2 million reduction to budgeted salaries for salaries earned in August and paid in September for employees that work 187 days. Even with these adjustments, actual expenditures were \$18,001,830 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 \$89,757,222 and actual expenditures totaled \$83,013,410. The District reclassified 3 months of 2nd, 3rd, and 4th grade 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 \$6,743,812 of expected expenses.

On the other hand, resources available were originally budgeted at a total of \$177,119,387. Like the District's budgeted expenditures, this figure was revised numerous times during the year. The most significant revision was a \$5.2 million reduction for 21/22 state aide earned in August 2021 due to students attending classes for 7 days during this month. The final budgeted resources available amount ended up at \$167,941,589 and actual revenues totaled \$163,162,773, netting a difference of \$4,778,816 less. Our state aid was less due to the lower than expected ADA and an increase in our appraised values. Our on behalf revenues also declined due to the District having a ten month fiscal year in 2021/22

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 2022, the District had invested \$319,165,215 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 \$5,351,330 or 3.81% (including additions, deductions and depreciation/amortization).

Table A-5

Weslaco Independent School District
District's Capital Assets

	2022	Restated 2021	Change	Change
Land and Improvements	\$ 24,064,769	\$ 23,182,220	\$ 882,549	3.81%
Construction in Progress	5,282,525	6,762,557	(1,480,032)	-21.89%
Buildings and Improvements	261,549,243	259,460,810	2,088,434	0.80%
Furniture and Equipment	27,713,562	27,752,749	(39,187)	-0.14%
Right to use Leased Assets	555,116	506,568	48,547	9.58%
Totals at Historical Cost	319,165,215	317,664,903	1,500,312	0.47%
Accumulated Depreciation/Amortization	(183,987,936)	(177,136,294)	(6,851,642)	3.87%
Net Capital Assets	\$135,177,279	\$ 140,528,609	\$ (5,351,330)	-3.81%

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 \$36,339,977 million in bonds and \$24,727,482 notes and loans outstanding as shown in Table A-6. The District's long term liabilities decreased by 21.25% due mainly to a large decrease 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

	2022	Restated 2021	Change	% Change
Bond Payable	\$ 36,339,977	\$ 38,610,000	\$ (2,270,023)	-5.88%
Notes/Loans Payable	24,727,482	26,308,236	(1,580,754)	-6.01%
Premium on Bonds	7,459,841	8,767,558	(1,307,717)	-14.92%
Compensated Absences	1,055,510	999,380	56,130	5.62%
Accumulated Accretion on CABs	15,018	-	15,018	N/A
Lease Payable	466,449	506,568	(40,119)	-7.92%
Net Pension Liability	26,230,954	58,358,280	(32,127,326)	-55.05%
Net OPEB Liability	52,884,936	55,879,152	(2,994,216)	-5.36%
Total Long Term Liabilities	\$149,180,167	\$ 189,429,174	\$ (40,249,007)	-21.25%

NEXT YEAR'S BUDGETS AND RATE

The District's elected and appointed officials considered many factors when setting the fiscal year 2023 budget and tax rates. For the 2022-23 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 \$0.9807 in fiscal year 2021-22 to \$0.9593 for 2022-23 based on certified values.

These indicators were taken into account when adopting the General Fund budget for 2023. Amounts available for appropriation in the General Fund budget are \$ 178.95 million, with an increase of 6.58% over the final 2022 budget of \$ 167.9 million. State per capita payments account for most all of the expected revenue increase. This increase is due to higher expected ADA in the 2022/23 school year than the 2021/22 school year. However, as of mid-October 2022, ADA was approximately 1,359.7 students lower than budgeted ADA, but still approximately 1,250 higher than last year's first six weeks. The district is reaching out to all students registered last year who did not show up at the start of school in August 2022.

The District will use its revenues to finance programs we currently offer plus all day pre-school for all 3 and 4 year olds. Budgeted expenditures are expected to increase 3.52% to \$178.95 million from \$172.87 million original budget in 2022. This is due mainly to the District's budget for 2022 being a 10 month budget versus a 12 month budget for 2023 and also due to the raises given to employees.

If these estimates are realized, the District's budgetary General Fund fund balance is expected to remain stable by the close of 2023.

The District budget does not include budgeted expenses related to COVID-19. The District will use ESSER II and ESSER III funds for the vast majority of COVID-19 expenditures. The District will also use these funds to pay for current and additional staffing, accelerated instruction, retention stipends, and construction projects over the next two years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

This page is left blank intentionally

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

Data Control Codes		Primary Government
		Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 91,756,411
1220	Property taxes receivable	4,208,975
1230	Allowance for uncollectible taxes	(281,438)
1240	Due from other governments	9,699,803
1290	Other receivables	605,448
1300	Inventories - supplies and materials	1,395,184
1410	Prepaid items	1,405,186
	Capital assets not being depreciated:	
1510	Land	6,661,889
1580	Construction in progress	5,282,525
	Capital assets net of accumulated depreciation:	
1510	Land improvements, net	6,335,805
1520	Buildings, net	110,100,003
1530	Furniture and equipment, net	6,442,406
1550	Right-to-use leased assets, net	354,650
1000	TOTAL ASSETS	243,966,847
	DEFERRED OUTFLOWS OF RESOURCES	
1701	Deferred charge on refunding	675,748
1705	Deferred outflows for TRS pension	13,968,949
1706	Deferred outflows for TRS OPEB	9,126,334
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,771,031
	LIABILITIES	
2110	Accounts payable	3,777,329
2120	Accrued liabilities	1,587,094
2140	Interest payable	809,113
2150	Payroll deductions & withholdings	1,760,374
2160	Accrued wages payable	17,592,274
2180	Due to other governments	97,152
2300	Unearned revenues	1,774,571
	Noncurrent liabilities:	
2501	Due within one year: Loans, Notes, Leases, etc.	4,383,973
	Due in more than one year	
2502	Bonds, Notes, Leases, etc.	65,680,304
2540	Net pension liabilities	26,230,954
2545	Net OPEB liability (proportionate share)	52,884,936
2000	TOTAL LIABILITIES	176,578,074
	DEFERRED INFLOWS OF RESOURCES	
2605	Deferred inflows for TRS pension	31,435,250
2606	Deferred inflows for TRS OPEB	46,078,912
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	77,514,162
	NET POSITION	
3200	Net investment in capital assets	66,904,615
	Restricted for:	
3820	Federal and state programs	7,563,277
3850	Debt service	1,329,627
3860	Capital projects	3,116,776
3900	Unrestricted	(65,268,652)
3000	TOTAL NET POSITION	\$ 13,645,643

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, 2022

Data	10			
Control				Total
Codes		General	Other	Governmental
		Fund	Funds	Funds
ASSETS				
1110	Cash and cash equivalents	\$ 80,917,408	\$ 8,339,354	\$ 89,256,763
1220	Property taxes receivable	4,048,688	160,287	4,208,975
1230	Allowance for uncollectible taxes	(268,063)	(13,374)	(281,438)
1240	Due from other governments	4,517,451	5,182,351	9,699,803
1260	Due from other funds	3,033,356	-	3,033,356
1290	Other receivables	15,985	48,966	64,950
1300	Inventories	1,370,304	24,880	1,395,184
1410	Prepaid items	1,388,301	-	1,388,301
1000	Total Assets	\$ 95,023,430	\$ 13,742,464	\$ 108,765,894
LIABILITIES				
Liabilities:				
2110	Accounts payable	\$ 1,746,830	\$ 1,087,461	\$ 2,834,290
2150	Payroll deductions & withholdings payable	1,760,374	-	1,760,374
2160	Accrued wages payable	15,690,072	1,902,201	17,592,274
2170	Due to other funds	-	3,033,356	3,033,356
2180	Due to other governments	97,152	-	97,152
2300	Unearned revenues	307,424	1,467,147	1,774,571
2000	Total Liabilities	19,601,852	7,490,165	27,092,017
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	3,431,211	133,808	3,565,018
2602	Unavailable revenue - SHARS	2,209,736	-	2,209,736
2600	Total deferred inflows of resources	5,640,947	133,808	5,774,755
FUND BALANCES				
Nonspendable fund balance:				
3410	Inventories	1,284,963	-	1,284,963
3430	Prepaid items	1,388,301	-	1,388,301
Restricted fund balance:				
3450	Grant restrictions	7,481,618	-	7,481,618
3470	Capital acquisitions	-	3,897,800	3,897,800
3480	Retirement of debt	-	1,689,507	1,689,507
Committed fund balance:				
3545	Other committed fund balances	-	490,234	490,234
Assigned fund balance:				
3590	Other assigned fund balance	1,131,072	40,949	1,172,022
3600	Unassigned fund balance	58,494,676	-	58,494,676
	Total Fund Balances	69,780,631	6,118,491	75,899,122
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 95,023,430	\$ 13,742,464	\$ 108,765,894

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, 2022

Total Fund Balance - Governmental Funds	\$ 75,899,122
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.	526,899
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 \$317,664,903 and the accumulated depreciation and amortization was \$177,136,294. 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.	75,103,805
Current year capital outlays, new right to use asset 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 2022 capital outlays, new right to use asset agreements, and debt principal is an increase/(decrease) net position.	5,950,604
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 \$13,968,949, a deferred resource inflow in the amount of \$31,435,250, and a net pension liability in the amount of \$26,230,954. This resulted in an increase (decrease) in net position.	(43,697,255)
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 \$9,126,334, a deferred resource inflow in the amount of \$46,078,912, and a net OPEB liability in the amount of \$52,884,936. This resulted in an increase (decrease) in net position.	(89,837,514)
The 2022 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.	(7,201,038)
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.	(3,098,979)
Net Position of Governmental Activities	\$ 13,645,643

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes		10 General Fund	Other Funds	Total Governmental Funds
	REVENUES:			
5700	Local and intermediate sources	\$ 27,646,389	\$ 1,539,773	\$ 29,186,162
5800	State program revenues	120,277,636	1,404,879	121,682,515
5900	Federal program revenues	15,238,748	30,192,531	45,431,279
	Total Revenues	<u>163,162,773</u>	<u>33,137,182</u>	<u>196,299,955</u>
	EXPENDITURES:			
	Current			
0011	Instruction	83,013,410	17,531,661	100,545,071
0012	Instruction resources & media services	1,855,664	1,909,222	3,764,886
0013	Curriculum & staff development	5,352,706	1,801,532	7,154,238
0021	Instructional leadership	1,512,276	770,490	2,282,766
0023	School leadership	5,670,049	348,426	6,018,475
0031	Guidance, counseling & evaluation services	5,937,730	1,643,109	7,580,839
0032	Social work services	805,559	260,382	1,065,941
0033	Health services	1,470,332	1,730,891	3,201,223
0034	Student (pupil) transportation	4,016,006	452,168	4,468,173
0035	Food services	9,868,909	559,126	10,428,034
0036	Co-curricular/extracurricular activities	6,559,655	246,242	6,805,897
0041	General administration	4,787,156	157,916	4,945,072
0051	Facilities maintenance & operations	14,371,476	2,037,689	16,409,164
0052	Security & monitoring services	2,706,942	161,226	2,868,167
0053	Data processing services	2,263,053	97,346	2,360,399
0061	Community services	1,087,218	1,021,494	2,108,712
	Debt Service:			
0071	Debt service - principal on long term debt	1,812,917	2,287,979	4,100,896
0072	Debt service - interest on long term debt	518,711	870,187	1,388,898
0073	Debt service - bond issuance cost & fees	900	211,219	212,119
	Capital Outlay			
0081	Facilities acquisitions and construction	-	1,490,951	1,490,951
	Intergovernmental:			
0095	Payments to Juvenile Justice Alternative Ed. Prog.	(31,330)	-	(31,330)
0099	Other intergovernmental charges	270,375	-	270,375
6030	Total Expenditures	<u>153,849,713</u>	<u>35,589,254</u>	<u>189,438,967</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>9,313,061</u>	<u>(2,452,072)</u>	<u>6,860,988</u>
	OTHER FINANCING SOURCES (USES)			
7911	Issuance of Bonds	-	11,844,977	11,844,977
7912	Sale of real and personal property	71,526	-	71,526
7913	Proceeds from Capital Leases	210,022	-	210,022
7916	Premium or Discount on Issuance of Bonds	-	1,373,505	1,373,505
8911	Payment to refunded bond escrow agent	-	(13,004,943)	(13,004,943)
7080	Total Other Financing Sources (Uses)	<u>281,548</u>	<u>213,539</u>	<u>495,088</u>
1200	Net change in fund balances	9,594,609	(2,238,533)	7,356,076
0100	Fund balance - September 1 (beginning)	<u>60,186,022</u>	<u>8,357,024</u>	<u>68,543,046</u>
3000	Fund balance - June 30 (ending)	<u>\$ 69,780,631</u>	<u>\$ 6,118,491</u>	<u>\$ 75,899,122</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 TEN MONTHS ENDED JUNE 30, 2022

Total Net Change in Fund Balance - Governmental Funds	\$ 7,356,076
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.	(2,108,243)
Current year capital outlays, new right to use asset agreements, and long-term debt principal payments are expenditures in the fund financial statement. However, 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 2022 capital outlays, new right to use asset agreements, and debt principal is an increased/(decreased) net position.	5,950,604
The 2022 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.	(7,201,038)
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.	332,453
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 \$4,373,200. 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 \$4,399,138. 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 \$2,676,113. The net result is an increase (decrease) in the change in net position.	2,650,175
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 \$934,197. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$1,075,288. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$4,131,410. The net result is an increase (decrease) in the change in net position.	3,990,319
Change in Net Position of Governmental Activities	<u><u>\$ 10,970,345</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes		Original	Final	Actual Amounts	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Local and intermediate sources	\$ 26,317,952	\$ 26,319,452	\$ 27,646,389	\$ 1,326,937
5800	State program revenues	136,389,916	126,287,404	120,277,636	(6,009,768)
5900	Federal program revenues	14,411,519	15,334,733	15,238,748	(95,985)
	Total Revenues	<u>177,119,387</u>	<u>167,941,589</u>	<u>163,162,773</u>	<u>(4,778,816)</u>
	EXPENDITURES:				
	Current				
0011	Instruction	96,548,615	89,757,222	83,013,410	6,743,812
0012	Instruction Resources & Media Services	2,080,733	2,025,678	1,855,664	170,014
0013	Curriculum & Instructional Staff Development	6,320,638	6,682,531	5,352,706	1,329,825
0021	Instructional Leadership	1,731,854	1,874,312	1,512,276	362,036
0023	School Leadership	6,002,900	6,187,577	5,670,049	517,528
0031	Guidance, Counseling & Evaluation Services	6,143,575	6,621,619	5,937,730	683,889
0032	Social Work Services	956,824	1,067,130	805,559	261,571
0033	Health Services	1,612,917	1,747,465	1,470,332	277,133
0034	Student (Pupil) Transportation	4,661,679	4,858,461	4,016,006	842,455
0035	Food Services	11,694,778	12,591,810	9,868,909	2,722,901
0036	Co-curricular/Extracurricular Activities	5,886,178	7,512,663	6,559,655	953,008
0041	General Administration	4,843,766	5,242,818	4,787,156	455,662
0051	Facilities Maintenance & Operations	15,703,031	15,878,015	14,371,476	1,506,539
0052	Security & Monitoring Services	2,780,999	2,936,721	2,706,942	229,779
0053	Data Processing Services	2,304,303	2,591,652	2,263,053	328,599
0061	Community Services	1,112,881	1,231,484	1,087,218	144,266
0071	Debt service - principal on long term debt	1,580,750	1,894,366	1,812,917	81,449
0072	Debt service - interest on long term debt	502,102	520,412	518,711	1,701
0073	Debt service - bond issuance cost & fees	3,000	216,539	900	215,639
0095	Payments to Juvenile Justice Alternative Ed. Prog.	100,000	100,000	(31,330)	131,330
0099	Other intergovernmental charges	303,068	313,068	270,375	42,693
6030	Total Expenditures	<u>172,874,591</u>	<u>171,851,543</u>	<u>153,849,713</u>	<u>18,001,830</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>4,244,796</u>	<u>(3,909,954)</u>	<u>9,313,061</u>	<u>13,223,015</u>
	OTHER FINANCING SOURCES (USES)				
7911	Bond Proceeds	-	11,844,977	-	11,844,977
7912	Sale of real and personal property	-	-	71,526	(71,526)
7913	Capital Leases	-	201,447	210,022	(8,575)
7916	Premiums/Discounts on Bonds	-	1,373,505	-	1,373,505
8949	Payment to refunded bond escrow agent	-	(13,004,943)	-	(13,004,943)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>414,986</u>	<u>281,548</u>	<u>133,438</u>
1200	Net Change in Fund Balances	4,244,796	(3,494,968)	9,594,609	13,356,452
0100	Fund Balance - September 1 (Beginning)	<u>60,186,022</u>	<u>60,186,022</u>	<u>60,186,022</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 64,430,818</u>	<u>\$ 56,691,054</u>	<u>\$ 69,780,631</u>	<u>\$ 13,356,452</u>

The accompanying notes are an integral part of this statement

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,499,648
Other receivables	540,498
Prepaid items	<u>16,885</u>
Total Assets	<u><u>3,057,031</u></u>
LIABILITIES	
Current Liabilities:	
Account payables	943,038
Accrued expenses	<u>1,587,094</u>
Total Liabilities	<u>2,530,132</u>
NET POSITION	
Unrestricted	<u>526,899</u>
Total Net Position	<u><u>\$ 526,899</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 TEN MONTHS ENDED JUNE 30, 2022

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:	
Local and Intermediate Sources	<u>\$ 16,422,277</u>
Total Operating Revenues	<u>16,422,277</u>
OPERATING EXPENSES:	
Professional and Contracted Services	1,110,046
Other Operating Costs	<u>17,434,428</u>
Total Operating Expenses	<u>18,544,475</u>
Operating Income (Loss)	<u>(2,122,197)</u>
NONOPERATING REVENUES:	
Earning from Temporary Deposits and Investments	<u>13,954</u>
Total Nonoperating Revenues	<u>13,954</u>
Change in Net Position	(2,108,243)
Total Net Position-September 1, (Beginning)	<u>2,635,142</u>
Total Net Position - June 30, (Ending)	<u><u>\$ 526,899</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 13,278,259
Receipts from employees	3,121,692
Receipts from other participants	22,326
Receipts from reimbursements and refunds	428,876
Payments for benefit claims	(15,705,226)
Payments for administration	<u>(3,738,833)</u>
Net cash used in operating activities	<u>(2,592,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>13,954</u>
Net cash provided by investing activities	<u>13,954</u>
Net decrease in cash and cash equivalents	(2,578,951)
Cash and Cash equivalents-beginning	<u>5,078,600</u>
Cash and Cash equivalents-ending	<u><u>\$ 2,499,648</u></u>
Reconciliation of operating income/(loss) to net cash used in operating activities	
Operating loss	\$ (2,122,197)
Adjustments to reconcile operating loss to net cash used in:	
(Increase) decrease in other receivables	(540,498)
(Increase) decrease in prepaid items	32,673
Increase (Decrease) in account payables	319,453
Increase (Decrease) in other current liabilities	<u>(282,336)</u>
Total adjustments	<u>(470,708)</u>
Net cash used in operating activities	<u><u>\$ (2,592,905)</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, 2022

	Custodial Funds
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 695,533
Total Assets	<u>695,533</u>
LIABILITIES	
Accounts payables	<u>45,386</u>
Total Liabilities	<u>45,386</u>
NET POSITION	
Restricted for Other Purposes	<u>650,147</u>
Total Net Position	<u><u>\$ 650,147</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 TEN MONTHS ENDED JUNE 30, 2022

	Custodial Funds
ADDITIONS:	
Miscellaneous Revenue - Student Activities	\$ 1,477,097
Contributions, Gifts, and Donations	<u>31,974</u>
Total Additions	<u>1,509,071</u>
DEDUCTIONS	
Supplies and Materials	1,366,263
Scholarship Payments	30,800
Other Deductions	<u>44,364</u>
Total Deductions	<u>1,441,427</u>
Change in Fiduciary Net Position	67,644
Total Net Position - September 1 (Beginning)	582,503
Total Net Position - June 30 (Ending)	<u><u>\$ 650,147</u></u>

The accompanying notes are an integral part of this statement.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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 TEN MONTHS ENDED JUNE 30, 2022**

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 TEN MONTHS ENDED JUNE 30, 2022**

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.

Additionally, the District reports the following fund types:

Governmental Funds:

- 2. Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in special revenue funds and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- 3. Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long term obligation debt of governmental funds.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. FUND ACCOUNTING – Continued

- 4. 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:

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

- 6. 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 agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

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.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. OTHER ACCOUNTING POLICIES

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 TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

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

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
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 the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.
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 TEN MONTHS ENDED JUNE 30, 2022**

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 \$582.
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 TEN MONTHS ENDED JUNE 30, 2022**

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 \$444,847 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 TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES - Continued

General fund		
Nonspendable		
Inventories	\$	1,284,963
Prepaid Items		1,388,301
Restricted		
Food Service		2,103,687
State Vocational		459,515
State Compensatory Education		3,189,537
State Dyslexia		90,364
Early Education Allotment		916,862
CCMR		721,653
Assigned		
Other Assigned Fund Balance - PO Rollforward		1,116,684
Other Assigned Fund Balance - Technology		13,388
Other Assigned Fund Balance - Parental Involvement		<u>1,000</u>
Total Nonspendable, Restricted, Assigned - General Fund	\$	<u><u>11,285,955</u></u>
Nonmajor Funds		
Restricted		
Capital Acquisitions	\$	3,897,800
Retirement of Debt		1,689,507
Committed		
Campus Activity Funds		490,234
Assigned		
Scholarship Fund		<u>40,949</u>
Total Restricted, Committed, Assigned - Nonmajor Funds	\$	<u><u>6,118,491</u></u>
Total Nonspendable, Restricted, Committed, Assigned - Governmental Funds	\$	<u><u>17,404,446</u></u>

14. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
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 TEN MONTHS ENDED JUNE 30, 2022**

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 TEN MONTHS ENDED JUNE 30, 2022**

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.

17. New Accounting Standards

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 current year, resulting in no material effect.

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- 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*
- 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 TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

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

Statement No. 93 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.

Statement No. 94 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.

Statement No. 96 provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITAs). To the extent relevant, the standards for the SBITAs are based on the standards established in GASB No. 87, *Leases*. The requirements of this Statement are effective for the fiscal years beginning after June 15, 2022.

Statement No. 97 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.

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. OTHER ACCOUNTING POLICIES – Continued

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.

E. 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.

F. OTHER POST – EMPLOYMENT BENEFITS

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

Capital Assets at the Beginning of the Year as Restated	Historical Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land	\$ 6,661,889	\$ -	\$ 6,661,889	
Construction in Progress	6,762,557	-	6,762,557	
Land Improvements	16,520,330	(10,240,766)	6,279,564	
Buildings	259,460,810	(146,971,664)	112,489,146	
Furniture & Equipment	27,752,749	(19,923,865)	7,828,884	
Right to Use Leased Equipment	506,568	-	506,568	
Change in Net Position				<u>\$ 140,528,609</u>
Long-term Liabilities at the Beginning of the Year			Payable at the Beginning of the Year	
Bonds Payable			\$ 38,610,000	
Notes Payable			25,212,000	
Loan Payable			1,096,236	
Lease Payable			506,568	
				<u>(65,424,804)</u>
Net Adjustment to Net Position				<u><u>\$ 75,103,805</u></u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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:

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Current Year Capital Outlay			
Land & Improvements	\$ 523,236		
Buildings & Improvements	501,976		
Furniture & Equipment	310,209		
Right to Use Leased Equipment	48,547		
Construction in Progress	465,739		
Total Capital Outlay		\$ 1,849,708	\$ 1,849,708
Debt Principal Payments			
Bond Principal	2,270,000		
Notes Principal	1,467,000		
Loan Principal	113,754		
Lease Principal	<u>250,142</u>		
Total Principal Payments		<u>4,100,896</u>	<u>4,100,896</u>
Total Adjustment		<u>\$ 5,950,604</u>	<u>\$ 5,950,604</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 TEN MONTHS ENDED JUNE 30, 2022**

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	\$ 820,055	\$ (820,055)	\$ -
Uncollected Taxes (assumed collectible) from Current Year Levy	1,028,574	1,028,574	1,028,574
Uncollected Taxes (assumed collectible) from Prior Year Levy	2,536,444	(215,153)	2,536,444
Uncollected SHARS Revenue	2,209,736	844,992	2,209,736
Reclassify Proceeds of Bonds, Loans & Capital Leases			
2022 Refunding Bonds	13,218,482	(213,539)	23
Discount (Premium) on Issuance of Bonds	7,459,841	436,467	(7,459,841)
Deferred Charge on Refunding	675,748	195,762	675,748
Interest Payable	809,113	(643,424)	(809,113)
Accreted Interest on Cap Bonds	15,018	(15,018)	(15,018)
Current Year Right to Use Leases	210,022	(210,022)	(210,022)
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or Unused Sick Leave	1,055,510	(56,130)	(1,055,510)
Total		<u>\$ 332,453</u>	<u>\$ (3,098,979)</u>

C. COMPUTATION OF NET INVESTMENT IN CAPITAL ASSETS

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

Capital Assets	\$ 319,165,215
Less:	
Accumulated depreciation/amortization	(183,987,936)
Outstanding debt	(61,533,908)
Capital projects funds payables	(735,687)
Premiums on debt	(7,459,841)
Add:	
Deferred charge on refunding	675,748
Unspent bond proceeds	781,025
Net investment in capital assets	<u>\$ 66,904,615</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

June 30, 2022 Fund Balance	
Non-appropriated Budget Funds	<u>\$ 531,183</u>
All Special Revenue Funds	<u>\$ 531,183</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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, 2022, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,669,048 and the bank balance was \$3,192,864. The District's cash deposits at June 30, 2022 and during the 10 months ended June 30, 2022 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	\$ 1,669,048
Cash With Paying Agent	4
Petty Cash	9,153
Investments	<u>90,773,738</u>
Total of all funds	92,451,944
Less: Statement of Fiduciary Net Position	<u>(695,533)</u>
Statement of Net Position	<u><u>\$ 91,756,411</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 \$12,900,000.
- c. The largest combined balances of cash and savings accounts amounted to \$12,888,162 and occurred during the month of February 2022.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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, 2022, 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 TEN MONTHS ENDED JUNE 30, 2022**

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, 2022, Weslaco Independent School District had the following investments:

	Weighted Average <u>Maturity</u>	Reported <u>Amount</u>
First Public Investment Pool	79 days average	\$ 73,218,264
Texas Range Investment Program	20 days average	11,422,559
Texpool	25 days average	6,132,915
		<u>\$ 90,773,738</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, 2022, the District's investments in First Public Investment Pool were rated AAAsf/S1+, by Standard & Poor's (S&P), Texas Range Investment Program was rated AAAMmf by Standard and Poor's (S&P) and Texpool was rated AAAM by Standard and Poor's (S&P).

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

Concentration of Credit Risk The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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, 2022, the District had 81% of its investments in First Public Investment Pools rated AAAf/S1+ as noted above, 12% of its investments in Texas Range Investment Program rated AAmmf, and 7% in Texpool rated AAAm.

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

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

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 \$ 0.9447 per \$ 100 property tax valuation, \$0.9407 for M & O and \$0.0400 for I & S. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On February 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

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

D. SUMMARY OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2022 were as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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
<u>Governmental Funds</u>					
General Fund	\$ 4,048,688	\$ 4,517,451	\$ 3,033,356	\$ 15,985	\$ 11,615,480
Non-major Funds	160,287	5,182,351	-	48,966	5,391,604
Total Governmental Funds	4,208,975	9,699,803	3,033,356	64,950	17,007,084
<u>Proprietary Funds</u>					
Internal Service Fund	-	-	-	540,498	540,498
Total Proprietary Funds	-	-	-	540,498	540,498
Total	4,208,975	9,699,803	3,033,356	605,448	17,547,582
Less: Allowance for Uncollectible	(281,438)	-	-	-	(281,438)
Total Receivables, Net	\$3,927,537	\$ 9,699,803	\$ 3,033,356	\$ 605,448	\$ 17,266,144

Payables at June 30, 2022 were as follows:

	Accounts Payable	Accrued Wages Payable	Due to Other Funds	Due to Other Governments	Other	Total Payables
<u>Governmental Funds</u>						
General Fund	\$ 1,746,830	\$ 15,690,072	\$ -	\$ 97,152	\$ 1,760,374	\$ 19,294,428
Non-major Funds	1,087,461	1,902,201	3,033,356	-	-	6,023,018
Total Governmental Funds	2,834,290	17,592,274	3,033,356	97,152	1,760,374	25,317,446
<u>Proprietary Funds</u>						
Internal Service Fund	943,038	-	-	-	1,587,094	2,530,132
Total Proprietary Funds	943,038	-	-	-	1,587,094	2,530,132
<u>Fiduciary Funds</u>						
Custodial Funds	45,386	-	-	-	-	45,386
Total Fiduciary Funds	45,386	-	-	-	-	45,386
Total	\$ 3,822,715	\$ 17,592,274	\$ 3,033,356	\$ 97,152	\$ 3,347,467	\$ 27,892,964

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivable and payable balances at June 30, 2022 were as follows:

	Due from Other Funds	Due to Other Funds
General Fund		
Non-major Funds	\$ 3,033,356	\$ -
Non-major Funds		
General Fund	-	3,033,356
Total	<u>\$ 3,033,356</u>	<u>\$ 3,033,356</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. 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, 2022 was as follows:

Governmental Activities	Restated Balance August 31, 2021	Increases	Decreases	Transfers	Balance June 30, 2022
Capital Assets, Not Being Depreciated					
Land	\$ 6,661,889	\$ -	\$ -	\$ -	\$ 6,661,889
Construction in Progress	6,762,557	465,739	-	(1,945,770)	5,282,525
Total Capital Assets, Not Being Depreciated	13,424,446	465,739	-	(1,945,770)	11,944,415
Capital Assets, Being Depreciated					
Land Improvements	16,520,330	523,236	-	359,313	17,402,879
Buildings and Improvements	259,460,810	501,976	-	1,586,457	261,549,243
Furniture and Equipment	27,752,749	310,209	(349,396)	-	27,713,562
Right to Use Leased Equipment	506,568	48,547	-	-	555,116
Total Capital Assets, Being Depreciated	304,240,457	1,383,969	(349,396)	1,945,770	307,220,800
Less Accumulated Depreciation For:					
Land Improvements	(10,240,766)	(826,309)	-	-	(11,067,075)
Buildings and Improvements	(146,971,664)	(4,477,577)	-	-	(151,449,240)
Furniture and Equipment	(19,923,865)	(1,696,687)	349,396	-	(21,271,155)
Right to Use Leased Equipment	-	(200,466)	-	-	(200,466)
Total Accumulated Depreciation	(177,136,294)	(7,201,038)	349,396	-	(183,987,936)
Governmental Capital Assets	<u>\$ 140,528,609</u>	<u>\$ (5,351,330)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,177,279</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

F. CAPITAL ASSET ACTIVITY-Continued

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

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

Instruction	\$ 3,063,960
Instructional Resources and Media Services	158,188
Curriculum Development and Instructional Staff Development	133,401
Instructional Leadership	64,821
School Leadership	189,519
Guidance, Counseling and Evaluation Services	131,407
Social Work Services	28,594
Health Services	110,368
Student (Pupil) Transportation	666,075
Food Services	510,040
Co-curricular/Extracurricular Activities	1,040,293
General Administration	26,413
Facilities Maintenance and Operations	740,482
Security and Monitoring Service	93,740
Data Processing Services	98,077
Community Services	145,659
	<u>\$ 7,201,038</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, 2022 is as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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	Balance 9/1/2021	Issued	Retired	Balance 6/30/2022
Public Property Note							
Contractual Obligations Series 2014	0.200%	\$ 12,712,000	\$ 13,654	\$ 6,827,000	\$ -	\$ 847,000	\$ 5,980,000
Unlimited Tax Refunding Bonds, Series 2015A	2.000% 5.000%	\$ 14,470,000	130,000	5,200,000	-	1,205,000	3,995,000
Unlimited Tax Refunding Bonds, Series 2015B	2.000%	\$ 17,100,000	380,225	15,330,000	-	12,450,000	2,880,000
Unlimited Tax Refunding Bonds, Series 2016	5.000%	\$ 19,470,000	358,200	18,080,000	-	460,000	17,620,000
Maintenance Tax Notes Series 2017	3.000% 5.000%	\$ 15,020,000	342,375	13,800,000	-	525,000	13,275,000
Maintenance Tax Notes Series 2018	2.000% 4.000%	\$ 4,905,000	90,547	4,585,000	-	95,000	4,490,000
Public Property Finance Contract 2019	5.125%	\$ 1,304,339	55,521	1,096,236	-	113,754	982,482
Unlimited Tax Refunding Bonds, Series 2022	2.290% 3.000%	\$ 11,844,977	-	-	11,844,977	-	11,844,977
			<u>\$ 1,370,522</u>	<u>\$ 64,918,236</u>	<u>\$ 11,844,977</u>	<u>\$ 15,695,754</u>	<u>\$ 61,067,459</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.

Refunding

In 2022, the District refunded \$11,845,000 of the Unlimited Tax Refunding-Series 2015B. The District issued \$11,844,977 in Unlimited Tax Refunding-Series 2022 to provide resources to cover the costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The aggregate difference between the refunding debt and refunded debt is \$759,811. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,084,384. The economic gain on this transaction is a net present value of \$1,011,199. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements.

In addition to the outstanding bonds and contractual obligations in the amount of \$61,067,459 at June 30, 2022, the District also reported accreted interest on capital appreciation bonds of \$15,018, unamortized premiums and discounts on issuance of bonds of \$7,459,841, lease payable of \$466,449 (refer to Note H), long term liability for sick leave benefits in the amount of \$1,055,510 (refer to Note I), a liability of \$26,230,954 of Net Pension Liability as per GASB 68 (refer to Note L), and a liability of Net OPEB Liability of \$52,884,936 as per GASB 75 (refer to Note M). These amounts, in aggregate, represent total long term liabilities in the amount of \$149,180,167, as reflected in the *Statement of Net Position*.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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		
	Principal	Interest	Total Requirements
2023	\$ 4,003,742	\$ 2,220,089	\$ 6,223,831
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
2028-2032	20,442,034	7,308,969	27,751,003
2033-2037	19,440,000	2,529,476	21,969,476
2038-2042	1,550,000	62,000	1,612,000
	<u>\$ 61,067,459</u>	<u>\$ 20,287,021</u>	<u>\$ 81,354,479</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, 2022, the following balances are considered defeased:

Refunded 2006	
Unlimited Tax School Building 2000	\$ 4,075,000
Refunded 2015	
Unlimited Tax Refunded Bonds 2006	4,030,000
Unlimited Tax School Building 2006	15,155,000
Refunded 2016	
Unlimited Tax School Building 2008	17,625,000
Refunded 2022	
Unlimited Tax Refunded Bonds 2015B	11,845,000
	<u>\$ 52,730,000</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, 2022.

H. LEASES

The District has entered into agreements to lease certain equipment. 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%.

On March 1, 2022 the District entered into a lease for new copiers totaling \$52,380 for 36 months. The assets are right to use assets for leased equipment. The future cash flows were also discounted at a rate of 5.0% and are expected to complete in March 2025.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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 \$354,650. See note F-Capital Asset Activity for more detail.

The District also entered into a finance lease obligation in November 2021 with VAR Technology Finance for the purchase of a web content filter. This lease is a three year obligation and qualifies as a finance lease for accounting purposes since the titles/assets transfer to the District at the end of the lease term. This obligation was recorded at the present value of the minimum lease payments using 5% imputed interest. A summary of changes in leases for the year ended June 30, 2022 is as follows:

Description	Balance 9/1/2021	Issued	Retired	Balance 6/30/2022
Finance Leases	\$ -	\$ 161,475	\$ 56,471	\$ 105,004
Right to Use Leases	506,568	48,547	193,670	361,446
	<u>\$ 506,568</u>	<u>\$ 210,022</u>	<u>\$ 250,142</u>	<u>\$ 466,449</u>

Lease required payments are as follows:

Year ended June 30,	Principal	Interest	Total Requirements
2023	\$ 292,781	\$ 17,698	\$ 310,479
2024	158,494	5,075	163,569
2025	15,174	278	15,452
	<u>\$ 466,449</u>	<u>\$ 23,051</u>	<u>\$ 489,500</u>

I. 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 September 1, 2021	\$ 999,380
Additions - New Entrants and Salary Increments	166,360
Deductions - Payments/Reductions to Participants	(110,230)
Balance June 30, 2022	<u>\$ 1,055,510</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

J. CONSTRUCTION COMMITMENTS AND ENCUMBRANCES

At June 30, 2022, the District had the following remaining construction commitments:

<u>Project</u>	<u>Authorization</u>	<u>Expended</u>	<u>Remaining</u>	<u>Sources</u>
Weslaco East Band Hall	\$ 4,305,993	\$ 4,177,600	\$ 128,393	Capital Projects Fund
Bus Drive and Teachers Parking Weslaco High	737,519	584,516	153,003	Capital Projects Fund
Central MS Access Controls	215,127	215,127	-	Capital Projects Fund
B Garza MS Access Controls	123,787	123,787	-	Capital Projects Fund
Cuellar MS Access Controls	184,006	30,347	153,659	Capital Projects Fund
Mary Hoge MS Access Controls	111,978	24,841	87,136	Capital Projects Fund
	<u>\$ 5,678,411</u>	<u>\$ 5,156,219</u>	<u>\$ 522,191</u>	

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 \$1,116,684 for the General Fund.

K. 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 ten month period ended June 30, 2022, and the years ended August 31, 2021, and August 31, 2020, the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Year</u>	<u>Medicare Part D</u>
2022	\$ 498,138
2021	\$ 517,740
2020	520,621

L. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

L. DEFINED BENEFIT PENSION PLAN - Continued

That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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.

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

	<u>2021</u>	<u>2022</u>
Member	7.7%	8.00%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
2021 Employer Contributions		\$4,373,200
2021 Member Contributions		\$8,264,485
2020 NECE On-Behalf Contributions		\$5,961,008

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 TEN MONTHS ENDED JUNE 30, 2022**

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

L. 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 1.6 percent of the member's salary beginning in fiscal year 2021, 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, 2020 actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2021 TRS ACFR, Note 11, page 87.*

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate of August 2020	1.95%. 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)	2120
Inflation	2.30%

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

L. DEFINED BENEFIT PENSION PLAN - Continued

Salary Increases including inflation	3.05% to 9.05% 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, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate

A single discount rate of 7.25 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 7.25 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 7.25%. 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, 2021 are summarized on next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

L. DEFINED BENEFIT PENSION PLAN – Continued

Table 3.A.1: Asset Allocations			
Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0 %	3.6 %	0.94 %
Non-US Developed	13.0	4.4	0.83
Emerging Markets	9.0	4.6	0.74
Private Equity	14.0	6.3	1.36
Stable Value			
Government Bonds	16.0 %	(0.2)%	0.01 %
Absolute Return	0.0	1.1	0.00
Stable Value Hedge Funds	5.0	2.2	0.12
Real Return			
Real Estate	15.0 %	4.5 %	1.00 %
Energy, Natural Resources & Infrastructure	6.0	4.7	0.35
Commodities	0.0	1.7	0.00
Risk Parity	8.0 %	2.8 %	0.28 %
Asset Allocation Leverage			
Cash	2.0 %	(0.7)%	(0.01) %
Asset Allocation Leverage	(6.0)	(0.5)	0.03
Inflation Expectation			2.20 %
Volatility Drag****			(0.95) %
Expected Return	100.0 %		6.90 %
* Absolute Return includes Credit Sensitive Investments.			
** Target allocations are based on the FY2021 policy model.			
*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).			
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in the measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.250%	Discount Rate 7.250%	1% Increase in Discount Rate 8.250%
District's Proportionate Share of Net Pension Liability	\$ 57,318,797	\$ 26,230,954	\$ 1,009,276

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

L. DEFINED BENEFIT PENSION PLAN - Continued

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

At June 30, 2022, the District reported a liability of \$26,230,954 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	\$ 26,230,954
State's proportionate share that is associated with the District	<u>35,572,740</u>
Total	<u><u>\$ 61,803,694</u></u>

The net pension liability was measured as of August 31, 2021 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, 2020 thru August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.1030019577% which was a decrease of 0.0059608934% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended June 30, 2022, the District recognized pension expense of \$1,865,240 and revenue of \$142,215 for support provided by the State.

At June 30, 2022, 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	\$ 43,897	\$ 1,846,680
Changes in actuarial assumptions	9,272,130	4,041,853
Net difference between projected and actual investment earnings	-	21,994,314
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>279,722</u>	<u>3,552,403</u>
Total as of August 31, 2021 measurement date	9,595,749	31,435,250
Contributions paid to TRS subsequent to the measurement date	<u>4,373,200</u>	<u>-</u>
Total as of fiscal year-end	<u><u>\$ 13,968,949</u></u>	<u><u>\$ 31,435,250</u></u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

L. DEFINED BENEFIT PENSION PLAN - Continued

The \$4,373,200 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The net amounts of employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>	
2023	\$ (4,026,737)
2024	(4,079,605)
2025	(5,812,242)
2026	(7,122,228)
2027	(612,199)
Thereafter	<u>(186,490)</u>
Total	<u>\$ (21,839,501)</u>

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

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

Detailed information about the TRS-Care's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.state.tx.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.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS-Continued

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

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

** or surviving spouse*

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .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>2021</u>	<u>2022</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	\$	934,197
Current fiscal year member contributions	\$	671,492
2021 measurement year NECE on-behalf contributions	\$	1,434,967

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

M. 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 \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

Actuarial Assumptions

The total OPEB liability in the August 31, 2020 actuarial valuation was rolled forward to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. 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, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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	8/31/20, rolled forward to 8/31/21
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

Discount Rate

A single discount rate of 1.95 percent was used to measure the Total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. The Discount Rate can be found in the 2021 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 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 municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

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

	Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
Proportionate share of net OPEB liability	\$ 63,791,419	\$ 52,884,936	\$ 44,301,179

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

At June 30, 2022 the District reported a liability of \$52,884,936 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	\$ 52,884,936
State’s proportionate share that is associated with the District	<u>70,854,029</u>
Total	<u><u>\$ 123,738,965</u></u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

At August 31, 2021, the employer’s proportion of the collective Net OPEB Liability was 0.1370982882% which is a decrease of 0.0098959612% from its proportion measured as of August 31, 2020.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS – Continued

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	\$ 42,835,046	\$ 52,884,936	\$ 66,369,393

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:

- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased 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, 2022, the District recognized OPEB expense of \$(5,671,177) and revenue of \$(2,615,055) for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 2,276,947	\$ 25,600,009
Changes in actuarial assumptions	5,857,628	11,184,185
Net differences between projected and actual investment earnings	57,416	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	146	9,294,718
Total as of August 31, 2021 measurement date	8,192,137	46,078,912
Contributions paid to TRS subsequent to the measurement date	934,197	-
Total as of fiscal year-end	<u>\$ 9,126,334</u>	<u>\$ 46,078,912</u>

The \$934,197 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, 2023. 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 on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS - Continued

<u>Year ended June 30,</u>	
2023	\$ (6,866,613)
2024	(6,867,908)
2025	(6,867,554)
2026	(5,475,485)
2027	(3,590,865)
Thereafter	<u>(8,218,350)</u>
Total	<u>\$ (37,886,775)</u>

N. CHANGES IN LONG-TERM LIABILITIES

The District's long-term liabilities consist of bond and note indebtedness, accrued compensated absences, and net pension liability. General obligation bond expenditure requirements are accounted for in the debt service fund while 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, 2022 was as follows:

	Restated Balance 8/31/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds and Maintenance Tax Notes	\$ 64,918,236	\$ 11,844,977	\$ 15,695,754	\$ 61,067,459	\$ 4,003,742
Unamortized Premiums/ Discounts	8,767,558	1,373,505	2,681,222	7,459,841	-
Total Bonds and Notes Payable	<u>73,685,794</u>	<u>13,218,482</u>	<u>18,376,976</u>	<u>68,527,300</u>	<u>4,003,742</u>
Other Liabilities					
Compensated Balances	999,380	166,360	110,230	1,055,510	87,450
Lease Liabilities	506,568	210,022	250,142	466,449	292,781
Accumulated Accretion on Cap Bonds	-	15,018	-	15,018	-
Net Pension Liability	58,358,280	(27,731,743)	4,395,583	26,230,954	-
Net OPEB Liability	55,879,152	(1,923,167)	1,071,049	52,884,936	-
Total Other Liabilities	<u>115,743,380</u>	<u>(29,263,510)</u>	<u>5,827,004</u>	<u>80,652,867</u>	<u>380,231</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 189,429,174</u>	<u>\$ (16,045,028)</u>	<u>\$ 24,203,980</u>	<u>\$ 149,180,167</u>	<u>\$ 4,383,973</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

O. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	General Fund	Non-major Funds	Total
Food Service Commodities	\$ 85,341	\$ -	\$ 85,341
Supply Chain Grant	222,084	-	222,084
Medicaid Adm. Fund	-	648,372	648,372
Summer LEP	-	190,981	190,981
K-12 COVID-19 Testing Program	-	24,880	24,880
Teacher Training Reimbursement	-	49,429	49,429
I.M.A. Funds	-	441,872	441,872
GR-AP Teacher Grant	-	21,867	21,867
Children's Defense Fund	-	3,500	3,500
Blended Learners Fund	-	22,624	22,624
Mentoring and Leadership Grant	-	14,955	14,955
Project Lead the Way	-	14,909	14,909
United Way Fund	-	964	964
Best Buy Cyber Grant	-	3,465	3,465
No Kind Hungry Grant	-	5,471	5,471
IFA Funding	-	23,859	23,859
Total Unearned Revenue	<u>\$ 307,424</u>	<u>\$ 1,467,147</u>	<u>\$ 1,774,571</u>

P. 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, 2022 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 which is received from Region One, the NSLP Equipment Assistance, Child and Adult Care, Fresh Fruits and Vegetables, Child and Adult Care programs, and the P-EVT Local Administrative Cost Grants for Schools which pass through the Texas Department of Agriculture, the k-12 COVID-19 Testing Program which flows through the Department of State Health Services, and the Interior LED Lighting Retrofit Grant which flows through the State Energy Conservation Office. The amount reported in Due from other Governments is \$9,699,803, and includes non-entitlement receivables of \$2,375,370. The receivable balance, \$7,324,432 is as follows:

Fund	State Entitlement	Federal Grants	Total
General	\$ 1,884,322	\$ 261,483	\$ 2,145,805
Non-Major Funds	-	5,178,627	5,178,627
	<u>\$ 1,884,322</u>	<u>\$ 5,440,110</u>	<u>\$ 7,324,432</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the ten month period ended June 30, 2022, 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	\$ 25,976,238	\$ 1,087,810	\$ 27,064,049	\$ -	\$ -	\$ 27,064,049
Penalties, Int. and Other						
Tax-related Income	627,388	21,085	648,473	-	-	648,473
Investment Income	177,193	24,041	201,234	13,954	-	215,187
Food Sales	175,774	-	175,774	-	-	175,774
Co-curricular Student Activities	268,428	320,099	588,528	-	1,477,097	2,065,625
Other	421,368	86,737	508,104	16,422,277	31,974	16,962,356
Total	<u>\$ 27,646,389</u>	<u>\$ 1,539,773</u>	<u>\$ 29,186,162</u>	<u>\$ 16,436,231</u>	<u>\$ 1,509,071</u>	<u>\$ 47,131,464</u>

R. LITIGATION

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

S. 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	\$ 3,431,211	\$ 133,808	\$ 3,565,018
Estimated SHARS, unavailable	2,209,736	-	2,209,736
	<u>\$ 5,640,947</u>	<u>\$ 133,808</u>	<u>\$ 5,774,755</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 \$675,748, a Deferred Outflows due to GASB 68 of \$13,968,949, and a Deferred Outflow for TRS OPEB of \$9,126,334 for a total of \$23,771,031 of Deferred Outflows. The District also reported \$77,514,162 of Deferred Inflows due to GASB 68 and \$31,435,250 of Deferred Inflows due to GASB 75 for a total of \$46,078,912 of Deferred Inflows.

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

S. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - Continued

	Balance August 31, 2021	Additions	Reductions	Balance June 30, 2022
Deferred charge on refunding	\$ 1,564,797	\$ (759,811)	\$ 129,238	\$ 675,748
Deferred outflows for TRS	21,070,695	15,598,226	22,699,972	13,968,949
Deferred outflows for TRS OPEB	7,466,027	2,736,304	1,075,997	9,126,334
Total Deferred Outflows	<u>\$ 30,101,519</u>	<u>\$ 17,574,719</u>	<u>\$ 23,905,207</u>	<u>\$ 23,771,031</u>
Deferred inflow for TRS pension	\$ 9,059,845	\$ 33,064,527	\$ 10,689,122	\$ 31,435,250
Deferred inflow for TRS OPEB	45,414,708	664,913	709	46,078,912
Total Deferred Inflows	<u>\$ 54,474,553</u>	<u>\$ 33,729,440</u>	<u>\$ 10,689,831</u>	<u>\$ 77,514,162</u>

T. 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, 2022 are summarized on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2022**

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

T. SHARED SERVICE ARRANGEMENT - Continued

Member District	Fund			
	315	340	435	Total
Donna	\$ 22,843	\$ -	\$ 173,394	\$ 196,237
Edcouch-Elsa	7,390	-	56,098	63,488
Edinburg	19,484	490	147,895	167,869
Excellence in Leadership	672	-	5,100	5,772
Hidalgo	1,344	-	10,200	11,544
IDEA	16,796	-	127,496	144,292
La Joya	30,234	245	229,492	259,971
La Villa	672	-	5,100	5,772
McAllen	30,905	490	234,592	265,987
Mercedes	3,359	-	25,499	28,858
Mission	13,437	-	101,997	115,434
Progreso	1,344	-	10,200	11,544
PSJA	6,719	-	50,998	57,717
Rio Grande City	11,422	-	86,697	98,119
Roma	8,062	-	61,198	69,260
San Isidro	672	-	5,100	5,772
Sharyland	2,016	-	15,299	17,315
South Texas	1,344	-	10,200	11,544
Triumph Public High Schools	1,344	-	10,200	11,544
Valley View	4,031	-	30,599	34,630
Vanguard	6,047	-	45,898	51,945
Weslaco	16,125	245	122,396	138,766
Total Allocated	\$ 206,262	\$ 1,470	\$ 1,565,648	\$ 1,773,380

U. COMPLIANCE AND ACCOUNTABILITY

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2022, the District had function 71-Debt Service in the I & S fund due to the Unlimited Tax Refunding Bonds 2022.

B. Deficit Fund Balance or Net Position of Individual Funds

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 (\$65,268,652) 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 TEN MONTHS ENDED JUNE 30, 2022**

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

V. 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 ten month period ended June 30, 2022, the District made no property damage claims.

There were no reductions in coverage in the ten month period ended June 30, 2022 and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

B. Health Plan

During the ten month period ended June 30, 2022, 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 \$582 per employee per month through the plan ten month period ended June 30, 2022. 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 \$22,420,932 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, 2022.

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, 2022.

D. Claims Liabilities

The claims for health insurance and workers' compensation insurance liability of \$1,587,094 reported in the Internal Service Fund at June 30, 2022, 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 TEN MONTHS ENDED JUNE 30, 2022**

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

V. RISK MANAGEMENT - Continued

Changes in the Fund's claims liability amount in fiscal year 2021 and ten months ended June 30, 2022 were as follows:

	2021		2022	
	Health	Workers' Compensation	Health	Workers' Compensation
Beginning of fiscal year claims	\$ 1,039,021	\$ 70,081	\$ 1,714,274	\$ 155,156
Current year claims and changes in estimates	17,741,867	371,714	14,495,461	277,508
Claim payments net of stop loss	(17,066,614)	(286,640)	(14,724,538)	(330,767)
End of fiscal year claims liability	<u>\$ 1,714,274</u>	<u>\$ 155,156</u>	<u>\$ 1,485,198</u>	<u>\$ 101,896</u>

W. CHANGE IN ACCOUNTING PRINCIPLES

During the ten month period ending June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. Prior to the implementation of GASB 87, leases that did not qualify as capital leases were considered operating leases and were accounted for as rentals. Under GASB 87, the lease agreements that are longer than 12 months and do not qualify as finance leases are recorded as other than short-term leases and recorded at the present value of the future minimum lease payments as of the date of their inception. These right to use assets are then amortized on a straight-line basis over the terms of the related leases. There is also a liability recorded for the present value of the future minimum lease payments as of the date of their inception. The District evaluated contracts that were formerly accounted as operating leases to determine whether they meet the definition as defined in GASB 87. The contracts to equipment met the definition of a lease and the District calculated and recognized the right-to-use assets of \$506,568 and lease liabilities of \$506,568 as of September 1, 2021. There was no impact to the beginning net position.

X. CONTINGENCIES

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the pandemic upon the District. The full extent of the ongoing impact of COVID-19 on the District's 2022-23 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of the District's control, including the effectiveness of the mitigation strategies related to COVID-19, the duration and spread of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

Y. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2022 which is the date these financial statements were available to be issued. There are no subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY SCHEDULES

This page is left blank intentionally

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,							
	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.1030019577%	0.1089628511%	0.1086991998%	0.1130687757%	0.1115737071%	0.1150849744%	0.1209544000%	0.0789022000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 26,230,954	\$ 58,358,280	\$ 56,505,242	\$ 62,235,798	\$ 35,675,261	\$ 43,488,901	\$ 42,755,770	\$ 21,075,868
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	35,572,740	79,599,099	80,301,107	53,878,625	52,956,929	62,706,553	60,514,661	54,025,417
Total	\$ 61,803,694	\$ 137,957,379	\$ 136,806,349	\$ 116,114,423	\$ 88,632,190	\$ 106,195,454	\$ 103,270,431	\$ 75,101,285
District's Covered Payroll	\$ 119,063,022	\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868	\$ 104,235,177
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	22.03%	47.57%	48.53%	53.46%	31.14%	39.44%	39.87%	20.22%
Plan Fiduciary Net Position as a % of Total Pension Liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

	For the Ten Month Period Ended June 30, 2022		Fiscal Year Ended August 31,					
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 4,373,200	\$ 4,399,138	\$ 4,494,769	\$ 3,789,038	\$ 3,811,690	\$ 3,656,734	\$ 3,488,340	\$ 3,335,759
Contribution in Relation to Contractually Required Contribution	(4,373,200)	(4,399,138)	(4,494,769)	(3,789,038)	(3,809,404)	(3,656,734)	(3,488,340)	(3,335,759)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ 2,286	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 103,306,022	\$ 119,063,022	\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868
Contributions as a % of Covered Payroll	4.23%	3.69%	3.66%	3.25%	3.27%	3.19%	3.16%	3.11%

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

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

	Measurement Year Ended August 31,				
	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.1370982882%	0.1469942494%	0.1507015713%	0.1535480390%	0.1560764102%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 52,884,936	\$ 55,879,152	\$ 71,268,618	\$ 76,667,942	\$ 67,871,776
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	70,854,029	75,088,186	94,700,053	63,761,130	81,789,934
Total	<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>
District's Covered Payroll	\$ 119,064,398	\$ 122,674,383	\$ 116,433,422	\$ 116,426,642	\$ 114,553,639
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	44.42%	45.55%	61.21%	65.85%	59.25%
Plan Fiduciary Net Position as a % of Total OPEB Liability	6.18%	4.99%	2.66%	1.57%	0.91%

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

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

	For the Ten Month				
	Period Ended				
	June 30, 2022		Fiscal Year Ended August 31,		
	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 934,197	\$ 1,075,288	\$ 1,116,733	\$ 1,065,864	\$ 1,061,361
Contribution in Relation to Contractually Required Contribution	<u>(934,197)</u>	<u>(1,075,288)</u>	<u>(1,116,733)</u>	<u>(1,065,864)</u>	<u>(1,060,941)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>
District's Covered Payroll	\$ 103,306,454	\$ 119,064,398	\$ 122,674,383	\$ 116,433,422	\$ 116,426,642
Contributions as a % of Covered Payroll	0.90%	0.90%	0.91%	0.92%	0.91%

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

**WESLACO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR 10 MONTHS ENDED JUNE 30, 2022**

A. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

There were no changes in assumptions since the prior measurement date.

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 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2022. This change increased the Total OPEB Liability (TOL).

This page is left blank intentionally

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.

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

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

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

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

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

266 Elementary and Secondary School Emergency Relief Fund (ESSERF) - This fund classification is to be used to account, on a project basis, on funds used to prevent, prepare for and respond to the coronavirus.

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.

282 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.

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 locally defined grants are to be converted to Fund 289 for PEIMS reporting:

- 289 – Summer School LEP Students in K1
- 289 – Title IV, Part A – SSAEP
- 289 – COVID-19-School Health Support
- 289 – State Energy Program-Interior LED Lighting Retrofits
- 289 – K-12 COVID-19 Testing Program

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

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.

This page is left blank intentionally

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA Part - B Formula	225 IDEA Part - B Pre-School
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	1,753,680	99,219	196,611	3,394
1290	Other receivables	-	-	-	-
1310	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 1,753,680</u>	<u>\$ 99,219</u>	<u>\$ 196,611</u>	<u>\$ 3,394</u>
	LIABILITIES				
2110	Accounts payable	\$ 124,038	\$ -	\$ -	\$ -
2160	Accrued wages payable	850,280	42,936	174,984	-
2170	Due to other funds	779,362	56,283	21,627	3,394
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>1,753,680</u>	<u>99,219</u>	<u>196,611</u>	<u>3,394</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2602	Unavailable revenue - SHARS	-	-	-	-
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>\$ 1,753,680</u>	<u>\$ 99,219</u>	<u>\$ 196,611</u>	<u>\$ 3,394</u>

244	255	263	266	272	274	280	281
Vocational Ed. Basic Grant	ESEA II, A Training & Recruiting	English Language Acquisition	ESSER I	Medicaid Adm. Claiming Program	Gear - Up	ARP Homeless	ESSER II
\$ -	\$ -	\$ -	\$ -	\$ 648,372	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25,340	327,851	78,685	14,569	-	142,609	1,016	138,149
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 25,340</u>	<u>\$ 327,851</u>	<u>\$ 78,685</u>	<u>\$ 14,569</u>	<u>\$ 648,372</u>	<u>\$ 142,609</u>	<u>\$ 1,016</u>	<u>\$ 138,149</u>
\$ 8,440	\$ 4,500	\$ -	\$ -	\$ -	\$ 1,611	\$ 975	\$ 6,979
6,424	216,281	45,925	-	-	53,567	-	39,735
10,477	107,070	32,760	14,569	-	87,431	41	91,435
-	-	-	-	-	-	-	-
-	-	-	-	648,372	-	-	-
<u>25,340</u>	<u>327,851</u>	<u>78,685</u>	<u>14,569</u>	<u>648,372</u>	<u>142,609</u>	<u>1,016</u>	<u>138,149</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 25,340</u>	<u>\$ 327,851</u>	<u>\$ 78,685</u>	<u>\$ 14,569</u>	<u>\$ 648,372</u>	<u>\$ 142,609</u>	<u>\$ 1,016</u>	<u>\$ 138,149</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		282 ESSER III	284 IDEA B ARP	285 IDEA B Pre School ARP	289 Other Federal Grants
	ASSETS				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 111,449
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	1,700,289	581,527	36,157	79,532
1290	Other receivables	-	-	-	-
1310	Inventories	-	-	-	24,880
1000	Total Assets	<u>\$ 1,700,289</u>	<u>\$ 581,527</u>	<u>\$ 36,157</u>	<u>\$ 215,861</u>
	LIABILITIES				
2110	Accounts payable	\$ 16,996	\$ -	\$ -	\$ -
2160	Accrued wages payable	245,286	215,591	11,191	-
2170	Due to other funds	1,438,007	365,936	24,966	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	215,861
2000	Total Liabilities	<u>1,700,289</u>	<u>581,527</u>	<u>36,157</u>	<u>215,861</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2602	Unavailable revenue - SHARS	-	-	-	-
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>\$ 1,700,289</u>	<u>\$ 581,527</u>	<u>\$ 36,157</u>	<u>\$ 215,861</u>

397 Advanced Placement Incentives	410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund	483 Children's Defense Fund	485 Blended Learners
\$ 50,719	\$ 442,072	\$ 178,545	\$ 449,475	\$ -	\$ 3,500	\$ 24,913
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	45,386	-	-	-
-	-	-	-	-	-	-
<u>\$ 50,719</u>	<u>\$ 442,072</u>	<u>\$ 178,545</u>	<u>\$ 494,861</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 24,913</u>
\$ 1,290	\$ 200	\$ 156,677	\$ 4,628	\$ -	\$ -	\$ 2,290
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49,429	441,872	21,867	-	-	3,500	22,624
<u>50,719</u>	<u>442,072</u>	<u>178,545</u>	<u>4,628</u>	<u>-</u>	<u>3,500</u>	<u>24,913</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	490,234	-	-	-
-	-	-	-	-	-	-
-	-	-	490,234	-	-	-
<u>\$ 50,719</u>	<u>\$ 442,072</u>	<u>\$ 178,545</u>	<u>\$ 494,861</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 24,913</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		488 Mentoring and Leadership	489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant	492 No Kid Hungry Grant
	ASSETS					
1110	Cash and cash equivalents	\$ 14,955	\$ 14,909	\$ 964	\$ 3,465	\$ 28,622
1220	Property taxes receivable (delinquent)	-	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-	-
1240	Due from other governments	-	-	-	-	-
1290	Other receivables	-	-	-	-	-
1310	Inventories	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>\$ 14,955</u>	<u>\$ 14,909</u>	<u>\$ 964</u>	<u>\$ 3,465</u>	<u>\$ 28,622</u>
	LIABILITIES					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 23,151
2160	Accrued wages payable	-	-	-	-	-
2170	Due to other funds	-	-	-	-	-
2180	Due to other governments	-	-	-	-	-
2300	Unearned revenues	14,955	14,909	964	3,465	5,471
		<u>14,955</u>	<u>14,909</u>	<u>964</u>	<u>3,465</u>	<u>5,471</u>
2000	Total Liabilities	<u>14,955</u>	<u>14,909</u>	<u>964</u>	<u>3,465</u>	<u>28,622</u>
	DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	-	-	-	-	-
2602	Unavailable revenue - SHARS	-	-	-	-	-
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	-	-	-	-	-
3590	Other Assigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 14,955</u>	<u>\$ 14,909</u>	<u>\$ 964</u>	<u>\$ 3,465</u>	<u>\$ 28,622</u>

499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 40,949	\$ 2,012,908	\$1,692,958	\$ 3,750,868	\$ 882,620	\$ 4,633,488	\$ 8,339,354
-	-	160,287	-	-	-	160,287
-	-	(13,374)	-	-	-	(13,374)
-	5,178,627	3,724	-	-	-	5,182,351
-	45,386	3,579	-	-	-	48,966
-	24,880	-	-	-	-	24,880
<u>\$ 40,949</u>	<u>\$ 7,261,802</u>	<u>\$1,847,174</u>	<u>\$ 3,750,868</u>	<u>\$ 882,620</u>	<u>\$ 4,633,488</u>	<u>\$ 13,742,464</u>
\$ -	\$ 351,774	\$ -	\$ 634,092	\$ 101,595	\$ 735,687	\$ 1,087,461
-	1,902,201	-	-	-	-	1,902,201
-	3,033,356	-	-	-	-	3,033,356
-	-	-	-	-	-	-
-	1,443,288	23,859	-	-	-	1,467,147
-	6,730,619	23,859	634,092	101,595	735,687	7,490,165
-	-	133,808	-	-	-	133,808
-	-	-	-	-	-	-
-	-	133,808	-	-	-	133,808
-	-	-	3,116,776	781,025	3,897,800	3,897,800
-	-	1,689,507	-	-	-	1,689,507
-	490,234	-	-	-	-	490,234
40,949	40,949	-	-	-	-	40,949
40,949	531,183	1,689,507	3,116,776	781,025	3,897,800	6,118,491
<u>\$ 40,949</u>	<u>\$ 7,261,802</u>	<u>\$1,847,174</u>	<u>\$ 3,750,868</u>	<u>\$ 882,620</u>	<u>\$ 4,633,488</u>	<u>\$ 13,742,464</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

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	7,205,809	569,733	1,933,116
5020	Total Revenues	<u>7,205,809</u>	<u>569,733</u>	<u>1,933,116</u>
	EXPENDITURES:			
	Current			
0011	Instruction	2,867,569	36,345	1,612,244
0012	Instruction resources & media services	1,471,618	-	-
0013	Curriculum & staff development	1,007,020	179,749	-
0021	Instructional leadership	204,504	144,111	105,035
0023	School leadership	-	-	-
0031	Guidance, counseling & evaluation services	47,955	-	195,768
0032	Social work services	-	200,804	-
0033	Health services	700,947	-	20,069
0034	Student (pupil) transportation	10,477	-	-
0035	Food services	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance & operations	-	201	-
0052	Security & monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	884,503	-	-
	Debt Service:			
0071	Debt service - principal on long term debt	10,216	7,763	-
0072	Debt service - interest on long term debt	1,001	761	-
0073	Debt service - bond issuance cost & fees	-	-	-
	Capital Outlay			
0081	Facilities acquisition and construction	-	-	-
6030	Total Expenditures	<u>7,205,809</u>	<u>569,733</u>	<u>1,933,116</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES (USES)			
7911	Issuance of Bonds	-	-	-
7912	Sale of real and personal property	-	-	-
7913	Proceeds from Capital Leases	-	-	-
7915	Transfers in	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-
8911	Payment to refunded bond escrow agent	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

[illegible]

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes		282	284	285	289
		ESSER III	IDEA B ARP	IDEA B Pre School ARP	Other Federal Grants
	REVENUES:				
5700	Local & intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	12,750,649	558,301	34,713	1,778,830
5020	Total Revenues	<u>12,750,649</u>	<u>558,301</u>	<u>34,713</u>	<u>1,778,830</u>
	EXPENDITURES:				
	Current				
0011	Instruction	7,333,875	420,875	34,713	480,930
0012	Instruction resources & media services	216,562	-	-	-
0013	Curriculum & staff development	392,142	-	-	68,622
0021	Instructional leadership	269,953	16,428	-	-
0023	School leadership	344,720	-	-	-
0031	Guidance, counseling & evaluation services	789,888	120,998	-	7,366
0032	Social work services	59,435	-	-	144
0033	Health services	493,303	-	-	516,572
0034	Student (pupil) transportation	441,690	-	-	-
0035	Food Services	535,974	-	-	-
0036	Co-curricular/extracurricular activities	61,626	-	-	-
0041	General administration	157,916	-	-	-
0051	Facilities maintenance & operations	866,696	-	-	705,195
0052	Security & monitoring services	161,226	-	-	-
0053	Data processing services	97,346	-	-	-
0061	Community services	132,206	-	-	-
	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	396,090	-	-	-
6030	Total Expenditures	<u>12,750,649</u>	<u>558,301</u>	<u>34,713</u>	<u>1,778,830</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES)				
7911	Issuance of Bonds	-	-	-	-
7912	Sale of real and personal property	-	-	-	-
7913	Proceeds from Capital Leases	-	-	-	-
7915	Transfers in	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8911	Payment to refunded bond escrow agent	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT H-2 (Cont'd)

397 Advanced Placement Incentives	410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund	483 Children's Defense Fund	485 Blended Learners
\$ -	\$ -	\$ -	\$ 320,099	\$ 5,000	\$ -	\$ 56,036
6,886	202,990	3,445	-	-	-	-
-	-	-	-	-	-	-
<u>6,886</u>	<u>202,990</u>	<u>3,445</u>	<u>320,099</u>	<u>5,000</u>	<u>-</u>	<u>56,036</u>
-	202,990	-	37,030	-	-	48,087
-	-	-	-	5,000	-	-
6,886	-	-	-	-	-	7,949
-	-	-	-	-	-	-
-	-	-	2,900	-	-	-
-	-	3,445	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	179,894	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,886</u>	<u>202,990</u>	<u>3,445</u>	<u>219,824</u>	<u>5,000</u>	<u>-</u>	<u>56,036</u>
-	-	-	100,275	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	100,275	-	-	-
-	-	-	389,959	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes		488 Mentoring and Leadership	489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant
	REVENUES:				
5700	Local & intermediate sources	\$ 424	\$ -	\$ 776	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>424</u>	<u>-</u>	<u>776</u>	<u>-</u>
	EXPENDITURES:				
	Current				
0011	Instruction	424	-	-	-
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	-	-	776	-
	Debt Service:				
0071	Debt service - principal on long term debt	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-
	Capital Outlay				
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>424</u>	<u>-</u>	<u>776</u>	<u>-</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES)				
7911	Issuance of Bonds	-	-	-	-
7912	Sale of real and personal property	-	-	-	-
7913	Proceeds from Capital Leases	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8911	Payment to refunded bond escrow agent	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund balance - September 1 (beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund balance - June 30 (ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

492 No Kid Hungry Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund	610 Construction Fund	617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 23,529	\$ 86	\$ 405,950	\$ 1,113,378	\$ 17,796	\$ 2,648	\$ 20,444	\$ 1,539,773
-	-	213,321	1,191,558	-	-	-	1,404,879
-	-	30,192,531	-	-	-	-	30,192,531
23,529	86	30,811,801	2,304,936	17,796	2,648	20,444	33,137,182
-	-	17,531,661	-	-	-	-	17,531,661
-	-	1,909,222	-	-	-	-	1,909,222
-	-	1,801,532	-	-	-	-	1,801,532
-	-	770,490	-	-	-	-	770,490
-	-	348,426	-	-	-	-	348,426
-	-	1,643,109	-	-	-	-	1,643,109
-	-	260,382	-	-	-	-	260,382
-	-	1,730,891	-	-	-	-	1,730,891
-	-	452,168	-	-	-	-	452,168
23,151	-	559,126	-	-	-	-	559,126
-	-	243,242	-	3,000	-	3,000	246,242
-	-	157,916	-	-	-	-	157,916
-	-	1,607,380	-	412,724	17,585	430,309	2,037,689
-	-	161,226	-	-	-	-	161,226
-	-	97,346	-	-	-	-	97,346
378	-	1,021,494	-	-	-	-	1,021,494
-	-	17,979	2,270,000	-	-	-	2,287,979
-	-	1,762	868,425	-	-	-	870,187
-	-	-	211,219	-	-	-	211,219
-	-	396,090	-	1,027,908	66,953	1,094,861	1,490,951
23,529	-	30,711,441	3,349,644	1,443,632	84,538	1,528,170	35,589,254
-	86	100,361	(1,044,707)	(1,425,836)	(81,889)	(1,507,725)	(2,452,072)
-	-	-	11,844,977	-	-	-	11,844,977
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,373,505	-	-	-	1,373,505
-	-	-	(13,004,943)	-	-	-	(13,004,943)
-	-	-	213,539	-	-	-	213,539
-	86	100,361	(831,168)	(1,425,836)	(81,889)	(1,507,725)	(2,238,533)
-	40,864	430,823	2,520,676	4,542,612	862,914	5,405,526	8,357,024
\$ -	\$ 40,949	\$ 531,183	\$ 1,689,507	\$ 3,116,776	\$ 781,025	\$ 3,897,800	\$ 6,118,491

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,813,392	\$ 214,502	\$ 471,754	\$ 2,499,648
Other receivables	540,375	123		540,498
Prepaid items	<u>-</u>	<u>16,885</u>	<u>-</u>	<u>16,885</u>
Total Assets	<u>2,353,768</u>	<u>231,509</u>	<u>471,754</u>	<u>3,057,031</u>
LIABILITIES				
Current Liabilities:				
Account payables	943,038	-	-	943,038
Accrued expenses	<u>1,485,198</u>	<u>101,896</u>	<u>-</u>	<u>1,587,094</u>
Total Liabilities	<u>2,428,236</u>	<u>101,896</u>	<u>-</u>	<u>2,530,132</u>
NET POSITION				
Unrestricted	<u>(74,468)</u>	<u>129,613</u>	<u>471,754</u>	<u>526,899</u>
Total Net Position	<u><u>\$ (74,468)</u></u>	<u><u>\$ 129,613</u></u>	<u><u>\$ 471,754</u></u>	<u><u>\$ 526,899</u></u>

WESLACO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE TEN MONTHS ENDED JUNE 30, 2022

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	<u>\$ 15,948,997</u>	<u>\$ 371,238</u>	<u>\$ 102,043</u>	<u>\$ 16,422,277</u>
Total Operating Revenues	<u>15,948,997</u>	<u>371,238</u>	<u>102,043</u>	<u>16,422,277</u>
OPERATING EXPENSES:				
Professional and Contracted Services	927,258	109,239	73,549	1,110,046
Other Operating Costs	<u>17,156,920</u>	<u>277,508</u>	<u>-</u>	<u>17,434,428</u>
Total Operating Expenses	<u>18,084,178</u>	<u>386,747</u>	<u>73,549</u>	<u>18,544,475</u>
Operating Income (Loss)	<u>(2,135,181)</u>	<u>(15,510)</u>	<u>28,493</u>	<u>(2,122,197)</u>
NONOPERATING REVENUES:				
Earning from Temporary Deposits and Investments	<u>12,055</u>	<u>617</u>	<u>1,282</u>	<u>13,954</u>
Total Nonoperating Revenues	<u>12,055</u>	<u>617</u>	<u>1,282</u>	<u>13,954</u>
Change in Net Position	(2,123,126)	(14,893)	29,775	(2,108,243)
Total Net Position-September 1, (Beginning)	<u>2,048,657</u>	<u>144,506</u>	<u>441,979</u>	<u>2,635,142</u>
Total Net Position - June 30, (Ending)	<u>\$ (74,468)</u>	<u>\$ 129,613</u>	<u>\$ 471,754</u>	<u>\$ 526,899</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 12,804,979	\$ 371,238	\$ 102,043	\$ 13,278,259
Receipts from employees	3,121,692	-	-	3,121,692
Receipts from other participants	22,326	-	-	22,326
Receipts from reimbursements and refunds	428,329	547	-	428,876
Payments for benefit claims	(15,373,789)	(331,437)	-	(15,705,226)
Payments for administration	<u>(3,588,717)</u>	<u>(76,566)</u>	<u>(73,549)</u>	<u>(3,738,833)</u>
Net cash used in operating activities	<u>(2,585,180)</u>	<u>(36,219)</u>	<u>28,493</u>	<u>(2,592,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>12,055</u>	<u>617</u>	<u>1,282</u>	<u>13,954</u>
Net cash provided by investing activities	<u>12,055</u>	<u>617</u>	<u>1,282</u>	<u>13,954</u>
Net increase in cash and cash equivalents	(2,573,125)	(35,602)	29,775	(2,578,951)
Cash and cash equivalents-beginning	<u>4,386,517</u>	<u>250,104</u>	<u>441,979</u>	<u>5,078,600</u>
Cash and cash equivalents-ending	<u>\$ 1,813,392</u>	<u>\$ 214,502</u>	<u>\$ 471,754</u>	<u>\$ 2,499,648</u>
Reconciliation of operating income/(loss) to net cash used in operating activities				
Operating income/(loss)	\$ (2,135,181)	\$ (15,510)	\$ 28,493	\$ (2,122,197)
Adjustments to reconcile operating loss to net cash used in:				
(Increase) decrease in other receivables	(540,375)	(123)	-	(540,498)
(Increase) decrease in prepaid items	-	32,673	-	32,673
Increase (decrease) in account payables	319,453	-	-	319,453
Increase (decrease) in other current liabilities	<u>(229,077)</u>	<u>(53,259)</u>	<u>-</u>	<u>(282,336)</u>
Total adjustments	<u>(449,999)</u>	<u>(20,709)</u>	<u>-</u>	<u>(470,708)</u>
Net cash used in operating activities	<u>\$ (2,585,180)</u>	<u>\$ (36,219)</u>	<u>\$ 28,493</u>	<u>\$ (2,592,905)</u>

REQUIRED TEA SCHEDULES

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Last 10 Years Ended August 31,	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purpose
	Maintenance	Debt Service	
2013 & Prior	Various	Various	Various
2014	1.1397	-	1,891,048,258
2015	1.1397	-	2,018,278,834
2016	1.1397	-	2,058,098,631
2017	1.1397	-	2,169,706,968
2018	1.1397	0.0200	2,292,112,169
2019	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* (School year under audit)	0.9407	0.0040	2,727,607,664
1000	TOTALS JUNE 30, 2022		
	July and August 31, 2022 Collections		
	TOTALS AUGUST 31, 2022		

*During the fiscal year 2022, the District converted from August 31st to a June 30th year-end. As such, 2022 only reflects ten months of data. The information above has been reconciled to reflect twelve months of collection information.

EXHIBIT J-1

	(10) Beginning Balance 9/1/2021	(20) Current Year's Levy	(31) Maintenance Total Collection	(32) Interest & Sinking Total Collection	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2022
\$	1,159,777.96	\$ -	\$ 62,655	\$ 3,636	\$ (2,655)	\$ 1,090,832
	120,141	-	10,860	-	(279)	109,003
	133,445	-	12,304	-	(296)	120,845
	136,590	-	13,470	-	(477)	122,643
	165,862	-	25,054	-	(581)	140,226
	241,302	-	44,422	780	(5,607)	190,493
	388,279	-	124,755	2,189	23,763	285,098
	558,466	-	173,280	3,305	(26,860)	355,021
	969,153	-	387,049	7,750	(72,710)	501,644
	-	26,211,702	24,929,495	1,060,040	1,071,002	1,293,170
\$	<u>3,873,016</u>	<u>\$ 26,211,702</u>	<u>\$ 25,783,344</u>	<u>\$ 1,077,699</u>	<u>\$ 985,300</u>	<u>\$ 4,208,975</u>
	-	-	382,659	14,166	(140,263)	(537,087)
\$	<u>3,873,016</u>	<u>\$ 26,211,702</u>	<u>\$ 26,166,002</u>	<u>\$ 1,091,865</u>	<u>\$ 845,037</u>	<u>\$ 3,671,888</u>

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-CHILD NUTRITION PROGRAM
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes			Budgeted Amount		Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)
			Original	Final		
REVENUES:						
5700	Local and intermediate sources		\$ 337,195	\$ 337,695	\$ 179,713	\$ (157,982)
5800	State program revenues		-	-	8,389	8,389
5900	Federal program revenues		11,531,519	12,454,733	11,340,825	(1,113,908)
5020	Total Revenues		11,868,714	12,792,428	11,528,928	(1,263,501)
EXPENDITURES:						
0035	Food services		11,677,929	12,574,961	9,845,194	2,729,767
0051	Facilities maintenance and operations		731,884	751,384	597,927	153,457
0071	Debt service-principal on long term debt		-	7,020	-	7,020
0072	Debt service-interest on long term debt		-	162	-	162
6030	Total Expenditures		12,409,813	13,333,527	10,443,121	2,890,406
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		(541,099)	(541,099)	1,085,807	1,626,906
1200	Net Change in Fund Balance		(541,099)	(541,099)	1,085,807	1,626,906
0100	Fund Balance - September 1 (Beginning)		1,099,540	1,099,540	1,099,540	-
3000	Fund Balance - June 30 (Ending)		\$ 558,441	\$ 558,441	\$ 2,185,347	\$ 1,626,906

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE TEN MONTHS ENDED JUNE 30, 2022

Data Control Codes		Budgeted Amount		Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)
		Original	Final		
	REVENUES:				
5700	Local and intermediate sources	\$ 1,037,794	\$ 1,037,794	\$ 1,113,378	\$ 75,584
5800	State program revenues	925,165	1,495,165	1,191,558	(303,607)
5020	Total Revenues	<u>1,962,959</u>	<u>2,532,959</u>	<u>2,304,936</u>	<u>(228,023)</u>
	EXPENDITURES:				
0071	Debt service - principal on long term debt	2,270,000	2,270,000	2,270,000	-
0072	Debt service - interest on long term debt	868,425	868,425	868,425	-
0073	Debt service - bond issuance cost & fees	5,000	5,000	211,219	(206,219)
6030	Total Expenditures	<u>3,143,425</u>	<u>3,143,425</u>	<u>3,349,644</u>	<u>(206,219)</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,180,466)</u>	<u>(610,466)</u>	<u>(1,044,707)</u>	<u>(434,241)</u>
	OTHER FINANCING SOURCES (USES)				
7911	Issuance of Bonds	-	-	11,844,977	(11,844,977)
7916	Premium or Discount on Issuance of Bonds	-	-	1,373,505	(1,373,505)
8949	Other Uses	-	-	(13,004,943)	13,004,943
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>213,539</u>	<u>(213,539)</u>
1200	Net Change in Fund Balances	(1,180,466)	(610,466)	(831,168)	(647,781)
0100	Fund Balance - September 1 (Beginning)	<u>2,520,676</u>	<u>2,520,676</u>	<u>2,520,676</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 1,340,210</u>	<u>\$ 1,910,210</u>	<u>\$ 1,689,507</u>	<u>\$ (647,781)</u>

STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES

Weslaco Independent School District

For the Ten Months ended June30, 2022

Data Codes		
	<u>Section A: Compensatory Education Programs</u>	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$20,151,838
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$12,532,792
	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.	\$ 2,108,267
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$ 1,385,823

STATISTICAL SECTION

This page is left blank intentionally

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.

This page is left blank intentionally

FINANCIAL TRENDS INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN YEARS

TABLE L-1

	2013	2014	2015 *	2016	2017	2018 **	2019	2020	2021	2022
Governmental Activities										
<i>Net Investment in Capital Assets</i>	\$67,109,281	\$57,955,030	\$65,082,018	\$70,172,243	\$53,852,720	\$68,417,270	\$64,654,480	\$67,359,544	\$67,097,951	\$66,904,615
<i>Restricted</i>	9,567,330	17,964,766	13,318,765	20,308,022	31,073,280	34,045,172	19,951,983	18,907,287	14,223,015	12,009,680
<i>Unrestricted</i>	38,892,701	40,694,713	13,712,717	11,348,644	9,316,031	(92,484,770)	(81,580,218)	(87,504,983)	(78,645,669)	(65,268,652)
<i>Total Net Position</i>	<u>\$115,569,312</u>	<u>\$116,614,509</u>	<u>\$92,113,501</u>	<u>\$101,828,909</u>	<u>\$94,242,030</u>	<u>\$9,977,672</u>	<u>\$3,026,245</u>	<u>\$ (1,238,152)</u>	<u>\$ 2,675,298</u>	<u>\$ 13,645,643</u>

Source: Financial Statements and Independent Auditors' Report
Statement of Net Position (Exhibit A-1)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-2

Expenses	2013	2014	2015 *	2016	2017	2018 **	2019	2020	2021	2022
<i>Governmental Activities:</i>										
<i>Instruction</i>	\$82,820,029	\$86,818,655	\$89,938,794	\$93,758,756	\$92,471,673	\$61,875,457	\$95,436,737	\$105,000,280	\$100,410,445	\$87,215,143
<i>Instructional Resource and Media Services</i>	3,147,877	3,138,683	3,219,111	3,407,707	3,270,878	2,133,005	3,392,142	3,778,530	3,596,076	3,171,683
<i>Curriculum and Staff Development</i>	5,981,991	5,771,075	5,833,373	7,866,159	6,672,451	3,444,618	6,150,592	8,242,148	7,582,845	6,145,143
<i>Instructional Leadership</i>	1,763,693	1,741,556	1,918,149	1,958,667	2,102,624	1,457,965	2,382,522	2,602,581	2,374,248	1,912,459
<i>School Leadership</i>	4,851,895	4,896,405	5,353,983	5,347,324	5,525,639	4,182,155	6,132,735	6,917,888	6,478,937	5,098,741
<i>Guidance, Counseling and Evaluation Services</i>	5,805,284	5,873,335	5,922,963	6,457,628	6,274,128	3,675,415	6,769,747	7,683,091	7,271,716	6,427,660
<i>Social Work Services</i>	1,851,636	1,590,345	1,744,838	1,893,278	2,078,113	1,123,254	1,462,253	1,422,668	1,263,214	887,796
<i>Health Services</i>	1,903,517	1,833,597	1,917,008	2,031,580	1,991,617	1,175,267	2,131,586	2,535,787	2,412,946	2,769,198
<i>Student Transportation</i>	3,637,229	3,877,637	4,053,767	4,372,443	4,841,325	4,463,629	5,186,794	5,114,576	4,427,142	4,167,353
<i>Food Services</i>	11,100,321	11,065,882	10,967,135	12,651,725	12,346,731	9,934,616	12,483,909	11,777,372	11,775,865	9,518,394
<i>Cocurricular/Extracurricular Activities</i>	6,975,634	7,063,184	7,850,006	8,388,595	8,491,903	6,951,528	8,646,890	8,587,794	6,557,145	7,245,687
<i>General Administration</i>	16,482,896	17,115,853	20,123,067	21,627,390	24,261,944	18,956,735	25,322,624	21,989,362	26,477,291	22,862,775
<i>Facilities Maintenance and Operations</i>	15,596,403	15,587,518	15,576,051	17,098,058	16,614,367	13,666,829	16,356,513	17,892,505	19,074,364	15,045,414
<i>Security and Monitoring Services</i>	1,604,098	2,058,835	2,100,843	2,057,040	2,235,845	1,685,302	2,538,862	3,527,828	2,387,880	2,448,670
<i>Data Processing Services</i>	2,141,748	2,016,328	2,019,983	2,163,703	2,034,553	1,639,951	2,225,427	2,368,371	2,609,708	2,125,849
<i>Community Services</i>	2,099,332	2,181,705	2,121,282	2,261,487	3,991,891	2,239,217	3,888,612	4,001,334	3,998,704	1,864,414
<i>Debt Service-Interest and Fees on Long Term Debt</i>	3,399,527	3,377,883	3,448,931	2,620,552	2,900,318	2,761,245	2,928,189	2,649,331	2,345,521	1,627,229
<i>Facilities Acquisition and Construction</i>	-	-	-	-	-	-	209,787	200,435	-	-
<i>Payments Related to Shared Services Arrangement</i>	-	-	-	-	-	-	-	-	-	-
<i>Payment to Juvenile Justice Alternative Ed. Prg</i>	189,500	242,000	220,000	239,520	248,000	129,946	80,582	85,635	100,000	-31,330
<i>Other Intergovernmental Charges</i>	204,067	196,658	230,394	245,133	161,539	279,379	246,175	248,201	259,939	270,375
Total Governmental Activities Expenses	\$ 171,556,677	\$ 176,447,134	\$ 184,559,678	\$ 196,446,745	\$ 198,515,540	\$ 141,775,514	\$ 203,972,678	\$216,625,715	\$211,403,986	\$180,772,654
<i>Program Revenues</i>										
<i>Charges for Services:</i>										
<i>Instruction</i>	\$148,192	\$209,036	\$132,283	\$152,654	\$113,191	\$119,627	\$133,186	\$70,060	\$6,788	\$67,669
<i>Instructional Resources and Media Services</i>	-	3,375	-	83	470	121	-	-	-	855
<i>Curriculum and Staff Development</i>	154	288	645	269	367	182	605	-	5	125
<i>Instructional Leadership</i>	-	-	-	-	-	-	-	-	-	141
<i>School Leadership</i>	1,568	-	519	-	791	896	6,434	9,827	11,921	4,662
<i>Guidance, Counseling and Evaluation Services</i>	-	-	-	-	-	-	-	-	-	181
<i>Social Work Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Health Services</i>	-	-	-	-	-	-	-	-	-	633
<i>Student Transportation</i>	19,455	20	52,641	20	15	4,302	21,025	54,065	12,525	6,772
<i>Food Services</i>	693,023	697,330	582,296	463,055	374,151	343,168	366,362	257,904	42,967	165,784
<i>Cocurricular/Extracurricular Activities</i>	798,852	677,440	725,639	593,179	602,391	609,479	670,225	718,532	141,670	696,029
<i>General Administration</i>	2,014,912	1,891,137	2,087,523	3,101,767	2,590,722	2,937,756	2,307,310	3,936,962	3,857,689	3,149,423
<i>Facilities Maintenance and Operations</i>	102,444	93,702	72,560	303,091	35,734	73,515	101,964	38,868	29,356	27,469
<i>Security and Monitoring Services</i>	-	-	-	-	-	-	-	-	-	45
<i>Data Processing Services</i>	-	-	-	-	-	-	-	-	-	262
<i>Community Services</i>	174,118	172,343	197,761	190,100	170,131	194,503	173,670	136,589	153,067	207,490
<i>Debt Service-Interest and Fees on Long Term Debt</i>	-	-	-	-	-	-	-	-	-	121
<i>Facilities Acquisition and Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Intergovernmental Charges</i>	-	-	-	-	-	-	-	-	-	-
<i>Operating Grants/Capital and Contributions</i>	38,414,155	36,330,426	40,834,221	42,251,555	41,621,847	11,559,296	41,652,961	53,350,814	49,462,645	45,619,840
Total Governmental Activities										
Program Revenues	\$ 42,366,872	\$ 40,075,097	\$ 44,686,089	\$ 47,055,774	\$ 45,509,811	\$ 15,842,845	\$ 45,433,741	\$ 58,573,620	\$ 53,718,633	\$ 49,947,502
Net Government Activities Revenue/(Expenses)	\$(129,189,804)	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)	\$(158,052,095)	\$(157,685,353)	\$(130,825,152)

Source: Financial Statements and Independent Auditors' Report
Statement of Activities(Exhibit B-1)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-3

	2013	2014	2015 *	2016	2017	2018 **	2019	2020	2021	2022
Net Governmental Activities										
Revenue/(Expenses)	\$(129,189,804)	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)	\$(158,052,095)	\$(157,685,353)	\$(130,825,152)
General Revenue and Changes in Net Position:										
<i>Governmental Activities:</i>										
<i>Property Taxes-General</i>	21,932,794	21,618,492	23,546,542	23,882,403	24,915,531	26,329,885	26,447,893	25,165,883	26,279,167	26,574,436
<i>Property Taxes-Debt Services</i>	59,893	34,993	18,319	17,547	13,984	469,888	473,001	478,881	531,746	1,131,451
<i>Grants & Contributions Not Restricted</i>	109,184,686	114,534,319	115,521,053	130,154,799	119,855,162	126,931,141	122,918,825	127,012,919	134,574,757	113,802,896
<i>Investment Earnings</i>	96,168	70,414	78,825	222,846	564,446	1,375,217	1,895,536	1,093,132	89,255	215,187
<i>Miscellaneous</i>	21,897	20,741	86,890	17,789	69,727	21,126	20,648	36,884	36,501	71,526
<i>Extraordinary Item-Net</i>	-	-	-	-	-	3,088,259	(399,642)	-	-	-
<i>Special Item - (Use)</i>	-	-	-	-	-	-	-	-	-	-
<i>Sale of Real Property</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfers In (Out)</i>	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	131,295,437	136,278,958	139,251,628	154,295,385	145,418,850	158,215,514	151,356,262	153,787,699	161,511,426	141,795,497
Changes in Net Position	\$2,105,633	\$(93,078)	\$(621,961)	\$4,904,414	\$(7,586,879)	\$32,282,846	\$(7,182,676)	\$(4,264,397)	\$3,826,073	\$10,970,345

Source: Financial Statements and Independent Auditors' Report
Statement of Activities(Exhibit B-1)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30
*Implementation of GASB 65
**Implementation of GASB 75

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

TABLE L-4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General										
POST GASB 54										
<i>Non-spendable:</i>										
<i>Inventories</i>	\$ 939,967	\$ 938,278	\$ 903,195	\$ 847,969	\$ 960,789	\$ 848,180	\$ 992,097	\$ 1,104,190	\$ 1,324,486	\$ 1,284,963
<i>Prepaid Items</i>	1,783,576	1,760,386	1,564,045	1,584,354	1,379,451	1,350,744	1,401,976	537,627	1,303,050	1,388,301
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	4,381,575	4,494,889	5,695,725	7,302,864	5,093,955	5,862,080	5,177,298	6,574,402	6,948,370	7,481,618
<i>Other Restrictions of Fund Balance</i>	4,632,264	-	-	-	-	-	-	-	-	-
<i>Assigned:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	3,169,825	1,228,530	-	-
<i>Other</i>	4,104,229	11,114,670	11,245,626	19,470,602	23,385,542	15,800,786	115,821	63,400	252,880	1,131,072
<i>Unassigned:</i>	15,500,000	16,000,000	16,500,000	17,000,000	17,500,000	18,000,000	38,089,304	39,032,046	50,357,236	58,494,676
Total General Fund Balance	\$ 31,341,611	\$ 34,308,222	\$ 35,908,591	\$ 46,205,789	\$ 48,319,737	\$ 41,861,790	\$ 48,946,321	\$ 48,540,195	\$ 60,186,022	\$ 69,780,631
All Other Governmental Funds										
POST GASB 54										
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	\$ 10,668	\$ 10,668	\$ 10,668	\$ 10,668	\$ 10,668	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Acquisition and Contractual Obligation</i>	3,574,020	10,691,736	5,043,128	4,278,991	21,250,253	23,768,132	10,150,363	10,723,179	5,405,526	3,897,800
<i>Retirement of Long Term Debt</i>	273,431	1,499,721	1,287,408	7,427,367	3,306,023	2,993,691	4,122,147	3,291,769	2,520,676	1,689,507
<i>Other Restrictions of Fund Balance</i>	-	-	-	-	-	-	-	-	-	-
<i>Committed:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Commitments of Fund Balance</i>	260,805	245,912	292,792	270,009	244,819	243,452	249,365	316,891	389,959	490,234
<i>Assigned:</i>										
<i>Other</i>	35,278	9,584	9,584	9,584	9,584	9,584	9,284	44,321	40,864	40,949
<i>Unassigned:</i>	-	-	-	-	-	-	-	-	-	-
<i>Total All</i>	4,154,202	12,457,620	6,643,581	11,996,619	24,821,347	27,014,860	14,531,159	14,376,159	8,357,024	6,118,491
Total Governmental Funds -Fund Balance	\$ 35,495,813	\$ 46,765,842	\$ 42,552,172	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650	\$ 63,477,479	\$ 62,916,354	\$ 68,543,046	\$ 75,899,122
Governmental Funds -										
<i>Beginning Fund Balance</i>	\$ 34,027,193	\$ 35,495,813	\$ 46,765,842	\$ 42,552,172	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650	\$ 63,477,479	\$ 62,916,354	\$ 68,543,046
<i>Prior Period Adjustment</i>	-	1,138,275	-	4,810,995	-	-	(336,213)	-	87,377	-
<i>Net Change in Fund Balance</i>	1,468,621	10,131,754	(4,213,670)	10,839,242	14,938,675	(4,264,434)	(5,062,958)	(561,125)	5,539,315	7,356,076
Ending Fund Balance	\$ 35,495,813	\$ 46,765,842	\$ 42,552,172	\$ 58,202,409	\$ 73,141,084	\$ 68,876,650	\$ 63,477,479	\$ 62,916,354	\$ 68,543,046	\$ 75,899,122

Source: Financial Statements and Independent Auditors' Report
Balance Sheet - Governmental Funds (Exhibit C-1) 2012-2021
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30
Per GASB 54 - 2011

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

TABLE L-5

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Investment Income	Other	Per Capita and Foundation	On Behalf TRS Payments	Other		
2013	\$ 21,799,267	\$ 84,580	\$ 1,950,888	\$ 109,686,971	\$ 5,799,485	\$ 554,976	\$ 31,555,773	\$ 171,431,941
2014	21,860,201	59,178	1,874,415	115,075,604	6,027,826	1,225,436	28,523,599	174,646,259
2015	23,828,401	69,479	1,790,487	116,096,469	6,552,087	3,360,290	30,392,295	182,089,508
2016	23,878,352	206,734	1,738,866	128,561,142	5,854,875	3,655,672	31,065,845	194,961,485
2017	24,900,863	561,541	1,416,357	120,529,452	4,813,494	1,596,924	33,226,272	187,044,904
2018	26,172,229	1,341,246	2,303,180	125,377,866	7,519,851	4,394,436	31,640,576	198,749,384
2019	26,032,561	1,835,856	2,344,241	121,882,771	7,306,859	3,430,201	31,120,740	193,953,228
2020	25,000,546	1,059,301	2,017,966	126,934,947	8,432,280	2,173,740	35,508,235	201,127,015
2021	26,169,473	82,004	1,334,657	134,183,191	7,848,777	1,337,825	37,566,355	208,522,283
2022	27,064,049	201,234	1,920,880	113,612,633	6,650,114	1,419,768	45,431,279	196,299,955

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-6

Fiscal Year	Instructional And Instructional Related Services	Instructional and School Leadership	Support Services Student Other	Administrative Support Services	Support Non-Student Based	Ancillary Services	Debt Service Principal	Service Interest and Other	Debt Service Other Fees	Facilities Acquisition & Construction- Capital Outlay	Inter- Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Services to Non-Capital Expenditures
2013	\$ 93,837,846	\$ 6,894,608	\$ 30,726,311	\$ 4,437,268	\$20,307,498	\$ 2,015,672	\$ 4,208,000	\$ 3,373,197	\$ 2,556	\$ 1,788,693	\$ 393,567	\$ 167,985,217	4.58%
2014	97,149,232	6,906,652	31,023,969	4,059,382	20,567,994	2,160,887	4,379,000	3,193,816	193,729	7,173,927	438,658	177,247,245	4.58%
2015	101,502,586	7,607,364	33,756,126	4,785,079	20,799,472	2,066,825	5,595,000	2,835,623	398,973	8,961,815	450,394	188,759,258	4.97%
2016	103,403,648	7,333,985	35,547,335	4,818,619	21,667,224	2,109,182	4,947,000	2,668,955	3,455	1,155,976	484,653	184,140,033	4.20%
2017	103,876,653	7,848,224	37,345,499	5,056,378	21,649,161	3,853,593	4,654,000	2,191,565	491,418	1,162,753	409,539	188,538,783	3.98%
2018	106,669,533	9,111,967	42,080,897	5,387,771	23,865,350	3,754,897	4,443,492	3,009,612	2,825	9,202,858	409,325	207,938,527	3.89%
2019	106,858,463	8,787,835	35,857,976	5,086,076	23,396,398	3,734,906	3,636,567	2,932,269	113,969	13,713,224	326,757	204,444,440	3.54%
2020	113,652,568	9,390,234	35,224,338	5,047,190	25,097,258	3,743,556	3,657,030	2,871,403	2,150	2,705,463	333,836	201,725,025	3.31%
2021	114,697,784	9,228,453	33,062,768	5,618,825	24,823,898	3,929,140	3,746,690	2,742,257	1,700	4,808,015	359,939	203,019,468	3.27%
2022	111,464,195	8,301,241	33,550,108	4,945,072	21,637,730	2,108,712	4,100,896	1,388,898	212,119	1,490,951	239,045	189,438,967	3.08%

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-7

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess of Revenue Over										
(Under) Expenditures	\$3,446,724	\$(2,600,987)	\$(6,669,750)	\$10,821,452	\$(1,493,880)	\$(9,189,142)	\$(10,491,212)	\$(598,010)	\$5,502,815	\$6,860,988
Other Financing Sources (Uses)										
Issuance of Bonds	-	-	-	-	-	-	4,905,000	-	-	-
Refunding Bonds Issued	-	-	31,570,000	-	19,470,000	-	-	-	-	11,844,977
Sale of Real and Personal Property	21,897	20,741	36,472	17,789	69,727	21,126	20,648	36,884	36,501	71,526
Proceeds from Sales of Capital Assets	-	-	-	-	-	-	-	-	-	-
Issuance of Capital Leases	-	-	-	-	-	1,577,168	-	-	-	210,022
Issuance of Loans	-	12,712,000	-	-	15,020,000	-	1,304,339	-	-	-
Issuance on Non-Current Debt	-	-	-	-	-	-	-	-	-	-
Transfer In	9,279,145	20,526,320	11,251,447	5,700,039	21,609,631	14,359,549	3,608,923	5,816,000	2,159,528	-
Premium on Issuance of Bonds	-	-	5,463,084	-	4,623,821	-	209,705	-	-	1,373,505
Other Resources	-	-	-	-	-	-	-	-	-	-
Transfer Out	(11,279,145)	(20,526,320)	(9,251,447)	(5,700,039)	(22,749,631)	(18,519,549)	(3,608,923)	(5,816,000)	(2,159,528)	-
Other Uses	-	-	(36,613,477)	-	(21,610,993)	-	(1,194,493)	-	-	(13,004,943)
Total Other Financing Sources (Uses)	(1,978,103)	12,732,741	2,456,079	17,789	16,432,555	(2,561,706)	5,245,198	36,884	36,501	495,088
Special Items										
Extraordinary Items (Resources)	-	-	-	-	-	7,486,415	183,056	-	-	-
Net Changes in Fund Balances	<u>\$1,468,621</u>	<u>\$10,131,754</u>	<u>\$(4,213,670)</u>	<u>\$10,839,242</u>	<u>\$14,938,675</u>	<u>\$(4,264,434)</u>	<u>\$(5,062,958)</u>	<u>\$(561,125)</u>	<u>\$5,539,315</u>	<u>\$7,356,076</u>

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-8

		Instructional and	Instructional	Support		Support			Debt			
	Average	Instructional	and	Services	Administrative	Services		Debt	Service		Inter-	Total
Fiscal	Daily	Related	School	Student	Support	Non-Student	Ancillary	Service	Interest	Capital	Governmental	Governmental
Year	Attendance	Services	Leadership	Other	Services	Based	Services	Principal	and Other	Outlay	Charges	Fund
												Expenditures
2013	16,409	\$ 5,719	\$ 420	\$ 1,872	\$ 270	\$ 1,238	\$ 123	\$ 256	\$ 206	\$ 109	\$ 24	\$ 10,237
2014	16,421	5,916	421	1,889	247	1,253	132	267	206	437	27	10,794
2015	16,056	6,322	474	2,102	298	1,295	129	348	201	558	28	11,757
2016	16,333	6,331	449	2,176	295	1,327	129	303	164	71	30	11,274
2017	16,096	6,453	488	2,320	314	1,345	239	289	167	72	25	11,713
2018	15,906	6,706	573	2,646	339	1,500	236	279	189	579	26	13,073
2019	15,851	6,742	554	2,262	321	1,476	236	229	192	865	21	12,898
2020	15,094	7,530	622	2,334	334	1,663	248	242	190	179	22	13,365
2021	14,986	7,654	616	2,206	375	1,656	262	250	183	321	24	13,547
2022	13,660	8,160	608	2,456	362	1,584	154	300	117	109	18	13,869

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)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

This page is left blank intentionally

REVENUE CAPACITY INFORMATION

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

TABLE L-9

Fiscal Year	Assessed Value				Estimated Actual Taxable Value	Ratio of Total	Total Direct Tax Rate
	Personal Property			Total Taxable		Taxable Assessed Value	
	Real Property	& Mineral	Exemptions	Assessed Value		to Estimated Actual Taxable Value	
2013	\$ 2,411,429,436	\$ 262,506,917	\$ 813,599,642	\$ 1,860,336,711	\$ 2,673,936,353	69.57%	1.1397
2014	2,422,290,310	282,384,716	813,626,768	1,891,048,258	2,704,675,026	69.92%	1.1397
2015	2,588,036,036	285,634,774	855,391,976	2,018,278,834	2,873,670,810	70.23%	1.1397
2016	2,732,705,107	303,776,931	978,383,407	2,058,098,631	3,036,482,038	67.78%	1.1397
2017	2,835,567,160	312,988,562	978,848,754	2,169,706,968	3,148,555,722	68.91%	1.1397
2018	3,007,673,308	319,921,470	1,035,482,609	2,292,112,169	3,327,594,778	68.88%	1.1597
2019	3,057,178,970	302,968,791	1,057,546,087	2,302,601,674	3,360,147,761	68.53%	1.1597
2020	3,155,166,207	321,881,136	1,067,911,246	2,409,136,097	3,477,047,343	69.29%	1.0687
2021	3,391,379,928	307,500,112	1,140,568,517	2,558,311,523	3,698,880,040	69.16%	1.0189
2022	3,595,900,905	321,423,038	1,189,716,279	2,727,607,664	3,917,323,943	69.63%	0.9807

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)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-10

Fiscal Year	Total Original Tax Levy	Total Adjusted Tax Levy	Collected within the		Collection		
			Fiscal year of Levy		Subsequent Years	Total Collections to Date	
			Amount	% of Original Levy		Amount	% of Adjusted Levy
2013	\$ 20,814,899	\$ 20,670,305	\$ 19,485,245	93.61%	\$ 1,087,437	\$ 20,572,682	99.53%
2014	21,200,328	20,994,141	19,766,065	93.23%	1,119,074	20,885,139	99.48%
2015	22,612,366	22,709,895	21,526,880	95.20%	1,062,169	22,589,049	99.47%
2016	23,079,685	22,992,145	21,886,165	94.83%	983,338	22,869,502	99.47%
2017	24,363,529	24,020,016	22,896,620	93.98%	983,170	23,879,790	99.42%
2018	26,145,817	26,028,732	24,951,740	95.43%	886,499	25,838,238	99.27%
2019	26,276,635	26,102,034	24,981,509	95.07%	835,427	25,816,936	98.91%
2020	25,421,226	25,114,119	24,037,947	94.56%	721,150	24,759,097	98.59%
2021	25,670,034	25,960,762	25,064,319	97.64%	394,799	25,459,118	98.07%
2022	26,211,702	27,282,705	25,989,535	99.15%	N/A	25,989,535	95.26%

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-11

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	Debt		Total	Debt		Original
	General	Service		General	Service	Levy
	Fund	Fund		Fund	Fund	Total
2013	\$ 1.1397	\$ 0.0000	1.1397	\$ 20,814,899	\$ -	\$ 20,814,899
2014	1.1397	0.0000	1.1397	21,200,328	-	21,200,328
2015	1.1397	0.0000	1.1397	22,612,366	-	22,612,366
2016	1.1397	0.0000	1.1397	23,079,685	-	23,079,685
2017	1.1397	0.0000	1.1397	24,363,529	-	24,363,529
2018	1.1397	0.0200	1.1597	25,694,911	450,907	26,145,817
2019	1.1397	0.0200	1.1597	25,823,473	453,163	26,276,635
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

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Detail General Ledger Reports
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-12

								Total Direct	Original
Fiscal	Tax	Hidalgo	South	Drainage	Weslaco		City of	and	Levy
<u>Year</u>	<u>Year</u>	<u>County</u>	<u>Texas ISD</u>	<u>District No.1</u>	<u>ISD</u>	<u>STC</u>	<u>Weslaco</u>	<u>Overlapping</u>	<u>Total</u>
2013	2012	0.5900	0.0492	0.0733	1.1397	0.1507	0.6967	2.6996	20,814,899
2014	2013	0.5900	0.0492	0.0957	1.1397	0.1500	0.6867	2.7113	21,200,328
2015	2014	0.5900	0.0492	0.0957	1.1397	0.1850	0.6767	2.7363	22,612,366
2016	2015	0.5900	0.0492	0.0951	1.1397	0.1850	0.6767	2.7357	23,079,685
2017	2016	0.5800	0.0492	0.0951	1.1397	0.1850	0.6667	2.7157	24,363,529
2018	2017	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,145,817
2019	2018	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,276,635
2020	2019	0.5750	0.0492	0.1051	1.0687	0.1733	0.6967	2.6680	25,421,226
2021	2020	0.5750	0.0492	0.1026	1.0189	0.0492	0.6967	2.4916	25,670,034
2022	2021	0.5750	0.0492	0.1264	0.9807	0.1715	0.6967	2.5995	26,211,702

Source: Financial Statements and Independent Auditors' Report
Schedule of Delinquent Taxes Receivable (Exhibit J-1)
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
2022 AND 2013

TABLE L-13

Fiscal Year 2022			Fiscal Year 2013		
	Tax Year 2021 Assessed Valuation	Percentage Total Assessed Valuation		Tax Year 2012 Assessed Valuation	Percentage Total Assessed Valuation
1 H.E.Butt Grocery Company	\$39,601,719	1.45%	1 H.E.Butt Grocery Company	\$35,773,799	1.92%
2 AEP Texas Central Co.	29,976,030	1.10%	2 HEB Weslaco Transportation	19,052,947	1.02%
3 HEB Weslaco Transportation	21,480,929	0.79%	3 Clearview Weslaco LLP	15,343,482	0.82%
4 Wal-Mart Real Estate Business TR	19,058,634	0.70%	4 CAPCOR Weslaco, LTD	10,655,558	0.57%
5 Woodcrafters Home Products LLC	15,542,091	0.57%	5 Wal-Mart Real Estate Business TR	8,667,453	0.47%
6 G3C Weslaco Westgate LLC	15,000,000	0.55%	6 Wal-Mart Property Tax Dept.	7,477,314	0.40%
7 Capcor Weslaco LTD	14,937,779	0.55%	7 John Knox Village	7,399,993	0.40%
8 Llano Grande Holdings Company LLC	14,488,131	0.53%	8 AEP Texas Central Co.	7,244,440	0.39%
9 Weslaco Palm Plaza LLC	9,942,092	0.36%	9 JC Penny's #1101	6,830,017	0.37%
10 Weslaco Micro-Hospital LLC	9,700,000	0.36%	10 Weslaco Palm Plaza LLC	6,824,871	0.37%
	\$189,727,405	6.96%		\$125,269,874	6.73%

Source: Hidalgo Appraisal District
Top Taxpayer 2022 & 2013
Weslaco Approval Tax Roll

DEBT CAPACITY INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

TABLE L-14

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				Total Debt	**Total Debt to Personal Income	***Total Debt to Per Capita	Ratio of Total Debt to Estimated	Total Debt to Average
	General	Premium on	Accretion	Maintenance	Premium/(Discount)	Loans	Lease				Actual	Daily
	Obligation Bonds	Bonds	of Bonds	Tax Notes	on Tax Notes	Payable	Payable				Taxable Value	Membership
2013	\$ 65,205,000	\$ 494,480	\$ -	\$ 18,165,000	\$ (4,882)	\$ -	\$ -	83,859,598	14.47%	2,261	3.14%	4,859
2014	61,890,000	317,639	-	17,101,000	107	-	-	79,308,746	13.46%	2,109	2.93%	4,629
2015	54,140,000	4,979,384	-	15,156,000	3,391	-	-	74,278,775	12.12%	1,882	2.58%	4,408
2016	51,110,000	4,887,934	-	13,239,000	(3,028)	-	-	69,233,906	10.07%	1,729	2.28%	4,063
2017	47,515,000	7,622,679	-	26,295,000	2,215,439	-	-	83,648,118	12.04%	2,073	2.66%	5,001
2018	44,815,000	7,363,577	-	24,614,000	2,219,699	-	1,514,676	80,526,952	11.58%	2,019	2.42%	4,855
2019	42,840,000	7,114,685	-	28,082,000	2,422,484	1,304,339	95,617	81,859,125	11.14%	1,988	2.44%	5,019
2020	40,775,000	6,805,326	-	26,653,000	2,387,811	1,203,801	33,125	77,858,062	10.91%	1,852	2.24%	4,961
2021	38,610,000	6,424,531	-	25,212,000	2,343,027	1,096,236	-	73,685,794	9.69%	1,739	1.99%	4,632
2022	36,339,977	5,170,033	15,018	23,745,000	2,289,808	982,482	466,449	69,008,767	8.16%	1,676	1.76%	4,602

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements Long-Term Debt Obligations 2013-2022
Academic Excellence Indicator System (AEIS Report)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING DEBT
GOVERNMENTAL ACTIVITIES DEBT

TABLE L-15

Political Subdivision	*Gross Debt Amounts		As of	**Percentage Applicable to WISD	***Estimated Share of Direct and Overlapping Debt
DIRECT DEBT					
<i>Weslaco ISD</i>	\$68,542,318	*	6/30/2022	100.00%	\$68,542,318
					<u>\$68,542,318</u>
OVERLAPPING DEBT					
<i>City Of Weslaco</i>	\$83,481,000	*	6/30/2022	99.45%	\$83,021,855
<i>Hidalgo County</i>	380,945,000	*	6/30/2022	7.43%	28,304,214
<i>City Of Mercedes</i>	27,595,000	*	6/30/2022	16.87%	4,655,277
<i>Hidalgo Co Drainage District #1</i>	263,339,000	*	6/30/2022	7.73%	20,356,105
<i>South Texas College</i>	120,909,693	*	6/30/2022	6.96%	8,415,315
<i>Total Net Overlapping Debt</i>					<u>144,752,764</u>
<i>Total Direct and Overlapping Debt:</i>					<u><u>\$213,295,082</u></u>
Percent of Assessed Valuation:					7.80%
Direct Overlapping Debt per Capita:					\$2,409

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

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

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

Source: Municipal Advisory Council of Texas

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

TABLE L-16

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuation	<u>\$ 1,860,336,711</u>	<u>\$ 1,891,048,258</u>	<u>\$ 2,018,278,834</u>	<u>\$ 2,058,098,631</u>	<u>\$ 2,169,706,968</u>	<u>\$ 2,292,112,169</u>	<u>\$ 2,302,601,674</u>	<u>\$2,409,136,097</u>	<u>\$2,558,311,523</u>	<u>\$2,727,607,664</u>
Debt Limit-10% of										
Assessed Valuation	\$186,033,671	\$189,104,826	\$201,827,883	\$205,809,863	\$216,970,697	\$229,211,217	\$230,260,167	\$240,913,610	\$ 255,831,152	\$ 272,760,766
General Obligation Bonds	65,205,000	61,890,000	54,140,000	51,110,000	47,515,000	44,815,000	42,840,000	40,775,000	38,610,000	36,339,977
Deduct Amount Available in										
Debt Services Fund	<u>(273,431)</u>	<u>(1,499,721)</u>	<u>(1,287,408)</u>	<u>(7,427,367)</u>	<u>(3,306,023)</u>	<u>(2,996,826)</u>	<u>(4,122,147)</u>	<u>(3,291,769)</u>	<u>(2,520,676)</u>	<u>(1,689,507)</u>
Net General Bonded Debt	64,931,569	60,390,279	52,852,592	43,682,633	44,208,977	41,818,174	38,717,853	37,483,231	36,089,324	34,650,470
Maintenance Tax Note	18,165,000	17,101,000	15,156,000	13,239,000	26,295,000	24,614,000	28,082,000	26,653,000	25,212,000	23,745,000
Loans Payable	-	-	-	-	-	-	1,304,339	1,203,801	1,096,236	982,482
Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,514,676</u>	<u>95,617</u>	<u>33,125</u>	<u>-</u>	<u>466,449</u>
Less : Applicable Debt Margin	<u>83,096,569</u>	<u>77,491,279</u>	<u>68,008,592</u>	<u>56,921,633</u>	<u>70,503,977</u>	<u>67,946,851</u>	<u>68,199,809</u>	<u>65,373,157</u>	<u>62,397,560</u>	<u>59,844,401</u>
Legal Debt Margin	<u><u>\$102,937,102</u></u>	<u><u>\$111,613,546</u></u>	<u><u>\$133,819,291</u></u>	<u><u>\$148,888,230</u></u>	<u><u>\$146,466,720</u></u>	<u><u>\$161,264,366</u></u>	<u><u>\$162,060,358</u></u>	<u><u>\$175,540,453</u></u>	<u><u>\$193,433,592</u></u>	<u><u>\$212,916,366</u></u>
Debt Margin as a Percentage of the Debt Limit	55.33%	59.02%	66.30%	72.34%	67.51%	70.36%	70.38%	72.86%	75.61%	78.06%

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 2012-2021
Tax Roll Report Hidalgo County Tax Assessor
Budgetary Comparison Schedule Exhibit J-4
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-17

<u>Fiscal</u> <u>Year</u>	<u>Average</u> <u>Daily</u> <u>Membership</u>	<u>Estimated</u> <u>Actual</u> <u>Taxable Value</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Premium</u> <u>on Bonds</u>	<u>Accretion</u> <u>of Bonds</u>	<u>Less: Amount</u> <u>Available In</u> <u>Debt</u> <u>Service</u>	<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Net</u> <u>Bonded Debt</u> <u>to Estimated Actual</u> <u>Taxable Value</u>	<u>General</u> <u>Obligation Bonds</u> <u>Per Average</u> <u>Daily Membership</u>
2013	17,258	\$ 2,673,936,353	\$ 65,205,000	\$ 494,480	\$ -	\$ 273,431	\$ 65,426,049	2.45%	3,778
2014	17,133	2,704,675,026	61,890,000	317,639	-	1,499,721	60,707,918	2.24%	3,612
2015	16,849	2,873,670,810	54,140,000	4,979,384	-	1,287,408	57,831,977	2.01%	3,213
2016	17,041	3,036,482,038	51,110,000	4,887,934	-	7,427,367	48,570,567	1.60%	2,999
2017	16,727	3,148,555,722	47,515,000	7,622,679	-	3,306,023	51,831,656	1.65%	2,841
2018	16,585	3,327,594,778	44,815,000	7,363,577	-	2,996,826	49,181,751	1.48%	2,702
2019	16,311	3,360,147,761	42,840,000	7,114,685	-	4,122,147	45,832,538	1.36%	2,626
2020	15,693	3,477,047,343	40,775,000	6,805,326	-	3,291,769	44,288,557	1.27%	2,598
2021	15,909	3,698,880,040	38,610,000	6,424,531	-	2,520,676	42,513,855	1.15%	2,427
2022	14,994	3,917,323,943	36,339,977	5,170,033	15,018	1,689,507	39,835,521	1.02%	2,424

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements Long-Term Debt Obligations 2012-2021
Assessment Roll Grand Totals Hidalgo County Tax Assessor-Collector
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-18

Fiscal Year	Principal	Interest*	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Total General Fund Expenditures
2013	\$ 3,180,000	\$ 3,121,396	\$ 6,301,396	\$ 139,896,249	4.50%
2014	3,315,000	2,981,603	6,296,603	146,570,954	4.30%
2015	3,650,000	2,641,997	6,291,997	154,063,148	4.08%
2016	3,030,000	2,521,713	5,551,713	158,759,955	3.50%
2017	2,690,000	2,094,150	4,784,150	159,717,528	3.00%
2018	2,700,000	2,086,500	4,786,500	171,381,789	2.79%
2019	1,975,000	1,977,425	3,952,425	167,792,464	2.36%
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%

Source: Financial Statements and Independent Auditors' Report
 Budgetary Comparison Schedule Exhibit J-3, J-4
 Budgetary Comparison Schedule Exhibit C-5
 2013-2021 Fiscal Year End 8/31
 2022 Fiscal Year End 06/30

DEMOGRAPHIC AND ECONOMIC INFORMATION

WESLACO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CALENDAR YEAR 2022 AND 2013

TABLE L-19

Employer	2022			2013		
	Employees	Rank	Percentage	Employees	Rank	Percentage
<i>Weslaco Independent School District</i>	2,214	1	43.26%	2,817	1	44.29%
<i>Knapp Medical Center</i>	715	2	13.97%	1,000	2	15.73%
<i>HEB (3 locations)</i>	450	3	8.79%	407	4	6.40%
<i>Woodcrafters</i>	400	4	7.82%	592	3	9.31%
<i>City of Weslaco</i>	315	5	6.15%	351	6	5.52%
<i>Wal-Mart</i>	260	6	5.08%	260	7	4.09%
<i>Payne Auto Group</i>	220	7	4.30%	389	5	6.12%
<i>South Texas College</i>	214	8	4.18%	214	8	3.37%
<i>Valley Grande Manor</i>	180	9	3.52%	161	10	2.53%
<i>Tx A&M University</i>	150	10	2.93%	-	-	-
<i>Foremost Paving</i>	-	-	-	168	9	2.64%
<i>Total Top Ten</i>	5,118		100.00%	6,359		100.00%

Source: Weslaco Economic Development Corporation
WorkForce Solutions

WESLACO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

TABLE L-20

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%

Source: U.S. Census Bureau 2013-2022
Economagic.com
PEIMS DATA +
PEIMS Edit + Report (PRF7D001)
Texas Academic Performance Report (TAPR formerly AEIS)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30
* MSA statistics
Department of Number website
City of Weslaco
Weslaco Chamber of Commerce
Texas Hometown Locator Website

This page is left blank intentionally

OPERATING INFORMATION

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

TABLE L-21

Classification	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Number of Employees</i>										
<i>Teachers</i>	1,082	1,093	1,084	1,084	1,094	1,105	1,101	1,084	1,043	1,042
<i>Professional Support</i>	208	210	222	228	241	238	226	247	236	237
<i>Campus Administration</i>	24	20	20	17	20	21	25	27	26	24
<i>Central Administration</i>	21	19	19	18	19	21	23	24	24	24
<i>Educational Aides</i>	179	196	196	176	204	205	203	189	199	208
<i>Auxiliary Staff</i>	811	756	790	755	745	769	757	724	700	678
<i>Total Employees</i>	2,324	2,294	2,330	2,278	2,324	2,358	2,334	2,295	2,227	2,214
<i>Percent of Total</i>										
<i>Teachers</i>	46.54%	47.65%	46.53%	46.54%	47.09%	46.84%	47.16%	47.22%	46.83%	47.07%
<i>Professional Support</i>	8.94%	9.14%	9.53%	8.74%	10.39%	10.08%	9.67%	10.76%	10.60%	10.71%
<i>Campus Administration</i>	1.03%	0.86%	0.84%	1.80%	0.86%	0.89%	1.07%	1.16%	1.15%	1.10%
<i>Central Administration</i>	0.90%	0.83%	0.80%	0.30%	0.82%	0.89%	0.99%	1.04%	1.08%	1.10%
<i>Educational Aides</i>	7.70%	8.55%	8.41%	10.00%	8.78%	8.70%	8.70%	8.25%	8.93%	9.38%
<i>Auxiliary Staff</i>	34.89%	32.96%	33.90%	32.62%	32.06%	32.60%	32.43%	31.56%	31.41%	30.64%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports (PDM1-110-004)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION
LAST TEN YEARS

TABLE L-22

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate Degree		Average Teacher's	Average	Bachelor's Education	Master's Education
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Salary	Years of Experience		
2013	\$ 25,682	\$ 68,893	\$ 46,100	\$ 79,852	\$ 55,000	\$ 65,620	\$ 53,345	13.2	82.0%	18.2%
2014	26,601	70,493	48,300	87,604	56,600	67,220	54,651	13.2	81.2%	18.3%
2015	50,300	50,300	50,300	50,300	50,300	50,300	50,300	12.8	76.3%	19.8%
2016	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.0	76.1%	18.5%
2017	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.3	76.5%	20.8%
2018	47,700	75,273	48,400	84,143	60,200	72,020	57,221	13.6	77.3%	20.3%
2019	48,100	76,103	48,100	85,080	60,950	72,770	57,770	13.0	77.0%	23.0%
2020	51,250	72,750	52,250	73,750	61,050	76,770	60,427	15.0	81.0%	18.0%
2021	51,150	79,860	51,800	88,068	61,050	76,770	60,624	16.7	80.0%	20.0%
2022	52,150	96,481	53,150	90,487	61,650	78,770	62,253	17.0	80.0%	20.0%

Source: District's Human Resource Department
Texas Academic Performance Report (TAPR Report formerly AEIS)
PEIMS Edit + Reports Data Review PRF4D004
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

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

TABLE L-23

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Average Daily Membership</u>	<u>Percent of Attendance</u>
2013	16,409	17,258	95.08%
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%

Source: Texas Academic Performance Report (TAPR formerly AEIS)
PEIMS Edit + Reports Data Review (PRF7D001)
TEA Budgeted Financial Data
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS TABLE
LAST TEN YEARS

TABLE L-24

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures*	Cost Per Pupil	Per Pupil Change	Governmental Operating Expenditures*	Cost Per Pupil	Per Pupil Change
2013	16,409	138,614,743	8,447	2.49%	158,612,771	9,666	-0.55%
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%

*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)
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION
LAST TEN YEARS

TABLE L-25

<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%

Source: PEIMS Edit + Reports Data Review (PDM1-100-012)
Child Nutrition Program
2013-2021 Fiscal Year End 8/31
2022 Fiscal Year End 06/30

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDING AND PORTABLES
JUNE 30, 2022

TABLE L-26

	Estimated Square Footage	Building Capacity	Portable Square Footage	Year built
<i>High Schools</i>				
<i>Weslaco High School</i>	365,516	3,000	320	1975
<i>Weslaco East High School</i>	339,369	3,000	-	2000
<i>South Palm Gardens High School</i>	10,973	275	3,762	1982
<i>Early College High School</i>	57,297	850	-	1962
Sub-Total	773,155	7,125	4,082	
<i>Middle Schools</i>				
<i>Mary Hoge Middle School</i>	140,792	1,425	-	1997
<i>Cuellar Middle School</i>	114,618	1,275	-	2011
<i>Central Middle School</i>	233,267	1,625	-	2010
<i>B Garza Middle School</i>	141,244	1,325	-	1997
Sub-Total	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

This page is left blank intentionally

SINGLE AUDIT SECTION

This page is left blank intentionally

**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 fund, and the aggregate remaining fund information of Weslaco Independent School District (the "District"), as of and for the ten months ended June 30, 2022, 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 15, 2022.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

District's Response to Findings

Government Auditing Standards requires the auditors 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 15, 2022

**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 Weslaco Independent School District (the "District")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the ten months ended June 30, 2022. 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 ten months ended June 30, 2022.

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

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

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

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

McAllen, Texas

November 15, 2022

**WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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 | |

Assistance Listing Number	Federal Program
10.553, 10.555 & 10.582	Child Nutrition Cluster
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
84.425	COVID-19 Education Stabilization Fund

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$1,317,866 |
| 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, 2022**

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency in Internal Control and Compliance

Reference Number 2022-001

Repeat Finding (2021-001)

Allotment Spending Requirements

Condition:

District did not spend the required percentage of allotment for CATE (Short \$459,518), CCMR (Short \$289,971), and Dyslexia (Short \$38,477) for the year ended June 30, 2022.

Criteria:

As reflected on the Texas Education Agency's Summary of Finances, the District is required to spend 55% of the CATE and CCMR allotment and 100% of the Dyslexia Allotment.

Cause:

Monitoring of spending requirements was not performed periodically during the year to ensure compliance. The effects of COVID-19 school closures may also have had an effect on spending during the fiscal year.

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, 2022**

Section IV – Prior Findings and Questioned Costs for Federal Awards

Financial Statement Findings:

Reference Number: (2021-001)

Allotment Spending Requirements

Status:

The District continues working on monitoring of its required allotment spending requirements.
Conclusion: Repeated in current year as finding (2022-001)

Federal Award Findings:

No prior findings noted.

This page is left blank intentionally

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASS THROUGH TO SUBRECIPIENTS FEDERAL EXPENDITURES
US DEPARTMENT OF EDUCATION			
Passed Through Region One Service Center			
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-21	\$ - \$ 306,951
Gaining Early Awareness & Readiness for Undergraduate Program	84.334	P-334A180025-20	- 25,760
Total Passed Through Region One Service Center			- 332,711
Passed Through Texas Education Agency			
Title I Grants to Local Educational Agencies	84.010	22610101108913	- 7,339,551
Title I Grants to Local Educational Agencies	84.010	20610101108913	- 101,818
Title I Grants to Local Educational Agencies	84.010	22610103108913	- 55,708
Title I Grants to Local Educational Agencies	84.010	21610103108913	- 1,250
Title I Grants to Local Educational Agencies	84.010	20610103108913	- 7,243
Total Assistance Listing Number 84.010			- 7,505,571
Migrant Education-State Grant Program	84.011	22615001108913	- 570,702
Migrant Education-State Grant Program	84.011	20615001108913	- 13,358
Migrant Education-State Grant Program	84.011	21615001108913	- 9,374
Total Assistance Listing Number 84.011			- 593,434
Career and Technical Education-Basic Grants to States	84.048	22420006108913	- 301,119
Total Assistance Listing Number 84.048			- 301,119
Supporting Effective Instruction State Grants	84.367	22694501108913	- 863,451
Total Assistance Listing Number 84.367			- 863,451
English Language Acquisition State Grants	84.365	22671001108913	- 329,371
English Language Acquisition State Grants	84.365	21671001108913	- 10
English Language Acquisition State Grants	84.365	20671001108913	- 4,192
Total Assistance Listing Number 84.365			- 333,573
Student Support and Academic Enrichment Program	84.424	22680101108913	- 419,385
Student Support and Academic Enrichment Program	84.424	20680101108913	- 146,687
Total Assistance Listing Number 84.424			- 566,072
COVID-19 Education Stabilization Fund – ESSER I	84.425D	20521001108913	- 14,569
COVID-19 Education Stabilization Fund – ESSER II	84.425D	21521001108913	- 4,218,513
Total Assistance Listing Number 84.425D			- 4,233,082
COVID-19 Education Stabilization Fund – TCLAS High Quality After School	84.425U	215280587110164	- 2,543
COVID-19 Education Stabilization Fund – ESSER III	84.425U	21528001108913	- 13,904,174
Total Assistance Listing Number 84.425U			- 13,906,716
COVID-19 Education Stabilization Fund – ARP Homeless II	84.425W	21533002108913	- 1,016
Total Assistance Listing Number 84.425W			- 1,016
Total Assistance Listing Number 84.425			- 18,140,814
*COVID-19 Special Education-Grants to States-ARP	84.027	225350011089135350	- 581,527
*Special Education-Grants to States	84.027	226600011089136600	- 2,013,534
Total Assistance Listing Number 84.027			- 2,595,060
*COVID-19 Special Education-Preschool Grants-ARP	84.173	225360011089135360	- 36,157
*Special Education-Preschool Grants	84.173	226610011089136610	- 7,738
*Special Education-Preschool Grants	84.173	206610011089136610	- 52
Total Assistance Listing Number 84.173			- 43,947
Total Special Education Cluster (IDEA)			- 2,639,007
Total Passed Through Texas Education Agency			- 30,943,041
TOTAL DEPARTMENT OF EDUCATION			- 31,275,752
US DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Texas Education Agency:			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	02748275	- 638,912
Total Passed Through Texas Education Agency			- 638,912

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTHS ENDED JUNE 30, 2022

(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
Passed through Department of State Health Services:			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	6NU50CK000501-02-06	\$ - \$ 507,856
Total Passed Through Department of State Health Services			- 507,856
Total Assistance Listing Number 93.323			- 1,146,768
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			- 1,146,768
US DEPARTMENT OF AGRICULTURE			
Passed through Texas Department of Agriculture:			
*School Breakfast Program	10.553	NT4XL1YGLGC5	- 3,223,465
Total Assistance Listing Number 10.553			- 3,223,465
*COVID-19 National School Lunch Program (Supply Chain Assistance Grant)	10.555	NT4XL1YGLGC5	- 113,630
COVID-19 National School Lunch Program (EOC)	10.555	NT4XL1YGLGC5	- 74,594
*National School Lunch Program	10.555	NT4XL1YGLGC5	- 7,092,931
Total Assistance Listing Number 10.555			- 7,281,155
* Fresh Fruits and Vegetables Program	10.582	NT4XL1YGLGC5	- 286,555
Total Assistance Listing Number 10.582			- 286,555
Total Child Nutrition Cluster			- 10,791,175
*Emergency Food Assistance Program (Food Commodities)	10.569	NT4XL1YGLGC5	- 418,003
Total Assistance Listing Number 10.569			- 418,003
Total Food Distribution Cluster			- 418,003
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	- 63,763
Total Assistance Listing Number 10.558			- 63,763
Child Nutrition Discretionary Grants Limited Availability	10.579	NT4XL1YGLGC5	- 67,884
Total Assistance Listing Number 10.579			- 67,884
COVID-19 Pandemic EBT Administrative Costs	10.649	NT4XL1YGLGC5	- 11,764
Total Assistance Listing Number 10.649			- 11,764
Total Passed Through Texas Department of Agriculture			- 11,352,589
TOTAL DEPARTMENT OF AGRICULTURE			- 11,352,589
US DEPARTMENT OF ENERGY			
Passed through Texas State Comptroller			
State Energy Program-Interior LED Lighting Retrofits	81.041	CMISDG124	- 75,000
Total Assistance Listing Number 81.041			- 75,000
Total Passed Through Texas State Comptroller			- 75,000
TOTAL DEPARTMENT OF ENERGY			- 75,000
US DEPARTMENT OF TREASURY			
COVID-19 Passed Through Texas Department of Emergency Management:			
COVID-19 Coronavirus Relief Fund	21.019	2020-CF-21019	- 6,178
Total Assistance Listing Number 21.019			- 6,178
Total Passed Through Texas Department of Emergency Management			- 6,178
TOTAL DEPARTMENT OF TREASURY			- 6,178
US DEPARTMENT OF DEFENSE			
Direct Programs:			
Junior Reserve Officer Training Corps	12.U01	108-913	- 72,577
Total Assistance Listing Number 12.U01			- 72,577
TOTAL DEPARTMENT OF DEFENSE			- 72,577
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ - \$ 43,928,864

* Clustered Programs

WESLACO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE 10 MONTH PERIOD ENDED JUNE 30, 2022

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 National School Lunch Program EOC, the Child and Adult Care Food Program, the Child Nutrition Discretionary Grants Limited Availability Program, the Coronavirus Relief Fund, School Health and Related Services (SHARS), the COVID-19 Pandemic EBT Administrative Costs, 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 10 month period ended June 30, 2022, 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 10 month period ended June 30, 2022, the District had no outstanding federal loans payable or loan guarantees.

6. FEDERALLY FUNDED INSURANCE

During the 10 month period ended June 30, 2022, the District had no outstanding federally funded insurance.

7. NONCASH AWARDS

During the 10 month period ended June 30, 2022, the District received \$418,003 as non-cash assistance under the National School Lunch Program, \$507,856 as non-cash assistance under the K-12 COVID-19 Testing Program, and \$6,178 as non-cash assistance under the Coronavirus Relief Fund.

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	\$43,928,864
School Health and Related Services (SHARS) Revenue	<u>1,502,415</u>
Exhibit C-3	<u>\$45,431,279</u>

This page is left blank intentionally

CORRECTIVE ACTION

This page is left blank intentionally

Board of Trustees
Armando Cuellar, Jr., President
Dr. Jaime Rodriguez, Vice President
Jesse Treviño, Secretary



Marcos De Los Santos, Trustee
Andrew Gonzalez, Trustee
Isidoro Nieto, Trustee
Jaclyn Sustaita, Trustee

**WESLACO INDEPENDENT SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT, DR. DINO CORONADO**

Weslaco Independent School District
Corrective Action Plan
For the year ended June 30, 2022

Findings Related to the Financial Statements

2022-001 Allotment Spending Requirements

Corrective Action Plan – Our Dyslexia Allotment funds will be utilized to purchase MTA (Multi-Sensory Teaching Approach) Dyslexia intervention kits in the amount of \$38,437 to meet our dyslexia instruction and intervention goals. Department administrators will monitor throughout the year the spending of the respective state allotment funding to ensure that these funds as well as the current year's funds are spent timely, meeting state requirements. These funds will be encumbered and goods and services will be received prior to January 31, 2023.

Contact Person – Neil Garza and Edna Perez

Corrective Action Plan – Our Career and Technology Education (CATE) Allotment funds will be utilized to purchase contracted services for student certifications and ICEV online curriculum by January 31, 2023. Instructional supplies will be purchased by March 1, 2023. We will spend travel funds by June 15th, 2023 due to student travel taking place all the way through the end of the school year. Funds will be spent for the leasing of copier machines for the CTE Department and teachers by January 31, 2023. Lastly, equipment for the culinary arts instruction will be purchased by June 30, 2023.

Contact Person – Sandra Avila and William Brewer

Corrective Action Plan – Our College, Career, and Military Readiness (CCMR) funds will be used to renovate Weslaco High School and Weslaco East High School science labs to meet South Texas College criteria to be able to teach dual credit Biology courses at WISD campuses. These funds are projected to cost over \$200k to be allocated and spent by June 30, 2023. In addition, CCMR funds will be used to for testing services, such as TSI, ACT, and SAT. These funds will be encumbered and goods and services will be received prior to June 30, 2023.

Contact Person – Dr. Cynthia Cid

WESLACO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF JUNE 30, 2022

<u>Data Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 15,018