



# WESLACO INDEPENDENT SCHOOL DISTRICT WESLACO, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended August 31, 2020



*Online Strong*







**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE  
YEAR ENDED AUGUST 31, 2020**

**PREPARED BY BUSINESS  
DEPARTMENT**

**312 W. 5<sup>th</sup> STREET  
WESLACO, TEXAS 78599**





**WESLACO INDEPENDENT SCHOOL DISTRICT**

Weslaco, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

AUGUST 31, 2020

**TABLE OF CONTENTS**

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents .....	i	
Letter of Transmittal .....	1	
List of Principal Officials .....	7	
GFOA Certificate of Achievement .....	9	
Administrative Organizational Chart .....	11	
Certificate of Board .....	13	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report .....	17	
Management's Discussion and Analysis .....	19	
<i>Basic Financial Statements:</i>		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position .....	31	A-1
Statement of Activities .....	32	B-1
<i>Fund Financial Statements:</i>		
Balance Sheet – Governmental Funds .....	33	C-1
Reconciliation of the Balance Sheet – Governmental Funds to the Government-wide Statement of Net Position .....	34	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	35	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Government-wide Statement of Activities .....	36	C-4
Budgetary Comparison Schedule – General Fund .....	37	C-5
Statement of Net Position – Proprietary Funds .....	38	D-1
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	39	D-2
Statement of Cash Flows – Proprietary Funds .....	40	D-3
Statement of Fiduciary Net Position – Fiduciary Funds .....	41	E-1
Notes to the Financial Statements .....	42	
<i>Required Supplementary Schedules:</i>		
Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas .....	85	G-2
Schedule of District Contributions – Teacher Retirement System of Texas .....	86	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas .....	87	G-4
Schedule of District OPEB Contributions – Teacher Retirement System of Texas ..	88	G-5
Notes to Required Supplementary Information .....	89	

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
Weslaco, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

AUGUST 31, 2020

**TABLE OF CONTENTS**

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
<b>FINANCIAL SECTION</b>		
<i>Combining Statements:</i>		
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet .....	96	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..	102	H-2
Combining Statement of Net Position - Internal Service Funds .....	107	H-3
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds .....	108	H-4
Combining Statement of Cash Flows - Internal Service Funds .....	109	H-5
<i>Agency Funds:</i>		
Statement of Change in Assets and Liabilities - Agency Fund .....	112	H-6
<i>Texas Education Agency – Required Schedules:</i>		
Schedule of Delinquent Taxes Receivable .....	114	J-1
Budgetary Comparison Schedule – Child Nutrition Program .....	116	J-2
Budgetary Comparison Schedule – Debt Service Fund .....	117	J-3
<b>STATISTICAL SECTION</b>		
<i>Government-Wide Information:</i>		
Net Position by Component – Last Ten Years .....	122	L-1
Governmental Activities Expenses & Program Revenues – Last Ten Years .....	123	L-2
General Revenues and Changes in Net Position – Last Ten Years .....	124	L-3
<i>Fund Information:</i>		
Fund Balances – Governmental Funds – Last Ten Years .....	125	L-4
Governmental Fund Revenues by Source – Last Ten Years .....	126	L-5
Governmental Fund Expenditures by Function – Last Ten Years .....	127	L-6
Governmental Funds Other Sources, Uses and Changes in Fund Balances – Last Ten Years .....	128	L-7
Governmental Fund Expenditures by Function Per Average Daily Attendance – Last Ten Years .....	129	L-8
<i>Revenue Capacity Information:</i>		
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years .....	130	L-9
Property Tax Levies and Collections – Last Ten Years .....	131	L-10
Allocation of Property Tax Rates and Levies – Last Ten Years .....	132	L-11
Property Tax Rates – Direct and Overlapping Governments (Per \$100 Assessed Valuation) – Last Ten Years .....	133	L-12
Principal Property Taxpayers – 2020 and 2011 .....	134	L-13

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
Weslaco, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

AUGUST 31, 2020

**TABLE OF CONTENTS**

	<u>Page Number</u>	<u>Exhibit</u>
<i>Debt Capacity Information:</i>		
Outstanding Debt by Type – Last Ten Years .....	135	L-14
Direct and Overlapping Debt – Governmental Activities Debt .....	136	L-15
Computation of Legal Debt Margin – Last Ten Years .....	137	L-16
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value And Per Average Daily Membership – Last Ten Years .....	138	L-17
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures – Last Ten Years .....	139	L-18
<i>Demographic and Economic Information:</i>		
Principal Employers – Calendar Year 2020 and 2011 .....	140	L-19
Demographic and Economic Statistics – Last Ten Years .....	141	L-20
<i>Operating Information:</i>		
Work Force Composition by Employee Classification – Last Ten Years .....	142	L-21
Schedule of Teacher Information – Last Ten Years .....	143	L-22
Schedule of Attendance and Membership – Last Ten Years .....	144	L-23
Operating Statistics – Last Ten Years .....	145	L-24
Schedule of Student Information – Last Ten Years .....	146	L-25
Schedule of School Buildings and Portables .....	147	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> .....	151	
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance .....	153	
Schedule of Findings and Questioned Costs .....	155	
Schedule of Expenditures of Federal Awards .....	158	K-1
Notes to Schedule of Expenditures of Federal Awards .....	160	
Corrective Action Plan .....	162	
Status of Prior Year Findings.....	163	
Schedule of Required Responses to Selected School First Indicators .....	164	



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# **Weslaco Independent School District Business Office**

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

**Priscilla Canales, Ph.D.**  
**Superintendent of Schools**

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February 6, 2021

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 Comprehensive Annual Financial Report (CAFR) of the Weslaco Independent School District (the District) for the fiscal year ended August 31, 2020.

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

We believe the data is presented in a manner to fairly represent the financial position and results of operations of the District, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial affairs have been included. The CAFR for the year ended August 31, 2020, is prepared in accordance with generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

Burton, McCumber, & Longoria, LLP has issued an unmodified (“clean”) opinion on the Weslaco Independent School District’s financial statements for the year ended August 31, 2020. The independent auditor’s report is located at the front of the Financial Section.

The Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic

financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

## **Profile of the District**

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

Today, Weslaco ISD encompasses approximately 54.40 square miles. The District is empowered to levy property taxes on all real and personal property within its boundaries. The District is governed by a seven member Board of Trustees (the Board) elected by the registered voters of the District. The Board is responsible, among other things, for adopting and amending the annual budget, making policy, setting goals, approving contracts and personnel appointments, and hiring the superintendent. The superintendent is responsible for carrying out the policies of the Board and for overseeing the day-to-day operations of the District. With an official budget of around \$187 million and over 2,300 employees, Weslaco ISD is the largest employer in the city of Weslaco.

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

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

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



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

Weslaco ISD serves a student population of around 17,000 students with four high schools, four middle schools, ten elementary schools, a disciplinary alternative education program, and a 21<sup>st</sup> Century Early Learning Foundation Academy. It offers a technology infused and challenging curriculum aligned to college and career readiness standards taught by highly qualified and effective teachers. The District's mission is to deliver a complete educational experience grounded in creativity, synergy, problem solving, and critical thinking that develops lifelong learners, confident leaders, and engaged citizens. The District follows a school feeder pattern. Students (PK – 5<sup>th</sup> grade) from its 10 elementary schools are zoned to one of four middle schools. Middle school students (6<sup>th</sup> – 8<sup>th</sup> grade) are zoned to one of the two 9<sup>th</sup> – 12<sup>th</sup> grade comprehensive high schools. The District also operates one CTE Early College high school, one Alternative high school, a disciplinary alternative education program, as well as a 21<sup>st</sup> Century Early Learning Foundation Academy. The District's 1,100 teachers are offered ongoing professional learning opportunities on best practices/strategies in instruction, differentiation, pedagogy, technology, curriculum, college readiness, and various other topics of interest. Weslaco ISD provides opportunities for students to participate in a multitude of programs designed to accommodate their individual needs and interests that prepare them for life, college, and career.

### **Current Economic Condition**

The state and local economy have been affected by the coronavirus (Covid-19). On March 13, 2020 the Texas governor declared a statewide disaster for Covid-19. The federal government approved Texas as a major disaster on March 25, 2020 which allowed the state to receive federal assistance due to Covid-19. The federal government approved the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 29, 2020, which provided \$150 billion of federal aid for state and local governments. Part of the CARES Act included establishing the Elementary Secondary School Emergency Relief Fund (ESSER) and provided \$1.3 billion to TEA, who in turn, allocated approximately \$6.7 million of ESSER funding to the district in 2019-20. However, TEA substituted the federal revenue for the state revenue the district would have received from the foundation school program for fiscal year 2020. Thus, the district received the same amount of funding originally projected but does expect to incur additional expenses due to Covid-19. The Texas Comptroller projected a shortfall of \$4.6 billion for the biennium ending August 2021 due to lower oil prices and Covid-19. The Texas Comptroller stressed the projection included “an unprecedented amount of uncertainty” and could change due to the pandemic and future oil prices. The Texas Comptroller projected an \$8.8 billion Economic Stabilization Fund by August 2021 if lawmakers do not use the fund for any deficits. The district will continue to monitor the impact of the state budget and the resulting impact to the school district budget as well as the impact of Covid-19 in fiscal year 2020-21.

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

According to the Texas Workforce Commission data link (TRACER), the unemployment rate has increased from 8.1 percent in June 2019 to 12.4 percent in June 2020 due to Covid-19. However, even with Covid-19, the per capita personal income has increased 14.1 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 to unexpected situations that arise.

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

The District continues to experience a decline in student enrollment of approximately 3.6% over the past 5 years. Anticipated enrollment for the 2020-2021 school year remains at 17,000 students. The 20 school sites that serve the students of Weslaco ISD were built as early as 1922 with the most recent elementary school built in 2010.

Local funding is expected to decrease and state revenue increase over the next few years due to House Bill 3. The District's tax rate will continue to be compressed due to House Bill 3 (HB 3) passed by the 86th Texas Legislature. The tax rate for fiscal year 2020-21 is \$1.0189 compared to \$1.0687 for fiscal year 2019-20. State funding for the general fund is about 78% of the total general fund revenue. Federal funding is expected to decrease due to the sequestration of federal funds at the National level. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement. The District is focusing on greater efficiency through the use of technology to help reduce labor and time consuming paperwork. Future plans for a bond are continuously evaluated based on facility needs, local economic conditions, and the support of state legislative funding.

The educational stakeholders of the District 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 will be based on the same principles and the District should be able to meet all its needs.

### **Awards**

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

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 comprehensive annual financial report for the fiscal year ended August 31, 2019. Last year was the first year that the Weslaco Independent School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

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

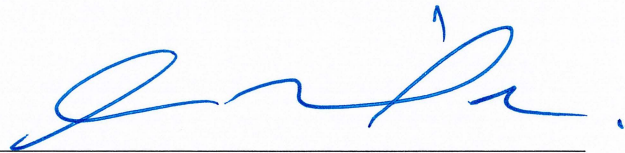
We would especially like to thank the District's Board of Trustees for their time, dedication, and support to the students and staff of Weslaco ISD. A sincere appreciation is also extended to our independent auditors, Burton, McCumber, & Longoria, LLP for their assistance in the preparation of this report.

Respectfully,



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Priscilla Canales, Ph.D.  
Superintendent



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



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# **WESLACO INDEPENDENT SCHOOL DISTRICT**

## **WESLACO, TEXAS**

### **LIST OF PRINCIPAL OFFICIALS**

**2019 - 2020**

#### **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**

Priscilla Canales, Ph.D., Superintendent

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

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

Susan Peterson, Assistant Superintendent for Secondary Education & Leadership

Abel Aguilar, Assistant Superintendent for Elementary Education & Leadership

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Weslaco Independent School District  
Texas**

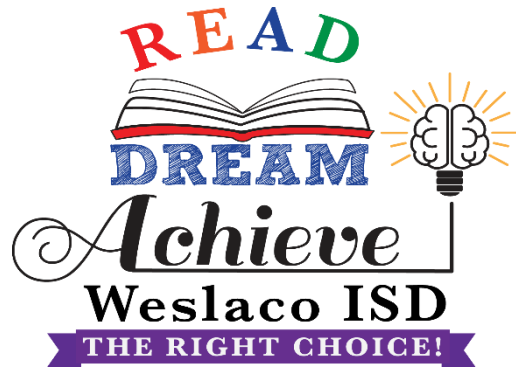
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

August 31, 2019

*Christopher P. Morill*

Executive Director/CEO

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# WESLACO INDEPENDENT SCHOOL DISTRICT

## 2019-2020 ORGANIZATIONAL CHART



### BOARD OF TRUSTEES

**Superintendent of Schools**  
*Priscilla Canales, Ph.D.*

#### Assistant Superintendent Elementary Education & Leadership

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

#### Assistant Superintendent Secondary Education & Leadership

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

#### Assistant Superintendent Business & Finance

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

#### Assistant Superintendent Administration & Support Services

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

#### Director of Benefits & Risk Management

- Director of Safety & Security
- Director of Transportation

#### Director of Human Resources

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

#### Director of Athletics

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

#### Director of Instructional Television/Public Relations

- Coordinator of Public Information



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### CERTIFICATE OF BOARD

Weslaco Independent School District  
Name of School District

Hidalgo  
County

108-913  
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved \_\_\_\_ disapproved for the year ended August 31, 2020, at a meeting of the Board of Trustees of such school district on the 9<sup>th</sup> day of February, 2021.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

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## **FINANCIAL SECTION**

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*The Right Choice.*

**BML**

McAllen • Brownsville

Burton  
McCumber  
& Longoria, LLP  
*CPAs & Advisors*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Weslaco Independent School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District (District) as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19–27 and pension information, other post-employment benefit information and notes to required supplementary information on pages 85–90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, 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.

*Brenton McCull & Lougani, LLP*

McAllen, Texas  
January 28, 2021

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Weslaco Independent School District’s comprehensive annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2020. Please read it in conjunction with the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at August 31, 2020, by \$1,238,152 on the government-wide financial statements. This deficit is mainly due to the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* and reflecting the District’s proportionate share of the post-employment benefit liability in the financials. This change does not affect the financial stability of the District nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liability that the State of Texas manages and operates.

The District’s governmental fund financial statements reported an ending fund balance of \$62.91 million at August 31, 2020, which is a net decrease in fund balance of \$0.56 million from the prior year. The decrease in governmental fund balances was primarily due to a decrease deficit fund balance position of the Debt Service Fund of \$0.83 million, a decrease of \$0.41 million in the General Fund offset by increases of \$0.57 million in the Capital Projects Fund.

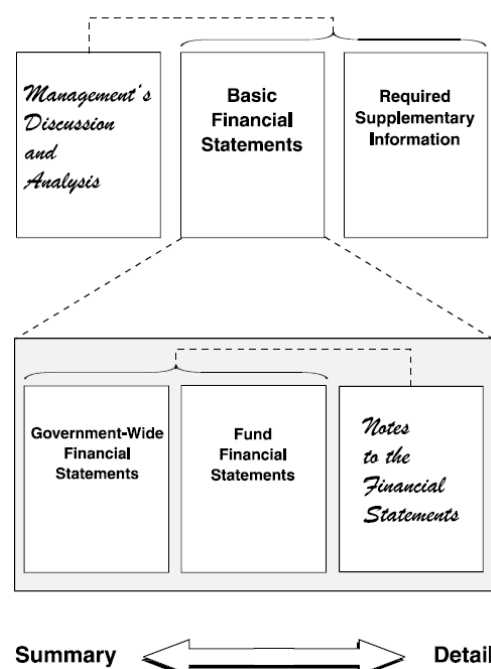
At the end of the current fiscal year, total unassigned fund balance for the General Fund was \$39.0 million or 23.0 percent of the total General Fund expenditures of \$169.6 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 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 decreased by \$4,264,397, between fiscal years 2019 and 2020 to \$(1,238,152) as of August 31, 2020. The decrease was due to the GASB 68 computations (See Table A-1 on the next page).

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

	Governmental Activities			Total Percentage Change
	2020	2019	Change	
Current and other assets	\$ 91,311,574	\$ 86,520,396	\$ 4,791,177.33	5.54%
Capital and non-current assets	143,301,886	147,119,415	(3,817,529)	-2.59%
Total Assets	<b>234,613,460</b>	<b>233,639,811</b>	<b>973,649</b>	<b>0.42%</b>
Deferred outflow of resources	36,527,125	39,998,385	(3,471,259)	-8.68%
Current liabilities	20,767,664	18,873,838	1,893,825	10.03%
Long term liabilities	206,643,322	221,749,325	(15,106,002)	-6.81%
Total Liabilities	<b>227,410,986</b>	<b>240,623,163</b>	<b>(13,212,177)</b>	<b>-5.49%</b>
Deferred inflow of resources	44,967,751	29,988,788	14,978,963	49.95%
Net Position:				
Net investment in capital assets	67,359,544	67,816,400	(456,856)	-0.67%
Restricted	18,907,287	16,531,414	2,375,873	14.37%
Unrestricted	(87,504,983)	(81,321,569)	(6,183,414)	7.60%
Total Net Position	<b>\$ (1,238,152)</b>	<b>\$ 3,026,245</b>	<b>\$ (4,264,397)</b>	<b>-140.91%</b>

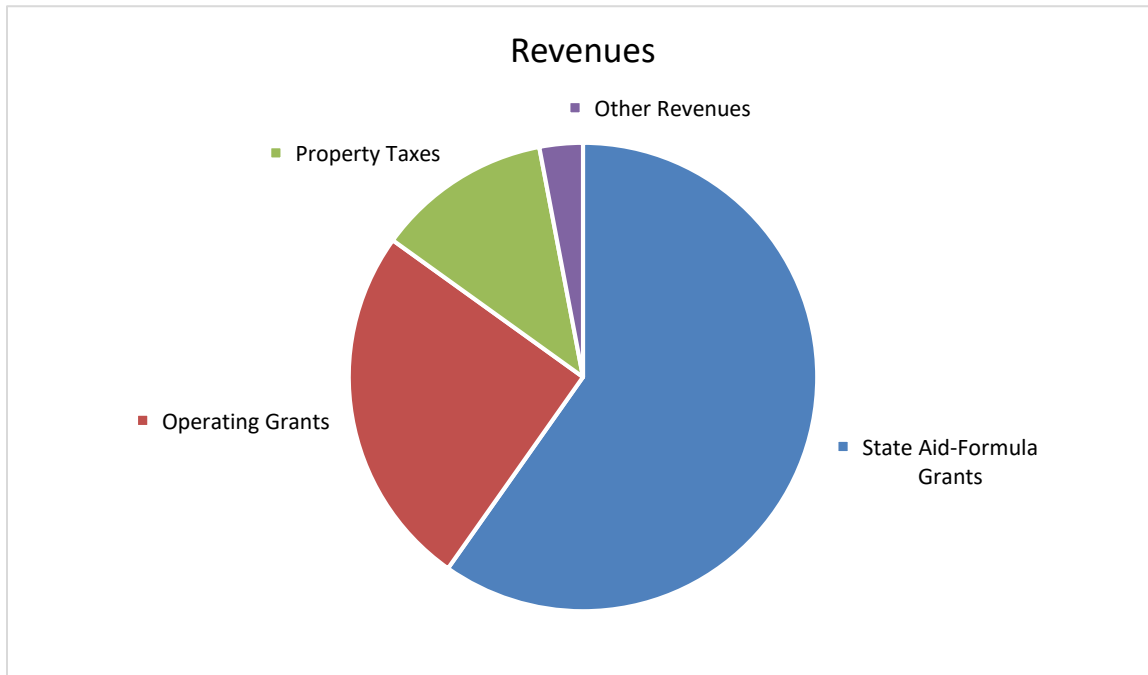
Net position of the District's governmental activities decreased 140.91% to \$(1,238,152). However, most of the total net position is either invested in capital assets or is restricted as to the purposes they can be used for. Unrestricted net position amounted to \$(87,504,983) at the end of this fiscal year. The unrestricted balance deficit increased by 7.60% from the prior year. The deficit in the unrestricted balance was mainly due to GASB 68 and 75.

### Governmental Activities

**Changes in net position.** The District's total revenues were \$212,361,319 for fiscal year ended August 31, 2020. A significant portion of revenue is derived from the following: 59.8% comes from state-aid formula grants, 25.1% of the District's revenue comes from operating grants, and 12.1% is related to property taxes collected, 0.5% of total revenue is composed of investment earnings received, charges for services, and miscellaneous revenue. (See Figure A-3 on the next page).

## Governmental Activities

**FIGURE A-3 WISD SOURCES OF REVENUE FOR FISCAL YEAR 2020**



The property tax rate was 1.0687 in 2019-20. The Maintenance and Operations tax rate was 1.0487 and the Debt Service tax rate was 0.0200. The property tax rate will decrease in 2020-21 due to House Bill 3 as 0.9989 for maintenance and operations and the Debt Service tax rate at 0.0200.

The total cost of all programs and services was \$216,625,715 of which 48.5% of these costs was for instruction, 10.2% was for general administration, 8.3% is for facilities maintenance and operations, and 5.4% for food services to students which represent the major function percentages for fiscal year ended August 31, 2020. (See Figure A-4)

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



**Table A-2**  
Weslaco Independent School District  
Changes in Net Position

	Governmental Activities			Total Percentage Change
	2020	2019	Change	
Program Revenues:				
Charges for services	\$ 5,222,806	\$ 3,780,780	\$ 1,442,026	38.14%
Operating grants & contributions	53,350,814	41,652,961	11,697,854	28.08%
General Revenues :				
Property taxes	25,644,764	26,920,895	(1,276,131)	-4.74%
Grants and contributions , unrestricted state aid-form	127,012,919	122,918,825	4,094,094	3.33%
Investment earnings	1,093,132	1,895,536	(802,405)	-42.33%
Miscellaneous	36,884	20,648	16,237	78.64%
Total Revenues	<b>\$ 212,361,319</b>	<b>\$ 197,189,645</b>	<b>\$ 15,171,674</b>	<b>7.69%</b>
Total Expenses (By-Function)				
Instruction	\$ 105,000,280	\$ 95,436,737	\$ 9,563,542	10.02%
Instructional resources and media services	3,778,530	3,392,142	386,387	11.39%
Curriculum and staff development	8,242,148	6,150,592	2,091,557	34.01%
Instructional leadership	2,602,581	2,382,522	220,059	9.24%
School leadership	6,917,888	6,132,735	785,153	12.80%
Guidance, counseling and evaluation services	7,683,091	6,769,747	913,344	13.49%
Social work services	1,422,668	1,462,253	(39,585)	-2.71%
Health services	2,535,787	2,131,586	404,201	18.96%
Student (pupil) transportation	5,114,576	5,186,794	(72,218)	-1.39%
Food services	11,777,372	12,483,909	(706,537)	-5.66%
Extracurricular activities	8,587,794	8,646,890	(59,097)	-0.68%
General administration	21,989,362	25,322,624	(3,333,262)	-13.16%
Facilities maintenance and operations	17,892,505	16,356,513	1,535,992	9.39%
Security and monitoring aervices	3,527,828	2,538,862	988,966	38.95%
Data processing services	2,368,371	2,225,427	142,944	6.42%
Community services	4,001,334	3,888,612	112,722	2.90%
Debt service - interest on long term debt	2,511,783	2,678,823	(167,039)	-6.24%
Debt service - bond issuance cost and fees	137,547	249,366	(111,819)	-44.84%
Construction	200,435	209,787	(9,352)	-4.46%
Payments to juvenile justice alternative ed. program	85,635	80,582	5,053	6.27%
Other Intergovernmental Charges	248,201	246,175	2,026	0.82%
Total Expenses	<b>\$ 216,625,715</b>	<b>\$ 203,972,678</b>	<b>\$ 12,653,037</b>	<b>6.20%</b>
Deficiency Before the Extraordinary Item	\$ (4,264,397)	\$ (6,783,034)	\$ 2,518,637	-37.13%
Extraordinary item-net	-	(399,642)	399,642	-100.00%
Total Increase (decrease) in Net Position	(4,264,397)	(7,182,676)	2,918,279	-40.63%
Net position beginning	3,026,245	7,474,673	(4,448,429)	-59.51%
Prior period adjustment	-	2,734,247	(2,734,247)	-100.00%
Net position beginning, as restated	3,026,245	10,208,920	(7,182,676)	-70.36%
Net Position Ending	<b>(1,238,152)</b>	<b>3,026,245</b>	<b>(4,264,397)</b>	<b>-140.91%</b>

## Governmental Activities-Continued

- The cost of all governmental activities this year was \$216,625,715.
- Cost paid by those who directly benefited from the programs totaled \$5,222,806.
- Other cost were paid by Operating Grants and Contributions of \$53,350,814.
- However, the amount that our taxpayers paid for these activities through property taxes was \$25,644,764.

Table A-4 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. Food service net costs decreased significantly due to COVID-19. Food reimbursement decreased approximately 71%, participation rates decreased, and the price of food increased significantly due to the pandemic.

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

	<u>Costs</u>			<u>Net Costs</u>		
	2020	2019	% Change	2020	2019	% Change
Instruction	\$ 105,000,280	\$ 95,436,737	10.02%	\$ 79,393,092	\$ 80,235,571	-1.05%
Food Service	11,777,372	12,483,909	-5.66%	1,297,984	(142,456)	-1011.15%
Co-Curricular	8,587,794	8,646,890	-0.68%	7,405,231	7,731,101	-4.22%
General Administration	21,989,362	25,322,624	-13.16%	17,007,490	22,249,551	-23.56%
Plant Maintenance & Operations	17,892,505	16,356,513	9.39%	16,299,305	15,130,544	7.72%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS GOVERNMENTAL FUNDS

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

As of August 31, 2020, the District's governmental funds reported ending fund balances of \$62,916,354. Of the current ending fund balances, the general fund reported an ending fund balance of \$48,540,195 while the rest of the funds amounted to a fund balance of \$14,376,159. The following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$1,641,817 is recorded as non-spendable, of which \$1,104,190 is for as non-spendable for inventories and \$537,627 is non-spendable for prepaid items.
- \$20,589,349 is recorded as restricted, of which \$6,574,402 is restricted for federal or state programs; \$10,723,179 is restricted for capital acquisitions and contractual obligations; and \$3,291,769 is restricted retirement of long-term debt.
- \$316,891 is recorded as committed fund balance for student activities.
- \$1,336,251 is recorded as assigned, of which \$1,228,530 for capital expenditures for equipment; \$60,150 for technology related expenditures; \$3,250 for Sam Houston Library; and \$44,321 is assigned for scholarships.
- \$39,032,046 is recorded as unassigned and is available for spending at the government's discretion.

Revenues from governmental fund types totaled \$201,127,015 as of August 31, 2020. This is an increase of \$7,173,787 from August 31, 2019's total of \$193,953,228. The increase was due mainly to an increase in foundation revenues as a result of House Bill 3.

## General Fund Budgetary Highlights

Over the course of the year, the District revised its budget numerous times. Even with these adjustments, actual expenditures were \$13,246,748 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is budgeted for full employment throughout the full year. Budget amounts for vacant positions throughout the year are not revised. Also, due to lower than expected ADA and the COVID-19 pandemic, many vacant positions were not filled during the year.

- Instructional expenses were budgeted at a total of \$90,402,392 and actual expenditures totaled \$86,994,776. This created one of the most significant expenditure variance in the budget which totaled a savings of \$3,407,616 of expected expenses.

On the other hand, resources available were budgeted at a total of \$175,160,416 and actual revenues totaled \$175,011,507, netting a difference of \$148,909 less than budgeted. During the year, the budgeted resources available were reduced by 4.7% due to the effects of the COVID-19 pandemic. Our state aid was also reduced by \$6.6 million and was replaced by the ESSER grant which is a federal grant and accounted for as a special revenue fund.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2020, the District had invested \$311,963,198 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-5.) This amount represents a net decrease of \$3,817,529 or 2.59% (including additions, deductions and depreciation).

**Table A-5**

Weslaco Independent School District  
District's Capital Assets

	2020	2019	Change	Change
Land	\$ 21,993,004	\$ 21,819,967	\$ 173,037	0.79%
Construction in Progress	13,256,638	16,883,294	(3,626,656)	-21.48%
Buildings and Improvements	249,353,459	243,516,641	5,836,818	2.40%
Furniture and Equipment	27,612,510	26,359,861	1,252,649	4.75%
<b>Totals at Historical Cost</b>	<b>312,215,611</b>	<b>308,579,763</b>	<b>3,635,848</b>	<b>1.18%</b>
Accumulated Depreciation	(168,913,725)	(161,460,349)	(7,453,376)	4.62%
<b>Net Capital Assets</b>	<b>\$ 143,301,886</b>	<b>\$ 147,119,415</b>	<b>\$ (3,817,529)</b>	<b>-2.59%</b>

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

### Long Term Debt

At year-end, the District had \$40,775,000 million in bonds and \$27,856,801 notes and loans outstanding as shown in Table A-6. More detailed information about the District's debt is presented in the notes to the financial statements (Note G).

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

### 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

	2020	2019	Change	% Change
Bond Payable	\$ 40,775,000	\$ 42,840,000	\$ (2,065,000)	-4.82%
Notes/Loans Payable	27,856,801	29,386,339	(1,529,538)	-5.20%
Premium on Bonds	9,193,137	9,537,169	(344,032)	-3.61%
Compensated Absences	1,011,400	986,460	24,940	2.53%
Capital Lease Payable	33,125	95,617	(62,492)	-65.36%
Net Pension Liability	56,505,242	62,235,798	(5,730,556)	-9.21%
Net OPEB Liability	71,268,618	76,667,942	(5,399,324)	-7.04%
<b>Total Long Term Liabilities</b>	<b>\$ 206,643,322</b>	<b>\$ 221,749,325</b>	<b>\$ (15,106,002)</b>	<b>-6.81%</b>

## NEXT YEAR'S BUDGETS AND RATE

The District's elected and appointed officials considered many factors when setting the fiscal year 2021 budget and tax rates. The major impact on funding for the year will be the impact of a depressed economy on state revenues which may result in contraction of state aid payments, and unknown costs that might be incurred in association with the current COVID-19 pandemic.

The District will provide smaller class sizes that allow for social distancing. The District has also purchased additional devices to provide students with access to on-line curriculum materials during the pandemic.

Overall, the District budgets assumed reducing the total tax rate from \$1.0687 in fiscal year 2019-20 to \$1.0189 for 2020-21 based on certified values.

These indicators were taken into account when adopting the General Fund budget for 2021. Amounts available for appropriation in the General Fund budget are \$ 175.8 million, with an increase of 0.4% over the final 2020 budget of \$ 175.2 million. State per capita payments account for all of the revenue increase. TEA has stated that if a district's ADA for the first two six weeks is more than one percent below the previous year, those two six weeks can be excluded from the yearly ADA calculation for fiscal year 2021. As of mid-November 2020, ADA was approximately 140 students above budget, but approximately 605 below last year's first two six weeks. The district is reaching out to all students registered last year who did not show up for online remote learning at the start of school in August 2020.

The District will use its revenues to finance programs we currently offer. Budgeted expenditures are expected to decrease 4.4% to \$175.8 million from \$183.8 million original budget in 2020. Position closures due to COVID-19 and a 10% decrease in non-salary budgets resulted in this decrease.

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

The District budget does not include budgeted expenses related to COVID-19. Administration will collaborate with departments and campuses to strategically align the budget and allocate resources for COVID-19 as well as seek reimbursement from all available sources including Federal Emergency Management Agency, Texas Department of Emergency Management, TEA and all other federal, state and local sources.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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## **BASIC FINANCIAL STATEMENTS**



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WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

Data Control Codes		Primary Government
		Governmental Activities
ASSETS		
1110	Cash and cash equivalents	\$ 76,132,725
1220	Property taxes receivable (delinquent)	4,227,464
1230	Allowance for uncollectible taxes	(136,951)
1240	Due from other governments	9,132,138
1290	Other receivables	133,536
1300	Inventories - supplies and materials	1,285,035
1410	Prepaid Items	537,627
	Capital assets not being depreciated:	-
1510	Land	6,661,889
1580	Construction in progress	13,256,638
	Capital assets net of accumulated depreciation:	-
1510	Land improvements, net	6,007,141
1520	Buildings, net	107,835,190
1530	Furniture and equipment, net	9,541,027
1000	TOTAL ASSETS	\$ 234,613,459
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred charge on refunding	1,671,091
1705	Deferred resource outflows for TRS	26,276,634
1706	Deferred resource outflows for TRS OPEB	8,579,400
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 36,527,125
LIABILITIES		
2110	Accounts payable	5,646,400
2120	Short-term debt payable	1,109,101
2140	Interest payable	244,841
2150	Payroll deductions & withholdings	1,255,195
2160	Accrued wages payable	6,844,619
2180	Due to other governments	4,788
2300	Unearned revenues	5,662,718
	Noncurrent liabilities:	
2501	Due within one year	3,844,527
2502	Due in more than one year	75,024,936
2540	Net pension liabilities	56,505,242
2545	Net OPEB liability (proportionate share)	71,268,618
2000	TOTAL LIABILITIES	\$ 227,410,985
DEFERRED INFLOWS OF RESOURCES		
2605	Deferred inflow for TRS pension	11,343,442
2606	Deferred resource inflow related to TRS OPEB	33,624,309
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 44,967,751
NET POSITION		
3200	Net investment in capital assets	67,359,544
	Restricted for:	
3820	Federal and state programs	6,854,612
3850	Debt service	3,305,249
3860	Capital projects	8,747,426
3900	Unrestricted	(87,504,983)
3000	TOTAL NET POSITION	\$ (1,238,152)

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  
AUGUST 31, 2020

Data	10					
Control						Total
Codes	General		Construction	Other	Governmental	
	Fund	ESSER	Fund	Funds	Funds	
ASSETS						
1110	Cash and cash equivalents	\$ 52,286,165	\$ -	\$ 10,069,142	\$ 7,318,924	\$ 69,674,231
1220	Property taxes receivable (delinquent)	4,093,450	-	-	134,014	4,227,464
1230	Allowance for uncollectible taxes	(124,729)	-	-	(12,222)	(136,951)
1240	Due from other governments	813,815	6,621,473	-	1,696,851	9,132,139
1260	Due from other funds	7,748,169	-	-	-	7,748,169
1290	Other receivables	129,417	-	-	4,007	133,424
1300	Inventories	1,285,035	-	-	-	1,285,035
1410	Prepaid items	537,627	-	-	-	537,627
1000	Total Assets	<u>\$ 66,768,949</u>	<u>\$ 6,621,473</u>	<u>\$ 10,069,142</u>	<u>\$ 9,141,574</u>	<u>\$ 92,601,138</u>
LIABILITIES						
Liabilities:						
2110	Accounts payable	\$ 2,550,267	\$ -	\$ 1,321,716	\$ 464,776	\$ 4,336,759
2150	Payroll deductions & withholdings payable	1,255,195	-	-	-	1,255,195
2160	Accrued wages payable	6,351,864	-	-	492,753	6,844,617
2170	Due to other funds	-	6,621,473	-	1,126,698	7,748,171
2180	Due to other governments	70	-	-	4,719	4,789
2300	Unearned revenues	4,355,649	-	-	1,307,070	5,662,719
2000	Total Liabilities	<u>14,513,045</u>	<u>6,621,473</u>	<u>1,321,716</u>	<u>3,396,016</u>	<u>25,852,250</u>
DEFERRED INFLOWS OF RESOURCES						
2601	Unavailable revenue - property taxes	3,715,709	-	-	116,824	3,832,533
2600	Total deferred inflows of resources	<u>3,715,709</u>	<u>-</u>	<u>-</u>	<u>116,824</u>	<u>3,832,533</u>
FUND BALANCES						
Nonspendable fund balance:						
3410	Inventories	1,104,190	-	-	-	1,104,190
3430	Prepaid Items	537,627	-	-	-	537,627
Restricted fund balance:						
3450	Grant restrictions	6,574,402	-	-	-	6,574,402
3470	Capital acquisitions	-	-	8,747,426	1,975,753	10,723,179
3480	Retirement of debt	-	-	-	3,291,769	3,291,769
Committed fund balance:						
3545	Other committed fund balances	-	-	-	316,891	316,891
Assigned fund balance:						
3570	Capital expenditures for equipment	1,228,530	-	-	-	1,228,530
3590	Other assigned fund balance	63,400	-	-	44,321	107,721
3600	Unassigned fund balance	39,032,046	-	-	-	39,032,046
	Total Fund Balances	<u>\$ 48,540,195</u>	<u>\$ -</u>	<u>\$ 8,747,426</u>	<u>\$ 5,628,734</u>	<u>\$ 62,916,355</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 66,768,949</u>	<u>\$ 6,621,473</u>	<u>\$ 10,069,142</u>	<u>\$ 9,141,574</u>	<u>\$ 92,601,138</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2020

Total Fund Balance - Governmental Funds	\$ 62,916,355
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.	4,039,864
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 \$308,579,763 and the accumulated depreciation was \$161,460,349. 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.	74,797,459
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statement, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2020 capital outlays and debt principal payments is an increase (decrease) net position.	8,101,496
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 \$26,276,634, a deferred resource inflow in the amount of \$11,343,442, and a net pension liability in the amount of \$56,505,242. This resulted in an increase (decrease) in net position.	(41,572,050)
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 \$8,579,400, a deferred resource inflow in the amount of \$33,624,309, and a net OPEB liability in the amount of \$71,268,618. This resulted in an increase (decrease) in net position.	(96,313,527)
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(8,261,996)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	(4,945,753)
<b>Net Position of Governmental Activities</b>	<b>\$ (1,238,152)</b>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		10 General Fund	ESSER	Construction Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>						
5700	Local and intermediate sources	\$ 27,046,021	\$ -	\$ 133,758	\$ 898,034	\$28,077,813
5800	State program revenues	135,551,604	-	-	1,989,363	137,540,967
5900	Federal program revenues	12,413,882	6,621,473	-	16,472,880	35,508,235
	Total Revenues	<u>175,011,507</u>	<u>6,621,473</u>	<u>133,758</u>	<u>19,360,277</u>	<u>201,127,015</u>
<b>EXPENDITURES:</b>						
Current						
0011	Instruction	86,994,774	6,621,473	-	8,494,121	102,110,368
0012	Instruction resources & media services	2,759,986	-	-	966,311	3,726,297
0013	Curriculum & staff development	5,366,831	-	-	2,449,071	7,815,902
0021	Instructional leadership	1,854,437	-	-	659,334	2,513,771
0023	School leadership	6,754,136	-	-	122,326	6,876,462
0031	Guidance, counseling & evaluation services	5,977,939	-	-	1,459,273	7,437,212
0032	Social work services	907,097	-	-	483,482	1,390,579
0033	Health services	1,788,568	-	-	674,045	2,462,613
0034	Student (pupil) transportation	4,894,582	-	-	66,991	4,961,573
0035	Food services	12,013,468	-	-	-	12,013,468
0036	Co-curricular/extracurricular activities	6,797,828	-	-	161,064	6,958,892
0041	General administration	5,020,140	-	-	27,050	5,047,190
0051	Facilities maintenance & operations	18,168,997	-	667,931	61,869	18,898,797
0052	Security & monitoring services	3,653,296	-	-	-	3,653,296
0053	Data processing services	2,545,165	-	-	-	2,545,165
0061	Community services	1,229,579	-	-	2,513,978	3,743,557
Debt Service:						
0071	Debt service - principal on long term debt	1,592,030	-	-	2,065,000	3,657,030
0072	Debt service - interest on long term debt	985,378	-	-	1,886,025	2,871,403
0073	Debt service - bond issuance cost & fees	450	-	-	1,700	2,150
Capital Outlay						
0081	Facilities acquisitions and construction	-	-	1,522,844	1,182,619	2,705,463
Intergovernmental:						
0095	Payments to Juvenile Justice Alternative Ed. Prog.	85,635	-	-	-	85,635
0099	Other intergovernmental charges	248,201	-	-	-	248,201
6030	Total Expenditures	<u>169,638,517</u>	<u>6,621,473</u>	<u>2,190,775</u>	<u>23,274,259</u>	<u>201,725,024</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>5,372,990</u>	<u>-</u>	<u>(2,057,017)</u>	<u>(3,913,982)</u>	<u>(598,009)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
7912	Sale of real and personal property	36,884	-	-	-	36,884
7915	Transfers in	-	-	3,816,000	2,000,000	5,816,000
8911	Transfers out (uses)	(5,816,000)	-	-	-	(5,816,000)
7080	Total Other Financing Sources (Uses)	<u>(5,779,116)</u>	<u>-</u>	<u>3,816,000</u>	<u>2,000,000</u>	<u>36,884</u>
1200	Net change in fund balances	(406,126)	-	1,758,983	(1,913,982)	(561,125)
0100	Fund balance - September 1 (beginning)	<u>48,946,321</u>	<u>-</u>	<u>6,988,443</u>	<u>7,542,715</u>	<u>63,477,479</u>
3000	Fund balance - August 31 (ending)	<u>\$ 48,540,195</u>	<u>\$ -</u>	<u>\$ 8,747,426</u>	<u>\$ 5,628,733</u>	<u>\$62,916,354</u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2020

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Total Net Change in Fund Balance - Governmental Funds	\$ (561,125)
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The District uses internal service funds to charge the costs of certain activities, such 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.	3,430,064

Current year capital outlays and long-term principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the governmental-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to increase (decrease) net position.	8,101,496
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Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(8,261,996)
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Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.	212,109
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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 \$4,494,769. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$3,789,038. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$7,451,172. The net result is an increase (decrease) in the change in net position.	(6,745,441)
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GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,116,733. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$1,065,864. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$490,373. The net result is an increase (decrease) in the change in net position.	(439,504)
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<b>Change in Net Position of Governmental Activities</b>	\$ (4,264,397)
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The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		Original	Final	Actual Amounts	Variance With Final Budget Positive or (Negative)
	REVENUES:				
5700	Local and intermediate sources	\$ 26,620,278	\$ 26,768,076	\$ 27,046,021	\$ 277,945
5800	State program revenues	141,854,219	133,167,387	135,551,604	2,384,217
5900	Federal program revenues	15,370,253	15,224,953	12,413,882	(2,811,071)
	Total Revenues	<u>183,844,750</u>	<u>175,160,416</u>	<u>175,011,507</u>	<u>(148,909)</u>
	EXPENDITURES:				
	Current				
0011	Instruction	98,103,622	90,402,392	86,994,774	3,407,618
0012	Instruction Resources & Media Services	2,754,274	2,953,757	2,759,986	193,771
0013	Curriculum & Instructional Staff Development	4,679,771	6,317,731	5,366,831	950,900
0021	Instructional Leadership	1,943,992	2,043,106	1,854,437	188,669
0023	School Leadership	6,722,017	6,897,785	6,754,136	143,649
0031	Guidance, Counseling & Evaluation Services	6,349,283	6,505,356	5,977,939	527,417
0032	Social Work Services	976,860	1,081,860	907,097	174,763
0033	Health Services	1,622,190	2,018,687	1,788,568	230,119
0034	Student (Pupil) Transportation	5,492,328	5,495,496	4,894,582	600,914
0035	Food Services	13,143,879	14,615,385	12,013,468	2,601,917
0036	Co-curricular/Extracurricular Activities	7,271,875	7,554,318	6,797,828	756,490
0041	General Administration	5,678,970	5,689,270	5,020,140	669,130
0051	Plant Maintenance & Operations	18,884,124	20,013,786	18,168,997	1,844,789
0052	Security & Monitoring Services	3,393,431	4,031,759	3,653,296	378,463
0053	Data Processing Services	2,474,128	2,782,910	2,545,165	237,745
0061	Community Services	1,404,670	1,502,331	1,229,579	272,752
0071	Debt service - principal on long term debt	1,591,447	1,591,447	1,592,030	(583)
0072	Debt service - interest on long term debt	985,962	985,962	985,378	584
0073	Debt service - bond issuance cost & fees	3,000	3,000	450	2,550
0095	Payments to Juvenile Justice Alternative Ed. Prog.	100,000	120,000	85,635	34,365
0099	Other intergovernmental charges	268,927	278,927	248,201	30,726
6030	Total Expenditures	<u>183,844,750</u>	<u>182,885,265</u>	<u>169,638,517</u>	<u>13,246,748</u>
1100	Excess (Deficiency) of Revenues Over (Under)	<u>-</u>	<u>(7,724,849)</u>	<u>5,372,990</u>	<u>13,097,839</u>
	Expenditures				
	OTHER FINANCING SOURCES (USES)				
7912	Sale of real and personal property	-	36,900	36,884	(16)
8911	Transfers out (uses)	-	(5,816,000)	(5,816,000)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,779,100)</u>	<u>(5,779,116)</u>	<u>(16)</u>
1200	Net Change in Fund Balances	-	(13,503,949)	(406,126)	13,097,823
0100	Fund Balance - September 1 (Beginning)	<u>48,946,321</u>	<u>48,946,321</u>	<u>48,946,321</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 48,946,321</u>	<u>\$ 35,442,372</u>	<u>\$ 48,540,195</u>	<u>\$ 13,097,823</u>

The accompanying notes are an integral part of this statement



WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2020

	<u>Governmental Activities Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 6,458,494
Other receivables	<u>112</u>
Total Assets	<u>\$ 6,458,606</u>
LIABILITIES	
Current Liabilities:	
Account payables	\$ 1,309,641
Other current liabilities	<u>1,109,102</u>
Total Liabilities	<u>2,418,743</u>
NET POSITION	
Unrestricted	<u>4,039,863</u>
Total Net Position	<u><u>\$ 4,039,863</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES:	
Charges for services	<u>\$ 20,373,353</u>
Total Operating Revenues	<u>20,373,353</u>
OPERATING EXPENSES:	
Attorney fees	1,328
Professional Contracted Services	76,553
Fees	102,098
Insurance claims and expenses	<u>16,797,141</u>
Total Operating Expenses	<u>16,977,120</u>
Operating income (loss)	<u>3,396,233</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest and investment revenue	<u>33,830</u>
Total Non-Operating Revenue (Expenses)	<u>33,830</u>
Income (Loss) before Contributions and Transfers	3,430,063
Change in net position	<u>3,430,063</u>
Total Net Position-September 1, (Beginning)	<u>609,800</u>
Total Net Position - August 31, (Ending)	<u><u>\$ 4,039,863</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from interfund services provided	\$ 16,219,901
Receipts from employees	3,888,809
Receipts from other participants	4,534
Receipts from reimbursements and refunds	754,887
Payments for benefit claims	(16,335,525)
Payments for administration	(179,506)
	<u>4,353,100</u>
Net cash provided from operating activities	<u>4,353,100</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>33,831</u>
Net cash provided from investing activities	<u>33,831</u>
Net increase in cash and cash equivalents	4,386,931
Cash and Cash equivalents-beginning	<u>2,071,563</u>
Cash and Cash equivalents-ending	<u><u>\$ 6,458,494</u></u>
<b>Reconciliation of operating income/(loss) to net cash provided from by operating activities</b>	
Operating income/(loss)	3,396,233
Adjustments to reconcile operating loss to net cash provided:	
(Increase) decrease in miscellaneous receivables	329,763
(Increase) decrease in due from other funds	152,126
Increase (Decrease) in account payables	626,006
Increase (Decrease) in other current liabilities	261,207
Increase (Decrease) in due to other funds	(412,235)
Total adjustments	<u>956,867</u>
Net cash provided from operating activities	<u><u>\$ 4,353,100</u></u>

The accompanying notes are an integral part of this statement.

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2020

	Student Activity Fund
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 919,308
Total Assets	<u>\$ 919,308</u>
LIABILITIES	
Due to student groups	\$ 919,308
Total Liabilities	<u>\$ 919,308</u>

The accompanying notes are an integral part of this statement.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

**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  
YEAR ENDED AUGUST 31, 2020**

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

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.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are both measurable and available.

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

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

- 1. General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- 2. Elementary and Secondary School Emergency Relief Fund (ESSER)** – This fund is used to account for federal stimulus Elementary and Secondary School Emergency Relief Fund (ESSER) funds granted to LEAs through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support LEA's ability to operate and instruct its students during the COVID-19 pandemic.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**D. FUND ACCOUNTING - Continued**

- 3. Construction Fund** – The District uses this fund to account for revenues and expenditures for authorized construction and other capital assets acquisitions not from proceeds from long-term debt financing.

Additionally, the District reports the following fund types:

**Governmental Funds:**

- 4. 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.
- 5. Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long term obligation debt of governmental funds.
- 6. 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:**

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



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. 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.

3. 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.

4. It is the District's policy to permit employees to accumulate state sick leave. Local leave shall be non-cumulative. There is a liability for unpaid accumulated state sick leave. The District has a policy to pay 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.
5. Capital assets, which include land improvements, buildings, furniture and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES - Continued**

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

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

6. The District has a central receiving warehouse where all equipment and supplies are received. All assets received are tagged and labeled before they are delivered. The equipment is posted and confirmed with the purchase order. The items are labeled for delivery to make sure they reach their destination. Transfer forms are used when the assets are moved from one location to another.
7. The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.
8. The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
9. The District complies with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*. The fiduciary net position of the Teacher Retirement System of Texas ("TRS") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
10. The District complies GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES - Continued**

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

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

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
  - Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
  - Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.
11. The following District insurance programs are self-funded insured plans: the workmen's compensation, health, and unemployment are self-funded programs. The health insurance program met the minimum state requirement per employee. The health insurance low plan is a 70/30 plan, the health insurance high plan is an 80/20 plan, and the health insurance state plan is a 90/10 plan. The District cost per employee was \$582.
12. The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, certain resources of the governmental funds are set aside for the repayment or use of specific programs and are recorded to four categories of designations:

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

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

Committed – This classification includes amounts constrained to specific purposes by the District 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 \$316,891 for uses benefiting the respective campuses where the funds were raised

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**F. OTHER ACCOUNTING POLICIES - Continued**

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  
YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES - Continued**

General fund		
Nonspendable		
Inventories	\$	1,104,190
Prepaid Items		537,627
Restricted		
Food Service		1,013,048
State Compensatory Education		3,294,055
State Vocational		283,333
State Bilingual Education		69,920
Rider 78 Pre-School		241,375
Early Education Allotment		1,469,641
CCMR		203,030
Assigned		
Capital Expenditures for Equipment		1,228,530
Other Assigned Fund Balance - Technology		60,150
Other Assigned Fund Balance - Sam Houston Library		3,250
Total Nonspendable, Restricted, Assigned - General Fund	\$	<u>9,508,149</u>
Construction Fund		
Restricted		
Capital Acquisitions	\$	<u>8,747,426</u>
Total Nonspendable, Restricted, Assigned - Construction Fund	\$	<u>8,747,426</u>
Nonmajor Funds		
Restricted		
Capital Acquisitions	\$	1,975,753
Retirement of Debt		3,291,769
Committed		
Campus Activity Funds		316,891
Assigned		
Scholarship Fund		44,321
Total Restricted, Committed, Assigned - Nonmajor Funds	\$	<u>5,628,734</u>
Total Nonspendable, Restricted, Committed, Assigned - Governmental Funds	\$	<u>23,884,309</u>

13. 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.
14. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES - Continued**

15. 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.

16. *New Accounting Standards*

The District evaluated GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A Government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the Statement. The requirements of this Statement took effect for financial statements started with the fiscal year that ended August 31, 2020. It was determined that this Statement was not applicable to the District.

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

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

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**E. OTHER ACCOUNTING POLICIES - Continued**

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 is now effective for reporting periods beginning after December 15, 2019.

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

Statement No. 89 establishes accounting requirements for interest costs incurred before the end of a construction period. This Statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period which the cost is incurred for financial statements prepared using the economic resources measurement focus. This Statement originally became 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. 89 is now effective for reporting periods beginning after December 15, 2020.

Statement No. 90 is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement 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 is now effective for reporting periods beginning after December 15, 2019.

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.

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.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**F. OTHER ACCOUNTING POLICIES - Continued**

*17. Rounding Adjustments*

Throughout this comprehensive annual 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**  
**YEAR ENDED AUGUST 31, 2020**

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

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

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

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

<u>Capital Assets at the Beginning of the Year</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
Land	\$ 6,513,651	\$ -	\$ 6,513,651	
Construction in Progress	16,883,294	-	16,883,294	
Land Improvements	15,306,316	(8,390,888)	6,915,428	
Buildings	243,516,641	(136,203,157)	107,313,484	
Furniture & Equipment	26,359,861	(16,866,304)	9,493,557	
<b>Change in Net Position</b>				<u>\$ 147,119,414</u>
<u>Long-term Liabilities at the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			42,840,000	
Notes Payable			28,082,000	
Loan Payable			1,304,339	
Capital Lease Payable			<u>95,617</u>	
				<u>(72,321,956)</u>
Net Adjustment to Net Position				<u><u>\$ 74,797,458</u></u>

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Current Year Capital Outlay			
Land	\$ 173,037		
Buildings & Improvements	358,474		
Furniture & Equipment	2,061,268		
Construction in Progress	1,851,688		
Total Capital Outlay		\$ 4,444,467	\$ 4,444,467
Debt Principal Payments			
Bond Principal	2,065,000		
Notes Principal	1,429,000		
Loan Principal	100,538		
Capital Lease Principal	<u>62,492</u>		
Total Principal Payments		<u>3,657,030</u>	<u>3,657,030</u>
Total Adjustment		<u>\$ 8,101,497</u>	<u>\$ 8,101,497</u>

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

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
Adjustments to Revenue and Deferred Revenue			
Taxes Collected from Prior Year Levies	\$ 839,523	\$ (839,523)	\$ -
Uncollected Taxes (assumed collectible) from			
Current Year Levy	1,037,496	1,037,496	1,037,496
Uncollected Taxes (assumed collectible) from			
Prior Year Levy	2,795,037	(185,146)	2,795,037
Reclassify Proceeds of Bonds, Loans & Capital Leases			
Discount (Premium) on Issuance of Bonds	9,193,137	344,032	(9,193,137)
Deferred Charge on Refunding	1,671,091	(135,397)	1,671,091
Interest Payable	244,841	15,587	(244,841)
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or Unused Sick Leave	1,011,400	<u>(24,940)</u>	<u>(1,011,400)</u>
Total		<u>\$ 212,109</u>	<u>\$ (4,945,753)</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**A. BUDGETARY DATA**

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

<b>August 31, 2020 Fund Balance</b>	
Non-appropriated Budget Funds	<u>\$ 361,212</u>
<b>All Special Revenue Funds</b>	<b><u>\$ 361,212</u></b>

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

**A. DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. At August 31, 2020 the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$664,508 and the bank balance was \$2,492,883. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2020 were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**B. DEPOSITS AND INVESTMENTS - Continued**

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 August 31, 2020, the District was not exposed to foreign currency risk.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2020, Weslaco Independent School District had the following investments:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
First Public Investment Pool	\$ 58,809,050	\$ 58,809,050	\$ -	\$ -	\$ -
Texas Term	11,394,041	11,394,041	-	-	-
Texpool	6,117,462	6,117,462	-	-	-
Total	<u>\$ 76,320,553</u>	<u>\$ 76,320,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

*Credit Risk* In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of August 31, 2020, the District's investments in First Public Investment Pool were rated AAAM, by Standard & Poor's (S&P), Texas Term was rated AAAM by Standard and Poor's (S&P) and Texpool was rated AAAM by Standard and Poor's (S&P).

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**B. DEPOSITS AND INVESTMENTS - Continued**

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

*Concentration of Credit Risk* The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific single issuer. As of August 31, 2020, the District had 77% of its investments in First Public Investment Pools rated AAA as noted above, 15% of its investments in Texas Term rated AAAM, and 8% 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 \$ 1.0687 per \$ 100 property tax valuation, \$1.0487 for M & O and \$0.0200 for I & S. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1<sup>st</sup> of the year following the year in which imposed. On February 1<sup>st</sup> of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

**C. DELINQUENT TAXES RECEIVABLE**

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**C. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at August 31, 2020 were as follows:

	Property Taxes	Due from Other Governments	Due from Other Funds	Other	Total Receivables
<b><u>Governmental Funds</u></b>					
General Fund	\$ 4,093,450	\$ 813,815	\$ 7,748,169	\$ 129,417	\$ 12,784,851
ESSER	-	6,621,473	-	-	6,621,473
Non-major Funds	134,014	1,696,850	-	4,006	1,834,870
<b>Total Governmental Funds</b>	<b>4,227,464</b>	<b>9,132,138</b>	<b>7,748,169</b>	<b>133,423</b>	<b>21,241,194</b>
<b><u>Proprietary Funds</u></b>					
Internal Service Fund	-	-	-	112	112
<b>Total Proprietary Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>112</b>
<b>Total</b>	<b>4,227,464</b>	<b>9,132,138</b>	<b>7,748,169</b>	<b>133,535</b>	<b>21,241,306</b>
Less: Allowance for Uncollectible	(136,951)	-	-	-	(136,951)
<b>Total Receivables, Net</b>	<b>\$4,090,513</b>	<b>\$ 9,132,138</b>	<b>\$ 7,748,169</b>	<b>\$ 133,535</b>	<b>\$ 21,104,355</b>

Payables at August 31, 2020 were as follows:

	Accounts Payable	Accrued Wages Payable	Due to Other Funds	Due to Other Governments	Other	Total Payables
<b><u>Governmental Funds</u></b>						
General Fund	\$ 2,550,268	\$ 6,351,864	\$ -	\$ 70	\$ 1,255,195	\$ 10,157,397
ESSER	-	-	6,621,473	-	-	6,621,473
Construction fund	1,321,716	-	-	-	-	1,321,716
Non-major Funds	464,776	492,755	1,126,696	4,719	-	2,088,946
<b>Total Governmental Funds</b>	<b>4,336,760</b>	<b>6,844,619</b>	<b>7,748,169</b>	<b>4,788</b>	<b>1,255,195</b>	<b>20,189,532</b>
<b><u>Proprietary Funds</u></b>						
Internal Service Fund	1,309,641	-	-	-	1,109,102	2,418,743
<b>Total Proprietary Funds</b>	<b>1,309,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,109,102</b>	<b>2,418,743</b>
<b><u>Fiduciary Funds</u></b>						
Trust & Agency Fund	-	-	-	-	919,308	919,308
<b>Total Fiduciary Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>919,308</b>	<b>919,308</b>
<b>Total</b>	<b>\$ 5,646,401</b>	<b>\$ 6,844,619</b>	<b>\$ 7,748,169</b>	<b>\$ 4,789</b>	<b>\$ 3,283,605</b>	<b>\$ 23,527,583</b>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**E. INTERFUND RECEIVABLES AND PAYABLES**

Inter-fund balances at August 31, 2020 consisted of the following individual fund balances:

	Due from Other Funds	Due to Other Funds
<b>General Fund</b>		
ESSER	\$ 6,621,473	\$ -
Non-major Funds	1,126,696	-
<b>ESSER</b>		
General Fund	-	6,621,473
<b>Non-major Funds</b>		
General Fund	-	1,126,696
	<hr/>	<hr/>
Total	\$ 7,748,169	\$ 7,748,169

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

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2020**

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

**F. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended August 31, 2020 was as follows:

<b>Governmental Activities</b>	Balance				Balance
	September 1, 2019	Increases	Decreases	Transfers	August 31, 2020
Capital Assets, Not Being Depreciated					
Land	\$ 6,513,651	\$ 148,238	\$ -	\$ -	\$ 6,661,889
Construction in Progress	16,883,294	1,851,688	-	(5,478,344)	13,256,638
<b>Total Capital Assets, Not Being Depreciated</b>	<b>23,396,945</b>	<b>1,999,926</b>	<b>-</b>	<b>(5,478,344)</b>	<b>19,918,527</b>
Capital Assets, Being Depreciated					
Land Improvements	15,306,316	24,799	-	-	15,331,115
Buildings and Improvements	243,516,641	358,474	-	5,478,344	249,353,459
Furniture and Equipment	26,359,861	2,061,268	(808,619)	-	27,612,510
<b>Total Capital Assets, Being Depreciated</b>	<b>285,182,818</b>	<b>2,444,541</b>	<b>(808,619)</b>	<b>5,478,344</b>	<b>292,297,084</b>
Less Accumulated Depreciation For:					
Land Improvements	(8,390,888)	(933,086)	-	-	(9,323,974)
Buildings and Improvements	(136,203,157)	(5,315,112)	-	-	(141,518,269)
Furniture and Equipment	(16,866,304)	(2,013,798)	808,619	-	(18,071,483)
<b>Total Accumulated Depreciation</b>	<b>(161,460,349)</b>	<b>(8,261,996)</b>	<b>808,619</b>	<b>-</b>	<b>(168,913,726)</b>
<b>Governmental Capital Assets</b>	<b>\$ 147,119,414</b>	<b>\$ (3,817,529)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,301,885</b>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,402,114
Instructional Resources and Media Services	139,037
Curriculum Development and Instructional Staff Development	153,357
Instructional Leadership	57,220
School Leadership	214,745
Guidance, Counseling and Evaluation Services	147,966
Social Work Services	27,782
Health Services	109,759
Student (Pupil) Transportation	771,647
Food Services	649,974
Co-curricular/Extracurricular Activities	1,381,960
General Administration	19,681
Facilities Maintenance and Operations	800,495
Security and Monitoring Service	111,940
Data Processing Services	86,467
Community Services	187,852
	<u>\$ 8,261,996</u>



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**G. BONDS PAYABLE AND CONTRACTUAL OBLIGATIONS**

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund and General Fund. A summary of changes in general long-term debt for the year ended August 31, 2020 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Balance 9/1/2019	Issued	Retired	Balance 8/31/2020
Public Property Note							
Contractual Obligations Series 2014	4.570%	\$ 12,712,000	\$ 17,034	\$ 8,517,000	\$ -	\$ 844,000	\$ 7,673,000
Unlimited Tax Refunding Bonds, Series 2015A	2.000% 5.000%	\$ 14,470,000	344,375	7,430,000	-	1,085,000	6,345,000
Unlimited Tax Refunding Bonds, Series 2015B	2.000%	\$ 17,100,000	794,750	16,465,000	-	555,000	15,910,000
Unlimited Tax Refunding Bonds, Series 2016	5.000%	\$ 19,470,000	746,900	18,945,000	-	425,000	18,520,000
Maintenance Tax Notes Series 2017	3.000% 5.000%	\$ 15,020,000	714,650	14,790,000	-	485,000	14,305,000
Maintenance Tax Notes Series 2018	2.000% 4.000%	\$ 4,905,000	184,956	4,775,000	-	100,000	4,675,000
Public Property Finance Contract 2019	5.125%	\$ 1,304,339	68,738	1,304,339	-	100,538	1,203,801
			<u>\$ 2,871,403</u>	<u>\$ 72,226,339</u>	<u>\$ -</u>	<u>\$ 3,594,538</u>	<u>\$ 68,631,801</u>

In addition to the outstanding bonds and contractual obligations in the amount of \$68,631,801 at August 31, 2020, the District also reported unamortized premiums and discounts on issuance of bonds of \$9,193,137, capital lease payable of \$33,125 (refer to Note H), a long term liability for sick leave benefits in the amount of \$1,011,400 (refer to Note J), a liability of \$56,505,242 of Net Pension Liability as per GASB 68 (refer to Note L), and a liability of Net OPEB Liability of \$71,268,618 as per GASB 75 (refer to Note M). These amounts, in aggregate, represent total long term liabilities in the amount of \$206,643,322, as reflected in the *Statement of Net Position*.

Debt service requirements are as follows on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

Year ended August 31,	General Obligations		Total
	Principal	Interest	Requirements
2021	\$ 3,714,062	\$ 2,741,760	\$ 6,455,822
2022	3,850,750	2,611,002	6,461,752
2023	3,993,737	2,470,224	6,463,961
2024	4,151,926	2,311,262	6,463,188
2025	4,325,668	2,141,018	6,466,686
2026-2030	19,255,658	8,527,638	27,783,296
2031-2035	20,860,000	4,242,450	25,102,450
2036-3040	8,480,000	438,225	8,918,225
	<u>\$ 68,631,801</u>	<u>\$ 25,483,579</u>	<u>\$ 94,115,380</u>

**Refunding**

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. At August 31, 2020, the following balances are considered defeased:

Refunded 2006	
Unlimited Tax School Building 2000	\$ 6,440,000
Refunded 2015	
Unlimited Tax Refunded Bonds 2006	6,440,000
Unlimited Tax School Building 2006	16,625,000
Refunded 2016	
Unlimited Tax School Building 2008	19,055,000
	<u>\$ 48,560,000</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2020.

**H. CAPITAL LEASES**

The District entered into two capital lease purchase obligations in prior fiscal years. These leases qualified as capital leases for accounting purposes since the titles/assets transfer to the District at the end of the lease term. The first was for a Palo Alto Networks PA-5220 Internet Firewall. This bears interest of 0% and was recorded at the present value of the minimum lease payments. The second was for 46 AED's (Automatic External Defibrillators) and the maintenance cost for 4 years. This lease also bears interest of 0% and was recorded at the present value of the minimum lease payments.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**H. CAPITAL LEASES - Continued**

Capital Lease required payments are as follows:

<u>Year ended August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	33,125	-	33,125
	<u>\$ 33,125</u>	<u>\$ -</u>	<u>\$ 33,125</u>

**I. COMMITMENTS UNDER OPERATING LEASES**

Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2020 as follows:

<u>Year ended August 31,</u>	
2021	\$ 271,263
2022	108,751
2023	27,399
2024	10,543
2025	2,723
	<u>\$ 420,679</u>

Rental Expenditures in Fiscal Year 2020      \$ 374,353

**J. ACCUMULATED UNPAID SICK LEAVE BENEFITS**

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

	<u>Sick Leave</u>
Balance September 1, 2019	\$ 986,460
Additions - New Entrants and Salary Increments	114,350
Deductions - Payments/Reductions to Participants	(89,410)
Balance August 31, 2020	<u>\$ 1,011,400</u>

**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 years ended August 31, 2020, 2019, and 2018 the subsidy payments received by TRS-Care on behalf of the District are as follows:

<u>Year ended August 31,</u>	<u>Medicare Part D</u>
2020	\$ 579,625
2019	450,722
2018	356,549

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**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. That report may be obtained on the Internet at <http://trs.state.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

**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.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

**Contributions**

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

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

**Contribution Rates**

	<b><u>2019</u></b>	<b><u>2020</u></b>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
2020 Employer Contributions		\$4,494,769
2020 Member Contributions		\$9,445,842
2019 NECE On-Behalf Contributions		\$5,406,594

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of the covered payroll to the pension fund beginning in the fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as and employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

**Actuarial Assumptions**

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

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
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 2019	2.63%. 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)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
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, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

**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, 2019 are summarized below:

ASSET CLASS	FY 2019 Target ALLOCATION* %	New Target ALLOCATION** %	Long-Term Expected Geometric Real Rate of Return***
<b>GLOBAL EQUITY</b>			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>STABLE VALUE</b>			
U.S. Treasuries	11.0%	16.0%	3.1%
Absolute Return	0.0%	0.0%	0.0%
Hedge Funds (Stable Value)	4.0%	5.0%	4.5%
<b>REAL RETURN</b>			
Global Inflation-Linked Bonds****	3.0%	-	-
Real Assets	14.0%	15.0%	8.5%
Energy and Natural Resources	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8%/6.5%*****
<b>Leverage</b>			
Cash	1.0%	1.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
<b>Expected Return</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7.23%</b>
<p>* Target allocations are based on the Strategic Asset Allocation as of FY2019.</p> <p>** New allocations are based on the Strategic Asset Allocation to be implemented FY2020.</p> <p>*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.</p> <p>**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.</p> <p>***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% target volatility.</p>			

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in the measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.250%	Discount Rate 7.250%	1% Decrease in Discount Rate 8.250%
District's Proportionate Share of Net Pension Liability	\$ 86,856,766	\$ 56,505,242	\$ 31,914,650

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

At August 31, 2020, the District reported a liability of \$56,505,242 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 are as follows:

District's proportionate share of the collective net pension liability	\$ 56,505,242
State's proportionate share that is associated with the District	80,301,107
Total	<u>\$ 136,806,349</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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, 2018 thru August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was 0.1086991998% which was a decrease of 0.0043695759% from its proportion measured as of August 31, 2018.

**Changes Since the Prior Measurement Date**

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.

For the year ended August 31, 2020, the District recognized pension expense of \$23,854,383 and revenue of \$12,614,173 for support provided by the State.



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

At August 31, 2020, 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	\$ 237,373	\$ 1,961,952
Changes in actuarial assumptions	17,530,701	7,244,515
Differences between projected and actual investment earnings	567,377	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,446,414	2,136,975
Total as of August 31, 2019	21,781,865	11,343,442
Contributions paid to TRS subsequent to the measurement date	4,494,769	-
Total as of year-end	<u>\$ 26,276,634</u>	<u>\$ 11,343,442</u>

The \$4,494,769 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2021. The net amounts of employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended August 31,</u>	
2021	\$ 2,925,739
2022	2,241,028
2023	2,613,070
2024	2,553,959
2025	719,266
Thereafter	(614,639)
Total	<u>\$ 10,438,423</u>

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

**Plan Description**

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

**OPEB Plan Fiduciary Net Position**

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

**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. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic postemployment benefit changes; including automatic COLAs.

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

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

*\* or surviving spouse*

**Contributions**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

	<b><u>Contribution Rates</u></b>	
	<b><u>2019</u></b>	<b><u>2020</u></b>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	\$ 1,116,733
Current fiscal year member contributions	\$ 797,383
2019 measurement year NECE on-behalf contributions	\$ 1,421,126

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 \$73.6 million in fiscal year 2019.

**Actuarial Assumptions**

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2018 TRS annual pension actuarial valuation that was rolled to August 31, 2019:

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

*Additional Actuarial Methods and Assumptions:*

Valuation Date	8/31/18, rolled forward to 8/31/19
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Expenses	Third Party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05%-9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Salary Increases	3.05% to 9.05%, including inflation
Ad-hoc Post Employment Benefit Changes	None

**Discount Rate**

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Discount Rate Sensitivity Analysis**

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

	1% Decrease in Discount Rate	Current Single Discount Rate	1% Increase in Increase Rate
	1.63%	2.63%	3.63%
District's Proportionate Share of Net OPEB Liability	\$ 86,044,091	\$ 71,268,618	\$ 59,709,754

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

At August 31, 2020, the District reported a liability of \$71,268,618 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	\$ 71,268,618
State's proportionate share that is associated with the District	94,700,053
Total	<u><u>\$ 165,968,671</u></u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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, 2018 thru August 31, 2019.

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.1507015713% which is a decrease of 0.0028464677% from its proportion measured as of August 31, 2019.

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 HealthCare Trend Rate	Healthcare Cost Trend Rate	1% Increase HealthCare Trend Rate
Proportionate share of net OPEB liability	\$58,138,439	\$71,268,618	\$88,857,031

**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 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

For the year ended August 31, 2020, the District recognized OPEB expense of \$4,052,142 and revenue of \$2,495,905 for support provided by the State.

At August 31, 2020, 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	\$ 3,496,332	\$ 11,662,354
Changes in actuarial assumptions	3,958,416	19,169,509
Differences between projected and actual investment earnings	7,689	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	230	2,792,446
Total as of August 31, 2019	7,462,667	33,624,309
Contributions paid to TRS subsequent to the measurement date	1,116,733	-
Total as of year-end	<u>\$ 8,579,400</u>	<u>\$ 33,624,309</u>

The \$1,116,733 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2020. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows on the next page:

<u>Year ended August 31,</u>	
2021	\$ (4,301,248)
2022	(4,301,248)
2023	(4,303,736)
2024	(4,305,160)
2025	(4,304,770)
Thereafter	(4,645,480)
Total	<u>\$ (26,161,642)</u>

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2020**

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

**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 year-ended August 31, 2020 was as follows:

	Balance 8/31/2019	Additions	Reductions	Balance 8/31/2020	Due Within One Year
<b>Governmental Activities</b>					
<b>Bonds and Notes Payable</b>					
General Obligation Bonds and Maintenance Tax Notes	\$ 72,226,339	\$ -	\$ 3,594,538	\$ 68,631,801	\$ 3,714,062
Unamortized Premiums/ Discounts	9,537,169	-	344,032	9,193,137	-
<b>Total Bonds and Notes Payable</b>	<b>81,763,508</b>	<b>-</b>	<b>3,938,570</b>	<b>77,824,938</b>	<b>3,714,062</b>
<b>Other Liabilities</b>					
Compensated Balances	986,460	114,350	89,410	1,011,400	97,340
Capital Lease Payable	95,617	-	62,492	33,125	33,125
Net Pension Liability	62,235,798	(1,925,953)	3,804,603	56,505,242	-
Net OPEB Liability	76,667,942	(4,329,760)	1,069,564	71,268,618	-
<b>Total Other Liabilities</b>	<b>139,985,817</b>	<b>(6,141,363)</b>	<b>5,026,069</b>	<b>128,818,385</b>	<b>130,465</b>
<b>Total Governmental Activities</b>					
<b>Long-term Liabilities</b>	<b>\$ 221,749,325</b>	<b>\$ (6,141,363)</b>	<b>\$ 8,964,639</b>	<b>\$ 206,643,323</b>	<b>\$ 3,844,527</b>

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**O. UNEARNED REVENUE**

Unearned revenue at year end consisted of the following:

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Total</u>
State Funding	\$ 4,174,804	\$ -	\$ 4,174,804
Food Service Commodities	180,845	-	180,845
Summer LEP	-	168,862	168,862
United Way Ambassador's Program	-	16,768	16,768
Teacher Training Reimbursement	-	43,974	43,974
Texas Advance Placement Initiative	-	416	416
GR-AP Teacher Grant	-	21,867	21,867
Texas College & Career Readiness	-	12,402	12,402
Special Education Fiscal Support	-	126,203	126,203
United Way Fund	-	759	759
I.M.A. Funds	-	288,507	288,507
Best Buy Cyber Grant	-	3,465	3,465
Project Lead the Way	-	14,909	14,909
Medicaid Adm. Fund	-	563,913	563,913
I.F.A Funds	-	45,025	45,025
Total Unearned Revenue	<u>\$ 4,355,649</u>	<u>\$ 1,307,070</u>	<u>\$ 5,662,717</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 August 31, 2020 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, and Child and Adult Care programs which pass through the Texas Department of Agriculture, and the Jobs and Education for Texans Grant which flows through the Texas Workforce Commission. The amount reported in Due from other Governments is \$9,132,138, and includes non-entitlement receivables of \$67,824. The receivable balance, \$9,064,314 is as follows:

<b>Fund</b>	<u>State Entitlement</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$ 732,079	\$ 14,825	\$ 746,904
ESSER	-	6,621,473	6,621,473
Non-Major Funds	-	1,695,937	1,695,937
	<u>\$ 732,079</u>	<u>\$ 8,332,235</u>	<u>\$ 9,064,314</u>



**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

	General Fund	Construction Fund	Non-major Governmental Funds	Total Governmental Funds	Self- Insurance	Total
Property Taxes	\$ 24,534,537	\$ -	\$ 466,008	\$ 25,000,545	\$ -	\$ 25,000,545
Penalties, Int. and Other						
Tax-related Income	618,013	-	13,378	631,391	-	631,391
Investment Income	852,238	129,958	77,105	1,059,301	33,830	1,093,131
Food Sales	268,000	-	-	268,000	-	268,000
Co-curricular Student Activities	292,177	-	286,937	579,114	-	579,114
Other	481,055	3,800	54,606	539,461	20,373,353	20,912,815
Total	<u>\$ 27,046,020</u>	<u>\$ 133,758</u>	<u>\$ 898,034</u>	<u>\$ 28,077,812</u>	<u>\$ 20,407,183</u>	<u>\$ 48,484,995</u>

**R. LITIGATION**

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

**S. MAINTENANCE OF EFFORT**

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

Total District Employers Premium paid for health care	\$ 15,642,123
2019 - 2020	
Subtract any non-medical expenditures	
Life Insurance	\$ 32,889
Dental Insurance	278,525
	<u>\$ (311,414)</u>
2019-2020 Maintenance of Effort	<u>\$ 15,330,709</u>

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

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

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

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

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Property taxes, unavailable	\$ 3,715,709	\$ 116,824	\$ 3,832,533

At the government-wide financial statements (Exhibit A-1), the District reports deferred charges on refunding as Deferred Outflows of Resources in the amount of \$1,671,091, a Deferred Outflows due to GASB 68 of \$26,276,634, and a Deferred Outflow for TRS OPEB of \$8,579,400 for a total of \$36,527,125 of Deferred Outflows. The District also reported \$11,343,442 of Deferred Inflows due to GASB 68 and \$33,624,309 of Deferred Inflows due to GASB 75 for a total of \$44,967,751 of Deferred Inflows.

	<u>Balance August 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2020</u>
Deferred charge on refunding	\$ 1,806,489	\$ -	\$ 135,398	\$ 1,671,091
Deferred resource outflows for TRS	31,764,489	29,106,369	34,594,224	26,276,634
Deferred resource outflows for TRS	6,427,407	3,219,416	1,067,423	8,579,400
Total Deferred Outflows	<u>\$ 39,998,385</u>	<u>\$ 32,325,785</u>	<u>\$ 35,797,045</u>	<u>\$ 36,527,125</u>
Deferred inflow for TRS pension	\$ 4,355,300	\$ 14,173,177	\$ 7,185,035	\$ 11,343,442
Deferred resource inflow related to	25,633,488	7,992,380	1,559	33,624,309
Total Deferred Inflows	<u>\$ 29,988,788</u>	<u>\$ 22,165,557</u>	<u>\$ 7,186,594</u>	<u>\$ 44,967,751</u>

**U. SHARED SERVICE ARRANGEMENT**

The District belongs to a Shared Service Arrangement (SSA) in which Mcallen ISD is the fiscal agent that provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf. Other Districts that belong to the Program for the Deaf are Donna ISD, Edcouch-Elsa ISD, Edinburg CISD, Excellence in Leadership Academy, Hidalgo ISD, IDEA Public Schools, La Joya ISD, La Villa ISD, Mercedes ISD, Mission CISD, Progreso ISD, Pharr-San Juan-Alamo ISD (PSJA), Rio Grande City ISD, Roma ISD, San Isidro ISD, Sharyland ISD, South Texas ISD, 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, 2020 are summarized on the next page:

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**U. SHARED SERVICE ARRANGEMENT - Continued**

Member District	Fund			
	315	340	435	Total
Donna	\$ 20,777	\$ 77	\$ 399,752	\$ 420,606
Edcouch-Elsa	6,926	-	133,251	140,177
Edinburg	17,049	309	328,002	345,360
Excellence in Leadership	533	-	10,250	10,783
Hidalgo	1,066	-	20,500	21,566
IDEA	11,188	-	215,251	226,439
La Joya	23,974	-	461,252	485,226
La Villa	533	-	10,250	10,783
McAllen	26,638	154	512,503	539,295
Mercedes	4,795	-	92,250	97,045
Mission	12,787	77	246,001	258,865
Progreso	533	-	10,250	10,783
PSJA	6,926	-	133,251	140,177
Rio Grande City	11,188	-	215,251	226,439
Roma	9,590	77	184,501	194,168
San Isidro	533	-	10,250	10,783
Sharyland	1,066	-	20,500	21,566
South Texas	1,066	-	20,500	21,566
Valley View	3,729	-	71,750	75,479
Vanguard	2,664	-	51,250	53,914
Weslaco	14,918	-	287,001	301,919
<b>Total Allocated</b>	<b>\$ 178,479</b>	<b>\$ 694</b>	<b>\$ 3,433,766</b>	<b>\$ 3,612,939</b>

**V. SUBSEQUENT EVENTS**

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in Texas in response to the COVID-19, which disaster declaration he has subsequently extended. In addition, certain local officials, including the County Judge of Hidalgo County, also declared a local state of disaster.

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 2020-21 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.

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2020**

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

**V. SUBSEQUENT EVENTS - Continued**

The TEA advised districts that to stabilize funding expectations for 2020-21, districts will be provided an ADA grace period for the first two six weeks of Foundation School Program reporting. Specifically, TEA will replace attendance numbers for each eligible LEA's 2020-2021 first two six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020-2021 LPE projections. In the latter case, 2020-2021 LPE counts will be used. Student ADA as of December 2020 is higher than budgeted student ADA of 15,199 by 141, but lower than last year's first two six weeks by approximately 605. The District is actively contacting all students who were dropped in 2020-21 due to not showing for remote instruction at the start of school in August 2020.

On December 13, 2020, the District was cyber attacked with the Ransomware CONTI. This attack also occurred at The Federal Bureau of Investigation (FBI), The Department of Homeland Security, The Department of Commerce, the five branches of the military, NASA, and many Fortune 500 corporations. The District uses Enterprise Firewall and other protection programs district wide however, the CONTI cyberattack was able to circumvent those programs. Files from servers and computers that were not turned off and left running on the day of the attack were encrypted with an AES 256 bit encryption. By removing network access to the entire district, the District was able to stop and contain the attack. The District notified authorities such as the Weslaco Police Department, FBI, Texas Education Agency (TEA), and the Region One Education Center. The District also hired a cyber-security consultant to assist in containing the attack and install additional protective firewall software. Using backups, the District was able to mitigate the loss of information and continue operations. No amounts were paid by the District to those who instigated the attack. The District believes that any negative effects of the attack were mitigated and therefore, does not believe that this attack will affect future operations.

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## **REQUIRED SUPPLEMENTARY SCHEDULES**

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WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Measurement Year Ended August 31,					
	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.1086991998%	0.1130687757%	0.1115737071%	0.1150849744%	0.1209544000%	0.0789022000%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 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	80,301,107	53,878,625	52,956,929	62,706,553	60,514,661	54,025,417
Total	<u>\$ 136,806,349</u>	<u>\$ 116,114,423</u>	<u>\$ 88,632,190</u>	<u>\$ 106,195,454</u>	<u>\$ 103,270,431</u>	<u>\$ 75,101,285</u>
District's Covered Payroll	\$ 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	48.53%	53.46%	31.14%	39.44%	39.87%	20.22%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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



WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Fiscal Year Ended August 31,					
	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 4,494,769	\$ 3,789,038	\$ 3,811,690	\$ 3,656,734	\$ 3,488,340	\$ 3,335,759
Contribution in Relation to the Contractually Required Contribution	(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	\$ 122,673,262	\$ 116,433,350	\$ 116,426,339	\$ 114,553,639	\$ 110,273,732	\$ 107,243,868
Contributions as a percentage of Covered Payroll	3.66%	3.25%	3.27%	3.19%	3.16%	3.11%

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

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Measurement Year Ended August 31,		
	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.1507015713%	0.1535480390%	0.1560764102%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 71,268,618	\$ 76,667,942	\$ 67,871,776
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the District	94,700,053	63,761,130	81,789,934
Total	<u>\$ 165,968,671</u>	<u>\$ 140,429,072</u>	<u>\$ 149,661,710</u>
District's Covered Payroll	\$ 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	61.21%	65.85%	59.25%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Fiscal Year Ended August 31,		
	2020	2019	2018
Contractually Required Contribution	\$ 1,116,733	\$ 1,065,864	\$ 1,061,361
Contribution in Relation to the Contractually Required Contribution	(1,116,733)	(1,065,864)	(1,060,941)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420</u>
District's Covered Payroll	\$ 122,674,383	\$ 116,433,422	\$ 116,426,642
Contributions as a percentage of Covered Payroll	0.91%	0.92%	0.91%

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020**

*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*

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The single discount as of August 31, 2018 was a single blended rate 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of HB 3 by the 2019 Texas legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

*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.*

Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

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

**WESLACO INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020**

*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 3.69 percent as of August 31, 2018 to 2.63 percent, as of August 31, 2019. This change increased the Total OPEB Liability (TOL).
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation, these changes decreased TOL.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

## **COMBINING STATEMENTS**

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

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

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

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

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

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

## **DEBT SERVICE FUNDS**

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

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



## **CAPITAL PROJECT FUNDS**

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

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

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

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WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2020

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	819,284	197,026	244,574	3,137
1290	Other receivables	-	-	-	-
1000	Total Assets	<u>\$ 819,284</u>	<u>\$ 197,026</u>	<u>\$ 244,574</u>	<u>\$ 3,137</u>
	LIABILITIES				
2110	Accounts payable	\$ 5,675	\$ 12,863	\$ -	\$ 610
2160	Accrued wages payable	223,411	10,164	155,437	2,403
2170	Due to other funds	590,198	173,999	89,137	124
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	-	-	-	-
2000	Total Liabilities	<u>819,284</u>	<u>197,026</u>	<u>244,574</u>	<u>3,137</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	-	-	-	-
	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	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 819,284</u>	<u>\$ 197,026</u>	<u>\$ 244,574</u>	<u>\$ 3,137</u>

244 Vocational Ed. Basic Grant	255 ESEA II, A Training & Recruiting	263 English Language Acquisition	265 21st Century Community	272 Medicaid Adm. Claiming Program	274 Gear - Up	289 Other Federal Grants	397 Advanced Placement Incentives
\$ -	\$ -	\$ 4,300	\$ -	\$ 563,913	\$ -	\$ 142,245	\$ 44,390
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,286	68,163	21,363	95,153	-	192,335	26,617	-
-	-	-	-	-	-	-	-
<u>\$ 28,286</u>	<u>\$ 68,163</u>	<u>\$ 25,663</u>	<u>\$ 95,153</u>	<u>\$ 563,913</u>	<u>\$ 192,335</u>	<u>\$ 168,862</u>	<u>\$ 44,390</u>
\$ -	\$ 806	\$ -	\$ 9,198	\$ -	\$ 20,299	\$ -	\$ -
2,322	54,751	20,944	-	-	23,321	-	-
25,964	12,606	-	85,955	-	148,715	-	-
-	-	4,719	-	-	-	-	-
-	-	-	-	563,913	-	168,862	44,390
<u>28,286</u>	<u>68,163</u>	<u>25,663</u>	<u>95,153</u>	<u>563,913</u>	<u>192,335</u>	<u>168,862</u>	<u>44,390</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 28,286</u>	<u>\$ 68,163</u>	<u>\$ 25,663</u>	<u>\$ 95,153</u>	<u>\$ 563,913</u>	<u>\$ 192,335</u>	<u>\$ 168,862</u>	<u>\$ 44,390</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2020

Data Control Codes		410 State Textbook Fund	429 Misc. State Spec. Revenues	461 Campus Activity Fund	481 B. Bush Texas Fund
	ASSETS				
1110	Cash and cash equivalents	\$ 288,148	\$ 160,479	\$ 322,802	\$ -
1220	Property taxes receivable (delinquent)	-	-	-	-
1230	Allowance for uncollectible taxes	-	-	-	-
1240	Due from other governments	-	-	-	-
1290	Other receivables	359	-	-	-
1000	Total Assets	<u>\$ 288,507</u>	<u>\$ 160,479</u>	<u>\$ 322,802</u>	<u>\$ -</u>
	LIABILITIES				
2110	Accounts payable	\$ -	\$ 7	\$ 5,911	\$ -
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	-	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenues	288,507	160,472	-	-
2000	Total Liabilities	<u>288,507</u>	<u>160,479</u>	<u>5,911</u>	<u>-</u>
	DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable revenue - property taxes	-	-	-	-
2600	Total deferred inflows of resources	-	-	-	-
	Fund Balances:				
3470	Restricted for capital acquisitions	-	-	-	-
3480	Restricted for retirement of debt	-	-	-	-
3545	Other committed fund balances	-	-	316,891	-
3590	Other Assigned Fund Balance	-	-	-	-
	Total Fund Equity	<u>-</u>	<u>-</u>	<u>316,891</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 288,507</u>	<u>\$ 160,479</u>	<u>\$ 322,802</u>	<u>\$ -</u>

488 T-Stem Blueprint Implementation	489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	599 I & S Fund
\$ 16,768	\$ 14,909	\$ 759	\$ 3,465	\$ 44,321	\$ 1,606,499	\$ 3,330,913
-	-	-	-	-	-	134,014
-	-	-	-	-	-	(12,222)
-	-	-	-	-	1,695,938	913
-	-	-	-	-	359	-
<u>\$ 16,768</u>	<u>\$ 14,909</u>	<u>\$ 759</u>	<u>\$ 3,465</u>	<u>\$ 44,321</u>	<u>\$ 3,302,796</u>	<u>\$ 3,453,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,369	\$ -
-	-	-	-	-	492,753	-
-	-	-	-	-	1,126,698	-
-	-	-	-	-	4,719	-
16,768	14,909	759	3,465	-	1,262,045	45,025
<u>16,768</u>	<u>14,909</u>	<u>759</u>	<u>3,465</u>	<u>-</u>	<u>2,941,584</u>	<u>45,025</u>
-	-	-	-	-	-	116,824
-	-	-	-	-	-	116,824
-	-	-	-	-	-	-
-	-	-	-	-	-	3,291,769
-	-	-	-	-	316,891	-
-	-	-	-	44,321	44,321	-
-	-	-	-	44,321	361,212	3,291,769
<u>\$ 16,768</u>	<u>\$ 14,909</u>	<u>\$ 759</u>	<u>\$ 3,465</u>	<u>\$ 44,321</u>	<u>\$ 3,302,796</u>	<u>\$ 3,453,618</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2020

Data Control Codes		617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	ASSETS			
1110	Cash and cash equivalents	\$ 2,381,512	\$ 2,381,512	\$ 7,318,924
1220	Property taxes receivable (delinquent)	-	-	134,014
1230	Allowance for uncollectible taxes	-	-	(12,222)
1240	Due from other governments	-	-	1,696,851
1290	Other receivables	3,648	3,648	4,007
1000	Total Assets	<u>\$ 2,385,160</u>	<u>\$ 2,385,160</u>	<u>\$ 9,141,574</u>
	LIABILITIES			
2110	Accounts payable	\$ 409,407	\$ 409,407	\$ 464,776
2160	Accrued wages payable	-	-	492,753
2170	Due to other funds	-	-	1,126,698
2180	Due to other governments	-	-	4,719
2300	Unearned revenues	-	-	1,307,070
2000	Total Liabilities	<u>409,407</u>	<u>409,407</u>	<u>3,396,016</u>
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable revenue - property taxes	-	-	116,824
2600	Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>116,824</u>
	Fund Balances:			
3470	Restricted for capital acquisitions	1,975,753	1,975,753	1,975,753
3480	Restricted for retirement of debt	-	-	3,291,769
3545	Other committed fund balances	-	-	316,891
3590	Other Assigned Fund Balance	-	-	44,321
	Total Fund Equity	<u>1,975,753</u>	<u>1,975,753</u>	<u>5,628,734</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,385,160</u>	<u>\$ 2,385,160</u>	<u>\$ 9,141,574</u>

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WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

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	8,045,502	1,311,137	3,029,678
5020	Total Revenues	<u>8,045,502</u>	<u>1,311,137</u>	<u>3,029,678</u>
	EXPENDITURES:			
	Current			
0011	Instruction	2,353,421	434,133	2,507,464
0012	Instruction resources & media services	966,311	-	-
0013	Curriculum & staff development	2,075,435	202,057	-
0021	Instructional leadership	355,301	167,751	136,282
0023	School leadership	103,499	1,948	-
0031	Guidance, counseling & evaluation services	596,925	-	351,046
0032	Social work services	-	482,430	-
0033	Health services	639,159	-	34,886
0034	Student (pupil) transportation	-	-	-
0036	Co-curricular/extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance & operations	-	407	-
0061	Community services	955,451	22,411	-
	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>8,045,502</u>	<u>1,311,137</u>	<u>3,029,678</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	-	-
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 - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA Part B Pre-School	244 Vocational Basic Grant	255 ESEA II Training & Recruiting	263 English Language Acquisition	265 21st Century Community	274 Gear - Up	289 Other Federal Grants	397 Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
7,619	351,019	807,043	459,238	1,593,440	457,107	411,096	-
7,619	351,019	807,043	459,238	1,593,440	457,107	411,096	-
7,619	188,883	739,424	457,153	-	82,880	345,508	-
-	-	-	-	-	-	-	-
-	9,997	59,639	-	-	31,390	65,588	-
-	-	-	-	-	-	-	-
-	-	7,980	-	-	1,384	-	-
-	150,489	-	-	-	340,340	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	66,991	-	-	-
-	1,650	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,085	1,526,449	1,113	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,619	351,019	807,043	459,238	1,593,440	457,107	411,096	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes		410 State Textbook Fund	429 Other State Special Rev.	461 Campus Activity Fund	481 B. Bush Texas Fund	488 T-Stem Blueprint Implem.
	REVENUES:					
5700	Local & intermediate sources	\$ -	\$ -	\$ 286,937	\$ 2,600	\$ 9,793
5800	State program revenues	1,328,465	55,117	-	-	-
5900	Federal program revenues	-	-	-	-	-
5020	Total Revenues	<u>1,328,465</u>	<u>55,117</u>	<u>286,937</u>	<u>2,600</u>	<u>9,793</u>
	EXPENDITURES:					
	Current					
0011	Instruction	1,301,415	15,000	52,483	-	8,741
0012	Instruction resources & media services	-	-	-	-	-
0013	Curriculum & staff development	-	2,364	-	2,600	-
0021	Instructional leadership	-	-	-	-	-
0023	School leadership	-	-	7,514	-	-
0031	Guidance, counseling & evaluation services	-	20,473	-	-	-
0032	Social work services	-	-	-	-	1,052
0033	Health services	-	-	-	-	-
0034	Student (pupil) transportation	-	-	-	-	-
0036	Co-curricular/extracurricular activities	-	-	159,414	-	-
0041	General administration	27,050	-	-	-	-
0051	Facilities maintenance & operations	-	17,280	-	-	-
0061	Community services	-	-	-	-	-
	Debt Service:	-	-	-	-	-
0071	Debt service - principal on long term debt	-	-	-	-	-
0072	Debt service - interest on long term debt	-	-	-	-	-
0073	Debt service - bond issuance cost & fees	-	-	-	-	-
	Capital Outlay	-	-	-	-	-
0081	Facilities acquisition and construction	-	-	-	-	-
6030	Total Expenditures	<u>1,328,465</u>	<u>55,117</u>	<u>219,411</u>	<u>2,600</u>	<u>9,793</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	67,526	-	-
	OTHER FINANCING SOURCES (USES)					
7915	Transfers in	-	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	-	-	67,526	-	-
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>249,365</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,891</u>	<u>\$ -</u>	<u>\$ -</u>

## EXHIBIT H-2 Cont'd

489 Project Lead The Way	490 United Way Fund	491 Best Buy Cyber Grant	499 Other Local Special Revenue Funds	Total Nonmajor Special Rev. Funds	599 I & S Fund
\$ -	\$ 1,469	\$ -	\$ 40,037	\$ 340,836	\$ 516,566
-	-	-	-	1,383,582	605,781
-	-	-	-	16,472,879	-
-	1,469	-	40,037	18,197,297	1,122,347
-	-	-	-	8,494,124	-
-	-	-	-	966,311	-
-	-	-	-	2,449,070	-
-	-	-	-	659,334	-
-	-	-	-	122,325	-
-	-	-	-	1,459,273	-
-	-	-	-	483,482	-
-	-	-	-	674,045	-
-	-	-	-	66,991	-
-	-	-	-	161,064	-
-	-	-	-	27,050	-
-	-	-	-	17,687	-
-	1,469	-	5,000	2,513,978	-
-	-	-	-	-	-
-	-	-	-	-	2,065,000
-	-	-	-	-	1,886,025
-	-	-	-	-	1,700
-	-	-	-	-	-
-	-	-	-	-	-
-	1,469	-	5,000	18,094,734	3,952,725
-	-	-	35,037	102,563	(2,830,378)
-	-	-	-	-	2,000,000
-	-	-	-	-	2,000,000
-	-	-	35,037	102,563	(830,378)
-	-	-	9,284	258,649	4,122,147
\$ -	\$ -	\$ -	\$ 44,321	\$ 361,212	\$ 3,291,769

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT H-2

Data Control Codes		617 2017 Tax Notes Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	REVENUES:			
5700	Local & intermediate sources	\$ 40,633	\$ 40,633	\$ 898,035
5800	State program revenues	-	-	1,989,363
5900	Federal program revenues	-	-	16,472,879
5020	Total Revenues	<u>40,633</u>	<u>40,633</u>	<u>19,360,277</u>
	EXPENDITURES:			
	Current			
0011	Instruction	-	-	8,494,124
0012	Instruction resources & media services	-	-	966,311
0013	Curriculum & staff development	-	-	2,449,070
0021	Instructional leadership	-	-	659,334
0023	School leadership	-	-	122,325
0031	Guidance, counseling & evaluation services	-	-	1,459,273
0032	Social work services	-	-	483,482
0033	Health services	-	-	674,045
0034	Student (pupil) transportation	-	-	66,991
0036	Co-curricular/extracurricular activities	-	-	161,064
0041	General administration	-	-	27,050
0051	Facilities maintenance & operations	44,181	44,181	61,868
0061	Community services	-	-	2,513,978
	Debt Service:			
0071	Debt service - principal on long term debt	-	-	2,065,000
0072	Debt service - interest on long term debt	-	-	1,886,025
0073	Debt service - bond issuance cost & fees	-	-	1,700
	Capital Outlay			
0081	Facilities acquisition and construction	<u>1,182,619</u>	<u>1,182,619</u>	<u>1,182,619</u>
6030	Total Expenditures	<u>1,226,800</u>	<u>1,226,800</u>	<u>23,274,259</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,186,167)	(1,186,167)	(3,913,982)
	OTHER FINANCING SOURCES (USES)			
7915	Transfers in	-	-	2,000,000
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,000,000</u>
1200	Net Change in Fund Balances	(1,186,167)	(1,186,167)	(1,913,982)
0100	Fund Balance - September 1 (Beginning)	<u>3,161,920</u>	<u>3,161,920</u>	<u>7,542,716</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 1,975,753</u>	<u>\$ 1,975,753</u>	<u>\$ 5,628,734</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 AUGUST 31, 2020

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 5,597,925	\$ 282,713	\$ 577,856	\$ 6,458,494
Other receivables	<u>38</u>	<u>74</u>	<u>-</u>	<u>112</u>
Total Assets	<u>\$ 5,597,963</u>	<u>\$ 282,787</u>	<u>\$ 577,856</u>	<u>\$ 6,458,606</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Account payables	\$ 1,309,168	\$ 473	\$ -	\$ 1,309,641
Other current liabilities	<u>1,039,020</u>	<u>70,082</u>	<u>-</u>	<u>1,109,102</u>
Total Liabilities	<u>2,348,188</u>	<u>70,555</u>	<u>-</u>	<u>2,418,743</u>
<b>NET POSITION</b>				
Unrestricted	<u>3,249,775</u>	<u>212,232</u>	<u>577,856</u>	<u>4,039,863</u>
Total Net Position	<u>\$ 3,249,775</u>	<u>\$ 212,232</u>	<u>\$ 577,856</u>	<u>\$ 4,039,863</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2020

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	<u>\$ 19,850,912</u>	<u>\$ 409,224</u>	<u>\$ 113,217</u>	<u>\$ 20,373,353</u>
Total Operating Revenues	<u>19,850,912</u>	<u>409,224</u>	<u>113,217</u>	<u>20,373,353</u>
OPERATING EXPENSES:				
Attorney fees	-	1,328	-	1,328
Professional contracted services	27,031	49,522	-	76,553
Fees	-	63,115	38,983	102,098
Insurance claims and expenses	<u>16,462,451</u>	<u>334,690</u>	<u>-</u>	<u>16,797,141</u>
Total Operating Expenses	<u>16,489,482</u>	<u>448,655</u>	<u>38,983</u>	<u>16,977,120</u>
Operating Income (Loss)	<u>3,361,430</u>	<u>(39,431)</u>	<u>74,234</u>	<u>3,396,233</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	<u>23,947</u>	<u>2,721</u>	<u>7,162</u>	<u>33,830</u>
Total non-operating revenue (expenses)	<u>23,947</u>	<u>2,721</u>	<u>7,162</u>	<u>33,830</u>
Income (Loss) before Contributions and Transfers	3,385,377	(36,710)	81,396	3,430,063
Transfers in (out)	-	-	-	-
Change in Net Position	<u>3,385,377</u>	<u>(36,710)</u>	<u>81,396</u>	<u>3,430,063</u>
Total Net Position-September 1, (Beginning)	<u>(135,602)</u>	<u>248,942</u>	<u>496,460</u>	<u>609,800</u>
Total Net Position - August 31, (Ending)	<u>\$ 3,249,775</u>	<u>\$ 212,232</u>	<u>\$ 577,856</u>	<u>\$ 4,039,863</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2020

	Self Insurance Fund	Workers' Comp Fund	Unemployment Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ 15,545,334	\$ 513,512	\$ 161,055	\$ 16,219,901
Receipts from employees	3,888,809	-	-	3,888,809
Receipts from other participants	4,534	-	-	4,534
Receipts from reimbursements and refunds	745,359	9,528	-	754,887
Payments for benefit claims	(16,017,737)	(317,788)	-	(16,335,525)
Payments for administration	(27,031)	(113,492)	(38,983)	(179,506)
Net cash provided in operating activities	<u>4,139,268</u>	<u>91,760</u>	<u>122,072</u>	<u>4,353,100</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	<u>23,948</u>	<u>2,721</u>	<u>7,162</u>	<u>33,831</u>
Net cash provided from investing activities	<u>23,948</u>	<u>2,721</u>	<u>7,162</u>	<u>33,831</u>
Net increase in cash and cash equivalents	4,163,216	94,481	129,234	4,386,931
Cash and Cash equivalents-beginning	<u>1,434,709</u>	<u>188,232</u>	<u>448,622</u>	<u>2,071,563</u>
Cash and Cash equivalents-ending	<u>\$ 5,597,925</u>	<u>\$ 282,713</u>	<u>\$ 577,856</u>	<u>\$ 6,458,494</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income/(loss)	\$ 3,361,430	\$ (39,431)	\$ 74,234	\$ 3,396,233
Adjustments to reconcile operating loss to net cash provided:				
(Increase) decrease in miscellaneous receivables	329,837	(74)	-	329,763
(Increase) decrease in due from other funds	-	104,288	47,838	152,126
Increase (Decrease) in account payables	625,533	473	-	626,006
Increase (Decrease) in other current liabilities	234,703	26,504	-	261,207
Increase (Decrease) in due to other funds	(412,235)	-	-	(412,235)
Total adjustments	<u>777,838</u>	<u>131,191</u>	<u>47,838</u>	<u>956,867</u>
Net cash provided by operating activities	<u>\$ 4,139,268</u>	<u>\$ 91,760</u>	<u>\$ 122,072</u>	<u>\$ 4,353,100</u>



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## **AGENCY FUNDS**

### **Agency Funds:**

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

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

WESLACO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED AUGUST 31, 2020

	Balance September 1 2019	Additions	Deductions	Balance August 31 2020
<b>STUDENT ACTIVITY FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 566,985</u>	<u>\$ 1,798,903</u>	<u>\$ 1,446,580</u>	<u>\$ 919,308</u>
Total Assets	<u><u>\$ 566,985</u></u>	<u><u>\$ 1,798,903</u></u>	<u><u>\$ 1,446,580</u></u>	<u><u>\$ 919,308</u></u>
<b>LIABILITIES</b>				
Due to student groups	<u>\$ 566,985</u>	<u>\$ 1,798,903</u>	<u>\$ 1,446,580</u>	<u>\$ 919,308</u>
Total Liabilities	<u><u>\$ 566,985</u></u>	<u><u>\$ 1,798,903</u></u>	<u><u>\$ 1,446,580</u></u>	<u><u>\$ 919,308</u></u>

## **REQUIRED TEA SCHEDULES**

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31,	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purpose
	Maintenance	Debt Service	
2011 & Prior	Various	Various	Various
2012	1.1397	-	1,828,879,472
2013	1.1397	-	1,860,366,711
2014	1.1397	-	1,891,048,258
2015	1.1397	-	2,018,278,834
2016	1.1397	-	2,058,098,631
2017	1.1397	-	2,169,706,968
2018	1.1397	0.0200	2,292,112,169
2019	1.1397	0.0200	2,302,601,674
2020 (School Year under Audit)	1.0487	0.0200	2,409,136,097
1000      TOTALS			

## EXHIBIT J-1

(10) Beginning Balance 9/1/2019	(20) Current Year's Levy	(31) Maintenance Total Collection	(32) Interest & Sinking Total Collection	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 1,108,986	\$ -	\$ 41,744	\$ 3,676	\$ (30,584)	\$ 1,032,982
135,854	-	7,500	-	(3,482)	124,872
142,265	-	13,435	-	(3,916)	124,914
167,709	-	13,077	-	(3,655)	150,977
198,964	-	45,027	-	10,274	164,211
227,428	-	54,558	-	(1,268)	171,602
327,367	-	109,976	-	19,817	237,208
565,154	-	168,782	2,962	(24,780)	368,630
1,254,549	-	417,887	7,333	(145,869)	683,460
	25,421,226	23,588,093	449,854	(214,670)	1,168,609
<u>\$ 4,128,276</u>	<u>\$ 25,421,226</u>	<u>\$ 24,460,079</u>	<u>\$ 463,825</u>	<u>\$ (398,133)</u>	<u>\$ 4,227,465</u>

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL-CHILD NUTRITION PROGRAM  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Data Control Codes				Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)				
				Budgeted Amount					
				Original	Final				
REVENUES:									
5700	Local and intermediate sources	\$	380,520	\$	380,520	\$	297,604	\$	(82,916)
5800	State program revenues		60,000		60,000		51,252		(8,748)
5900	Federal program revenues		13,520,253		13,520,253		10,641,323		(2,878,930)
5020	Total Revenues		13,960,773		13,960,773		10,990,179		(2,970,594)
EXPENDITURES:									
0035	Food services		13,128,829		14,547,949		11,901,575		2,646,374
0051	Facilities maintenance and operations		831,944		831,944		593,977		237,967
6030	Total Expenditures		13,960,773		15,379,893		12,495,552		2,884,341
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		-		(1,419,120)		(1,505,373)		(86,253)
1200	Net Change in Fund Balance		-		(1,419,120)		(1,505,373)		(86,253)
0100	Fund Balance - September 1 (Beginning)		2,798,630		2,798,630		2,798,630		-
3000	Fund Balance - August 31 (Ending)	\$	2,798,630	\$	1,379,510	\$	1,293,257	\$	(86,253)

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL-DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

Data Control Codes				Actual Amount GAAP Basis	Variance With Final Budget Positive or (Negative)				
Budgeted Amount									
Original				Final					
REVENUES:									
5700	Local and intermediate sources	\$	521,180	\$	497,335	\$	516,566	\$	19,231
5800	State program revenues		612,915		637,835		605,781		(32,054)
5020	Total Revenues		1,134,095		1,135,170		1,122,347		(12,823)
EXPENDITURES:									
0071	Debt service - principal on long term debt		2,065,000		2,065,000		2,065,000		-
0072	Debt service - interest on long term debt		1,886,025		1,886,025		1,886,025		-
0073	Debt service - bond issuance cost & fees		5,000		5,000		1,700		3,300
6030	Total Expenditures		3,956,025		3,956,025		3,952,725		3,300
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,821,930)		(2,820,855)		(2,830,378)		(9,523)
OTHER FINANCING SOURCES (USES)									
7915	Transfer in		-		2,000,000		2,000,000		-
7080	Total Other Financing Sources (Uses)		-		2,000,000		2,000,000		-
1200	Net Change in Fund Balances		(2,821,930)		(820,855)		(830,378)		(9,523)
0100	Fund Balance - September 1 (Beginning)		4,122,147		4,122,147		4,122,147		-
3000	Fund Balance - August 31 (Ending)	\$	1,300,217	\$	3,301,292	\$	3,291,769	\$	(9,523)



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## **STATISTICAL SECTION**

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## WESLACO INDEPENDENT SCHOOL DISTRICT

### STATISTICAL SECTION OVERVIEW (Unaudited)

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

The statistical section is organized in the following sections:

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

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

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

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

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

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

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

**TABLE L-1**

	2011	2012	2013	2014	2015 *	2016	2017	2018 **	2019	2020
Governmental Activities										
<i>Net Investment in Capital Assets</i>	\$66,572,016	\$69,662,775	\$67,109,281	\$57,955,030	\$65,082,018	\$70,172,243	\$53,852,720	\$68,417,270	\$64,654,480	\$67,359,544
<i>Restricted</i>	13,764,073	7,955,149	9,567,330	17,964,766	13,318,765	20,308,022	31,073,280	34,045,172	19,951,983	18,907,287
<i>Unrestricted</i>	28,317,501	36,610,978	38,892,701	40,694,713	13,712,717	11,348,644	9,316,031	(92,484,770)	(81,580,218)	(87,504,983)
 <i>Total Net Position</i>	 \$108,653,590	 \$114,228,902	 \$115,569,312	 \$116,614,509	 \$92,113,501	 \$101,828,909	 \$94,242,031	 \$9,977,672	 \$3,026,245	 \$ (1,238,152)

Source: Financial Statements and Independent Auditor's Report  
Statement of Net Position (Exhibit A-1)  
2011-2020 Fiscal Year End 8/31  
\*Implementation of GASB 65  
\*\*Implementation of GASB 75

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

**TABLE L-2**

<b>Expenses</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 *</b>	<b>2016</b>	<b>2017</b>	<b>2018 **</b>	<b>2019</b>	<b>2020</b>
<i>Governmental Activities:</i>										
<i>Instruction</i>	\$86,148,829	\$82,073,900	\$82,820,029	\$86,818,655	\$89,938,794	\$93,758,756	\$92,471,673	\$61,875,457	\$95,436,737	\$105,000,280
<i>Instructional Resource and Media Services</i>	3,165,490	3,126,658	3,147,877	3,138,683	3,219,111	3,407,707	3,270,878	2,133,005	3,392,142	3,778,530
<i>Curriculum and Staff Development</i>	7,227,046	7,168,419	5,981,991	5,771,075	5,833,373	7,866,159	6,672,451	3,444,618	6,150,592	8,242,148
<i>Instructional Leadership</i>	1,842,193	1,614,531	1,763,693	1,741,556	1,918,149	1,958,667	2,102,624	1,457,965	2,382,522	2,602,581
<i>School Leadership</i>	5,635,650	4,848,957	4,851,895	4,896,405	5,353,983	5,347,324	5,525,639	4,182,155	6,132,735	6,917,888
<i>Guidance, Counseling and Evaluation Services</i>	5,282,492	5,357,658	5,805,284	5,873,335	5,922,963	6,457,628	6,274,128	3,675,415	6,769,747	7,683,091
<i>Social Work Services</i>	1,897,984	1,951,984	1,851,636	1,590,345	1,744,838	1,893,278	94,242,031	1,123,254	1,462,253	1,422,668
<i>Health Services</i>	1,801,320	1,866,796	1,903,517	1,833,597	1,917,008	2,031,580	1,991,617	1,175,267	2,131,586	2,535,787
<i>Student Transportation</i>	3,491,384	3,445,601	3,637,229	3,877,637	4,053,767	4,372,443	4,841,325	4,463,629	5,186,794	5,114,576
<i>Food Services</i>	9,936,549	10,529,742	11,100,321	11,065,882	10,967,135	12,651,725	12,346,731	9,934,616	12,483,909	11,777,372
<i>Cocurricular/Extracurricular Activities</i>	6,273,296	6,542,716	6,975,634	7,063,184	7,850,006	8,388,595	8,491,903	6,951,528	8,646,890	8,587,794
<i>General Administration</i>	15,119,601	15,782,665	16,482,896	17,115,853	20,123,067	21,627,390	24,261,944	18,956,735	25,322,624	21,989,362
<i>Facilities Maintenance and Operations</i>	14,970,462	15,911,132	15,596,403	15,587,518	15,576,051	17,098,058	16,614,367	13,666,829	16,356,513	17,892,505
<i>Security and Monitoring Services</i>	1,487,063	1,602,277	1,604,098	2,058,835	2,100,843	2,057,040	2,235,845	1,685,302	2,538,862	3,527,828
<i>Data Processing Services</i>	1,781,587	1,860,420	2,141,748	2,016,328	2,019,983	2,163,703	2,034,553	1,639,951	2,225,427	2,368,371
<i>Community Services</i>	2,113,316	2,049,804	2,099,332	2,181,705	2,121,282	2,261,487	3,991,891	2,239,217	3,888,612	4,001,334
<i>Debt Service-Interest and Fees on Long Term Det</i>	3,917,022	2,448,647	3,399,527	3,377,883	3,448,931	2,620,552	2,900,318	2,761,245	2,928,189	2,649,331
<i>Facilities Acquisition and Construction</i>	614,633	50,717	-	-	-	-	-	-	209,787	200,435
<i>Payments Related to Shared Services Arrangemem</i>	-	-	-	-	-	-	-	-	-	-
<i>Payment to Juvenile Justice Alternative Ed. Prg</i>	220,000	184,460	189,500	242,000	220,000	239,520	248,000	129,946	80,582	85,635
<i>Other Intergovernmental Charges</i>	173,582	185,752	204,067	196,658	230,394	245,133	161,539	279,379	246,175	248,201
<b>Total Governmental Activities Expenses</b>	<b>173,099,499</b>	<b>168,602,836</b>	<b>171,556,677</b>	<b>176,447,134</b>	<b>184,559,678</b>	<b>196,446,745</b>	<b>198,515,539</b>	<b>141,775,513</b>	<b>203,972,678</b>	<b>216,625,717</b>
<i>Program Revenues</i>										
<i>Charges for Services:</i>										
<i>Instruction</i>	\$207,308	\$170,849	\$148,192	\$209,036	\$132,283	\$152,654	\$113,191	\$119,627	\$133,186	\$70,060
<i>Instructional Resources and Media Services</i>	-	-	-	3,375	-	83	470	121	-	-
<i>Curriculum and Staff Development</i>	1,205	-	154	288	645	269	367	182	605	-
<i>Instructional Leadership</i>	-	-	-	-	-	-	-	-	-	-
<i>School Leadership</i>	1,895	1,633	1,568	-	519	-	791	896	6,434	9,827
<i>Guidance, Counseling and Evaluation Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Social Work Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Health Services</i>	-	-	-	-	-	-	-	-	-	-
<i>Student Transportation</i>	10,191	9,239	19,455	20	52,641	20	15	4,302	21,025	54,065
<i>Food Services</i>	734,023	696,412	693,023	697,330	582,296	463,055	374,151	343,168	366,362	257,904
<i>Cocurricular/Extracurricular Activities</i>	799,758	707,984	798,852	677,440	725,639	593,179	602,391	609,479	670,225	718,532
<i>General Administration</i>	1,891,549	2,142,898	2,014,912	1,891,137	2,087,523	3,101,767	2,590,722	2,937,756	2,307,310	3,936,962
<i>Facilities Maintenance and Operations</i>	133,863	59,232	102,444	93,702	72,560	303,091	35,734	73,515	101,964	38,868
<i>Security and Monitoring Services</i>	3,229	-	-	-	-	-	-	-	-	-
<i>Data Processing Services</i>	118	-	-	-	-	-	-	-	-	-
<i>Community Services</i>	148,071	166,356	174,118	172,343	197,761	190,100	170,131	194,503	173,670	136,589
<i>Debt Service-Interest and Fees on Long Term Det</i>	-	-	-	-	-	-	-	-	-	-
<i>Facilities Acquisition and Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Intergovernmental Charges</i>	-	-	-	-	-	-	-	-	-	-
<i>Operating Grants/Capital and Contributions</i>	53,045,902	41,310,808	38,414,155	36,330,426	40,834,221	42,251,555	41,621,847	11,559,296	41,652,961	53,350,814
<b>Total Governmental Activities Program Revenues</b>	<b>56,977,112</b>	<b>45,265,411</b>	<b>42,366,873</b>	<b>40,075,097</b>	<b>44,686,088</b>	<b>47,055,773</b>	<b>45,509,810</b>	<b>15,842,845</b>	<b>45,433,742</b>	<b>58,573,620</b>
<b>Net Government Activities Revenue/(Expenses)</b>	<b>\$(116,122,387)</b>	<b>\$(123,337,425)</b>	<b>\$(129,189,805)</b>	<b>\$(136,372,037)</b>	<b>\$(139,873,589)</b>	<b>\$(149,390,971)</b>	<b>\$(153,005,729)</b>	<b>\$(125,932,669)</b>	<b>\$(158,538,937)</b>	<b>\$(158,052,095)</b>

Source: Financial Statements and Independent Auditor's Report  
Statement of Activities( Exhibit B-1)  
2011-2020 Fiscal Year End 8/31  
\*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**

	2011	2012	2013	2014	2015 *	2016	2017	2018 **	2019	2020
<b>Net Governmental Activities</b>										
<b>Revenue/(Expenses)</b>	\$(116,122,387)	\$(123,337,425)	\$(129,189,804)	\$(136,372,037)	\$(139,873,589)	\$(149,390,971)	\$(153,005,729)	\$(125,932,669)	\$(158,538,937)	\$(158,052,095)
<b>General Revenue and Changes in Net Position:</b>										
<i>Governmental Activities:</i>										
<i>Property Taxes-General</i>	18,863,335	21,150,387	21,932,794	21,618,492	23,546,542	23,882,403	24,915,531	26,329,885	26,447,893	25,165,883
<i>Property Taxes-Debt Services</i>	1,815,130	44,825	59,893	34,993	18,319	17,547	94,242,031	469,888	473,001	478,881
<i>Grants &amp; Contributions Not Restricted</i>	103,449,609	102,902,449	109,184,686	114,534,319	115,521,053	130,154,799	119,855,162	126,931,141	122,918,825	127,012,919
<i>Investment Earnings</i>	81,992	110,381	96,168	70,414	78,825	222,846	564,446	1,375,217	1,895,536	1,093,132
<i>Miscellaneous</i>	38,441	41,474	21,897	20,741	86,890	17,789	69,727	21,126	20,648	36,884
<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>	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	124,248,507	124,249,516	131,295,438	136,278,959	139,251,629	154,295,384	145,418,850	158,215,516	151,356,261	153,787,699
<b>Changes in Net Position</b>	\$8,126,119	\$912,091	\$2,105,633	\$(93,079)	\$(621,961)	\$4,904,414	\$(7,586,879)	\$32,282,845	\$(7,182,675)	\$(4,264,396)

Source: Financial Statements and Independent Auditor's Report  
Statement of Activities( Exhibit B-1)  
2011-2020 Fiscal Year End 8/31  
\*Implementation of GASB 65  
\*\*Implementation of GASB 75

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

**TABLE L-4**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General</b>										
<b>POST GASB 54</b>										
<i>Non-spendable:</i>										
<i>Inventories</i>	902,671	904,773	939,967	938,278	903,195	847,969	960,789	848,180	992,097	1,104,190
<i>Prepaid Items</i>	1,402,071	1,671,484	1,783,576	1,760,386	1,564,045	1,584,354	1,379,451	1,350,744	1,401,976	537,627
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	2,943,719	3,544,964	4,381,575	4,494,889	5,695,725	7,302,864	5,093,955	5,862,080	5,177,298	6,574,402
<i>Other Restrictions of Fund Balance</i>	-	1,547,158	4,632,264	-	-	-	-	-	-	-
<i>Assigned:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	-	-	3,169,825	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
<i>Unassigned:</i>	19,009,349	23,582,400	15,500,000	16,000,000	16,500,000	17,000,000	17,500,000	18,000,000	38,089,304	39,032,046
<b>Total General Fund Balance</b>	<b>\$24,257,810</b>	<b>\$31,250,779</b>	<b>\$31,341,611</b>	<b>\$34,308,223</b>	<b>\$35,908,591</b>	<b>\$46,205,789</b>	<b>\$48,319,737</b>	<b>\$41,861,790</b>	<b>\$48,946,321</b>	<b>\$48,540,195</b>
<b>All Other Governmental Funds</b>										
<b>POST GASB 54</b>										
<i>Restricted:</i>										
<i>Federal/State Funds Grant Restrictions</i>	444,242	10,668	10,668	10,668	10,668	10,668	10,668	-	-	-
<i>Capital Acquisition and Contractual Obligation</i>	6,100,790	2,534,596	3,574,020	10,691,736	5,043,128	4,278,991	21,250,253	23,768,132	10,150,363	10,723,179
<i>Retirement of Long Term Debt</i>	3,645,675	3,985	273,431	1,499,721	1,287,408	7,427,367	3,306,023	2,993,691	4,122,147	3,291,769
<i>Other Restrictions of Fund Balance</i>	-	-	-	-	-	-	-	-	-	-
<i>Committed:</i>										
<i>Construction</i>	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditures for Equipment</i>	-	-	-	-	-	-	-	-	-	-
<i>Other Commitments of Fund Balance</i>	196,629	191,887	260,805	245,912	292,792	270,009	244,819	243,452	249,365	316,891
<i>Assigned:</i>										
<i>Other</i>	35,253	35,278	35,278	9,584	9,584	9,584	9,584	9,584	9,284	44,321
<i>Unassigned:</i>	-	-	-	-	-	-	-	-	-	-
<i>Total All</i>	<b>10,422,589</b>	<b>2,776,414</b>	<b>4,154,202</b>	<b>12,457,621</b>	<b>6,643,580</b>	<b>11,996,619</b>	<b>24,821,347</b>	<b>27,014,859</b>	<b>14,531,159</b>	<b>14,376,159</b>
<b>Total Governmental Funds -Fund Balance</b>	<b>\$34,680,398</b>	<b>\$34,027,193</b>	<b>\$35,495,813</b>	<b>\$46,765,842</b>	<b>\$42,552,172</b>	<b>\$58,202,409</b>	<b>\$73,141,084</b>	<b>\$68,876,650</b>	<b>\$63,477,479</b>	<b>\$62,916,354</b>
<b>Governmental Funds -</b>										
<i>Beginning Fund Balance</i>	37,108,923	34,680,398	34,027,193	35,495,813	46,765,842	42,552,172	58,202,409	73,141,084	68,876,650	63,477,479
<i>Prior Period Adjustment</i>	-	4,663,222	-	1,138,275	-	4,810,995	-	-	(336,213)	-
<i>Net Change in Fund Balance</i>	(2,428,526)	(5,316,427)	1,468,621	10,131,754	(4,213,670)	10,839,242	14,938,675	(4,264,434)	(5,062,958)	(561,125)
<b>Ending Fund Balance</b>	<b>\$34,680,398</b>	<b>\$34,027,193</b>	<b>\$35,495,813</b>	<b>\$46,765,842</b>	<b>\$42,552,172</b>	<b>\$58,202,409</b>	<b>\$73,141,084</b>	<b>\$68,876,650</b>	<b>\$63,477,479</b>	<b>\$62,916,354</b>

Source: Financial Statements and Independent Auditor's Report  
Balance Sheet - Governmental Funds (Exhibit C-1) 2011-2020  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2011-2020 Fiscal Year End 8/31  
Per GASB 54 - 2011



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

**TABLE L-5**

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Investment Income	Other	Per Capita and Foundation	On Behalf TRS Payments	Other		
2011	20,796,366	78,037	1,972,928	98,595,138	5,531,485	6,653,224	45,695,778	179,322,956
2012	21,377,518	100,837	2,179,126	104,671,853	5,529,121	149,301	33,817,761	167,825,517
2013	21,799,267	84,580	1,950,888	109,686,971	5,799,485	554,976	31,555,773	171,431,940
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	194,961,486
2017	24,900,863	561,541	1,416,357	120,529,452	4,813,494	1,596,924	33,226,272	187,044,903
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	193,953,229
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

Source: Financial Statements and Independent Auditor's Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-6**

	Instructional And	Instructional	Support		Support					Facilities			Ratio of
	Instructional	and	Services	Administrative	Services		Debt	Service	Debt	Acquisition &	Inter-	Total	Debt Services
Fiscal	Related	School	Student	Support	Non-Student	Ancillary	Service	Interest	Service	Construction- Capital Outlay	Governmental	Governmental Fund	to Non-Capital
Year	Services	Leadership	Other	Services	Based	Services	Principal	and Other	Other Fees		Charges	Expenditures	Expenditures
2011	99,014,829	7,820,540	28,964,925	4,401,917	19,207,249	2,080,189	3,510,500	4,299,171	2,593	12,194,426	393,582	181,889,921	4.63%
2012	94,785,719	6,734,797	30,100,121	4,630,078	20,693,813	1,981,619	3,367,499	4,209,311	2,518	6,907,732	370,212	173,783,419	4.60%
2013	93,837,846	6,894,608	30,726,311	4,437,268	20,307,498	2,015,672	4,208,000	3,373,197	2,556	1,788,693	393,567	167,985,216	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	177,247,246	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	188,759,257	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	184,140,032	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	201,725,026	3.31%

Source: Financial Statements and Independent Auditor's Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-7**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Excess of Revenue Over</i>										
<i>(Under) Expenditures</i>	\$(2,466,966)	\$(5,957,901)	\$3,446,724	\$(2,600,987)	\$(6,669,750)	\$10,821,452	\$(1,493,880)	\$(9,189,142)	\$(10,491,212)	\$(598,010)
<i>Other Financing Sources (Uses)</i>										
<i>Issuance of Bonds</i>	94,242,031	-	-	-	-	-	-	-	4,905,000	-
<i>Refunding Bonds Issued</i>	-	-	-	-	31,570,000	-	19,470,000	-	-	-
<i>Sale of Real and Personal Property</i>	38,441	41,474	21,897	20,741	36,472	17,789	69,727	21,126	20,648	36,884
<i>Proceeds from Sales of Capital Assets</i>	-	-	-	-	-	-	-	-	-	-
<i>Issuance of Capital Leases</i>	-	-	-	-	-	-	-	1,577,168	-	-
<i>Issuance of Loans</i>	-	-	-	12,712,000	-	-	15,020,000	-	1,304,339	-
<i>Issuance on Non-Current Debt</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfer In</i>	12,233,755	7,980,000	9,279,145	20,526,320	11,251,447	5,700,039	21,609,631	14,359,549	3,608,923	5,816,000
<i>Premium on Issuance of Bonds</i>	-	-	-	-	5,463,084	-	4,623,821	-	209,705	-
<i>Other Resources</i>	-	-	-	-	-	-	-	-	-	-
<i>Transfer Out</i>	(12,233,755)	(7,380,000)	(11,279,145)	(20,526,320)	(9,251,447)	(5,700,039)	(22,749,631)	(18,519,549)	(3,608,923)	(5,816,000)
<i>Other Uses</i>	-	-	-	-	(36,613,477)	-	(21,610,993)	-	(1,194,493)	-
<i>Total Other Financing Sources (Uses)</i>	38,441	641,474	(1,978,103)	12,732,741	2,456,079	17,789	16,432,555	(2,561,706)	5,245,199	36,884
<i>Special Items</i>										
<i>Extraordinary Items (Resources)</i>	-	-	-	-	-	-	-	7,486,415	183,056	-
<i>Net Changes in Fund Balances</i>	<u>\$(2,428,525)</u>	<u>\$(5,316,427)</u>	<u>\$1,468,621</u>	<u>\$10,131,754</u>	<u>\$(4,213,671)</u>	<u>\$10,839,241</u>	<u>\$14,938,675</u>	<u>\$(4,264,434)</u>	<u>\$(5,062,958)</u>	<u>\$(561,126)</u>

Source: Financial Statements and Independent Auditor's Report  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2011-2020 Fiscal Year End 8/31

**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
2011	16,427	6,028	476	1,763	268	1,169	127	214	262	742	24	11,073
2012	16,390	5,783	411	1,837	282	1,263	121	205	257	421	23	10,603
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

Source: Financial Statements and Independent Auditor's Report  
PEIMS DATA Report (PFR7D001) 2011-2020  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3)  
2011-2020 Fiscal Year End 8/31

**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	
2011	2,338,476,081	255,356,623	791,203,959	1,802,628,745	2,593,832,704	69.50%	1.1397
2012	2,367,783,766	258,366,051	797,270,345	1,828,879,472	2,626,149,817	69.64%	1.1397
2013	2,411,429,436	262,506,917	813,599,642	1,860,336,711	2,673,936,353	69.57%	1.1397
2014	2,422,290,310	282,384,716	813,626,768	1,891,048,258	2,704,675,026	69.92%	1.1397
2015	2,588,036,036	285,634,774	855,391,976	2,018,278,834	2,873,670,810	70.23%	1.1397
2016	2,732,705,107	303,776,931	978,383,407	2,058,098,631	3,036,482,038	67.78%	1.1397
2017	2,835,567,160	312,988,562	978,848,754	2,169,706,968	3,148,555,722	68.91%	1.1397
2018	3,007,673,308	319,921,470	1,035,482,609	2,292,112,169	3,327,594,778	68.88%	1.1597
2019	3,057,178,970	302,968,791	1,057,546,087	2,302,601,674	3,360,147,761	68.53%	1.1597
2020	3,155,166,207	321,881,136	1,067,911,246	2,409,136,097	3,477,047,343	69.29%	1.0687

Source: Financial Statements and Independent Auditor's Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Assessment Roll Grand Totals from Hidalgo County Appraisal District (Supplement I)  
2011-2020 Fiscal Year End 8/31

**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	Total Collections to Date	
			Fiscal year of Levy		Subsequent Years		
			Amount	% of Original Levy		Amount	% of Adjusted Levy
2011	20,156,456	19,896,687	18,422,759	91.40%	1,351,121	19,773,880	99.38%
2012	20,472,469	20,323,675	19,065,966	93.13%	1,132,837	20,198,803	99.39%
2013	20,814,899	20,672,189	19,485,245	93.61%	1,062,029	20,547,274	99.40%
2014	21,200,328	21,003,816	19,766,065	93.23%	1,086,774	20,852,839	99.28%
2015	22,612,366	22,711,822	21,526,880	95.20%	1,020,731	22,547,611	99.28%
2016	23,079,685	22,995,576	21,886,165	94.83%	937,809	22,823,974	99.25%
2017	24,363,529	24,034,680	22,896,620	93.98%	900,853	23,797,472	99.01%
2018	26,145,817	26,031,056	24,951,740	95.43%	710,687	25,662,426	98.58%
2019	26,276,635	26,090,189	24,981,509	95.07%	425,220	25,406,729	97.38%
2020	25,421,226	25,206,556	24,037,947	94.56%	N/A	24,037,947	95.36%

Source: Financial Statements and Independent Auditor's Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-11**

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	Debt		Total	Debt		Original
	General	Service		General	Service	Levy
	Fund	Fund		Fund	Fund	Total
2011	1.0307	0.1090	1.1397	18,393,186	1,763,270	20,156,456
2012	1.1397	0.0000	1.1397	20,472,469	-	20,472,469
2013	1.1397	0.0000	1.1397	20,814,899	-	20,814,899
2014	1.1397	0.0000	1.1397	21,200,328	-	21,200,328
2015	1.1397	0.0000	1.1397	22,612,366	-	22,612,366
2016	1.1397	0.0000	1.1397	23,079,685	-	23,079,685
2017	1.1397	0.0000	1.1397	24,363,529	-	24,363,529
2018	1.1397	0.0200	1.1597	25,694,911	450,907	26,145,818
2019	1.1397	0.0200	1.1597	25,823,473	453,163	26,276,636
2020	1.0487	0.0200	1.0687	24,945,485	475,741	25,421,226

Source: Financial Statements and Independent Auditor's Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Detail General Ledger Reports  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-12**

Fiscal	Tax	Hidalgo	South	Drainage	Weslaco		City of	Total Direct	Original
Year	Year	County	Texas ISD	District No.1	ISD	STC	Weslaco	and Overlapping	Levy Total
2011	2010	0.5900	0.0492	0.0725	1.1397	0.1497	0.6967	2.6978	20,156,456
2012	2011	0.5900	0.0492	0.0725	1.1397	0.1497	0.6967	2.6978	20,472,469
2013	2012	0.5900	0.0492	0.0733	1.1397	0.1507	0.6967	2.6996	20,814,899
2014	2013	0.5900	0.0492	0.0957	1.1397	0.1500	0.6867	2.7113	21,200,328
2015	2014	0.5900	0.0492	0.0957	1.1397	0.1850	0.6767	2.7363	22,612,366
2016	2015	0.5900	0.0492	0.0951	1.1397	0.1850	0.6767	2.7357	23,079,685
2017	2016	0.5800	0.0492	0.0951	1.1397	0.1850	0.6667	2.7157	24,363,529
2018	2017	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,145,817
2019	2018	0.5800	0.0492	0.0951	1.1597	0.1780	0.6667	2.7287	26,276,635
2020	2019	0.5750	0.0492	0.1051	1.0687	0.1733	0.6967	2.6680	25,421,226

Source: Financial Statements and Independent Auditor's Report  
Schedule of Delinquent Taxes Receivable (Exhibit J-1)  
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)  
2011-2020 Fiscal Year End 8/31



**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**2020 AND 2011**

**TABLE L-13**

		Fiscal Year 2020				Fiscal Year 2011	
		Tax Year 2019 Assessed Valuation	Percentage Total Assessed Valuation			Tax Year 2010 Assessed Valuation	Percentage Total Assessed Valuation
1	H.E.Butt Grocery Company	\$40,771,625	1.69%	1	H.E.Butt Grocery Company	\$38,475,794	2.13%
2	AEP Texas Central Co.	30,011,170	1.25%	2	Pioneer Hi-Bred Int'l, Inc.	19,684,555	1.09%
3	HEB Weslaco Transportation	20,456,646	0.85%	3	AEP Texas Central Co.	14,426,850	0.80%
4	Wal-Mart Real Estate Business TR	17,892,244	0.74%	4	HEB Weslaco Transportation	12,594,975	0.70%
5	G3C Weslaco Westgate LLC	16,134,238	0.67%	5	Clearview Weslaco LLP	10,878,712	0.60%
6	Capcor Weslaco LTD	14,600,000	0.61%	6	John Knox Village	10,501,271	0.58%
7	Woodcrafters Home Products LLC	12,138,038	0.50%	7	Woodcrafters Home Products LLC	9,370,314	0.52%
8	Boyd Weslaco GSA LLC	10,786,798	0.45%	8	Wal-Mart Real Estate Business TR	8,635,324	0.48%
9	Lowe's Home Centers, Inc.	8,598,041	0.36%	9	Reyna Family Land Dev LTD	8,626,661	0.48%
10	Woodcrafters Home Products LLC	8,525,000	0.35%	10	Woodcrafters Home Products LLC	8,501,345	0.47%
		\$179,913,800	7.47%			\$141,695,801	7.86%

Source: Hidalgo Appraisal District  
Top Taxpayer 2020 & 2011  
Weslaco Approval Tax Roll

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

**TABLE L-14**

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

Source: Financial Statements and Independent Auditor's Report  
Notes to Financial Statements Long-Term Debt Obligations 2011-2020  
Academic Excellence Indicator System (AEIS Report)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-15**

Political Subdivision	*Gross Debt Amounts		As of	**Percentage Applicable to WISD	***Estimated Share of  Direct and Overlapping Debt
<b>DIRECT DEBT</b>					
<i>Weslaco ISD</i>	\$77,824,938	*	8/31/2020	100.00%	\$77,824,938
					<u>\$77,824,938</u>
<b>OVERLAPPING DEBT</b>					
<i>City Of Weslaco</i>	\$70,050,000	*	8/31/2020	100.00%	\$70,050,000
<i>Hidalgo County</i>	350,540,000	*	8/31/2020	7.29%	25,554,366
<i>City Of Mercedes</i>	23,470,000	*	8/31/2020	17.46%	4,097,862
<i>Hidalgo Co Drainage District #1</i>	183,725,000	*	8/31/2020	7.61%	13,981,473
<i>South Texas College</i>	136,109,693	*	8/31/2020	6.85%	9,323,514
<i>Total Net Overlapping Debt</i>					<u>123,007,215</u>
<i>Total Direct and Overlapping Debt:</i>					<u><u>\$200,832,153</u></u>

Percent of Assessed Valuation: 8.32%

Direct Overlapping Debt per Capita: \$2,902

\* 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

Source: Municipal Advisory Council of Texas

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

**TABLE L-16**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Assessed Valuation</i>	<u>\$1,802,628,745</u>	<u>1,828,879,472</u>	<u>\$1,860,336,711</u>	<u>\$1,891,048,258</u>	<u>2,018,278,834</u>	<u>2,058,098,631</u>	<u>2,169,706,968</u>	<u>2,292,112,169</u>	<u>2,302,601,674</u>	<u>2,409,136,097</u>
<i>Debt Limit-10% of</i>										
<i>Assessed Valuation</i>	\$180,262,875	\$182,887,947	\$186,033,671	\$189,104,826	\$201,827,883	\$205,809,863	\$216,970,697	\$229,211,217	\$230,260,167	\$240,913,610
<i>General Obligation Bonds</i>	70,763,499	68,385,000	65,205,000	61,890,000	54,140,000	51,110,000	47,515,000	44,815,000	42,840,000	40,775,000
<i>Deduct Amount Available in</i>	94,242,031									
<i>Debt Services Fund</i>	<u>(3,645,675)</u>	<u>(3,985)</u>	<u>(273,431)</u>	<u>(1,499,721)</u>	<u>(1,287,408)</u>	<u>(7,427,367)</u>	<u>(3,306,023)</u>	<u>(2,996,826)</u>	<u>(4,122,147)</u>	<u>(3,291,769)</u>
<i>Net General Bonded Debt</i>	67,117,824	68,381,015	64,931,569	60,390,279	52,852,592	43,682,633	44,208,977	41,818,174	38,717,853	37,483,231
<i>Maintenance Tax Note</i>	7,470,000	6,481,000	18,165,000	17,101,000	15,156,000	13,239,000	26,295,000	24,614,000	28,082,000	26,653,000
<i>Loans Payable</i>	-	-	-	-	-	-	-	-	1,304,339	1,203,801
<i>Capital Leases</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,514,676</u>	<u>95,617</u>	<u>33,125</u>
<i>Less : Applicable Debt Margin</i>	<u>74,587,824</u>	<u>74,862,015</u>	<u>83,096,569</u>	<u>77,491,279</u>	<u>68,008,592</u>	<u>56,921,633</u>	<u>70,503,977</u>	<u>67,946,851</u>	<u>68,199,809</u>	<u>65,373,157</u>
<i>Legal Debt Margin</i>	<u><u>\$105,675,051</u></u>	<u><u>\$108,025,933</u></u>	<u><u>\$102,937,102</u></u>	<u><u>\$111,613,546</u></u>	<u><u>\$133,819,291</u></u>	<u><u>\$148,888,230</u></u>	<u><u>\$146,466,720</u></u>	<u><u>\$161,264,366</u></u>	<u><u>\$162,060,358</u></u>	<u><u>\$175,540,453</u></u>
<i>Debt Margin as a Percentage of the Debt Limit</i>	58.62%	59.07%	55.33%	59.02%	66.30%	72.34%	67.51%	70.36%	70.38%	72.86%

Source: Financial Statements and Independent Auditor's Report  
Notes to Financial Statements Computation of ECISD's Legal Debt Margin  
Notes to Financial Statements Long-Term Debt Obligations 2011-2020  
Tax Roll Report Hidalgo County Tax Assessor  
Budgetary Comparison Schedule Exhibit J-4  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-17**

Fiscal Year	Average	Estimated	General	Premium on Bonds	Accretion of Bonds	Less: Amount	Net Bonded Debt	Net	General
	Daily	Actual	Obligation			Available In		Bonded Debt	Obligation Bonds
	Membership	Taxable Value	Bonds			Debt Service		to Estimated Actual Taxable Value	Per Average Daily Membership
2011	17,036	2,593,832,704	70,763,499	1,079,737	1,313,684	3,645,675	69,511,245	2.68%	4,154
2012	17,016	2,626,149,817	68,385,000	533,521	-	3,985	68,914,536	2.62%	4,019
2013	17,258	2,673,936,353	65,205,000	494,480	-	273,431	65,426,049	2.45%	3,778
2014	17,133	2,704,675,026	61,890,000	317,639	-	1,499,721	60,707,918	2.24%	3,612
2015	16,849	2,873,670,810	54,140,000	4,979,384	-	1,287,408	57,831,977	2.01%	3,213
2016	17,041	3,036,482,038	51,110,000	4,887,934	-	7,427,367	48,570,567	1.60%	2,999
2017	16,727	3,148,555,722	47,515,000	7,622,679	-	3,306,023	51,831,656	1.65%	2,841
2018	16,585	3,327,594,778	44,815,000	7,363,577	-	2,996,826	49,181,751	1.48%	2,702
2019	16,311	3,360,147,761	42,840,000	7,114,685	-	4,122,147	45,832,538	1.36%	2,626
2020	15,693	3,477,047,343	40,775,000	6,805,326	-	3,291,769	44,288,557	1.27%	2,598

Source: Financial Statements and Independent Auditor's Report  
Notes to Financial Statements Long-Term Debt Obligations 2011-2020  
Assessment Roll Grand Totals Hidalgo County Tax Assessor-Collector  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-18**

Fiscal Year	Principal	Interest*	Annual	Total	Ratio of
			Debt	General Fund	Annual Debt Service
			Service	Expenditures	to Total General
					Fund Expenditures
2011	2,331,500	3,967,015	6,298,515	128,769,393	4.89%
2012	2,378,499	3,919,441	6,297,940	136,370,338	4.62%
2013	3,180,000	3,121,396	6,301,396	139,896,249	4.50%
2014	3,315,000	2,981,603	6,296,603	146,570,954	4.30%
2015	3,650,000	2,641,997	6,291,997	154,063,148	4.08%
2016	3,030,000	2,521,713	5,551,713	158,759,955	3.50%
2017	2,690,000	2,094,150	4,784,150	159,717,528	3.00%
2018	2,700,000	2,086,500	4,786,500	171,381,789	2.79%
2019	1,975,000	1,977,425	3,952,425	167,792,464	2.36%
2020	2,065,000	1,886,025	3,951,025	169,638,517	2.33%

Source: Financial Statements and Independent Auditor's Report  
 Budgetary Comparison Schedule Exhibit J-3, J-4  
 Budgetary Comparison Schedule Exhibit C-5  
 2011-2020 Fiscal Year End 8/31

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CALENDAR YEAR 2020 AND 2011**

**TABLE L-19**

Employer	2020			2011		
	Employees	Rank	Percentage	Employees	Rank	Percentage
<i>Weslaco Independent School District</i>	2,655	1	46.82%	2,817	1	44.29%
<i>Knapp Medical Center</i>	715	2	12.61%	1,000	2	15.73%
<i>HEB (3 locations)</i>	450	3	7.94%	407	4	6.40%
<i>Woodcrafters</i>	480	4	8.47%	592	3	9.31%
<i>City of Weslaco</i>	315	5	5.56%	351	6	5.52%
<i>Wal-Mart</i>	260	6	4.59%	260	7	4.09%
<i>Payne Auto Group</i>	250	7	4.41%	389	5	6.12%
<i>South Texas College</i>	214	8	3.77%	214	8	3.37%
<i>Valley Grande Manor</i>	180	9	3.18%	161	10	2.53%
<i>Tx A&amp;M University</i>	150	10	2.65%	-	-	-
<i>Foremost Paving</i>	-	-	-	168	9	2.64%
<i>Total Top Ten</i>	5,669		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**

			*Per			Percentage
			Capita		Average	Economically
Fiscal	Estimated	*Personal	Personal	Unemployment	Daily	Disadvantage
Year	Population	Income	Income	Rate	Attendance	Students
2011	35,670	530,698,260	14,878	11.30%	16,427	86.0%
2012	36,846	570,744,540	15,490	11.40%	16,390	86.0%
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%

Source: U.S. Census Bureau 2011-2020  
Economagic.com  
PEIMS DATA +  
PEIMS Edit + Report (PRF7D001)  
Texas Academic Performance Report (TAPR formerly AEIS)  
2011-2020 Fiscal Year End 8/31  
\* MSA statistics  
Department of Number website  
City of Weslaco  
Weslaco Chamber of Commerce  
Texas Hometown Locator Website



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

**TABLE L-21**

Classification	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Number of Employees</i>										
<i>Teachers</i>	1,079	1,054	1,082	1,093	1,084	1,084	1,094	1,105	1,101	1,084
<i>Professional Support</i>	194	199	208	210	222	228	241	238	226	247
<i>Campus Administration</i>	39	27	24	20	20	17	20	21	25	27
<i>Central Administration</i>	23	22	21	19	19	18	19	21	23	24
<i>Educational Aides</i>	203	239	179	196	196	176	204	205	203	189
<i>Auxiliary Staff</i>	805	760	811	756	790	755	745	769	757	724
<i>Total Employees</i>	2,343	2,301	2,325	2,294	2,331	2,278	2,323	2,359	2,335	2,295
<i>Percent of Total</i>										
<i>Teachers</i>	46.08%	45.79%	46.54%	47.66%	46.52%	46.54%	47.09%	46.84%	47.15%	47.23%
<i>Professional Support</i>	8.29%	8.67%	8.94%	9.14%	9.53%	8.74%	10.39%	10.08%	9.67%	10.76%
<i>Campus Administration</i>	1.67%	1.17%	1.03%	0.86%	0.84%	1.80%	0.86%	0.89%	1.07%	1.16%
<i>Central Administration</i>	0.98%	0.95%	0.90%	0.83%	0.80%	0.30%	0.82%	0.89%	0.99%	1.04%
<i>Educational Aides</i>	8.64%	10.37%	7.70%	8.55%	8.41%	10.00%	8.78%	8.70%	8.70%	8.25%
<i>Auxiliary Staff</i>	34.34%	33.05%	34.89%	32.96%	33.90%	32.62%	32.06%	32.60%	32.42%	31.56%
	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)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-22**

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate Degree		Average Teacher's	Average		
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Salary	Years of Experience	Bachelor's Education	Master's Education
2011	24,144	67,015	44,700	74,908	53,000	63,620	52,134	12.1	83.5%	17.0%
2012	24,713	68,122	45,700	76,547	54,000	64,620	52,889	12.9	80.8%	18.1%
2013	25,682	68,893	46,100	79,852	55,000	65,620	53,345	13.2	82.0%	18.2%
2014	26,601	70,493	48,300	87,604	56,600	67,220	54,651	13.2	81.2%	18.3%
2015	50,300	50,300	50,300	50,300	50,300	50,300	50,300	12.8	76.3%	19.8%
2016	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.0	76.1%	18.5%
2017	50,300	50,300	50,300	50,300	50,300	50,300	50,300	13.3	76.5%	20.8%
2018	47,700	75,273	48,400	84,143	60,200	72,020	57,221	13.6	77.3%	20.3%
2019	48,100	76,103	48,100	85,080	60,950	72,770	57,770	13.0	77.0%	23.0%
2020	51,250	72,750	52,250	73,750	61,050	76,770	60,427	15.0	81.0%	18.0%

Source: District's Human Resource Department  
Texas Academic Performance Report (TAPR Report formerly AEIS)  
PEIMS Edit + Reports Data Review PRF4D004  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-23**

Fiscal	Average	Average	Percent of
Year	Daily	Daily	Attendance
	Attendance	Membership	
2011	16,427	17,036	96.42%
2012	16,390	17,016	96.32%
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%

Source: Texas Academic Performance Report (TAPR formerly AEIS)  
PEIMS Edit + Reports Data Review (PRF7D001)  
TEA Budgeted Financial Data  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-24**

	Average	General Fund	Cost	Per	Governmental	Cost	Per
Fiscal	Daily	Operating	Per	Pupil	Operating	Per	Pupil
Year	Attendance	Expenditures*	Pupil	Change	Expenditures*	Pupil	Change
2011	16,427	127,256,493	7,747	-4.51%	161,883,231	9,855	-1.51%
2012	16,390	135,089,800	8,242	6.39%	159,296,358	9,719	-1.38%
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%

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

Source: PEIMS Edit + Reports Data Review (PRF7D001)  
Financial Statements and Auditor's Independent Report  
Statement of Activities (Exhibit C-3)  
Budgetary Comparison Schedule (Exhibit C-5)  
2011-2020 Fiscal Year End 8/31

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

**TABLE L-25**

Fiscal	Teacher/ Student	Percentage of Free and Reduced Lunch	Number of Economically Disadvantage Students	Percentage of Economically Disadvantage Students
Year	Ratio			
2011	16.5	4.13%	15,346	86.0%
2012	16.8	1.03%	15,305	86.0%
2013	16.5	1.38%	15,367	85.7%
2014	16.1	0.40%	15,186	85.6%
2015	16.0	47.09%	12,878	74.0%
2016	16.4	51.58%	14,269	80.1%
2017	15.9	54.40%	14,228	81.7%
2018	15.5	58.27%	14,145	82.4%
2019	15.7	59.73%	14,786	85.6%
2020	15.8	54.28%	14,431	84.1%

Source: PEIMS Edit + Reports Data Review (PDM1-100-012)  
Child Nutrition Program  
2011-2020 Fiscal Year End 08/31

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

Source: Weslaco ISD Facilities

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## **SINGLE AUDIT SECTION**



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INDEPENDENT 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, each major fund, and the aggregate remaining fund information of the Weslaco Independent School District (District) as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances 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 items 2020-001 and 2020-002.

We noted certain other matters that were reported to management of the District in a separate letter dated January 28, 2021.

**District's Response to Findings**

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

**Purpose of this Report**

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

Burton McCall & Long, L.L.P.

McAllen, Texas  
January 28, 2021

*The Right Choice.*



Burton  
McCumber  
& Longoria, LLP  
*CPAs & Advisors*

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**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**

We have audited the Weslaco Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

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

### Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

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.

*Brent McCall & Hough, LLP*

McAllen, Texas  
January 28, 2021



**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2020**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued:

Unmodified

Internal Control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_   X   yes    \_\_\_\_\_ no

***Federal awards***

Internal control over major programs:

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

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

Unmodified

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

**Identification of major programs:**

*CFDA Number(s)*

*Name of Federal Program or Cluster*

84.425D

Education Stabilization Grant (ESSER)

*Special Education Cluster*

84.027

Special Education – Grants to States

84.173A

Special Education – Preschool Grants

84.287C

21st Century Community Learning Centers

84.365A

English Language Acquisition Grants

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

\$1,030,691

Auditee qualifies as a low-risk auditee?

\_\_\_\_\_   X   yes    \_\_\_\_\_ no

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2020**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Reference Number 2020-001**

**Allotment Spending Requirements**

Criteria:	As reflected on the Texas Education Agency's Summary of Finances, the District is required to spend 55% of the Compensatory Education Allotment, 100% of the Early Education Allotment, and 55% of the CCMR Outcomes Bonus.
Condition Found:	Based on our calculation, the District did not meet the spending requirement for the Compensatory Education Allotment, Early Education Allotment and CCMR Outcomes Bonus for the year ended August 31, 2020 by \$757,674, \$1,496,417 and \$206,515, respectively.
Context:	Condition was identified as part of audit procedures performed as required by the Financial Accountability Resource Guide (FASRG), Module 4: Auditing.
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).
Cause:	Monitoring of spending requirements was not performed periodically during the year to ensure compliance. The effects COVID-19 school closures may also have had an effect on spending during the fiscal year.
Repeat Finding:	N/A
Recommendation:	We recommend the District budget and monitor expenditures on all spending requirements on a periodic basis to ensure compliance with state spending requirements.
Views of Responsible Officials:	See management's corrective action plan.

**WESLACO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2020**

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

**Reference Number 2020-002**

**CFDA# 84.287 – 21st Century  
Community Learning Centers**

**Allowable Costs/Cost Principles**

Criteria:

The program allows for employee payroll costs associated with providing academic enrichment opportunities during non-school hours or periods when school is not in session (i.e., before school, after school, or during summer recess) to compliment the students' regular academic program. Employee payroll costs must be based on actual time worked in providing such activities.

Condition Found:

We tested a sample of 40 payroll transactions and noted one instance in which an employee was paid for 8 hours more than time actually worked. Total amount paid to this employee in excess of time actually worked was approximately \$186. These costs were charged to the federal program.

Context:

Condition was found as part of testing internal controls over compliance and compliance as they relate to the Allowable Costs/Cost Principles compliance requirement.

Effect:

Payroll costs charged to the federal program for time not actually worked are not allowed.

Cause:

Management indicated this was an oversight during the time school closures occurred as a result of COVID-19. Management believes this to be an isolated incident.

Questioned Cost:

\$186

Repeat Finding:

N/A

Recommendation:

We recommend the District strengthen controls to ensure only costs incurred associated with the program are charged to the program. Controls should be strengthened to ensure employees are paid only for time actually worked.

Views of Responsible Officials:

See management's corrective action plan.



WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<b>US DEPARTMENT OF EDUCATION</b>			
Passed Through Region One Service Center			
Gear-Up	84.334A	P-334A110180	\$ 429,550
Gear-Up	84.334A	P-334A110180	27,556
<b>Total Passed Through Region One Service Center</b>			<b>457,106</b>
Passed Through State Department of Education			
ESEA Title I Part A - Improving Basic Programs	84.010A	21610101108913	667,319
ESEA Title I Part A - Improving Basic Programs	84.010A	20610101108913	7,644,477
ESEA Title I Part D, Subpart 2-Del	84.010A	20610103108913	54,266
<b>Total CFDA Number 84.010A</b>			<b>8,366,062</b>
ESEA Title I Part C - Migratory Children	84.011	21615001108913	37,870
ESEA Title I Part C - Migratory Children	84.011	20615001108913	1,215,612
<b>Total CFDA Number 84.011</b>			<b>1,253,482</b>
MEP AIMS	84.011A	S011A180044	109,926
<b>Total CFDA Number 84.011A</b>			<b>109,926</b>
IDEA - Part B, Formula	84.027	216600011089136000	188,593
IDEA - Part B, Formula	84.027	206600011089136000	2,961,954
<b>Total CFDA Number 84.027</b>			<b>3,150,547</b>
IDEA - Part B, Pre-School	84.173A	206610011089136610	7,925
<b>Total CFDA Number 84.173A</b>			<b>7,925</b>
Vocational Education - Basic Grant	84.048	21420006108913	28,286
Vocational Education - Basic Grant	84.048	20420006108913	328,945
<b>Total CFDA Number 84.048</b>			<b>357,231</b>
ESEA Title II, Part A-Supporting Effective Instruction	84.367A	21694501108913	50,157
ESEA Title II, Part A-Supporting Effective Instruction	84.367A	20694501108913	789,095
<b>Total CFDA Number 84.367A</b>			<b>839,252</b>
English Lang. Acquisitions and Lang. Enhancement	84.365A	21671001108913	21,363
English Lang. Acquisitions and Lang. Enhancement	84.365A	20671001108913	446,379
<b>Total CFDA Number 84.365A</b>			<b>467,742</b>

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
ESEA Title IV, Part A, Subpart 1	84.424A	20680101108913	416,668
ESEA Title IV, Part A, Subpart 1	84.424A	19680101108913	10,828
<b>Total CFDA Number 84.424A</b>			<u>427,496</u>
21st Century Community Centers	84.287C	206950247110031	1,656,812
<b>Total CFDA Number 84.287C</b>			<u>1,656,812</u>
ESSER - School Emergency Relief	84.425D	20521001108913	6,621,473
<b>Total CFDA Number 84.425D</b>			<u>6,621,473</u>
Total Passed Through State Department of Education			<u>23,257,948</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<u>\$ 23,715,054</u>
<b>US DEPARTMENT OF AGRICULTURE</b>			
Child Nutrition Cluster:			
Passed Through Texas Education Agency:			
National School Lunch Program	10.555	186TX332N1099	\$ 737,002
National School Lunch Program	10.555	186TX332N1099	5,174,553
National School Breakfast Program	10.553	186TX332N1099	456,322
National School Breakfast Program	10.553	186TX332N1099	3,157,422
Total Passed Through Texas Education Agency			<u>9,525,299</u>
Passed Through Texas Department of Human Services:			
Non-cash assistance-Food Distribution Program	10.569		377,089
Total Passed Through Texas Department of Human Services			<u>377,089</u>
Passed Through Texas Department of Agriculture:			
National School Lunch Program-Child and Adult Care	10.558	186TX332N1099	431,458
National School Lunch Program-Fresh Fruits and Vegetables	10.582	186TX375L1603	307,477
Total Passed Through Texas Department of Agriculture			<u>738,935</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>\$ 10,641,323</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 34,356,377</u></u>

# **WESLACO INDEPENDENT SCHOOL DISTRICT**

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

**FOR THE YEAR ENDED AUGUST 31, 2020**

### **1. GENERAL**

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

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

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

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

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

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

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

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

**3. PASS-THROUGH EXPENDITURES**

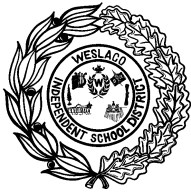
None of the federal programs expended by the District were provided to subrecipients.

**4. INDIRECT COSTS**

The District received a negotiated indirect cost rate from TEA through June 30, 2020. As of July 1, 2020, the District received an indirect cost rate from TEA based on a worksheet prepared by the District.

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

Total Federal Award Expended	\$ 34,356,378
School Health and Related Services (SHARS) Revenue	1,032,759
Jr. ROTC	<u>119,098</u>
Exhibit C-3	<u>\$ 35,508,235</u>



# WESLACO

Independent School District

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

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Weslaco Independent School District

Corrective Action Plan

For the year ended August 31, 2020

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

### **2020-001 Allotment Spending Requirements**

Corrective Action Plan – Our SCE funds will be used to provide additional support services to reduce the achievement gap of our at-risk population. We will be purchasing research-based online programs that will target students reading, writing, and math skills. We are also providing devices to support new programs during virtual learning.

Proposed Completion Date – 02/28/2021

Contact Person – Norma Brewer

Corrective Action Plan - Our Early Education Allotment funds will be utilized to purchase research based instructional materials, technology, and software programs to meet our early literacy and math proficiency goals. In addition staff development will be provided to ensure the implementation of the instructional materials is done with fidelity

Proposed Completion Date – 01/15/2021

Contact Person – Jennifer Luna

Corrective Action Plan - CCMR Outcome bonus funds will be used to provide college readiness support to high school students. Funds will be used for research-based staff development/resources and student preparation activities/resources to increase performance in TSI 2.0, SAT, and ACT.

Proposed Completion Date – 02/28/2021

Contact Person – Norma Brewer

## **Findings Related to Federal Awards**

### **2020-002 Allowable Costs/Cost Principles - CDA# 84.287**

Corrective Action Plan - In order to strengthen controls to ensure costs incurred associated with the 21st Community Learning Centers are charged, the program will utilize the time clock plus reports system. This will strengthen the accuracy and minimize room for error. Employees will only be paid for time actually worked. The program will make sure employee timestamps and the district payroll sheet timestamps coincide with one another prior to submitting the payroll for administrator review. The payroll sheets will be reviewed and signed by two administrators prior to entering into the Alio System.

Proposed Completion date 02/04/2021

Contact Person - Katie Reyes

**WESLACO INDEPENDENT SCHOOL DISTRICT  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2020**

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Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings.” The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit’s schedule of findings and questioned costs and
- All audit findings reported in the prior year audit’s summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2019, has been prepared to address these requirements.

**Findings Related to the Financial Statements**

*2019-001 - Journal Entry Posting*

Current Status: The District implemented the dual internal control of preparing, reviewing and signing journal entries by business office administrators.

*2019-002 - Expenditure Cutoff*

Current Status: The District implemented the procedures of reviewing the posting of all invoices at the end of the old fiscal year and at the beginning of the new fiscal year.

**Findings Related to Federal Awards**

**N/A**

WESLACO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2020

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