
YSLETA INDEPENDENT
SCHOOL DISTRICT

ANNUAL FINANCIAL AND
COMPLIANCE REPORT

For the Year Ended June 30, 2023



CPAs and Professional Consultants

YSLETA INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF BOARD

Ysleta Independent School District

Name of School District

El Paso County

County

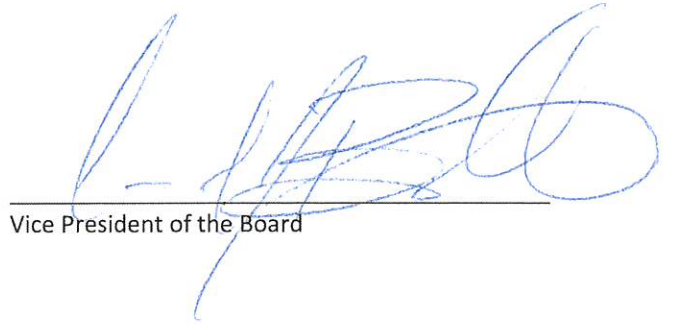
071-905

Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the fiscal year June 30, 2023, at a meeting of the Board of Trustees of such school district on November 15, 2023.



President of the Board



Vice President of the Board



THE DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT



Ysleta Independent School District

9600 Sims Drive • El Paso, Texas 79925 • 915-434-0050

THE DISTRICT

CHIEF FINANCIAL and OPERATIONAL OFFICER

November 15, 2023

Members of the Board of Trustees
Ysleta Independent School District
9600 Sims Drive
El Paso, Texas, 79925

The Annual Financial Report for the Ysleta Independent School District (the District) as of and for the fiscal year ended June 30, 2023, is submitted herewith. The responsibility for both the accuracy of the data and the completeness of the presentation, including all disclosures, rests with the management of the District.

This report was prepared by the Finance Department and to the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner to present fairly the financial position and results of operations of the various funds of the District. Readers of this report are encouraged to consider the information presented here in conjunction with additional information presented in management's discussion and analysis found on pages 7-14 of this report. All disclosures necessary to enable the reader to gain an understanding of the financial activities for the fiscal year ended June 30, 2023 have been included.

This report is comprised of three major categories:

Introductory Section

This section contains this letter of transmittal that summarizes fiscal information.

Financial Section

This section contains the Independent Auditor's Report, Management Discussion and Analysis, the Basic Financial Statements, Notes to the Basic Financial Statements and Supplemental Information, which includes financial statements by fund type. The Basic Financial Statements, together with the independent auditor's report, Management Discussion and Analysis and the Notes to the Financial Statements are designed to provide a financial overview; the Supplemental Information provides more detailed financial information on a fund-by-fund basis.

Single Audit Section

This section is presented in conformity with the provision of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Financial Management

District management is responsible for establishing and maintaining internal controls designed to ensure the assets of the District are protected from loss, theft, misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of federal and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by District management.

As part of the District's single audit, tests are conducted to determine the adequacy of internal controls, including that portion related to federal award programs, as well as to determine that the government has complied with applicable laws, regulations, contracts and grants. The results of the District's single audit for the fiscal year ended June 30, 2023 provided no instances of material weaknesses or significant deficiencies in internal controls or material violations of applicable laws, regulations, contracts and grants.

Budget Control - The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Trustees.


Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are generally re-established in the following year as an obligation against that year's appropriated budget.

Accounting Policies - Detailed descriptions of the District's accounting policies are contained in the Notes to the Basic Financial Statements on pages 33-67, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments and other significant accounting information.

Independent Audit - The accounting firm of Whitley Penn LLP was appointed by the Board of Trustees to perform the June 30, 2023 fiscal year audit. The Independent auditor's report on the Basic Financial Statements is included in the financial section of this report. The auditor's reports related to the single audit are included in the Federal Awards Section.

Acknowledgement - We would like to express our appreciation to the District's independent auditors, Whitley Penn, for the professional manner in which they have accomplished this audit. We would also like to thank Superintendent, Dr. Xavier De La Torre and the Board of Trustees for their interest and support in planning and conducting the financial operations of the Ysleta Independent School District in a responsible and professional manner.

Respectfully submitted,



Lynly Leeper, CPA
Chief Financial and Operational Officer

**YSLETA INDEPENDENT SCHOOL DISTRICT
OFFICIALS DIRECTORY**

BOARD OF TRUSTEES

Cruz A. Ochoa
President

Carlos Bustillos
Vice President

Kathryn R. Lucero
Secretary

Mike Dwyer
Member

Shane Haggerty
Member

Chris Hernandez
Member

Connie Woodruff
Member

ADMINISTRATION

Dr. Xavier De La Torre
Superintendent

Lynly Leeper, CPA
Chief Financial and Operational Officer

Bobbi Russell-Garcia
Chief Human Capital Management
Officer

Dr. Brenda Chacon
Chief Academic Officer

Priscilla Mata
Chief Counsel



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

FINANCIAL SECTION



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Ysleta Independent School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 15, 2023



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ysleta Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at June 30, 2023 by \$366,879 (*net deficit*). This deficit was caused by the net pension and net OPEB liabilities recognized in fiscal year 2022. The recognition of such liabilities 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 liabilities that the State of Texas manages and operates. The District's total net position increased by \$13,760,024 from the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$266,654,193, a decrease of \$148,644,441 in comparison with the prior year. This decrease is primarily due to the completion of capital projects from the 2015 and 2019 bonds.
- As of the close of the current fiscal year, unassigned fund balance for the General Fund is \$62,418,655 or 15% of total General Fund expenditures.
- The District's total bonded debt decreased by \$18,422,062 (2%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The *Government-wide financial statements* of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*).

The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Facilities Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Debt Issuance Costs and Fees, Facilities Repairs and Maintenance, Payments to Fiscal Agent/Member Districts of SSA, and Other Intergovernmental Charges.

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains thirty-two (32) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, the Capital Projects Fund, and ESSER III all of which are considered to be major funds. Data from the other non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its General Fund, Debt Service Fund, and the Child Nutrition Program Fund.

Proprietary Funds

The District maintains individual internal service funds for Health Insurance, Workers' Compensation, Speech Therapy, and Print Shop Services. *Internal service funds*, one type of proprietary fund, are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The District maintains enterprise funds for: Teachers Network Technology, Employee Day Care Collaborative, Oasis Program, and District Events. *Enterprise funds*, a second type of proprietary fund, are used to report on other activity for which a fee is charged to external users for goods or services. Enterprise funds are included within the *business-type activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

The fiduciary funds are used to account for resources held for the benefit of students and employees. The District's *custodial funds* are used to account for resources held in a custodial capacity by the District and consist of funds that are the property of students or others. The fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. A budgetary comparison schedule is required supplementary information for the General Fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the General Fund is presented as required supplementary information. In addition, required supplementary information includes a schedule of the District's proportionate share of the Net Pension Liability - TRS for the last seven Measurement Years and a schedule of District contributions - TRS for the past nine fiscal years. Similar information is reported for OPEB contributions and the Net OPEB liability.

Other Information

The combining fund statements and required TEA schedules are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$366,879 at the close of the most recent fiscal year.

The largest portion of the District's net position (\$172,683,230) reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2023 and 2022, the District's net position included the following:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 371,093,367	\$ 480,241,379	\$ 47,325	\$ 63,799	\$ 371,140,692	\$ 480,305,178
Capital assets, net of depreciation and amortization and noncurrent assets	1,022,594,007	888,249,475	-	-	1,022,594,007	888,249,475
Total Assets	1,393,687,374	1,368,490,854	47,325	63,799	1,393,734,699	1,368,554,653
Deferred outflow of resources	105,258,840	92,326,024	-	-	105,258,840	92,326,024
Total Deferred Outflows of Resources	105,258,840	92,326,024	-	-	105,258,840	92,326,024
Current liabilities	107,025,945	66,796,144	566	3,605	107,026,511	66,799,749
Long term liabilities	1,244,246,950	1,234,346,540	-	-	1,244,246,950	1,234,346,540
Total Liabilities	1,351,272,895	1,301,142,684	566	3,605	1,351,273,461	1,301,146,289
Total Deferred Inflows of Resources	148,086,957	173,861,291	-	-	148,086,957	173,861,291
Net Position:						
Restricted	70,506,683	66,578,420	-	-	70,506,683	66,578,420
Unrestricted	(243,603,551)	(239,402,823)	46,759	60,194	(243,556,792)	(239,342,629)
Total Net Position	\$ (413,638)	\$ (14,187,097)	\$ 46,759	\$ 60,194	\$ (366,879)	\$ (14,126,903)

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net position is restricted for various purposes as follows:

	Governmental Activities	
	2023	2022
Federal and state programs	\$ 4,055,125	\$ 4,512,302
Debt service	66,451,558	62,066,118
	<u>\$ 70,506,683</u>	<u>\$ 66,578,420</u>

The balance of unrestricted net position may be used to meet the District's ongoing obligations to students and creditors. At the end of the current fiscal year, the District reports a deficit balance in unrestricted net position of \$243,556,792 caused by the net pension and net OPEB liabilities.

Comparative Schedule of Changes in Net Position for the Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for services	\$ 3,582,113	\$ 2,629,889	\$ 11,156	\$ 154,169	\$ 3,593,269	\$ 2,784,058
Operating grants and contributions	189,956,975	155,892,065	-	-	189,956,975	155,892,065
General Revenues						
Property taxes	117,201,534	113,394,918	-	-	117,201,534	113,394,918
State Aid - Formula Grants	262,560,097	283,969,681	-	-	262,560,097	283,969,681
Investment earnings	10,448,923	1,038,215	-	-	10,448,923	1,038,215
Other	101,423	3,941,944	-	-	101,423	3,941,944
Total Revenues	<u>583,851,065</u>	<u>560,866,712</u>	<u>11,156</u>	<u>154,169</u>	<u>583,862,221</u>	<u>561,020,881</u>
Expenses						
Instruction	284,619,743	266,376,302	-	-	284,619,743	266,376,302
Instructional resources and media services	4,903,840	6,274,604	-	-	4,903,840	6,274,604
Curriculum and staff development	9,265,400	6,975,623	-	-	9,265,400	6,975,623
Instructional leadership	8,308,852	7,865,511	-	-	8,308,852	7,865,511
School leadership	30,849,005	28,061,352	-	-	30,849,005	28,061,352
Guidance, counseling, and evaluation services	17,687,315	15,680,931	-	-	17,687,315	15,680,931
Social work services	2,784,006	2,421,037	-	-	2,784,006	2,421,037
Health services	5,781,521	5,187,360	-	-	5,781,521	5,187,360
Student transportation	13,359,213	11,938,970	-	-	13,359,213	11,938,970
Food service	26,050,953	26,213,186	-	-	26,050,953	26,213,186
Extracurricular activities	19,046,196	23,219,549	-	-	19,046,196	23,219,549
General administration	12,715,909	11,563,380	-	-	12,715,909	11,563,380
Facilities maintenance and operations	57,776,866	47,078,528	-	-	57,776,866	47,078,528
Security and monitoring services	8,999,007	7,043,862	-	-	8,999,007	7,043,862
Data processing services	8,605,440	8,491,228	-	-	8,605,440	8,491,228
Community services	828,347	582,540	-	-	828,347	582,540
Interest on long-term debt	36,315,344	29,898,423	-	-	36,315,344	29,898,423
Debt issuance costs and fees	117,636	1,429,001	-	-	117,636	1,429,001
Facilities repairs and maintenance	17,724,093	6,797,121	-	-	17,724,093	6,797,121
Payments to fiscal agent/member districts of SSA	2,855,714	2,743,097	-	-	2,855,714	2,743,097
Other intergovernmental charges	1,483,206	1,411,572	-	-	1,483,206	1,411,572
Enterprise Activities	-	-	24,591	293,079	24,591	293,079
Total Expenses	<u>570,077,606</u>	<u>517,253,177</u>	<u>24,591</u>	<u>293,079</u>	<u>570,102,197</u>	<u>517,546,256</u>
Excess (deficiency) before transfers	13,773,459	43,613,535	(13,435)	(138,910)	13,760,024	43,474,625
Transfers	-	(125,487)	-	125,487	-	-
Increase (decrease) in net position	13,773,459	43,488,048	(13,435)	(13,423)	13,760,024	43,474,625
Beginning Net Position	<u>(14,187,097)</u>	<u>(57,675,145)</u>	<u>60,194</u>	<u>73,617</u>	<u>(14,126,903)</u>	<u>(57,601,528)</u>
Ending Net Position	<u>\$ (413,638)</u>	<u>\$ (14,187,097)</u>	<u>\$ 46,759</u>	<u>\$ 60,194</u>	<u>\$ (366,879)</u>	<u>\$ (14,126,903)</u>

The Net Position of the District increased by \$13.8 million for the year ended June 30, 2023. The total revenues from taxpayers, user service fees, grants and other sources for the District were \$583.9 million, a \$22.8 million increase from fiscal year 2022 due to increases in charges for services, operating grants and contributions, and property taxes. Total expenses for the 2023 fiscal year were \$570.1 million or \$52.6 million less than expenses of fiscal year 2022 primarily in instruction due to decrease in student enrollment.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental Revenues by Type

Revenues for the District's governmental activities in fiscal year 2023 increased by \$23.0 million compared to the fiscal year 2022 due primarily to increases in charges for services, operating grants and contributions, property taxes, and sale of real property.

Approximately 20% percent of the District's revenues came from property taxes, with an additional 78% percent derived from state funding formulas and federal grants. Last fiscal year, 20% percent of the District's revenues came from property taxes and 78% percent came from state funding formulas and federal grants.

	Total Revenues	% of Total Revenues
Property taxes	\$ 117,201,534	20.07%
State Aid - Formula Grants	262,560,097	44.97%
Operating grants and contributions	189,956,975	32.54%
Charges for services	3,582,113	0.61%
Investment earnings	10,448,923	1.79%
Other revenue	101,423	0.02%
Total Revenues	\$ 583,851,065	100.00%

Governmental Expenses by Type

Expenses for the District's governmental activities in fiscal year 2023 decreased by \$52.8 million compared to the fiscal year 2022. About 50 percent of the District's expenses were expended for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 71 percent of the District's expenses were spent on direct student services.

	Total Expenses	% of Total Expenses
Instruction	\$ 284,619,743	49.93%
School Leadership	30,849,005	5.41%
Facilities maintenance and operations	57,776,866	10.13%
Food Service	26,050,953	4.57%
Interest on long-term debt	36,315,344	6.37%
Other expenses	134,465,695	23.59%
Total Expenses	\$ 570,077,606	100.00%

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$266,654,193, a decrease of \$148,644,441 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to the decreases in the General Fund of \$17.7 million and in the Capital Projects Fund of \$136.7 million offset by the increase in the Debt Service Fund of \$6.3 million.

The *general fund* is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$62,418,655, while total fund balance reached \$107,908,602. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15% of total general fund expenditures, while total fund balance represents 27% of that same amount. The fund balance of the District's general fund decreased by \$17,729,388.

The *capital projects fund*, a major governmental fund, has a total ending fund balance of \$75,060,317, all of which is restricted for capital projects. The net decrease in this capital projects fund balance during the current year was attributable to the new and completion of construction projects during fiscal year 2023.

The *debt service fund*, a major governmental fund, has a total ending fund balance of \$78,151,601 all of which is restricted for debt service. The increase in debt service fund balance during the current year was attributable to debt service revenues and other financing sources exceeding expenditures and other financing uses during fiscal year 2023 by \$6.3 million.

General Fund Budgetary Highlights

The table below summarizes differences between the original budget, final amended budget and actual revenues and expenditures for fiscal year 2023:

	Budget		Actual
	Original	Final Amended	
Total revenues	\$ 414,298,262	\$ 414,298,262	\$ 387,481,247
Total expenditures	423,632,138	441,332,143	404,384,888
Other financing sources (uses)	(1,238,328)	(1,438,328)	(825,747)
Net change in fund balance	\$ (10,572,204)	\$ (28,472,209)	\$ (17,729,388)

The review of the final amended budget versus actual for the general fund reflected that revenues and expenditures were less than budgetary estimates.

Actual revenues were less than budgetary estimates due to a reduction of \$13.3 million in state foundation school revenue and \$15.5 million in local property tax revenue that was offset by an increase of \$2.7 million in investment earnings. Expenditures were less than budgetary estimates primarily due to ongoing construction projects that were not completed by the end of the fiscal year. These projects include \$1.8 million for renovations of the Bel Air High School baseball field, \$2.2 million for renovations of Riverside Middle School, \$2.1 million for remodeling of the administration areas at Ysleta Middle School and Loma Terrace Elementary School, \$1.6 million for the roofing project at Parkland Elementary School, \$2.0 million for the remodeling of the support building at Scotsdale Elementary School, and the remaining \$12.8 million for various smaller construction projects at campuses. In addition to the ongoing construction projects, the district spent \$7.4 million less in district health care expenditures, and \$2.0 million less in expenditures to retire the principal of subscription-based information technology arrangements related to the implementation of GASB Statement No. 96.

YSLETA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Assets and Long-term Liabilities

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2023 includes land, buildings and improvements, furniture and equipment, right-to-use leased equipment, SBITA assets and construction in progress. The investment in capital assets for the current year was \$1,006,457,788. The following table summarizes the investment in capital assets as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 15,747,778	\$ 15,747,778
Buildings and improvements	901,811,993	892,337,796
Land Improvements	55,706,363	55,706,363
Furniture and equipment	115,928,796	109,080,478
Right-to-use leased equipment	583,770	583,770
SBITA assets	446,967	-
Construction in progress	377,560,634	246,528,449
Total	1,467,786,301	1,319,984,634
Accumulated depreciation and amortization	(461,328,513)	(446,128,784)
Net capital assets	\$ 1,006,457,788	\$ 873,855,850

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-term Liabilities

At the end of the current fiscal year, the District had \$920,332,064 in outstanding bonded debt, a decrease of \$18,422,062 over the previous year. The District's bonds are sold with an "AAA" rating and are guaranteed through the Texas Permanent School Fund Guarantee Program or by a municipal bond insurance policy. The underlying rating of the bonds from Standard and Poor's is "AAA" and from Moody's Investors Service is "Aaa" for general obligation debt.

Changes in general obligation bonds, for the year ended June 30, 2023 are as follows:

Outstanding 07/01/22	Issued	Retired	Outstanding 06/30/23
\$ 938,754,126	\$ -	\$ (18,422,062)	920,332,064

In addition, at the end of the current fiscal year, the District had \$ 29,570,000 in outstanding Maintenance Tax Notes.

Balance 07/01/22	Additions	Retirements	Balance 06/30/23
\$ 29,570,000	\$ -	\$ -	\$ 29,570,000

Additional information on the District's long-term liabilities can be found in the notes to the financial statements.

YSLETA INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when developing the fiscal year 2024 budget. Those factors included economic and market conditions, programmatic needs and continued recovery from the global COVID 19 pandemic.

In fiscal year 2020, the state legislature began a progressive compression of the M & O portion of the tax rate for all districts across the state. This compression resulted in a continual decrease in the district's M & O rate from \$1.17 in fiscal year 2019, to \$0.8263 in fiscal year 2024. The state increased the foundation revenue calculation to offset the loss of property tax revenue. On the debt service side, in November 2019, voters approved the issuance of new Unlimited Tax School Building Bonds of \$425 million. In January 2020, the district issued \$250 million of the approved bonds, and issued the remaining \$146 million in June of 2022. Because the district was able to sell the bonds at a premium, the district's I & S rate decreased in FY 2024 to \$0.455 from the rate of \$0.475 in FY 2023.

Property values for the upcoming school year increased by 6% from the 2021 values. It is anticipated that a constitutional amendment will be approved by voters to increase the state homestead exemption to \$100,000 from the current \$40,000 exemption. This anticipated exemption increase, coupled with the district's optional homestead exemption of 20% of the taxable value of the primary home, provides our constituents with the lowest tax burden of the three major districts in the city.

Funding from the State is based on Average Daily Attendance (ADA). Since the start of the pandemic, the district has experienced an average decline in annual ADA and enrollment between 2% and 3%. The District's ADA decreased from 34,371 in FY 2022 to 32,698 in FY 2023 and enrollment decreased from 37,244 to 36,183.

Total General Fund appropriations for 2023-24 were originally budgeted at \$404 million, a decrease of \$21 million from the original 2022-23 budget. This decrease is primarily due to a projected decline in ADA and enrollment and a use of \$12 million less for construction projects that were budgeted in the previous year. Federal ESSER funds continue to be utilized to address student learning loss, provide student social and emotional learning and services, and to provide continuity of operations. The ESSER funding is scheduled to end in September 2024. The district will continue to monitor general fund expenditures closely in order to mitigate any potential loss of revenue or any unexpected increase in expenditures due to unforeseeable circumstances.

Requests for Information

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 demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Ysleta Independent School District, 9600 Sims Drive, El Paso, Texas 79925.

BASIC FINANCIAL STATEMENTS



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT
Exhibit A-1
STATEMENT OF NET POSITION
June 30, 2023

Data Control Codes		Governmental Activities	Business-type Activities	Total
Assets				
1110	Cash and cash equivalents	\$ 266,356,653	\$ 200	\$ 266,356,853
1220	Property taxes receivables, net	17,391,507	-	17,391,507
1240	Due from other governments	84,026,177	-	84,026,177
1260	Internal balances	(47,125)	47,125	-
1290	Other receivables, net	33,635	-	33,635
1300	Inventories	3,332,520	-	3,332,520
1410	Prepaid items			
	Capital assets not subject to depreciation and amortization:			
1510	Land	15,747,778	-	15,747,778
1580	Construction in progress	377,560,634	-	377,560,634
	Capital assets net of depreciation and amortization:			
1520	Buildings and improvements, net	552,433,700	-	552,433,700
1590	Land Improvements, net	40,292,858	-	40,292,858
1530	Furniture and equipment, net	19,881,995	-	19,881,995
1553	SBITA assets, net	372,473	-	372,473
1559	Right-to-use leased equipment, net	168,350	-	168,350
1910	Long-term investments	16,136,219	-	16,136,219
1000	Total Assets	1,393,687,374	47,325	1,393,734,699
Deferred Outflows of Resources				
	Deferred charge on refunding	18,901,133	-	18,901,133
	Deferred outflows - pensions	62,487,490	-	62,487,490
	Deferred outflows - OPEB	23,870,217	-	23,870,217
1700	Total Deferred Outflows of Resources	105,258,840	-	105,258,840
Liabilities				
2110	Accounts payable	26,485,098	566	26,485,664
2140	Interest payable	15,431,420	-	15,431,420
2150	Payroll deductions and withholdings	4,927,822	-	4,927,822
2160	Accrued wages payable	2,837,901	-	2,837,901
2180	Due to other governments	41,291,109	-	41,291,109
2200	Accrued expenses	14,293,877	-	14,293,877
2300	Unearned revenue	1,758,718	-	1,758,718
	Noncurrent Liabilities:			
2501	Due within one year	20,660,376	-	20,660,376
2502	Due in more than one year	999,375,092	-	999,375,092
2540	Net pension liability	143,591,568	-	143,591,568
2545	Net other post-employment benefit (OPEB) liability	80,520,915	-	80,520,915
2590	Arbitrage liability	98,999	-	98,999
2000	Total Liabilities	1,351,272,895	566	1,351,273,461
Deferred Inflows of Resources				
	Deferred inflows - pensions	17,869,600	-	17,869,600
	Deferred inflows - OPEB	130,217,357	-	130,217,357
2600	Total Deferred Inflows of Resources	148,086,957	-	148,086,957
Net Position				
3200	Net investment in capital assets	172,683,230	-	172,683,230
	Restricted for:			
3820	Federal and state programs	4,055,125	-	4,055,125
3850	Debt service	66,451,558	-	66,451,558
3900	Unrestricted	(243,603,551)	46,759	(243,556,792)
3000	Total Net Position	\$ (413,638)	\$ 46,759	\$ (366,879)

See notes to the financial statements.

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit B-1
Page 1 of 2

Data Control Codes	Functions/Programs	Program Revenue		
		Expenses	Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 284,619,743	\$ 1,352,840	\$ 78,370,301
12	Instructional resources and media services	4,903,840	2,822	4,168,016
13	Curriculum and staff development	9,265,400	34,110	4,440,610
21	Instructional leadership	8,308,852	8,467	1,608,381
23	School leadership	30,849,005	562,814	2,497,758
31	Guidance, counseling, and evaluation services	17,687,315	7,056	9,999,063
32	Social work services	2,784,006	-	1,482,074
33	Health services	5,781,521	-	14,914,304
34	Student transportation	13,359,213	-	3,704,263
35	Food service	26,050,953	374,396	25,413,765
36	Extracurricular activities	19,046,196	1,112,839	1,201,189
41	General administration	12,715,909	47	11,004,356
51	Plant, maintenance and operations	57,776,866	89,911	3,873,920
52	Security and monitoring services	8,999,007	18,345	5,095,143
53	Data processing services	8,605,440	-	887,165
61	Community services	828,347	18,466	688,856
72	Interest on long-term debt	36,315,344	-	14,611,805
73	Debt issuance costs and fees	117,636	-	-
81	Facilities planning	17,724,093	-	3,294,429
93	Payments to fiscal agent/member districts of SSA	2,855,714	-	2,701,577
99	Other intergovernmental charges	1,483,206	-	-
TG	Total Governmental Activities	570,077,606	3,582,113	189,956,975
	Business-Type activities			
01	Teachers Network Technology	9,283	-	-
04	Oasis Program	15,308	11,156	-
TB	Total Business-Type activities	24,591	11,156	-
TP	Total Primary Government	\$ 570,102,197	\$ 3,593,269	\$ 189,956,975

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit B-1

Page 2 of 2

		Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
Data Control Codes	Functions/Programs	Governmental Activities	Business-type Activities	Total
	Governmental Activities:			
11	Instruction	\$ (204,896,602)	\$ -	\$ (204,896,602)
12	Instructional resources and media services	(733,002)	-	(733,002)
13	Curriculum and staff development	(4,790,680)	-	(4,790,680)
21	Instructional leadership	(6,692,004)	-	(6,692,004)
23	School leadership	(27,788,433)	-	(27,788,433)
31	Guidance, counseling, and evaluation services	(7,681,196)	-	(7,681,196)
32	Social work services	(1,301,932)	-	(1,301,932)
33	Health services	9,132,783	-	9,132,783
34	Student transportation	(9,654,950)	-	(9,654,950)
35	Food service	(262,792)	-	(262,792)
36	Extracurricular activities	(16,732,168)	-	(16,732,168)
41	General administration	(1,711,506)	-	(1,711,506)
51	Plant, maintenance and operations	(53,813,035)	-	(53,813,035)
52	Security and monitoring services	(3,885,519)	-	(3,885,519)
53	Data processing services	(7,718,275)	-	(7,718,275)
61	Community services	(121,025)	-	(121,025)
72	Interest on long-term debt	(21,703,539)	-	(21,703,539)
73	Debt issuance costs and fees	(117,636)	-	(117,636)
81	Facilities repairs and maintenance	(14,429,664)	-	(14,429,664)
93	Payments to fiscal agent/member districts of SSA	(154,137)	-	(154,137)
99	Other intergovernmental charges	(1,483,206)	-	(1,483,206)
TG	Total Governmental Activities	(376,538,518)	-	(376,538,518)
	Business-Type activities			
01	Teachers Network Technology	-	(9,283)	(9,283)
04	Oasis Program	-	(4,152)	(4,152)
TB	Total Business-Type activities	-	(13,435)	(13,435)
TP	Total Primary Government	(376,538,518)	(13,435)	(376,551,953)
General Revenues and Transfer				
	General Revenues			
	Taxes:			
MT	Property taxes, levied for general purposes	78,927,305	-	78,927,305
DT	Property taxes, levied for debt service	38,274,229	-	38,274,229
SF	State-aid formula grants	262,560,097	-	262,560,097
IE	Investment earnings	10,448,923	-	10,448,923
MI	Miscellaneous	101,423	-	101,423
TR	Total General Revenues and Transfer	390,311,977	-	390,311,977
CN	Change in net position	13,773,459	(13,435)	13,760,024
NB	Net Position - Beginning	(14,187,097)	60,194	(14,126,903)
NE	Net Position - Ending	\$ (413,638)	\$ 46,759	\$ (366,879)

YSLETA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit C-1
Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Assets				
1110	Cash and temporary investments	\$ 89,146,800	\$ 69,273,628	\$ 101,141,468
	Receivables:			
1220	Property taxes - delinquent	15,423,840	3,963,184	-
1230	Allowance for uncollectible taxes (credit)	(1,680,944)	(314,573)	-
1240	Receivables from other governments	27,505,355	-	-
1260	Due from other funds	38,086,976	-	-
1290	Other receivables	33,635	-	-
1300	Inventories	3,332,520	-	-
1910	Long-term investments	-	16,136,219	-
1000	Total Assets	171,848,182	89,058,458	101,141,468
1000A Total Assets and Deferred Outflows				
		\$ 171,848,182	\$ 89,058,458	\$ 101,141,468
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 6,632,000	\$ -	\$ 17,054,742
2150	Payroll deduction and withholdings	4,927,822	-	-
2160	Accrued wages payable	2,837,901	-	-
2170	Due to other funds	-	1,529,801	811,298
2180	Payable to other governments	35,645,430	5,645,679	-
2200	Accrued expenditures	4,539	-	8,215,111
2300	Unearned revenue	-	-	-
2000	Total Liabilities	50,047,692	7,175,480	26,081,151
Deferred Inflows of Resources				
2600	Unavailable revenues - property taxes	13,891,888	3,731,377	-
2600	Total Deferred Inflows of Resources	13,891,888	3,731,377	-
Fund Balance				
Non-Spendable:				
3410	Inventories	3,332,520	-	-
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	75,060,317
3480	Debt service	-	78,151,601	-
Committed:				
3520	Claims and judgements	1,000,000	-	-
3545	Other purposes	-	-	-
Assigned:				
3550	Construction	23,926,618	-	-
3565	Retirement of loans or notes payable	5,688,046	-	-
3590	Other	11,542,763	-	-
3600	Unassigned	62,418,655	-	-
3000	Total Fund Balances	107,908,602	78,151,601	75,060,317
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 171,848,182	\$ 89,058,458	\$ 101,141,468

YSLETA INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit C-1
Page 2 of 2

Data Control Codes		ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
1110	Cash and temporary investments	\$ -	\$ 6,210,422	\$ 265,772,318
	Receivables:			
1220	Property taxes - delinquent	-	-	19,387,024
1230	Allowance for uncollectible taxes (credit)	-	-	(1,995,517)
1240	Receivables from other governments	35,625,186	20,895,636	84,026,177
1260	Due from other funds	-	1,740,302	39,827,278
1290	Other receivables	-	-	33,635
1300	Inventories	-	-	3,332,520
1910	Long-term investments	-	-	16,136,219
1000	Total Assets	<u>35,625,186</u>	<u>28,846,360</u>	<u>\$ 426,519,654</u>
1000A	Total Assets and Deferred Outflows	<u>\$ 35,625,186</u>	<u>\$ 28,846,360</u>	<u>\$ 426,519,654</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 954,683	\$ 1,806,523	\$ 26,447,948
2150	Payroll deduction and withholdings	-	-	4,927,822
2160	Accrued wages payable	-	-	2,837,901
2170	Due to other funds	34,670,503	19,747,446	56,759,048
2180	Payable to other governments	-	-	41,291,109
2200	Accrued expenditures	-	-	8,219,650
2300	Unearned revenue	-	1,758,718	1,758,718
2000	Total Liabilities	<u>35,625,186</u>	<u>23,312,687</u>	<u>142,242,196</u>
Deferred Inflows of Resources				
2600	Unavailable revenues - property taxes	-	-	17,623,265
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>17,623,265</u>
Fund Balance				
Non-Spendable:				
3410	Inventories	-	-	3,332,520
Restricted:				
3450	Federal/State funds grant restrictions	-	4,055,125	4,055,125
3470	Capital acquisitions and contractual obligations	-	-	75,060,317
3480	Debt service	-	-	78,151,601
Committed:				
3520	Claims and judgements	-	-	1,000,000
3545	Other purposes	-	1,478,548	1,478,548
Assigned:				
3550	Construction	-	-	23,926,618
3565	Retirement of loans or notes payable	-	-	5,688,046
3590	Other	-	-	11,542,763
3600	Unassigned	-	-	62,418,655
3000	Total Fund Balances	<u>-</u>	<u>5,533,673</u>	<u>266,654,193</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 35,625,186</u>	<u>\$ 28,846,360</u>	<u>\$ 426,519,654</u>



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

YSLETA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO
STATEMENT OF NET POSITION
June 30, 2023

Exhibit C-2

Data Control Codes		
	Total Fund Balance, Governmental Funds	\$ 266,654,193
	Amounts reported for governmental activities in the statement of net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.	1,006,442,849
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	17,623,265
3	Deferred charge on refunding	18,901,133
4	Deferred outflows relating to pension activities	62,487,490
5	Deferred outflows relating to other-post employment benefit	23,870,217
	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. Long-term liabilities at year end consist of:	
6	General obligation bonds	(866,387,772)
7	Maintenance Tax Notes Payable	(29,570,000)
8	Premium/Discount on issuance	(61,333,296)
9	Accumulated accretion on capital appreciation bonds	(53,944,292)
10	Leases payable	(191,489)
11	SBITA payable	(378,597)
12	Arbitrage liability	(98,999)
13	Accrued compensated absences	(8,230,022)
14	Accrued interest payable	(15,431,420)
15	Net pension liability	(143,591,568)
16	Net other-post employment benefit liability	(80,520,915)
17	Deferred inflows relating to pension activities	(17,869,600)
18	Deferred inflows relating to other-post employment benefit	(130,217,357)
19	Addition of Internal Service fund net position	11,372,542
20	Total Net Position - Governmental Activities	<u>\$ (413,638)</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit C-3

Page 1 of 2

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ 82,244,209	\$ 39,399,951	\$ 5,579,165
5800	State program revenues	284,354,843	14,347,511	-
5900	Federal program revenues	20,882,195	-	-
5020	Total Revenues	387,481,247	53,747,462	5,579,165
Expenditures				
Current:				
0011	Instruction	221,989,666	-	-
0012	Instruction resources and media services	1,115,702	-	-
0013	Curriculum and instructional staff development	5,466,742	-	-
0021	Instructional leadership	7,195,029	-	-
0023	School leadership	28,965,355	-	-
0031	Guidance, counseling and evaluation services	9,657,367	-	-
0032	Social work services	1,453,397	-	-
0033	Health services	1,451,708	-	-
0034	Student transportation	12,819,109	-	-
0035	Food services	610,082	-	-
0036	Extracurricular activities	12,608,945	-	-
0041	General administration	12,323,748	-	-
0051	Facilities maintenance and operations	54,804,330	-	-
0052	Security and monitoring services	7,466,240	-	-
0053	Data processing services	7,998,517	-	-
0061	Community services	148,249	-	-
Debt service:				
0071	Principal on long-term debt	3,358,158	13,963,431	-
0072	Interest on long-term debt	1,384,038	34,695,583	-
0073	Debt issuance costs and fees	6,750	4,500	-
Capital outlay:				
0081	Facilities acquisition and construction	11,924,413	-	142,325,701
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	154,137	-	-
0099	Other intergovernmental charges	1,483,206	-	-
6030	Total Expenditures	404,384,888	48,663,514	142,325,701
1100	Excess (deficiency) of revenues over expenditures	(16,903,641)	5,083,948	(136,746,536)
Other Financing Sources (Uses)				
7913	Proceeds from capital lease	446,967	-	-
7915	Transfers in	-	1,238,329	-
8911	Transfers out	(1,272,714)	-	-
7080	Total Other Financing Sources (Uses)	(825,747)	1,238,329	-
1200	Net change in fund balances	(17,729,388)	6,322,277	(136,746,536)
0100	Fund Balance - July 1 (Beginning)	125,637,990	71,829,324	211,806,853
3000	Fund Balance - June 30 (Ending)	\$ 107,908,602	\$ 78,151,601	\$ 75,060,317

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit C-3

Page 2 of 2

Data Control Codes		ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 2,738,077	\$ 129,961,402
5800	State program revenues	-	3,586,169	302,288,523
5900	Federal program revenues	53,711,001	91,630,607	166,223,803
5020	Total Revenues	53,711,001	97,954,853	598,473,728
Expenditures				
Current:				
0011	Instruction	27,700,277	46,959,469	296,649,412
0012	Instruction resources and media services	1,342,316	2,714,230	5,172,248
0013	Curriculum and instructional staff development	973,363	3,385,559	9,825,664
0021	Instructional leadership	245,924	1,303,755	8,744,708
0023	School leadership	1,670,637	1,087,679	31,723,671
0031	Guidance, counseling and evaluation services	3,275,549	6,402,892	19,335,808
0032	Social work services	162,111	1,294,412	2,909,920
0033	Health services	1,780,840	3,391,027	6,623,575
0034	Student transportation	2,820,629	798,223	16,437,961
0035	Food services	1,826,091	24,184,921	26,621,094
0036	Extracurricular activities	62,449	1,735,383	14,406,777
0041	General administration	482,731	172,389	12,978,868
0051	Facilities maintenance and operations	3,241,519	473,040	58,518,889
0052	Security and monitoring services	4,638,527	472,000	12,576,767
0053	Data processing services	187,726	668,500	8,854,743
0061	Community services	5,883	700,591	854,723
Debt service:				
0071	Principal on long-term debt	-	-	17,321,589
0072	Interest on long-term debt	-	-	36,079,621
0073	Debt issuance costs and fees	-	-	11,250
Capital outlay:				
0081	Facilities acquisition and construction	3,294,429	-	157,544,543
Intergovernmental:				
0093	Payments to Fiscal Agent/Member Districts of SSA	-	2,701,577	2,855,714
0099	Other intergovernmental charges	-	-	1,483,206
6030	Total Expenditures	53,711,001	98,445,647	747,530,751
1100	Excess (deficiency) of revenues over expenditures	-	(490,794)	(149,057,023)
Other Financing Sources (Uses)				
7913	Proceeds from capital lease	-	-	446,967
7915	Transfers in	-	-	1,238,329
8911	Transfers out	-	-	(1,272,714)
7080	Total Other Financing Sources (Uses)	-	-	412,582
1200	Net change in fund balances	-	(490,794)	(148,644,441)
0100	Fund Balance - July 1 (Beginning)	-	6,024,467	415,298,634
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 5,533,673	\$ 266,654,193

YSLETA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit C-4

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (see C-3)	\$ (148,644,441)
	Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.	
1	Governmental funds capital outlays	149,192,509
2	Governmental funds depreciation and amortization expense	(16,432,104)
3	Net effect of other retirements and adjustments to capital assets	(158,467)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,867,112
5	Repayment of long-term debt, leases principal and SBITA principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	17,321,589
6	Proceeds from issuance of SBITAs	(446,967)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
7	Increase in interest payable not recognized in fund statements	(2,741,447)
8	Increase accrued compensated absences	(2,315,573)
9	Amortization of premium/discount	5,125,394
10	Accreted interest on capital appreciation bonds	1,368,633
11	Amortization of deferred charge on refunding	(3,988,302)
12	Changes in arbitrage liability	(98,999)
13	Changes in net pension liabilities and related deferred outflows and inflows of resources	(2,283,329)
14	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	14,124,294
15	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities (see D-2).	1,883,557
	Change in Net Position of Governmental Activities (see B-1)	\$ 13,773,459

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

Exhibit D-1

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ 200	\$ 584,335
Due from other funds	47,325	16,884,645
Total Current Assets	<u>47,525</u>	<u>17,468,980</u>
Noncurrent Assets:		
Furniture and equipment	-	306,162
Accumulated depreciation - Furniture and Equipment	-	(291,222)
Total Noncurrent assets	<u>-</u>	<u>14,940</u>
Total Assets	<u>47,525</u>	<u>17,483,920</u>
Liabilities		
Current Liabilities:		
Accounts payable	566	37,151
Due to other funds	200	-
Accrued expenses	-	6,074,227
Total Current Liabilities	<u>766</u>	<u>6,111,378</u>
Total Liabilities	<u>766</u>	<u>6,111,378</u>
Net Position		
Net investment in capital assets	-	14,940
Unrestricted net position	46,759	11,357,602
Total Net Position	<u>\$ 46,759</u>	<u>\$ 11,372,542</u>

YSLETA INDEPENDENT SCHOOL DISTRICT*Exhibit D-2***STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS****For the Year Ended June 30, 2023**

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Operating Revenues		
Miscellaneous revenue from local sources	\$ 11,156	\$ 4,976,185
Interfund services provided	-	52,668,025
Total Operating Revenues	11,156	57,644,210
Operating Expenses		
Payroll costs	-	5,050,055
Purchased and contracted services	-	2,855,304
Supplies and materials	23,464	119,196
Claims expense and other operating expenses	1,127	47,770,483
Total Operating Expenses	24,591	55,795,038
Income (Loss) before Transfers	(13,435)	1,849,172
Other Financing Sources		
Transfers in	-	34,385
Total Other Financing Sources	-	34,385
Change in net position	(13,435)	1,883,557
Net Position - July 1 (Beginning)	60,194	9,488,985
Net Position - June 30 (Ending)	\$ 46,759	\$ 11,372,542

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit D-3

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 11,156	\$ 56,132,218
Cash payments to employees	-	(5,050,055)
Cash payments to suppliers for goods and services	(10,029)	(2,979,049)
Cash payments for insurance claims	-	(46,000,226)
Cash payments for other operating expenses	(1,127)	(1,552,938)
Net Cash Provided by Operating Activities	<u>-</u>	<u>549,950</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers in	-	34,385
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>34,385</u>
Net Increase in Cash and Cash Equivalents	-	584,335
Cash and Cash Equivalents at Beginning of Year	200	-
Cash and Cash Equivalents at End of Year	<u>\$ 200</u>	<u>\$ 584,335</u>
Reconciliation to Balance Sheet		
Cash and Cash Equivalents Per Cash Flow	<u>\$ 200</u>	<u>\$ 584,335</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 200</u>	<u>\$ 584,335</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:		
Operating Income (Loss)	\$ (13,435)	\$ 1,849,172
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Change in Assets and Liabilities:		
Decrease (increase) in interfund receivables	16,474	(1,511,542)
Decrease in accounts payable	(3,039)	(4,549)
Increase in Interfund Payables	-	(450)
Decrease in claims payable	-	217,319
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 549,950</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Current Assets:	
Cash and cash equivalents	<u>\$ 1,694,218</u>
Total Assets	<u><u>1,694,218</u></u>
Liabilities	
Current Liabilities:	
Due to others	<u>\$ 2,563</u>
Total Liabilities	<u><u>2,563</u></u>
Net Position	
Restricted for student scholarships and other activities	<u>1,691,655</u>
Total Net Position	<u><u>\$ 1,691,655</u></u>

YSLETA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

Exhibit E-2

	<u>Custodial Fund</u>
Additions	
Gifts and contributions	<u>\$ 3,727,047</u>
Total Contributions	<u>3,727,047</u>
Deductions	
Payments for student activities	<u>3,629,559</u>
Total Deductions	<u>3,629,559</u>
Change in net position	97,488
Net position - Beginning	<u>1,594,167</u>
Net position - Ending	<u>\$ 1,691,655</u>



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

Note 1 - Summary of Significant Accounting Policies

The Ysleta Independent School District (the "District") is an independent public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by the registered voters of the District and has fiscal accountability over all activities within the jurisdiction 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 the Statement of 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") 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's 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 considered an independent entity for financial reporting purposes, and is considered a primary government as defined by GASB. 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 above standards were applied to the Ysleta Education Foundation, and the District determined that Ysleta Education Foundation does not meet the criteria of a component unit and will not be included in these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, charges to school districts for services, state funds, grants, and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to or due from on the government-wide Statement of Net Position.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

The fiduciary fund financial statements reflect the District's custodial fund, reporting assets, liabilities, and net position. They utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, 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 unmatured 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.

Revenues from local sources consist primarily of property taxes and are recorded as revenue when received. The District considers property tax revenue available if they expect the revenue to be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. The District considers School Health and Related Services (SHARS) and State Aid revenues available if they are collectible within 90 days after the end of the fiscal year.

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 unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amount.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

- *The General Fund* - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Debt Service Fund* - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund. This is a budgeted fund and separate bank accounts are maintained.
- *Capital Projects Fund* - The proceeds from long-term debt financing and revenues and expenditures related to the acquisition, construction, or renovations as well as furnishing and equipping capital facilities are accounted for in this fund.
- *Elementary and Secondary School Emergency Relief Fund III (ESSER III)* - The District accounts for federal stimulus ESSER III funds granted through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

The District reports the following nonmajor governmental funds:

- *Special Revenue Funds* - These funds account for resources restricted to or committed for specific purposes by a grantor, or for resources that are committed for specific purposes by the Board. Most federal and some state financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

The District reports the following proprietary fund types:

- *Enterprise Funds* - The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District's non-major Enterprise Funds are: Teachers Network Technology, Regional Wrestling Meet, Employee Daycare Collaborative, Oasis Program and District Events.
- *Internal Service Funds* - These funds are used to account for financing of goods or services provided by one department to other departments of the District on a cost-reimbursement basis. The District operates four Internal Service Funds. They are Health Insurance, Workers' Compensation, Speech Therapy, and Print Shop Services.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the District reports the following fiduciary fund:

- *Custodial Funds* - The District accounts for resources held for others in a custodial capacity and consists of funds that are property of students or others. The District's Custodial Fund is the Student Activity Account.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, investment pools, and short-term investments with original maturities of one year or less from the date of acquisition.

For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end, except for nonparticipating interest-earning investment contracts which are reported at cost. Investments with an original maturity of less than one year are reported at amortized cost.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to the 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 fiscal year.

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.

F. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities which are received at no cost are recorded as revenue at market value supplied by the Texas Department of Agriculture when received, and as expenditure when consumed. At year end, the commodities inventory is recorded to inventory. A portion of fund balance is classified as nonspendable to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Note 1 - Summary of Significant Accounting Policies (continued)

G. Capital Assets

Capital assets, which include land, buildings, and furniture and equipment, and right-to-use assets are reported in the applicable governmental or business-type activities 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. The District capitalizes building improvements of \$100,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Buildings, furniture and equipment, and right-to-use assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30 - 50
Land improvements	10 - 30
Vehicles	5 - 10
Other equipment	5 - 15
Computer equipment	5 - 7
Right-to-use leased equipment	3-5
Right-to-use SBITA assets	3-5

H. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused state and local leave pay benefits based on their contract or assignment schedule as follows:

<u>Contract/Assignment Days</u>	<u># of Days of Leave</u>
0-201 (10 months)	10 days per year
202-225 (11 months)	11 days per year
226-260 (12 months)	12 days per year

Employees employed prior to August 31, 1996, are allowed 80 days of state and local leave to be accumulated and paid upon retirement and upon request.

In fiscal year 2022-2023, the District modified Policy DEC (LOCAL) to allow employees hired after September 1, 1996 to be paid for one-half of their accumulated earned but unused state and local days upon retirement from the District, up to a maximum of 45 days.

All state and local leave pay are accrued when incurred in the government-wide and proprietary fund financial statements. Payments for vested state and local leave have typically been accounted for in the General Fund.

Note 1 - Summary of Significant Accounting Policies (continued)

I. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are presented as a component of liabilities while deferred charges on refundings are presented as deferred outflows of resources. Both items are deferred and amortized over the life of the related debt using the straight-line method. Long-term debt is reported net of the applicable 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.

Leases

Lessee: The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements

The District is under a contract for SBITA for time and attendance processing. The agreement is noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$100,000 or more.

Note 1 - Summary of Significant Accounting Policies (continued)

I. Long-term Obligations (continued)

Subscription-Based Information Technology Arrangements (continued)

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

J. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred charge on refunding* - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Deferred outflows relating to pension activities* – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability as well as from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. The 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 next fiscal year. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

J. Deferred Outflows/Inflows of Resources (continued)

- *Deferred outflows of resources for other post-employment benefits (OPEB)* – Reported in the government-wide financial statement of net position, this deferred outflow results from contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments and 2) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with other post-employment benefits through the other post-employment benefit plan.

A *deferred inflow of resources* is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- *Deferred inflows of resources for unavailable revenues* - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- *Deferred inflows relating to pension activities* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- *Deferred inflows of resources for post-employment benefits* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

K. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS'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.

Note 1 - Summary of Significant Accounting Policies (continued)

L. Other Post-Employment Benefits (OPEB)

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.

M. Net Position

Net Position on the Statement of Net Position includes the following:

- *Net investment in capital assets* - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- *Restricted for federal and state programs* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- *Restricted for Debt Service* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.
- *Unrestricted net position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

N. Fund Balance

The fund balance in governmental funds has been classified as follows to describe the nature and relative strength of the spending constraints:

- *Nonspendable fund balance* - Represents amounts that are not in spendable form, such as inventory and prepaid items, or are required to be maintained intact.
- *Restricted fund balance* - Represents amounts constrained to specific purposes by their providers, such as grantors, bondholders, and higher levels of government, through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - Represents amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority, i.e., Board of Trustees. To be reported as committed, amounts cannot be used for any other purpose unless the District's Board of Trustees approves the changes by Board Resolution. Fund balance committed in the nonmajor governmental funds during the current fiscal year is committed for campus activities; fund balance committed in the general fund during the current fiscal year is committed for construction and claims and judgments.

Note 1 - Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

- *Assigned fund balance* - Represents amounts the District intends to use for a specific purpose. Intent can be expressed by the District Fund Managers as named in the Board Resolution dated July 21, 2010.
- *Unassigned fund balance* - Represents amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees or the District Fund Managers have provided otherwise in their commitment or assignment actions.

In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.

When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used.

Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

The District sponsors self-insured plans to provide health care benefits to employees and their dependents, and workers' compensation benefits to employees. Revenues of these Internal Service Funds are received from both the District's governmental and proprietary funds and premiums charged to employees. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds.

O. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (the "TEA") in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

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

P. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (continued)

Q. Implementation of New Accounting Standards

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The District has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the District has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB issued Statement No. 99, Omnibus 2022 was issued in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this Statement are effective immediately upon issuance, for periods beginning after June 15, 2022 and June 15, 2023, depending on the topical area.

Note 2 - Deposits and Investments

Cash Deposits: 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. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At June 30, 2023, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was \$17,382,212 and the bank balance was \$21,038,578. The District's cash deposits at June 30, 2023 were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments: The District's investment policy is in accordance with the **Public Funds Investment Act** (Government Code Chapter 2256). 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, (10) and common trust funds.

Note 2 - Deposits and Investments (continued)

At June 30, 2023, the District's cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Fair Value/ Amortized Cost	Weighted Average Maturity (Days)	Credit Rating
Governmental Activities			
Cash and deposits	\$ 15,103,459	N/A	N/A
Investments			
Local Government Investment Pools			
Texas CLASS	65,694,402	26	AAAm
Texas Daily	47,667,212	28	AAAm
Texas Range	136,357,196	94	AAAm
TexPool	950,049	26	AAAm
Total Investments	<u>250,668,859</u>	63	
Internal Service Funds			
Cash and deposits	584,335	N/A	N/A
Total Internal Service Funds	<u>584,335</u>		
Total Governmental Activities	<u>266,356,653</u>		
Business-type Activities			
Cash and deposits	200	N/A	N/A
Total Business-type Activities	<u>200</u>		
Fiduciary Funds			
Cash and Deposits	1,694,218	N/A	N/A
Total Fiduciary Funds	<u>1,694,218</u>		
Total	<u>\$ 268,051,071</u>		

Due to the immediate availability of the funds, the District's temporary investments at June 30, 2023 are included in cash and cash equivalents. In addition, the District's certificates of deposit are reported at fair value using Level 1 inputs, and the District's investment securities are reported at fair value using Level 2 inputs.

In prior fiscal years, the District entered into Investment Repurchase Agreements with Bank of New York Mellon Trust Company, N.A. The repurchase agreements are presented as a long-term investment in the Debt Service Fund and are presented on a cost basis. The investment is considered a nonparticipating interest earning investment contract, therefore, a cost-based measure is used for reporting.

Note 2 - Deposits and Investments (continued)

As of June 30, 2023 , the repurchase agreements information is summarized as follows:

Repurchase Agreement	Carrying Value	Maturity Date	Interest Rate	Rating*	Percentage of all investments	Fair Market Value of Pledged Security	Collateral Percentage
Bayern LB New York	\$ 12,756,188	8/15/2026	3.82%	AA	5.09%	\$ 12,940,273	101.44%
Bayern LB New York	3,380,031	8/15/2036	1.85%	AA	1.35%	3,403,654	100.70%
	<u>\$ 16,136,219</u>						

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates may adversely affect the value of investments. To limit the risk that changes in interest rates will adversely affect the fair value of the investments, the District monitors interest rate risk utilizing weighted average maturity (WAM) analysis. The District requires its investment portfolio to have maturities of less than one year on a WAM basis. However, specific to the District's debt service funds, maturities longer than one year are authorized within legal limits and as long as sufficient investment liquidity to timely meet debt service payment obligations is maintained. The long-term investment the District currently holds, which has no call options, is due when the debt instrument is due and the District intends to hold the investment until maturity, thereby reducing its risk of loss due to changes in the fair value of the investment.

At June 30, 2023, the District's exposure to interest risk as measured by the segmented time distribution by investment type is summarized below:

	Fair Value/ Amortized Cost	Investment Maturity	
		Less than 1 Year	1-5 Years
Local Government Investment Pools:			
Texas CLASS	\$ 65,694,402	\$ 65,694,402	\$ -
Texas Daily	47,667,212	47,667,212	-
Texas Term	136,357,196	136,357,196	-
TexPool	950,049	950,049	-
Investment Securities:			
Repurchase Agreements	16,136,219	-	16,136,219
	<u>\$ 266,805,078</u>	<u>\$ 250,668,859</u>	<u>\$ 16,136,219</u>

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in commercial paper, corporate bonds, mutual bond funds, public funds investment pools to those that have received top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the District's investments in Texas Pool were rated AAA, Texas Term were rated AAAs, Texas CLASS and Texas Daily were rated AAAs by Standard & Poor's. In addition, for long-term investments, to limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District requires full collateralization with direct or unconditionally guaranteed obligations of the United States Government or Agency on the long-term investment it currently holds.

Custodial Credit Risk: 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 District's policy regarding deposits is in accordance with this law.

Note 2 - Deposits and Investments (continued)

Concentration of Credit Risk: For temporary investments, to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to investment pools since the purpose of these pools is to diversify the District's investment portfolio. For long-term investments – to limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. The long-term investment the District currently holds is 6% of its total investments.

Note 3 - Receivables and Unearned Revenue

Receivables as of June 30, 2023, for the District's individual major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>ESSER III</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 15,423,840	\$ 3,963,184	\$ -	\$ -	\$ 19,387,024
Due from other governments	27,505,355	-	35,625,186	20,895,636	84,026,177
Other receivables	33,635	-	-	-	33,635
Gross Receivables	42,962,830	3,963,184	35,625,186	20,895,636	103,446,836
Less allowance for doubtful accounts	(1,680,944)	(314,573)	-	-	(1,995,517)
Net Total Receivables	<u>\$ 41,281,886</u>	<u>\$ 3,648,611</u>	<u>\$ 35,625,186</u>	<u>\$ 20,895,636</u>	<u>\$ 101,451,319</u>

Other receivables are reported at gross value. Management has determined that an allowance for doubtful accounts is not necessary for fair presentation.

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year 2023, the various components of unearned revenues reported in the governmental funds were as follows:

Unearned federal revenue	\$ 14,642
Unearned state and local revenue	<u>1,744,076</u>
	<u>\$ 1,758,718</u>

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result from normal operations and are cleared out periodically. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

Note 4 - Interfund Receivables, Payables, and Transfers (continued)

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

	Interfund Receivable	Interfund Payable	Net
Governmental Activities			
General Fund	\$ 38,086,976	\$ -	\$ 38,086,976
Debt Service Fund	-	1,529,801	(1,529,801)
Capital Projects Fund	-	811,298	(811,298)
ESSER III	-	34,670,503	(34,670,503)
Nonmajor Governmental Funds	1,740,302	19,747,446	(18,007,144)
Nonmajor Business-Type funds	47,325	200	47,125
Nonmajor Internal Service Funds	16,884,645	-	16,884,645
Total Governmental Activities	\$ 56,759,248	\$ 56,759,248	\$ -

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the fiscal year ended June 30, 2023:

Transfer Out	Transfer In	Amount
General Fund	Debt service fund	\$ 1,238,329
General Fund	Internal service fund	34,385
Total		\$ 1,272,714

Interfund transfers generally fall into two categories: (1) transfers to cover debt service payments to comply with debt covenants, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	July 01, 2022 as restated	Additions	(Retirements) and Transfers	Balance June 30, 2023
Governmental Capital Assets				
Capital assets, not being depreciated/amortized:				
Land	\$ 15,747,778	\$ -	\$ -	\$ 15,747,778
Construction in progress	246,528,449	135,308,935	(4,276,750)	377,560,634
Total Capital assets, not being depreciated/amortized	262,276,227	135,308,935	(4,276,750)	393,308,412
Capital assets, being depreciated/amortized:				
Buildings and improvements	892,337,796	5,731,224	3,742,973	901,811,993
Land improvements	55,706,363	-	-	55,706,363
Furniture and equipment	109,080,478	7,705,383	(857,065)	115,928,796
Right-to-use leased equipment	583,770	-	-	583,770
SBITA assets	-	446,967	-	446,967
Total Capital assets, being depreciated/amortized	1,057,708,407	13,883,574	2,885,908	1,074,477,889
Less accumulated depreciation/amortization for:				
Buildings and improvements	(339,579,384)	(9,798,909)	-	(349,378,293)
Land improvements	(15,413,505)	-	-	(15,413,505)
Furniture and Equipment	(90,936,945)	(6,342,231)	1,232,375	(96,046,801)
Right-to-use leased equipment	(198,950)	(216,470)	-	(415,420)
SBITA assets	-	(74,494)	-	(74,494)
Total Accumulated depreciation/amortization	(446,128,784)	(16,432,104)	1,232,375	(461,328,513)
Governmental Capital Assets	\$ 873,855,850	\$ 132,760,405	\$ (158,467)	\$ 1,006,457,788

Note 5 - Capital Assets (continued)

There were no capital assets held in the Business-type Activities.

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Function	Depreciation and Amortization Expense
Governmental Activities:	
Instruction	\$ 6,361,022
Instructional resources and media services	343,946
Curriculum and staff development	1,455
Instructional leadership	-
School leadership	428,069
Guidance, counseling and evaluation services	71,968
Social work services	1,272
Health services	55,206
Student transportation	402,479
Food Services	784,020
Extracurricular activities	5,164,304
General administration	222,213
Plant maintenance and operations	1,285,644
Security and monitoring services	950,318
Data processing services	360,188
Total Governmental Activities	\$ 16,432,104

Construction Commitments

The District has active construction projects as of June 30, 2023 including renovations and site improvements. All accumulated resources for capital projects are either restricted, committed, or assigned. At June 30, 2023, estimated construction commitments with contractors were as follows:

Project	Approved Construction Budget	Construction in Progress	Remaining Commitment
Bond Projects	\$ 407,235,949	\$ 368,968,787	\$ 38,267,162
Other Projects	20,467,040	8,591,847	11,875,193
	<u>\$ 427,702,989</u>	<u>\$ 377,560,634</u>	<u>\$ 50,142,355</u>

Note 6 - Compensated Absences and Other Retirement/Sick Leave Benefits

The balance of accumulated unpaid vacation and sick leave at June 30, 2023 was \$8,230,022 and is presented as other long-term liabilities in these financial statements.

Balance	Additions and	Balance
July 01, 2022	Deductions, net	June 30, 2023
<u>\$ 5,914,449</u>	<u>\$ 2,315,573</u>	<u>\$ 8,230,022</u>

Note 7 - Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The debt service expenditures for the lease revenue bonds are paid by the general fund. The current requirements for compensated absences are accounted for in the general fund.

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance			Balance	Due Within One
	July 1, 2022	Additions	Retirements	June 30, 2023	Year
General Obligation Bonds	\$ 883,441,202	\$ -	\$ (17,053,430)	\$ 866,387,772	\$ 16,945,625
Maintenance Tax Notes	29,570,000	-	-	29,570,000	-
Accumulated Accretion on Capital Appreciation Bonds	55,312,924	1,152,938	(2,521,570)	53,944,292	3,079,375
Leases Payable	391,278	-	(199,789)	191,489	148,352
SBITA Payable	-	446,967	(68,370)	378,597	143,841
Unamortized Premium/Discount on Debt	66,458,690	-	(5,125,394)	61,333,296	-
Compensated Absences	5,914,449	2,315,573	-	8,230,022	343,183
	<u>\$ 1,041,088,543</u>	<u>\$ 3,915,478</u>	<u>\$ (24,968,553)</u>	<u>\$ 1,020,035,468</u>	<u>\$ 20,660,376</u>

General Obligation Bonds and Maintenance Tax Notes

General Obligation Bonds and Maintenance Tax Notes outstanding, at June 30, 2023, are comprised of the following:

Issue	Original Issuance	Interest Rate (%)	Maturity	Debt Outstanding
	Amount		Date	
General Obligation Bonds:				
Lease Revenue Refunding Bonds, Series 2001	\$ 37,845,000	3.4% to 5.375%	2024	\$ 6,710,000
Unlimited Tax Refunding Bonds, Series 2012A	51,250,000	2.00% to 5.00%	2030	
Unlimited Tax Refunding Bonds, Series 2014	89,415,000	2.00% to 5.00%	2031	24,105,000
Unlimited Tax School Building Bonds, Series 2017	168,350,000	3.00% to 5.00%	2047	165,265,000
Unlimited Tax School Building Bonds, Series 2020	250,765,000	4.00%	2053	248,930,000
Unlimited Tax Refunding Bonds, Series 2020A	74,825,000	1.807-5.00%	2032	68,905,000
Unlimited Tax Refunding Bonds, Series 2020B	215,599,596	0.640-2.730%	2046	206,432,772
Unlimited Tax School Building Bonds, Series 2022	146,040,000	4.00% to 5.00%	2057	146,040,000
				<u>866,387,772</u>
Maintenance Tax Notes:				
Qualified School Construction MTN, Series 2009	16,805,000	2.00%	2026	16,805,000
Qualified School Construction MTN, Series 2017	12,765,000	4.51%	2036	12,765,000
				<u>29,570,000</u>
				<u>\$ 895,957,772</u>

Note 7 - Long-term Liabilities (continued)

General Obligation Bonds and Maintenance Tax Notes (continued)

Debt service requirements to maturity for the General Obligation Bonds are as follows:

Year Ending June 30	Principal	Interest	Totals
2024	\$ 16,945,625	\$ 37,218,211	\$ 54,163,836
2025	16,764,114	36,739,891	53,504,005
2026	13,690,066	36,202,855	49,892,921
2027	13,667,039	35,660,256	49,327,295
2028	14,258,554	35,043,741	49,302,295
2029-2033	71,372,839	175,985,598	247,358,437
2034-2038	102,599,535	146,954,970	249,554,505
2039-2043	136,790,000	112,227,819	249,017,819
2044-2048	160,945,000	86,279,772	247,224,772
2049-2053	181,235,000	51,510,350	232,745,350
2054-2057	138,120,000	13,476,500	151,596,500
	<u>\$ 866,387,772</u>	<u>\$ 767,299,963</u>	<u>\$ 1,633,687,735</u>

Debt service requirements to maturity for the Maintenance Tax Notes are as follows:

Year Ending June 30	Principal	Interest	Totals
2024	\$ -	\$ 911,802	\$ 911,802
2025	-	911,802	911,802
2026	16,805,000	911,802	17,716,802
2027	-	743,752	743,752
2028	-	575,702	575,702
2029 - 2033	-	2,878,510	2,878,510
2034 - 2037	12,765,000	2,014,957	14,779,957
	<u>\$ 29,570,000</u>	<u>\$ 8,948,327</u>	<u>\$ 38,518,327</u>

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

Note 7 - Long-term Liabilities (continued)

Deferred Charge on refunding

The balance of deferred charge on refunding at June 30, 2023 was \$18,901,133 and is presented as a deferred outflow of resources in the Statement of Net Position:

	Balance July 01, 2022	Deferred Charge on New Issues	*Recognized Amortization	Balance June 30, 2023
Deferred charge on refunding	\$ 22,889,435	\$ -	\$ 3,988,302	\$ 18,901,133

Prior Years' Refunding of Long-Term Debt

In prior years, the District defeased certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust, to provide for all future debt service payments on the refunded debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2023, the outstanding defeased debt is \$216,100,000.

A portion of the bonds sold in the Series 2020B refunding bond issues were capital appreciation bonds commonly referred to as "premium compound interest bonds." The District annually records the appreciation of the bond principal for the accreted value of the bonds through maturity of the issue. The interest of these bonds series will be paid upon maturity. The following table summarizes the significant features of the individual bonds, by issue:

Series	Original Bond Principal	Accreted Value	Current Year Accreted Interest
2020B Refunding	\$ 215,599,596	\$ 53,944,292	\$ (1,152,937)

Note 8 - Leases

In fiscal year 2022, the District reported several leases in accordance with GASB Statement No. 87 *Leases*. The District is the lessee for copiers. The District's incremental borrowing rate used to calculate the present value of the lease liability was 4.00%. There are no variable payments. The ending lease liability as of June 30, 2023 was \$191,489. The District is required to make monthly payments of approximately \$16,600. The copiers have a three to five-year useful life.

The lease terms are as follows:

Description	Lease Term (in months)
Sharp copier - Desertaire Elementary	17
Sharp copier - Edgemere International	29
Spectrum	27
Xerox copiers - Presa Elementary	15
Xerox copiers - Eastwood High	28
Xerox copiers - Print Shop	30
Xerox copier - Human Capital Management Office	40
Xerox copiers - Ysleta High	51

Note 8 – Leases (continued)

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year Ending			
June 30	Principal	Interest	Totals
2024	148,352	3,509	151,861
2025	36,950	777	37,727
2026	6,187	67	6,254
	<u>\$ 191,489</u>	<u>\$ 4,353</u>	<u>\$ 195,842</u>

Note 9 – Subscription-Based Information Technology Arrangements

During the current fiscal year, the District entered into a three-year SBITA agreement for the acquisition of time and attendance processing software. An initial SBITA liability was recorded in the amount of \$446,967 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$378,597. There are no variable payments. The District is required to make annual principal and interest payments of \$165,000. The SBITA has an interest rate of 6.75%. The software has a three-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$446,967. and had accumulated amortization of \$74,494. There are no commitments under SBITAs before the commencement of the subscription term. The SBITA has a term of 36 months.

The future principal and interest SBITA payments as of June 30, 2023, were as follows:

Year Ending			
June 30	Principal	Interest	Totals
2024	143,841	21,159	165,000
2025	153,856	11,144	165,000
2026	80,900	1,600	82,500
	<u>\$ 378,597</u>	<u>\$ 33,903</u>	<u>\$ 412,500</u>

Note 10 - Revenues from Local, Intermediate, and Out-of-State Sources

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

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 77,064,919	\$ 37,213,828	\$ -	\$ -	\$ 114,278,747
Penalties, interest and other tax related revenue	792,576	263,099	-	-	1,055,675
Investment Income	3,031,563	1,916,023	5,575,209	25,127	10,547,922
Co-curricular student activities	309,187	-	-	1,860,125	2,169,312
Food sales	-	-	-	372,384	372,384
Other	1,045,964	7,001	3,956	480,441	1,537,362
	<u>\$ 82,244,209</u>	<u>\$ 39,399,951</u>	<u>\$ 5,579,165</u>	<u>\$ 2,738,077</u>	<u>\$ 129,961,402</u>

Note 11 - Federal Source Revenues in the General Fund

For the year ended June 30, 2023, the General Fund reports the following federal revenues:

<u>Program or Source</u>	<u>ALN</u>	<u>Amount</u>
SHARS	N/A	\$ 9,593,817
Army JROTC	12.000	509,102
Medicaid Administrative Claiming Program	N/A	220,086
Impact Aid	84.041	43,151
Indirect Costs - Department of Education	84.XXX	8,911,102
Indirect Costs - Child Nutrition Cluster	10.555	1,340,643
QSCB III (subsidy for interest payment)	N/A	264,294
		<u>\$ 20,882,195</u>

Note 12 - Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf>, selecting About TRS, then Publications, then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

C. Benefits Provided

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

Note 12 - Defined Benefit Pension Plan (continued)

C. Benefits Provided

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

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.

D. 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	
	Plan Fiscal Year	
	2023	2022
Member	8.00%	8.00%
Non-employer contributing agency	8.00%	7.75%
Employers	8.00%	7.75%

	Fiscal Year 2022
	Contributions
Employer (District)	\$ 13,035,703
Employee (Member)	25,420,605
Non-employer Contributing Entity	
On-behalf Contributions (State)	16,892,915

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).

Note 12 - Defined Benefit Pension Plan (continued)

D. Contributions (continued)

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

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

In addition to the employer contributions listed above, the employer is subject to an additional surcharge in the following instances:

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022. The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted July 2022.

Note 12 - Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions (continued)

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

F. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of 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 projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 12 - Defined Benefit Pension Plan (continued)

F. Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation²	Private Equity¹	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity ¹	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return ¹	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

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

Note 12 - Defined Benefit Pension Plan (continued)

G. Discount Rate (continued)

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (7.00 percent) than the current rate.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$223,374,036	143,591,568	\$78,924,133

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

At June 30, 2023, the District reported a liability of \$143,591,568 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 net pension liability	\$	143,591,568
State's proportionate share of the net pension liability associated with the District		202,352,334
Total	\$	<u>345,943,902</u>

The District's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At August 31, 2022, the District's proportion of the collective net pension liability was 0.2419% which was an increase of 0.0058% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

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

For the year ended June 30, 2023, the District recognized pension expense of \$15,424,564. The District also recognized an additional on-behalf revenue and expense of \$19,342,589 representing support provided by the State.

Note 12 - Defined Benefit Pension Plan (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Changes Since the Prior Actuarial Valuation (continued)

At June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 2,082,066	\$ (3,130,568)
Changes of assumption	26,755,782	(6,668,288)
Net difference between projected and actual earnings on pension plan investments	14,186,388	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,433,907	(8,070,744)
District contributions subsequent to the measurement date	11,029,347	-
Total	<u>\$ 62,487,490</u>	<u>\$ (17,869,600)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$11,029,347 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Pension Expense
2024	\$ 8,186,623
2025	4,112,676
2026	1,346,955
2027	17,470,279
2028	2,472,010
	<u>\$ 33,588,543</u>

Note 13 - Defined Other Post-Employment Benefit Plans

A. Plan Description

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

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

B. OPEB Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf> , or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

C. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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

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

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

D. 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.

Note 13 - Defined Other Post-Employment Benefit Plans (continued)

D. Contributions (continued)

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

	Measurement Year	
	2023	2022
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

Fiscal Year 2023	
Contributions	
Employer (District)	\$ 3,047,424
Employee (Member)	2,064,760
Non-employer Contributing Entity	
On-behalf Contributions (State)	5,025,374

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

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. In addition to the demographic assumptions, salary increases and inflation rates used for members of TRS are identical to the assumptions employed in the August 31, 2022 TRS annual pension actuarial valuation.

The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Note 13 - Defined Other Post-Employment Benefit Plans (continued)

E. Actuarial Assumptions (continued)

Additional Actuarial Methods and Assumptions:

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. The initial prescription drug trend was 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

F. Discount Rate

The plan is a pay-as-you-go plan. As such, a single discount rate must be used that is equal to the prevailing municipal bond rate. The single discount rate changed from 1.95 percent as of August 31, 2020 to 3.91 percent, as of August 31, 2021. This change increased the Total OPEB Liability. The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, .95 percent or one percentage point higher, 2.95 percent, than the AA/Aa rate. The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

G. Discount Rate Sensitivity Analysis

Discount Rate – 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 (3.91%) in measuring the Net OPEB Liability.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions

	Discount Rate		
	1% Decrease (2.91%)	Current Rate (3.91%)	1% Increase (4.91%)
District's proportional share of the net OPEB liability	\$94,940,544	\$ 80,520,915	\$68,839,164

Note 13 - Defined Other Post-Employment Benefit Plans (continued)

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

At June 30, 2023, the District reported a liability of \$80,520,915 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 are as follows:

District's proportionate share of the net OPEB Liability	\$ 80,520,915
State's proportionate share of the net OPEB liability associated with the District	98,222,865
Total	\$ 178,743,780

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

At August 31, 2022, the District's proportion of the collective Net OPEB Liability was 0.3363% which was an increase of 0.0011% from its proportion measured as of August 31, 2021.

Healthcare Cost Trend Rates – The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$66,349,596	\$80,520,915	\$98,892,205

Changes Since the Prior Actuarial Valuation

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. This change increased the Total OPEB Liability.

For the year ended June 30, 2023, the District recognized negative OPEB expense of \$11,056,067. The District also recognized negative on-behalf OPEB expense and revenue of \$13,938,617 for support provided by the State.

Note 13 - Defined Other Post-Employment Benefit Plans (continued)

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,476,678	\$ (67,081,149)
Changes of assumptions	12,264,930	(55,941,141)
Net difference between projected and actual earnings on OPEB plan investments	239,850	-
Changes in proportion and differences between District contributions and proportionate share of contributions	4,330,459	(7,195,067)
District contributions subsequent to the measurement date	<u>2,558,300</u>	<u>-</u>
Total	<u><u>\$ 23,870,217</u></u>	<u><u>\$ (130,217,357)</u></u>

Changes Since the Prior Actuarial Valuation (continued)

The \$2,558,300 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>OPEB Expense Amount</u>
2024	\$ (20,229,058)
2025	(20,228,189)
2026	(16,813,575)
2027	(12,190,788)
2027	(13,875,712)
2028	<u>(25,568,118)</u>
	<u><u>\$ (108,905,440)</u></u>

I. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on-behalf of the District were \$1,718,954, \$1,191,618, and \$1,323,816, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 14 - Risk Management

Property/Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, and liability coverage through commercial insurance carriers, self-insurance, and from participation in a risk pool. The District's participation in the risk pool is limited to payment of premiums.

Self-Insurance

The District provides health benefits to its employees and dependents through a self-insured employee health benefit plan, which is accounted for in the Internal Service Fund and is principally supported by contributions from the District and employees. The District makes contributions to cover a portion of the employees' premiums, and the employees at their option, authorize payroll withholdings to pay contributions to cover their dependents or increased coverage. The District obtains stop loss coverage through a third-party insurance company for claims in excess of \$300,000 per year and an unlimited lifetime maximum for aggregate loss, which is based on a factor determined monthly by the third-party insurance company. The Internal Service Fund charges the General Fund and other funds for the District's portion of premiums for employees whose salaries are charged to those funds. Claims are paid by a third-party administrator acting on behalf of the District. The Plan was authorized by Section 22.005 Texas Education Code and is documented by contractual agreement.

The District also provides workers' compensation to its employees through a self-insured plan which is accounted for in the Internal Service Fund. The Internal Service Fund charges the General Fund and other funds for premiums for the District's contribution. The District does not purchase coverage for unanticipated catastrophic claims and aggregate loss. However, the District has an excess workers' compensation insurance policy that takes over after the District reaches its \$600,000 self-insured retention level and covers the District up to the statutory required limit. The District established the self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code.

Settled claims have not exceeded insurance coverage in any of the previous three years. There has not been any significant reduction in insurance coverage from that of the previous year.

The costs associated with these self-insurance plans are reported as interfund transactions to the extent of amounts determined by the third-party administrators. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the governmental and proprietary funds.

Estimates of claims payable and of claims incurred but not reported at June 30, 2023, are reflected as accrued expenses of the Fund. The liabilities include an amount for claims that have been incurred but were not reported until after June 30, 2023. Liability for claims is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the liabilities is an estimate. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balances of claims liabilities are as follows:

Fiscal Year	Beginning of Year Accrual	Current Year Estimates	Claims Payments	End of Year Accrual
Health Insurance	\$ 3,389,908	\$ 44,464,538	\$ 44,320,219	\$ 3,534,227
Workers' Compensation	2,467,000	1,753,007	1,680,007	2,540,000

Note 15 - Shared Service Arrangements

The District is fiscal agent for a Shared Service Arrangement (“SSA”), which provides services for Adult Basic Education (ABE) to adult students, including those qualifying under the Temporary Assistance for Needy Families (TANF) program, to the member Districts: Ysleta ISD, Socorro ISD and El Paso ISD. All member districts are service providers. Funds are received from the Texas Workforce Commission. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in the appropriate Special Revenue Funds and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

SSA - ABE - Federal

Revenues	
5900 Federal revenue	\$ 2,236,626
	<u>\$ 2,236,626</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 2,236,626
	<u>\$ 2,236,626</u>

SSA - TANF

Revenues	
5900 Federal revenue	\$ 191,192
	<u>\$ 191,192</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 191,192
	<u>\$ 191,192</u>

SSA - ABE - State /Educational Technology (Ed Tech) Pilot

Revenues	
5800 State revenue	\$ 273,759
	<u>\$ 273,759</u>
Expenditures	
6400 Miscellaneous operating costs	\$ 273,759
	<u>\$ 273,759</u>

The District is a member district of a SSA, which provides services to deaf and hard of hearing students within the boundaries of ESC Region 19. Member districts pay El Paso Independent School District Regional Day School Program for the Deaf (“EPISD RDSPD”) on a per student basis, for any student residing within the boundary of the District who are enrolled in EPISD RDSPD. The total amount paid during the fiscal year ended June 30, 2023 is \$154,137

Note 16 - Contingent Liabilities

In 2008, the District entered into an Interlocal Agreement with the City of El Paso in which the District would lease 7.8662 acres from the City for 99 years for \$1 per year. The District agreed to construct a school and related facilities and would grant the City use of certain facilities within that school and related areas. Upon the termination of the lease, the land and any improvements shall be surrendered to and become the property of the City. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. The District is a defendant in various lawsuits arising in the normal course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and the District's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District. However, administration has established a provision for losses in the amount of \$1,000,000.

Note 17 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of June 30, 2023, the District has estimated an arbitrage liability of \$98,999.

Note 18 - Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts) and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources.

At June 30, 2023, certain amounts which are restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances included in:			
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Total Encumbrances
General Fund	\$ -	\$ -	\$ 11,542,763	\$ 11,542,763
Capital Projects Fund	58,088,589	-	-	58,088,589
Nonmajor Governmental Funds	282,150	43,647	-	325,797
Totals	\$ 58,370,739	\$ 43,647	\$ 11,542,763	\$ 69,957,149



REQUIRED SUPPLEMENTARY INFORMATION

YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2023

Exhibit G-1

		Budgeted Amounts			Variance with Final Budget - Positive (Negative)
Data Control Codes		Original	Final	Actual Amounts, GAAP Basis	
Revenues					
5700	Local, intermediate, and out-of-state	\$ 94,380,048	\$ 94,380,048	\$ 82,244,209	\$ (12,135,839)
5800	State program revenues	299,238,262	299,238,262	284,354,843	(14,883,419)
5900	Federal program revenues	20,679,952	20,679,952	20,882,195	202,243
5020	Total Revenues	414,298,262	414,298,262	387,481,247	(26,817,015)
Expenditures					
Current:					
0011	Instruction	238,335,543	226,071,466	221,989,666	4,081,800
0012	Instruction resources and media services	1,223,773	1,217,803	1,115,702	102,101
0013	Curriculum and instructional staff development	5,813,467	6,013,407	5,466,742	546,665
0021	Instructional leadership	7,524,457	7,624,457	7,195,029	429,428
0023	School leadership	29,493,239	29,492,789	28,965,355	527,434
0031	Guidance, counseling and evaluation services	9,984,204	9,985,154	9,657,367	327,787
0032	Social work services	1,505,238	1,705,238	1,453,397	251,841
0033	Health services	1,272,700	1,574,201	1,451,708	122,493
0034	Student transportation	14,205,675	15,410,256	12,819,109	2,591,147
0035	Food services	808,817	908,817	610,082	298,735
0036	Extracurricular activities	13,405,160	13,563,467	12,608,945	954,522
0041	General administration	12,873,219	13,008,100	12,323,748	684,352
0051	Facilities maintenance and operations	53,086,403	55,322,969	54,804,330	518,639
0052	Security and monitoring services	7,386,392	7,621,553	7,466,240	155,313
0053	Data processing services	8,312,714	8,312,714	7,998,517	314,197
0061	Community services	111,685	311,685	148,249	163,436
Debt service:					
0071	Principal on long-term debt	3,090,000	4,812,320	3,358,158	1,454,162
0072	Interest on long-term debt	1,438,552	1,516,232	1,384,038	132,194
0073	Debt issuance costs and fees	16,000	16,000	6,750	9,250
Capital outlay:					
0081	Facilities acquisition and construction	12,339,900	35,138,515	11,924,413	23,214,102
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	145,000	195,000	154,137	40,863
0099	Other intergovernmental charges	1,260,000	1,510,000	1,483,206	26,794
6030	Total Expenditures	423,632,138	441,332,143	404,384,888	36,947,255
1100	Excess (deficiency) of revenues over expenditures	(9,333,876)	(27,033,881)	(16,903,641)	10,130,240
Other Financing Sources (Uses)					
7913	Proceeds from capital lease	-	-	446,967	446,967
8911	Transfers out	(1,238,328)	(1,438,328)	(1,272,714)	165,614
7080	Total Other Financing Sources (Uses)	(1,238,328)	(1,438,328)	(825,747)	612,581
1200	Net change in fund balances	(10,572,204)	(28,472,209)	(17,729,388)	10,742,821
0100	Fund Balance - July 1 (Beginning)	125,637,990	125,637,990	125,637,990	-
3000	Fund Balance - June 30 (Ending)	\$ 115,065,786	\$ 97,165,781	\$ 107,908,602	\$ 10,742,821

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

A. Budgets and Budgetary Accounting

The District adopts annual appropriations type budgets for the General Fund, Child Nutrition Program Special Revenue Fund, and the Debt Service Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports. The General Fund Budget report is presented on Exhibit G-1, the Child Nutrition Program Special Revenue fund budget report and the Debt Service Fund budget report appear on Exhibit J-2 and J-3, respectively.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through a normal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year June 30, 2023. The Board of Trustees approved budget amendments to decrease or supplement appropriations as follows:

	<u>General Fund</u>	<u>Child Nutrition Program</u>	<u>Debt Service</u>
Amendments Approved	\$ (17,900,005)	\$ 223,947	\$ -

The budget amendments approved in the General Fund were allocated to support the purchase of maintenance vehicles, security vehicles, regular and special education buses, customized athletic uniforms and football helmets for campuses, contracted services for dark fiber services, rental of trucks and temporary help for campus transitions, district advertising, Parkland Elementary School marquee, rebuild of Dolphin Terrace Elementary School Pre-K wing, districtwide water fountain installations/demolitions, elevator modernizations, HVAC and roofing repairs for various campuses and other lifecycle projects. The budget amendments approved in the Child Nutrition Program were allocated to support the purchase of unprocessed or minimally processed domestic food products as part of the Supply Chain Assistance Grant.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by **June 30, 2022**. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report. Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
Teacher Retirement System of Texas
For the Last Eight Measurement Years Ended June 30

Exhibit G-2

	2022	2021	2020	2019
District's proportion of the net pension liability	0.2419%	0.2477%	0.2213%	0.2392%
District's proportionate share of the net pension liability	\$ 143,591,568	\$ 63,091,756	\$ 118,540,699	\$ 124,356,659
State's proportionate share of the net pension liability associated with the District	<u>202,352,334</u>	<u>99,971,149</u>	<u>215,534,201</u>	<u>206,360,184</u>
Total	<u>\$ 345,943,902</u>	<u>\$ 163,062,905</u>	<u>\$ 334,074,900</u>	<u>\$ 330,716,843</u>
District's covered payroll (for Measurement Year)	\$ 300,996,791	\$ 312,071,645	\$ 294,629,672	\$ 281,809,867
District's proportionate share of the net pension liability as a percentage of its covered payroll	47.7%	20.2%	40.2%	44.1%
Plan's fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.54%	75.24%
Plan's net pension liability as a percentage of covered payroll *	112.72%	51.08%	110.36%	114.93%
	2018	2017	2016	2015
District's proportion of the net pension liability	0.2465%	0.2553%	0.2575%	0.2742%
District's proportionate share of the net pension liability	\$ 135,697,729	\$ 81,634,756	\$ 97,290,151	\$ 96,930,327
State's proportionate share of the net pension liability associated with the District	<u>226,648,067</u>	<u>136,826,004</u>	<u>166,026,955</u>	<u>162,030,094</u>
Total	<u>\$ 362,345,796</u>	<u>\$ 218,460,760</u>	<u>\$ 263,317,106</u>	<u>\$ 258,960,421</u>
District's covered payroll (for Measurement Year)	\$ 278,469,194	\$ 275,977,992	\$ 271,988,317	\$ 267,689,396
District's proportionate share of the net pension liability as a percentage of its covered payroll	48.7%	29.6%	35.8%	36.2%
Plan's fiduciary net position as a percentage of the total pension liability *	73.74%	82.17%	78.00%	78.43%
Plan's net pension liability as a percentage of covered payroll *	126.11%	75.93%	92.75%	91.94%

The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2014.

Net Pension Liability and related ratios will be presented prospectively as data becomes available

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
Teacher Retirement System of Texas
For the Last Ten Years Ended June 30

Exhibit G-3

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 13,035,703	\$ 10,815,982	\$ 10,409,816	\$ 8,983,963	\$ 8,368,063
Contributions in relation to the contractually required contributions	13,035,703	10,815,982	10,409,816	8,983,963	8,368,063
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 317,714,200	\$ 298,888,179	\$ 310,580,567	\$ 293,433,317	\$ 280,580,254
Contributions as a percentage of covered employee payroll	4.10%	3.62%	3.35%	3.06%	2.98%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 8,272,927	\$ 8,277,745	\$ 7,998,199	\$ 7,677,705	\$ 4,954,171
Contributions in relation to the contractually required contributions	8,272,927	8,277,745	7,998,199	7,677,705	4,954,171
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 276,898,100	\$ 275,643,403	\$ 270,867,867	\$ 268,001,219	\$ 269,021,697
Contributions as a percentage of covered employee payroll	2.99%	3.00%	2.95%	2.86%	1.84%

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Year Ended June 30, 2023

Changes of Assumptions

The single discount rate as of August 31, 2022 was 7.00 percent, which decreased by 0.25 percent from the rate as of August 31, 2021.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the 2022 or 2021 measurement periods.

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.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
Teacher Retirement System of Texas
For the Last Six Measurement Years Ended June 30

Exhibit G-4

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.3363%	0.3374%	0.3306%	0.3400%
District's proportionate share of the net OPEB liability	\$ 80,520,915	\$ 130,166,241	\$ 125,682,642	\$ 160,768,518
State's proportionate share of the net pension liability associated with the District	98,222,865	174,393,755	168,887,344	213,625,401
Total	<u>\$ 178,743,780</u>	<u>\$ 304,559,996</u>	<u>\$ 294,569,986</u>	<u>\$ 374,393,919</u>
District's covered payroll (for Measurement Year)	\$ 300,996,791	\$ 312,071,645	\$ 281,809,867	\$ 281,809,867
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	26.8%	41.7%	42.7%	57.0%
Plan's fiduciary net position as a percentage of the total OPEB liability *	11.52%	6.18%	4.99%	2.66%
Plan's net OPEB liability as a percentage of covered payroll*	59.10%	100.13%	101.46%	135.21%

	2018	2017
District's proportion of the net OPEB liability	0.3476%	0.3438%
District's proportionate share of the net OPEB liability	\$ 173,554,349	\$ 149,493,006
State's proportionate share of the net pension liability associated with the District	208,436,444	208,436,444
Total	<u>\$ 381,990,793</u>	<u>\$ 357,929,450</u>
District's covered payroll (for Measurement Year)	\$ 278,469,194	\$ 275,977,992
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	62.3%	54.2%
Plan's fiduciary net position as a percentage of the total OPEB liability *	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll*	146.64%	132.55%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017
Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report.

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
Teacher Retirement System of Texas
For the Last Ten Fiscal Years Ended June 30

Exhibit G-5

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,047,424	\$ 2,698,518	\$ 2,609,238	\$ 2,214,028	\$ 2,401,318
Contributions in relation to the contractually required contributions	<u>3,047,424</u>	<u>2,698,518</u>	<u>2,609,238</u>	<u>2,214,028</u>	<u>2,401,318</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 317,714,200	\$ 298,888,179	\$ 310,580,567	\$ 310,580,567	\$ 293,433,317
Contributions as a percentage of covered employee payroll	0.96%	0.90%	0.84%	0.71%	0.82%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,230,167	\$ 1,771,371	\$ 1,766,679	\$ 1,750,351	\$ 1,479,838
Contributions in relation to the contractually required contributions	<u>2,230,167</u>	<u>1,771,371</u>	<u>\$ 1,766,679</u>	<u>\$ 1,750,351</u>	<u>\$ 1,479,838</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 276,898,100	\$ 275,643,403	\$ 270,867,867	\$ 268,001,219	\$ 269,021,697
Contributions as a percentage of covered employee payroll	0.81%	0.64%	0.65%	0.65%	0.55%

YSLETA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Fiscal Year Ended June 30, 2023

Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that have affected measurement of the Total OPEB liability (TOL):

- The discount rate was 3.91 percent, 1.95 percent, 2.33 percent, and 2.63 percent as of August 31, 2022, August 31, 2021, August 31, 2020, and August 31, 2019, respectively.
- During measurement year 2020, the participation rate for post-65 retirees was lowered from 50% to 40%. This change lowered the Total OPEB Liability.
- During measurement year 2020, the ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.
- During measurement year 2019, the health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- During measurement year 2019, 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.
- During measurement year 2019, 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.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

Changes in Benefit Terms

There were no significant benefit revisions since the prior evaluation for the 2022 measurement year. There were no changes in benefit terms in the 2021 measurement year.

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.



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

OTHER SUPPLEMENTARY INFORMATION

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 1 of 11

		206	211	212
		ESEA, Title III-B, Education for Homeless Children and Youth	ESEA Title I, A - Improving Basic Ed.	ESEA Title I, Part C - Education of Migratory Children
Data Control Codes				
	Assets			
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	27,647	5,483,036	34,282
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 27,647	\$ 5,483,036	\$ 34,282
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ -	\$ 222,828	\$ -
2170	Due to other funds	27,647	5,260,208	34,282
2300	Unearned revenue	-	-	-
2000	Total Liabilities	27,647	5,483,036	34,282
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 27,647	\$ 5,483,036	\$ 34,282

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
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		220	223	224
Data Control Codes		Adult Basic Education (ABE)	Temporary Assistance for Needy Families (TANF)	IDEA B - Formula
	Assets			
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	196,025	12,801	2,130,554
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 196,025	\$ 12,801	\$ 2,130,554
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ 71,098	\$ -	\$ -
2170	Due to other funds	124,927	12,801	2,130,554
2300	Unearned revenue	-	-	-
2000	Total Liabilities	196,025	12,801	2,130,554
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 196,025	\$ 12,801	\$ 2,130,554

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 3 of 11

		225	240	242
Data				
Control				
Codes				
	Assets			
1110	Cash and temporary investments	\$ -	\$ 4,264,270	\$ -
	Receivables:			
1240	Receivables from other governments	31,135	177,343	226,294
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 31,135	\$ 4,441,613	\$ 226,294
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ -	\$ 34,325	\$ 20,262
2170	Due to other funds	31,135	368,758	206,032
2300	Unearned revenue	-	-	-
2000	Total Liabilities	31,135	403,083	226,294
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	4,038,530	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	4,038,530	-
4000	Total Liabilities and Fund Balance	\$ 31,135	\$ 4,441,613	\$ 226,294

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 4 of 11

		244	255	263
Data Control Codes		Career and Technical Education - Basic	ESEA Title II, A - Training and Recruiting	English Language Acquisition and Language Enhancement
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	251,186	850,851	932,574
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 251,186	\$ 850,851	\$ 932,574
Liabilities and Fund Balances				
	Liabilities:			
2110	Accounts payable	\$ 59,030	\$ 236,327	\$ 6,509
2170	Due to other funds	192,156	614,524	926,065
2300	Unearned revenue	-	-	-
2000	Total Liabilities	251,186	850,851	932,574
Fund Balance				
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 251,186	\$ 850,851	\$ 932,574

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 5 of 11

		265	266	272
		Title IV, Part B - 21st Century Community Learning Centers	ESSER	Medicaid Administrative Claiming Program - MAC
Data Control Codes				
	Assets			
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	594,876	-	69,221
1260	Due from other funds	-	-	-
1000	Total Assets	<u>\$ 594,876</u>	<u>\$ -</u>	<u>\$ 69,221</u>
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ 64,246	\$ -	\$ -
2170	Due to other funds	530,630	-	69,221
2300	Unearned revenue	-	-	-
2000	Total Liabilities	<u>594,876</u>	<u>-</u>	<u>69,221</u>
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 594,876</u>	<u>\$ -</u>	<u>\$ 69,221</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
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Data Control Codes		278	279	280
		ARP ESSER - Homeless	Texas COVID Learning Acceleration Support - ESSER III	ESEA, Title X, Part C - Education for Homeless Children & Youth - ARRA
	Assets			
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	11,638	158,528	51,454
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 11,638	\$ 158,528	\$ 51,454
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ -	\$ -	\$ -
2170	Due to other funds	11,638	158,528	51,454
2300	Unearned revenue	-	-	-
2000	Total Liabilities	11,638	158,528	51,454
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 11,638	\$ 158,528	\$ 51,454

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
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		281	284	289
Data				
Control				
Codes				
	Assets	ESSER II	IDEA - Part B, Formula - ARP	Federally Funded Special Revenue
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	7,565,943	511,979	473,979
1260	Due from other funds	-	-	-
1000	Total Assets	\$ 7,565,943	\$ 511,979	\$ 473,979
	Liabilities and Fund Balances			
	Liabilities:			
2110	Accounts payable	\$ 607,069	\$ 9,862	\$ 18,346
2170	Due to other funds	6,958,874	502,117	440,991
2300	Unearned revenue	-	-	14,642
2000	Total Liabilities	7,565,943	511,979	473,979
	Fund Balance			
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balance	\$ 7,565,943	\$ 511,979	\$ 473,979

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 8 of 11

		309	312	381
Data Control Codes		SSA- Adult Basic Education (ABE)	SSA- Temporary Assistance for Needy Families (TANF)	Adult Basic Education (ABE)
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	317,192	13,733	2,517
1260	Due from other funds	-	-	-
1000	Total Assets	<u>\$ 317,192</u>	<u>\$ 13,733</u>	<u>\$ 2,517</u>
Liabilities and Fund Balances				
Liabilities:				
2110	Accounts payable	\$ 317,192	\$ 13,733	\$ 354
2170	Due to other funds	-	-	2,163
2300	Unearned revenue	-	-	-
2000	Total Liabilities	<u>317,192</u>	<u>13,733</u>	<u>2,517</u>
Fund Balance				
Non-Spendable:				
Restricted:				
3450	Federal/State funds grant restrictions	-	-	-
Committed:				
3545	Other purposes	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balance	<u>\$ 317,192</u>	<u>\$ 13,733</u>	<u>\$ 2,517</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 9 of 11

		397	410	427
Data Control Codes		Advanced Placement Incentive	Instructional Materials Allotment	Texas Women's University Reading Recovery
Assets				
1110	Cash and temporary investments	\$ -	\$ -	\$ -
	Receivables:			
1240	Receivables from other governments	-	-	484,166
1260	Due from other funds	241,775	969,311	-
1000	Total Assets	\$ 241,775	\$ 969,311	\$ 484,166
Liabilities and Fund Balances				
	Liabilities:			
2110	Accounts payable	\$ -	\$ -	\$ 23,465
2170	Due to other funds	-	-	460,701
2300	Unearned revenue	241,775	969,311	-
2000	Total Liabilities	241,775	969,311	484,166
Fund Balance				
	Non-Spendable:			
	Restricted:			
3450	Federal/State funds grant restrictions	-	-	-
	Committed:			
3545	Other purposes	-	-	-
3000	Total Fund Balances	-	-	-
		\$ 241,775	\$ 969,311	\$ 484,166

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 10 of 11

	429	431	461
	State Funded Special Revenue Fund	SSA- Adult Basic Education State Ed Tech Pilot	Campus Activity Fund
Assets			
Cash and temporary investments	\$ -	\$ -	\$ 1,946,152
Receivables:			
Receivables from other governments	279,456	7,226	-
Due from other funds	-	-	-
Total Assets	\$ 279,456	\$ 7,226	\$ 1,946,152
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 68	\$ 7,226	\$ 94,234
Due to other funds	258,670	-	373,370
Unearned revenue	20,718	-	-
Total Liabilities	279,456	7,226	467,604
Fund Balance			
Non-Spendable:			
Restricted:			
Federal/State funds grant restrictions	-	-	-
Committed:			
Other purposes	-	-	1,478,548
Total Fund Balances	-	-	1,478,548
Total Liabilities and Fund Balance	\$ 279,456	\$ 7,226	\$ 1,946,152

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Exhibit H-1
Page 11 of 11

	483	499	
	Comprehensive Care Center	Locally Defined Special Revenue Fund	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ -	\$ -	\$ 6,210,422
Receivables:			
Receivables from other governments	-	-	20,895,636
Due from other funds	16,944	512,272	1,740,302
Total Assets	\$ 16,944	\$ 512,272	\$ 28,846,360
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 349	\$ -	1,806,523
Due to other funds	-	-	19,747,446
Unearned revenue	-	512,272	1,758,718
Total Liabilities	349	512,272	23,312,687
Fund Balance			
Non-Spendable:			
Restricted:			
Federal/State funds grant restrictions	16,595	-	4,055,125
Committed:			
Other purposes	-	-	1,478,548
Total Fund Balances	16,595	-	5,533,673
Total Liabilities and Fund Balance	\$ 16,944	\$ 512,272	\$ 28,846,360

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
Page 1 of 11

		206	211	212
Data Control Codes		ESEA, Title III-B, Education for Homeless Children and Youth	ESEA Title I, A - Improving Basic Ed.	ESEA Title I, Part C - Education of Migratory Children
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	87,358	16,177,482	88,862
5020	Total Revenues	87,358	16,177,482	88,862
Expenditures				
Current:				
0011	Instruction	48,690	14,527,584	84,870
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	405,367	-
0021	Instructional leadership	-	98,043	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	38,668	883,330	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	263,158	3,992
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	87,358	16,177,482	88,862
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 2 of 11

		220	223	224
Data Control Codes		Adult Basic Education (ABE)	Temporary Assistance for Needy Families (TANF)	IDEA B - Formula
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	896,655	76,502	7,637,315
5020	Total Revenues	<u>896,655</u>	<u>76,502</u>	<u>7,637,315</u>
Expenditures				
Current:				
0011	Instruction	619,901	23,841	7,367,672
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	61,269	16,687	-
0021	Instructional leadership	-	-	-
0023	School leadership	137,318	26,996	-
0031	Guidance, counseling and evaluation services	74,260	8,978	-
0032	Social work services	-	-	269,643
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	1,433	-	-
0052	Security and monitoring services	2,474	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>896,655</u>	<u>76,502</u>	<u>7,637,315</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		225	240	242
Data Control Codes		IDEA B - Preschool	Child Nutrition	Summer Feeding Program
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 397,789	\$ -
5800	State program revenues	-	89,555	-
5900	Federal program revenues	117,389	22,937,766	250,437
5020	Total Revenues	<u>117,389</u>	<u>23,425,110</u>	<u>250,437</u>
Expenditures				
Current:				
0011	Instruction	3,389	-	-
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	114,000	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	23,882,286	250,437
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>117,389</u>	<u>23,882,286</u>	<u>250,437</u>
1200	Net change in fund balances	-	(457,176)	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>4,495,706</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ 4,038,530</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2

Page 4 of 11

		244	255	263
Data Control Codes		Career and Technical Education - Basic	ESEA Title II, A - Training and Recruiting	English Language Acquisition and Language Enhancement
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	630,345	1,756,675	1,368,703
5020	Total Revenues	<u>630,345</u>	<u>1,756,675</u>	<u>1,368,703</u>
Expenditures				
Current:				
0011	Instruction	344,709	78,358	1,233,513
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	34,197	1,096,414	124,002
0021	Instructional leadership	146,904	250,942	11,188
0023	School leadership	-	162,502	-
0031	Guidance, counseling and evaluation services	98,689	19,936	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	5,846	-	-
0041	General administration	-	137,109	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	11,414	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>630,345</u>	<u>1,756,675</u>	<u>1,368,703</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		265	266	272
Data Control Codes		Title IV, Part B - 21st Century Community Learning Centers	ESSER	Medicaid Administrative Claiming Program - MAC
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	1,460,598	40,329	-
5020	Total Revenues	<u>1,460,598</u>	<u>40,329</u>	<u>-</u>
Expenditures				
Current:				
0011	Instruction	587,797	370	-
0012	Instruction resources and media services	-	39,959	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	581,770	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	9,900	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	156,071	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	8,696	-	-
0052	Security and monitoring services	35,028	-	-
0053	Data processing services	-	-	-
0061	Community services	81,336	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>1,460,598</u>	<u>40,329</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

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		278	279	280
Data Control Codes		ARP ESSER - Homeless	Texas COVID Learning Acceleration Support - ESSER III	ESEA, Title X, Part C - Education for Homeless Children & Youth - ARRA
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	48,932	670,910	107,236
5020	Total Revenues	48,932	670,910	107,236
Expenditures				
Current:				
0011	Instruction	116	652,910	11,385
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	48,816	-	-
0032	Social work services	-	-	95,851
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	18,000	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	48,932	670,910	107,236
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

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		281	284	289
Data	Control			
Codes		ESSER II	IDEA - Part B, Formula - ARP	Federally Funded Special Revenue
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	32,262,411	1,329,486	1,257,398
5020	Total Revenues	<u>32,262,411</u>	<u>1,329,486</u>	<u>1,257,398</u>
Expenditures				
Current:				
0011	Instruction	16,961,931	776,324	76,563
0012	Instruction resources and media services	2,662,684	-	3,450
0013	Curriculum and instructional staff development	1,184,259	162,524	76,503
0021	Instructional leadership	18,448	109,930	-
0023	School leadership	93,848	-	3,462
0031	Guidance, counseling and evaluation services	5,630,739	280,708	84,787
0032	Social work services	-	-	6,920
0033	Health services	2,930,925	-	458,638
0034	Student transportation	795,588	-	-
0035	Food service	-	-	52,198
0036	Extracurricular activities	538,064	-	213,401
0041	General administration	-	-	-
0051	Facilities maintenance and operations	399,730	-	-
0052	Security and monitoring services	104,688	-	264,720
0053	Data processing services	668,500	-	-
0061	Community services	273,007	-	16,756
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>32,262,411</u>	<u>1,329,486</u>	<u>1,257,398</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

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		309	312	381
Data Control Codes		SSA- Adult Basic Education (ABE)	SSA- Temporary Assistance for Needy Families (TANF)	Adult Basic Education (ABE)
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	118,132
5900	Federal program revenues	2,236,626	191,192	-
5020	Total Revenues	<u>2,236,626</u>	<u>191,192</u>	<u>118,132</u>
Expenditures				
Current:				
0011	Instruction	-	-	74,652
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	-	-	4,593
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	27,380
0031	Guidance, counseling and evaluation services	-	-	10,027
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Facilities maintenance and operations	-	-	1,393
0052	Security and monitoring services	-	-	87
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	2,236,626	191,192	-
6030	Total Expenditures	<u>2,236,626</u>	<u>191,192</u>	<u>118,132</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		397	410	427
<u>Data Control Codes</u>		<u>Advanced Placement Incentive</u>	<u>Instructional Materials Allotment</u>	<u>Texas Women's University Reading Recovery</u>
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ 4,722	\$ -
5800	State program revenues	16,181	2,242,703	484,166
5900	Federal program revenues	-	-	-
5020	Total Revenues	<u>16,181</u>	<u>2,247,425</u>	<u>484,166</u>
Expenditures				
Current:				
0011	Instruction	756	2,229,955	484,166
0012	Instruction resources and media services	-	-	-
0013	Curriculum and instructional staff development	15,425	-	-
0021	Instructional leadership	-	190	-
0023	School leadership	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	17,280	-
0051	Facilities maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	-	-	-
0061	Community services	-	-	-
Intergovernmental:				
0093	Payments related to shared services arrangement	-	-	-
6030	Total Expenditures	<u>16,181</u>	<u>2,247,425</u>	<u>484,166</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		429	431	461
Data Control Codes		State Funded Special Revenue Fund	SSA- Adult Basic Education State Ed Tech Pilot	Campus Activity Fund
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 1,860,512
5800	State program revenues	359,580	273,759	-
5900	Federal program revenues	-	-	-
5020	Total Revenues	<u>359,580</u>	<u>273,759</u>	<u>1,860,512</u>
Expenditures				
Current:				
0011	Instruction	104,026	-	368,419
0012	Instruction resources and media services	-	-	427
0013	Curriculum and instructional staff development	168,498	-	34,024
0021	Instructional leadership	56,342	-	-
0023	School leadership	-	-	634,278
0031	Guidance, counseling and evaluation services	-	-	251
0032	Social work services	-	-	-
0033	Health services	-	-	495
0034	Student transportation	-	-	2,635
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	777,253
0041	General administration	-	-	-
0051	Facilities maintenance and operations	5,777	-	55,652
0052	Security and monitoring services	-	-	1,068
0053	Data processing services	-	-	-
0061	Community services	24,937	-	19,628
Intergovernmental:				
0093	Payments related to shared services arrangement	-	273,759	-
6030	Total Expenditures	<u>359,580</u>	<u>273,759</u>	<u>1,894,130</u>
1200	Net change in fund balances	-	-	(33,618)
0100	Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>1,512,166</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,478,548</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit H-2
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		483	499	
Data				
Control				
Codes				
		Comprehensive	Locally Defined	Total Nonmajor
		Care Center	Special Revenue	Governmental
			Fund	Funds
	Revenues			
5700	Local, intermediate, and out-of-state	\$ -	\$ 475,054	\$ 2,738,077
5800	State program revenues	-	2,093	3,586,169
5900	Federal program revenues	-	-	91,630,607
5020	Total Revenues	-	477,147	97,954,853
	Expenditures			
	Current:			
0011	Instruction	-	297,572	46,959,469
0012	Instruction resources and media services	-	7,710	2,714,230
0013	Curriculum and instructional staff development	-	1,797	3,385,559
0021	Instructional leadership	-	29,998	1,303,755
0023	School leadership	-	1,895	1,087,679
0031	Guidance, counseling and evaluation services	-	21,801	6,402,892
0032	Social work services	-	-	1,294,412
0033	Health services	-	969	3,391,027
0034	Student transportation	-	-	798,223
0035	Food service	-	-	24,184,921
0036	Extracurricular activities	-	44,748	1,735,383
0041	General administration	-	-	172,389
0051	Facilities maintenance and operations	-	359	473,040
0052	Security and monitoring services	-	63,935	472,000
0053	Data processing services	-	-	668,500
0061	Community services	-	6,363	700,591
	Intergovernmental:			
0093	Payments related to shared services arrangement	-	-	2,701,577
6030	Total Expenditures	-	477,147	98,445,647
1200	Net change in fund balances	-	-	(490,794)
0100	Fund Balance - July 1 (Beginning)	16,595	-	6,024,467
3000	Fund Balance - June 30 (Ending)	\$ 16,595	\$ -	\$ 5,533,673

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

Exhibit H-3
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	753	770	776
	Health Insurance	Workers' Compensation	Speech Therapy
Assets			
Current Assets:			
Cash and cash equivalents	\$ 584,335	\$ -	\$ -
Due from other funds	13,116,682	3,712,879	-
Total Current Assets	<u>13,701,017</u>	<u>3,712,879</u>	<u>-</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and equipment	-	-	-
Accumulated depreciation - Furniture and Equipment	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 13,701,017</u>	<u>\$ 3,712,879</u>	<u>\$ -</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ 24,163	\$ -	\$ -
Accrued expenses	3,534,227	2,540,000	-
Total Liabilities	<u>3,558,390</u>	<u>2,540,000</u>	<u>-</u>
Net Position			
Net investment in capital assets	-	-	-
Unrestricted net position	10,142,627	1,172,879	-
Total Net Position	<u>\$ 10,142,627</u>	<u>\$ 1,172,879</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

Exhibit H-3
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	Print Shop Services	Total Internal Service Funds
Assets		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 584,335
Due from other funds	55,084	16,884,645
Total Current Assets	<u>55,084</u>	<u>17,468,980</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and equipment	306,162	306,162
Accumulated depreciation - Furniture and Equipment	(291,222)	(291,222)
Total Noncurrent Assets	<u>14,940</u>	<u>14,940</u>
Total Assets	<u>\$ 70,024</u>	<u>\$ 17,483,920</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 12,988	\$ 37,151
Accrued expenses	-	6,074,227
Total Liabilities	<u>12,988</u>	<u>6,111,378</u>
Net Position		
Net investment in capital assets	14,940	14,940
Unrestricted net position	42,096	11,357,602
Total Net Position	<u>\$ 57,036</u>	<u>\$ 11,372,542</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-4
Page 1 of 2

	753	770	776
	Health Insurance	Workers' Compensation	Speech Therapy
Operating Revenues			
Miscellaneous revenue from local sources	\$ 4,976,185	\$ -	\$ -
Interfund service provided	44,742,558	3,124,272	4,338,134
Total Operating Revenues	49,718,743	3,124,272	4,338,134
Operating Expenses			
Payroll costs	234,662	190,145	4,338,134
Purchased and contracted services	2,655,736	159,960	-
Supplies and materials	5,508	-	-
Claims expense and other operating expenses	45,045,610	2,724,873	-
Total Operating Expenses	47,941,516	3,074,978	4,338,134
Operating Income (Loss)	1,777,227	49,294	-
Transfers			
Transfers in	-	-	-
Total Transfers	-	-	-
Change in net position	1,777,227	49,294	-
Net Position - Beginning	8,365,400	1,123,585	-
Net Position - Ending	\$ 10,142,627	\$ 1,172,879	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-4
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	Print Shop Services	Total Internal Service Funds
Operating Revenues		
Miscellaneous revenue from local sources	\$ -	\$ 4,976,185
Interfund service provided	463,061	52,668,025
Total Operating Revenues	<u>463,061</u>	<u>57,644,210</u>
Operating Expenses		
Payroll costs	287,114	5,050,055
Purchased and contracted services	39,608	2,855,304
Supplies and materials	113,688	119,196
Claims expense and other operating expenses	-	47,770,483
Total Operating Expenses	<u>440,410</u>	<u>55,795,038</u>
Operating Income (Loss)	<u>22,651</u>	<u>1,849,172</u>
Transfers		
Transfers in	34,385	34,385
Total Transfers	<u>34,385</u>	<u>34,385</u>
Change in net position	57,036	1,883,557
Net Position - Beginning	-	9,488,985
Net Position - Ending	<u>\$ 57,036</u>	<u>\$ 11,372,542</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-5
Page 1 of 2

	753 Health Insurance	770 Workers' Compensation	776 Speech Therapy
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from user charges	\$ 48,384,579	\$ 3,001,978	\$ 4,338,134
Cash payments to employees	(234,662)	(190,145)	(4,338,134)
Cash payments to suppliers for goods and services	(2,664,291)	(159,960)	-
Cash payments for insurance claims	(44,320,219)	(1,680,007)	-
Cash payments for other operating expenses	(581,072)	(971,866)	-
Net Cash Provided by (Used for) Operating Activities	584,335	-	-
Cash Flows from Non-Capital Financing Activities:			
Transfers in			
Net Cash Provided by Non-Capital Financing Activities	-	-	-
Net Increase in Cash and Cash Equivalents	584,335	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	\$ 584,335	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 1,777,227	\$ 49,294	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in Assets and Liabilities:			
Decrease (increase) in interfund receivables	(1,334,164)	(122,294)	-
Increase (decrease) in accounts payable	(3,047)	-	-
Increase (decrease) in Interfund Payables	-	-	-
Increase (decrease) in claims payable	144,319	73,000	-
Net Cash Provided by (Used for) Operating Activities	\$ 584,335	\$ -	\$ -

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2023

Exhibit H-5
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	777	
	Print Shop	Total Internal
	Services	Service Funds
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash received from user charges	\$ 407,527	\$ 56,132,218
Cash payments to employees	(287,114)	(5,050,055)
Cash payments to suppliers for goods and services	(154,798)	(2,979,049)
Cash payments for insurance claims	-	(46,000,226)
Cash payments for other operating expenses	-	(1,552,938)
Net Cash Provided by (Used for) Operating Activities	<u>(34,385)</u>	<u>549,950</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers in	<u>34,385</u>	<u>34,385</u>
Net Cash Provided by Non-Capital Financing Activities	<u>34,385</u>	<u>34,385</u>
Net Increase in Cash and Cash Equivalents	-	584,335
Cash and Cash Equivalents at Beginning of Year	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 584,335</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 22,651	\$ 1,849,172
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Change in Assets and Liabilities:		
Decrease (increase) in interfund receivables	(55,084)	(1,511,542)
Increase (decrease) in accounts payable	(1,502)	(4,549)
Increase (decrease) in Interfund Payables	(450)	(450)
Increase (decrease) in claims payable	-	217,319
Net Cash Provided by (Used for) Operating Activities	<u>\$ (34,385)</u>	<u>\$ 549,950</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

Exhibit H-6
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	712	721	722
	Teachers	Employee	
	Network	Daycare	Oasis
	Technology	Collaborative	Program
Assets			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 200	\$ -
Due from other funds	16,434	-	23,211
Total Assets	<u>16,434</u>	<u>200</u>	<u>23,211</u>
Liabilities			
Current Liabilities:			
Accounts payable	-	-	566
Due to other funds	-	200	-
Total Liabilities	<u>-</u>	<u>200</u>	<u>566</u>
Net Position			
Unrestricted	16,434	-	22,645
Total Net Position	<u>\$ 16,434</u>	<u>\$ -</u>	<u>\$ 22,645</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

Exhibit H-6
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	726	
	District	
	Events	Total
Assets		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 200
Due from other funds	7,680	47,325
Total Assets	7,680	47,525
Liabilities		
Current Liabilities:		
Accounts payable	-	566
Due to other funds	-	200
Total Liabilities	-	766
Net Position		
Unrestricted	7,680	46,759
Total Net Position	\$ 7,680	\$ 46,759

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

Exhibit H-7
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	712	721	722
	Teachers	Employee	
	Network	Daycare	
	Technology	Collaborative	Oasis
			Program
Operating Revenues			
Miscellaneous revenue from			
local sources	\$ -	\$ -	\$ 11,156
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>11,156</u>
Operating Expenses			
Supplies and materials	8,156	-	15,308
Other operating expenses	1,127	-	-
Total Operating Expenses	<u>9,283</u>	<u>-</u>	<u>15,308</u>
Operating Income (loss)	<u>(9,283)</u>	<u>-</u>	<u>(4,152)</u>
Change in Net Position	(9,283)	-	(4,152)
Net Position - Beginning	<u>25,717</u>	<u>-</u>	<u>26,797</u>
Net Position - Ending	<u>\$ 16,434</u>	<u>\$ -</u>	<u>\$ 22,645</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

Exhibit H-7
Page 2 of 2

	726	
	District Events	Total
Operating Revenues		
Miscellaneous revenue from local sources	\$ -	\$ 11,156
Total Operating Revenues	-	11,156
Operating Expenses		
Supplies and materials	-	23,464
Other operating expenses	-	1,127
Total Operating Expenses	-	24,591
Operating Income (loss)	-	(13,435)
Change in Net Position	-	(13,435)
Net Position - Beginning	7,680	60,194
Net Position - Ending	<u>\$ 7,680</u>	<u>\$ 46,759</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

Exhibit H-8
Page 1 of 2

	712	721	722
	Teachers Network Technology	Employee Daycare Collaborative	Oasis Program
Cash Flows from Operating Activities:			
Cash received from user charges	\$ -	\$ -	\$ 11,156
Cash payments to suppliers for goods and services	1,127	-	(11,156)
Cash payments for other operating expenses	(1,127)	-	-
Net Cash Received (Used) for Operating Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	200	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (9,283)	\$ -	\$ (4,152)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in Assets and Liabilities:			
Decrease (increase) in Interfund Receivables	9,283	-	7,191
Increase (decrease) in Accounts Payable	-	-	(3,039)
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2023

Exhibit H-8
Page 2 of 2

	726	
	District	Total
	Events	Nonmajor
		Enterprise
		Funds
Cash Flows from Operating Activities:		
Cash received from user charges	\$ -	\$ 11,156
Cash payments to suppliers for goods and services	-	(10,029)
Cash payments for other operating expenses	-	(1,127)
Net Cash Used for Operating Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at Beginning of Year	-	200
Cash and Cash Equivalents at End of Year	\$ -	\$ 200
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ -	\$ (13,435)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Change in Assets and Liabilities:		
Decrease (increase) in Interfund Receivables	-	16,474
Increase (decrease) in Accounts Payable	-	(3,039)
Net Cash Provided by Operating Activities	\$ -	\$ -



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

REQUIRED TEA SCHEDULES

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2023

Exhibit J-1
Page 1 of 2

	1	2	3	10
Last Ten Fiscal Years	Tax Rates		Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2022
	Maintenance	Debt Service		
2014 and prior	Various	Various	Various	\$ 3,016,600
2015	1.170000	0.190000	6,508,882,059	333,774
2016	1.170000	0.190000	6,333,026,395	359,569
2017	1.170000	0.305000	6,431,324,778	429,104
2018	1.170000	0.285000	6,485,677,251	572,967
2019	1.170000	0.285000	6,804,056,014	695,107
2020	1.068300	0.285000	7,064,650,115	918,359
2021	1.054100	0.392500	7,255,042,142	1,227,726
2022	1.032000	0.495000	7,457,804,111	2,947,151
2023	0.983900	0.475000	8,066,604,154	-
1000 Totals				<u><u>\$ 10,500,357</u></u>
8000	Taxes refunded under Section 26.155(c), Tax Code, for tax refunds issued for immediate homestead exemptions pursuant to Senate Bill (SB) 8, 87-2			
	Penalty and interest receivable on taxes			
	Total taxes receivable per Exhibit C-1			

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended June 30, 2023

Exhibit J-1
Page 2 of 2

	20	31	32	40	50
Last Ten Fiscal Years	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 6/30/2023
2014 and prior	\$ -	\$ 45,615	\$ 10,013	\$ (140,144)	\$ 2,820,828
2015	-	12,996	2,110	-	318,668
2016	-	9,775	1,587	-	348,207
2017	-	17,225	4,490	-	407,389
2018	-	36,004	8,770	443	528,636
2019	-	75,379	18,362	(2,851)	598,515
2020	-	2,766	738	(138,013)	776,842
2021	-	(28,499)	(10,612)	(310,373)	956,464
2022	-	569,314	273,072	(594,967)	1,509,798
2023	<u>117,683,688</u>	<u>76,986,609</u>	<u>37,167,029</u>	<u>-</u>	<u>3,530,050</u>
1000 Totals	<u>\$ 117,683,688</u>	<u>\$ 77,727,184</u>	<u>\$ 37,475,559</u>	<u>\$ (1,185,905)</u>	<u>11,795,397</u>
		<u>\$ 332,136</u>			
Penalty and interest receivable on taxes					<u>7,591,627</u>
Total taxes receivable per Exhibit C-1					<u>\$ 19,387,024</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM FUND
For the Year Ended June 30, 2023

Exhibit J-2

	<u>Budgeted Amounts</u>		<u>Actual Amounts, GAAP Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local revenues	\$ 1,920,610	\$ 1,920,610	\$ 397,789	\$ (1,522,821)
State program revenues	120,000	120,000	89,555	(30,445)
Federal program revenues	<u>26,157,115</u>	<u>26,381,062</u>	<u>22,937,766</u>	<u>(3,443,296)</u>
Total Revenues	<u>28,197,725</u>	<u>28,421,672</u>	<u>23,425,110</u>	<u>(4,996,562)</u>
Expenditures				
Current:				
Food services	<u>28,197,725</u>	<u>28,421,672</u>	<u>23,882,286</u>	<u>4,539,386</u>
Total Expenditures	<u>28,197,725</u>	<u>28,421,672</u>	<u>23,882,286</u>	<u>4,539,386</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(457,176)</u>	<u>(457,176)</u>
Net change in fund balances	-	-	(457,176)	(457,176)
Fund Balances - Beginning	<u>4,495,706</u>	<u>4,495,706</u>	<u>4,495,706</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,495,706</u>	<u>\$ 4,495,706</u>	<u>\$ 4,038,530</u>	<u>\$ (457,176)</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2023

Exhibit J-3

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts, GAAP Basis	
Revenues				
Local and intermediate sources	\$ 33,853,917	\$ 33,853,917	\$ 39,399,951	\$ 5,546,034
State program revenues	14,840,097	14,840,097	14,347,511	(492,586)
Federal program revenues	-	-	-	-
Total Revenues	<u>48,694,014</u>	<u>48,694,014</u>	<u>53,747,462</u>	<u>5,053,448</u>
Expenditures				
Debt Service:				
Principal on long-term debt	18,555,849	18,555,849	13,963,431	4,592,418
Interest on long-term debt	30,103,165	30,103,165	34,695,583	(4,592,418)
Bond issuance costs and fees	35,000	35,000	4,500	30,500
Total Expenditures	<u>48,694,014</u>	<u>48,694,014</u>	<u>48,663,514</u>	<u>30,500</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>5,083,948</u>	<u>5,083,948</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,238,329	1,238,329
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,238,329</u>	<u>1,238,329</u>
Net change in fund balances	-	-	6,322,277	6,322,277
Fund Balances - Beginning	<u>71,829,324</u>	<u>71,829,324</u>	<u>71,829,324</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 71,829,324</u>	<u>\$ 71,829,324</u>	<u>\$ 78,151,601</u>	<u>\$ 6,322,277</u>

YSLETA INDEPENDENT SCHOOL DISTRICT**Exhibit J-4****COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES****For the Year Ended June 30, 2023**

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 44,624,716
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 20,743,477
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 6,978,957
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$ 3,759,740

YSLETA INDEPENDENT SCHOOL DISTRICT
REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
For the Year Ended June 30, 2023

Schedule L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	
	(If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 53,944,292

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



THE DISTRICT
YSLETA INDEPENDENT SCHOOL DISTRICT

FEDERAL AWARDS SECTION



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

To the Board of Trustees
Ysleta Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ysleta Independent School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2023.

Internal Control Over Financial Reporting

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

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

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

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 which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Trustees
Ysleta Independent School District

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 15, 2023

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

To the Board of Trustees
Ysleta Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Ysleta Independent School District's (the "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 June 30, 2023. 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.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Ysleta Independent School District

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

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 15, 2023

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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US Department of Education

<i>CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	84.425D
<i>Coronavirus Response and Relief Supplemental Appropriations CRRSA (ESSER II) Grant (COVID-19)</i>	84.425D
<i>Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III (COVID-19)</i>	84.425U
<i>American Rescue Plan (ESSER III) Grant (COVID-19)</i>	84.425U
<i>American Rescue Plan Homeless I-TEHCY Supplemental</i>	84.425W
<i>American Rescue Plan Homeless II</i>	84.425W

<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A
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Dollar Threshold Considered Between Type A and Type B Federal Programs	\$3,000,000
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Auditee qualified as low risk auditee?	Yes
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YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended June 30, 2023

II. Financial Statement Findings

There are no financial statement findings during the current fiscal year.

III. Federal Awards Findings and Questioned Costs

There are no federal awards findings during the current fiscal year

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1

Page 1 of 2

(2A)	(1)	(2)	(3)	(4)
Pass Through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal Expenditures and Indirect Costs	Passed Through to Subrecipients
N/A	U.S. Department of Defense Direct Award: <i>Army JROTC</i>	12.000	\$ 509,102	\$ -
	Total U.S. Department of Defense		509,102	-
53-TX-2020-0022	U.S. Department of Education <i>Impact Aid</i>	84.041	43,151	-
	Passed Through Texas Workforce Commission:			
1018ALAD00	<i>Adult Education (AEL) - Federal</i>	84.002A	89,578	-
1018ALAE00	<i>Adult Education (AEL) - Federal</i>	84.002A	558,439	-
1018ALAD00	<i>Adult Education (AEL) - Federal-El Civics</i>	84.002A	1,092	-
1018ALAE00	<i>Adult Education (AEL) - Federal-El Civics</i>	84.002A	113,310	-
1018ALAD00	<i>Adult Education (AEL) - PD</i>	84.002A	1,403	-
1018ALAE00	<i>Adult Education (AEL) - PD</i>	84.002A	16,426	-
1018ALAD00	<i>TWC-AEL Federal-Prof Develop-ElCivcs</i>	84.002A	116,407	-
1018ALAD00	<i>SSA - Adult Education (AEL) - Federal</i>	84.002A	140,886	51,307
1018ALAE00	<i>SSA - Adult Education (AEL) - Federal</i>	84.002A	1,776,666	1,218,226
1018ALAD00	<i>SSA - Adult Education (AEL) - El Civics</i>	84.002A	1,092	-
1018ALAE00	<i>SSA - Adult Education (AEL) - El Civics</i>	84.002A	263,078	149,768
1018ALAD00	<i>SSA - Adult Education (AEL) - PD</i>	84.002A	6,898	5,495
1018ALAE00	<i>SSA - Adult Education (AEL) - PD</i>	84.002A	44,100	27,674
1018ALAD00	<i>SSA - Adult Education (AEL) - Workforce Integration</i>	84.002A	3,906	-
	<i>Total ALN 84.002</i>		3,133,281	1,452,470
23610101071905	Passed Through Texas Education Agency: <i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	16,918,742	-
236600010719056000	<i>IDEA B - Formula</i>	84.027A	8,053,968	-
225350020719055350	<i>IDEA B - Formula - American Rescue Plan (COVID-19)</i>	84.027X	1,329,486	-
236610010719056610	<i>IDEA B - Preschool</i>	84.173A	123,036	-
	<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>		9,506,490	-
23615001071905	<i>ESEA Title I Part C - Migrant</i>	84.011A	92,936	-
234600057110085	<i>Texas Education for Homeless Children & Youth</i>	84.196A	77,922	-
224600057110024	<i>Texas Education for Homeless Children & Youth</i>	84.196A	13,441	-
	<i>Total ALN 84.196</i>		91,363	-
23420006071905	<i>Career and Technical - Basic Grant</i>	84.048A	588,411	-
22420006071905	<i>Career and Technical - Basic Grant</i>	84.048A	69,314	-
	<i>Total ALN 84.048</i>		657,725	-
236950307110046	<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	1,460,279	-
226950307110046	<i>Title IV, Part B - 21st Century Community Learning Centers</i>	84.287C	64,338	-
	<i>Total ALN 84.287</i>		1,524,617	-
20521001071905	<i>CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSER) Grant (COVID-19)</i>	84.425D	38,258	-
	<i>Coronavirus Response and Relief Supplemental Appropriations</i>			
21521001071905	<i>CRRSA (ESSER II) Grant (COVID-19)</i>	84.425D	36,039,622	-
21528042071905	<i>Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III (COVID-19)</i>	84.425U	677,310	-
21528001071905	<i>American Rescue Plan (ESSER III) Grant (COVID-19)</i>	84.425U	57,397,367	-
21533001711085	<i>American Rescue Plan Homeless I-TEHCY Supplemental</i>	84.425W	48,932	-
21533002071905	<i>American Rescue Plan Homeless II</i>	84.425W	119,062	-
	<i>Total ALN 84.425</i>		94,320,551	-
23671001071905	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	1,420,319	-
23694501071905	<i>ESEA, Title II, Part A - Supporting Effective Instruction</i>	84.367A	921,052	-
23680101071905	<i>Title IV, Part A - Subpart 1</i>	84.424A	1,004,301	-
22680101071905	<i>Title IV, Part A - Subpart 1</i>	84.424A	239,596	-
	<i>ESEA, Title II, Part A - Supporting Effective Instruction Transferred to Title IV, Part A - Subpart 1</i>	84.424A	916,120	-
	<i>Total ALN 84.424</i>		2,160,017	-
	Total U.S. Department of Education		130,790,244	1,452,470

YSLETA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Exhibit K-1

Page 2 of 2

(2A)	(1)	(2)	(3)	(4)
Pass Through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal Expenditures and Indirect Costs	Passed Through to Others
	U.S. Department of Health and Human Services			
	Passed Through Texas Workforce Commission:			
1018ALAD00	Temporary Assistance for Needy Families (TANF)	93.558	\$ 4,198	\$ -
1018ALAE00	Temporary Assistance for Needy Families (TANF)	93.558	72,304	-
1018ALAD00	SSA - Temporary Assistance for Needy Families (TANF)	93.558	4,198	-
1018ALAE00	SSA - Temporary Assistance for Needy Families (TANF)	93.558	186,994	114,690
	Total ALN 93.558		267,694	114,690
	Passed Through Texas Health and Human Services Commission:			
529-07-0157-00234	Medicaid Administrative Claiming Program – MAC	93.778	220,086	-
	Total Medicaid Cluster (93.778)		220,086	-
	Total U.S. Department of Health and Human Services		487,780	114,690
	U.S. Department of Agriculture			
	Passed Through Texas Department of Agriculture:			
	Cash Assistance:			
00349	Child and Adult Care Food Program	10.558	619,168	-
00349	Fresh Fruits and Vegetable Program	10.582	49,720	-
00349	Summer Food Service Program for Children	10.559	250,437	-
	Non Cash Assistance (Commodities):			
00349	National School Lunch Program	10.555	1,377,500	-
00349	Supply Chain Assistance	10.555	1,373,605	-
	Passed Through Texas Education Agency:			
	Cash Assistance:			
71402301	School Breakfast Program	10.553	6,931,856	-
71302301	National School Lunch Program	10.555	13,976,280	-
	Total Child Nutrition Cluster (ALN 10.582, 10.555, 10.559, 10.553)		23,959,398	-
	Total U.S. Department of Agriculture		24,578,566	-
	Total Expenditures of Federal Awards		\$ 156,365,692	\$ 1,567,160

Note 1 -Basis of Accounting

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*.

These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

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. Generally, unused balances are returned to the grantor at the close of specified project periods. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards program per Exhibit K-1 and expenditures reported on Exhibit C-3:

Total Expenditures of Federal Awards - Exhibit K-1	\$ 156,365,692
SHARS	9,593,817
QSCB Federal Subsidy	264,294
Total Federal Revenue - Exhibit C-3	<u>\$ 166,223,803</u>

Note 4 - Title II, Part A Transferability

As described in the U.S. Department of Education Cross-Cutting Section (ALN 84.000), Sections III.A.3 *Activities Allowed or Unallowed - Transferability (SEAs and LEAs)* and IV.3 *Other Information - Transferability* of the 2023 OMB Compliance Supplement, expenditures of funds should be included in the audit universe and total expenditures of the receiving program. For fiscal year 2023, the District transferred Title II, Part A (ALN 84.367A) expenditures in the amount of \$916,120 to its Title IV, Part A (ALN 84.424A) program as submitted to the Texas Education Agency in its consolidated application and as denoted on the Schedule of Expenditures of Federal Awards. As such, the expenditures transferred from Title II, Part A (ALN 84.367A) were included as part of Title IV, Part A (ALN 84.424A).

Note 5 - General Fund Expenditures

Federal Awards reported in the general fund are summarized as follows:

SHARS	\$ 9,593,817
Army JROTC	509,102
Impact Aid	43,151
QSCB III	264,294
Medicaid Administrative Claiming Program – MAC	220,086
Indirect Costs:	
Child Nutrition Cluster	1,340,643
ESEA Title I, Part A - Improving Basic Programs	741,260
Coronavirus Response and Relief Supplemental Appropriations	
CRRSA (ESSER II) Grant (COVID-19)	3,777,211
Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III (COVID-19)	6,400
American Rescue Plan (ESSER III) Grant (COVID-19)	3,686,366
American Rescue Plan Homeless II	11,826
Texas Education for Homeless Children & Youth	4,005
ESEA Title I Part C - Migrant	4,074
IDEA B - Formula	416,653
IDEA B - Preschool	5,647
Career and Technical - Basic Grant	27,380
Title IV, Part B - 21st Century Community Learning Centers	64,019
Title III, Part A - English Language Acquisition and Language Enhancement	51,616
ESEA, Title II, Part A -Supporting Effective Instruction	80,497
Title IV, Part A - Subpart 1	36,219
	<u>\$ 20,884,266</u>

YSLETA INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 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 audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

There were no findings reported during the prior fiscal year.

YSLETA INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable