

2021-2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED

JUNE 30, 2022

**PREPARED BY
BUSINESS SERVICES DIVISION**

**2000 NORTH 23rd STREET
MCALLEN, TEXAS 78501**

MCALLEN INDEPENDENT SCHOOL DISTRICT
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u> <u>NO.</u>
INTRODUCTORY SECTION		
Letter of Transmittal.....		1
GFOA Certificate of Achievement.....		11
Principal Officers.....		13
Organizational Chart.....		15
Certificate of the Board.....		17
FINANCIAL SECTION		
Independent Auditors' Report.....		21
Management's Discussion and Analysis.....		25
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position.....	A-1	37
Statement of Activities.....	B-1	38
Fund Financial Statements:		
Balance Sheet – Governmental Funds.....	C-1	40
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	C-2	41
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds.....	C-3	42
Reconciliation of Governmental Funds Statement of Revenues, Expenditures		
and Changes in Fund Balances to the Statement of Activities.....	C-4	43
Statement of Net Position – Proprietary Funds.....	D-1	44
Statement of Revenues, Expenses and Changes in		
Fund Net Position – Proprietary Funds.....	D-2	45
Statement of Cash Flows – Proprietary Funds.....	D-3	46
Statement of Fiduciary Net Position – Fiduciary Funds.....	E-1	47
Statement of Changes in Fiduciary Fund Net Position – Fiduciary Funds.....	E-2	48
Notes to Financial Statements.....		49
Required Supplementary Information:		
Statement of Revenues, Expenditures, and Changes in Fund Balance		
Budget and Actual – General Fund.....	G-1	101
Schedule of the District's Proportionate Share of the Net Pension		
Liability – Teacher Retirement System of Texas.....	G-2	102
Schedule of District's Contributions For Pensions – Teacher Retirement		
System of Texas.....	G-3	104

MCALLEN INDEPENDENT SCHOOL DISTRICT
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u> <u>NO.</u>
FINANCIAL SECTION (Continued)		
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Teacher Retirement System of Texas.....	G-4	106
Schedule of the District’s OPEB Contributions – Teacher Retirement System of Texas....	G-5	107
Notes to Required Supplementary Information.....		108
Combining Fund Statements:		
Combining Balance Sheet – Nonmajor Governmental Funds.....	H-1	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	H-2	120
Combining Statement of Net Position – Internal Service Funds.....	H-3	126
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	H-4	127
Combining Statement of Cash Flows – Internal Service Funds.....	H-5	128
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	H-6	131
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds.....	H-7	132
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	H-8	133
Combining Statement of Private-Purpose Trust Funds Net Position.....	H-9	134
Combining Statement of Changes Private-Purpose Trust Funds Net Position.....	H-10	135
Other Supplementary Information:		
Schedule of Delinquent Taxes Receivable.....	J-1	138
Fund Balance and Cash Flow Calculation Worksheet - Unaudited.....	J-3	140
Compensatory Education Program and Bilingual Education Program Expenditures.....	J-4	141
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	J-5	142
STATISTICAL SECTION		
Financial Trends Information:		
Net Position By Component – Last Ten Years.....	L-1	148
Governmental/Business Type Activities Expenses and Program Revenues – Last Ten Years.....	L-2	150
General/Business Revenue and Changes in Net Position – Last Ten Years.....	L-3	152

MCALLEN INDEPENDENT SCHOOL DISTRICT
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
	<u>NO.</u>	<u>NO.</u>
STATISTICAL SECTION (Continued)		
Fund Balances of Governmental Funds – Last Ten Years.....	L-4	154
Governmental Fund Revenue By Source – Last Ten Years.....	L-5	157
Governmental Fund Expenditures By Function – Last Ten Years.....	L-6	158
Governmental Funds Other Sources, Uses and Changes in Fund Balances – Last Ten Years.....	L-7	160
Governmental Fund Expenditures By Function Per Average Daily Attendance – Last Ten Years.....	L-8	162
Revenue Capacity Information:		
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years.....	L-9	166
Property Levies and Collections – Last Ten Years.....	L-10	168
Allocation of Property Tax Rates and Levies – Last Ten Years.....	L-11	169
Property Tax Rates-Direct and Overlapping Governments (Per \$100 Assessed Valuation) – Last Ten Years.....	L-12	170
Principal Property Taxpayers Tax Year 2021 and 2012.....	L-13	171
Debt Capacity Information:		
Outstanding Debt By Type – Last Ten Years.....	L-14	174
Direct and Overlapping Governmental Activities Debt.....	L-15	176
Computation of Legal Debt Margin – Last Ten Years.....	L-16	178
Ratio of Net General Obligation Bonded Debt to Estimated Actual Taxable Value and Per Average Daily Membership – Last Ten Years.....	L-17	180
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures – Last Ten Years.....	L-18	182
Demographic and Economic Information:		
Principal Employers – 2022 and 2013.....	L-19	185
Demographic and Economic Statistics – Last Ten Years.....	L-20	187
Operating Information:		
Workforce Composition By Employee Classification – Last Ten Years.....	L-21	190
Schedule of Teacher Information – Last Ten Years.....	L-22	192
Schedule of Attendance and Membership – Last Ten Years.....	L-23	194
Operating Statistics – Last Ten Years.....	L-24	195
Schedule of Student Information – Last Ten Years.....	L-25	196
Schedule of School Buildings and Portables – Last Ten Years.....	L-26	197

MCALLEN INDEPENDENT SCHOOL DISTRICT
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2022

TABLE OF CONTENTS *(Continued)*

	<u>EXHIBIT</u>	<u>PAGE NO.</u>
SINGLE AUDIT SECTION		
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		201
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....		203
Schedule of Findings and Questioned Costs.....		205
Schedule of Expenditures of Federal Awards.....	K-1	209
Notes to Schedule of Expenditures of Federal Awards.....		212

INTRODUCTORY SECTION



November 16, 2022

Board of Trustees
McAllen Independent School District
2000 North 23rd Street
McAllen, Texas 78501-6126

Dear Board Members:

We are pleased to present the McAllen Independent School District (the “District”) Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. The report was prepared by the Business Services Division. Responsibility for the accuracy and fairness of the financial information and disclosures contained in the report rests solely with this division. The District’s annual audited financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information are presented in conformity with generally accepted accounting principles (GAAP) and with requirements established by the Texas Education Agency in their Financial Accountability Systems Resource Guide. The District’s independent auditors were Burton, McCumber & Longoria, LLP and their opinion letter is hereby made a part of this report. The report as submitted to the Texas Education Agency has been modified to conform to the reporting format required by the Government Finance Officers Association. In addition, the Management’s Discussion and Analysis section is an integral part of the ACFR and can be found immediately following the report of the independent auditors.

Texas law requires that each public school district in the state undergo an annual audit conducted by an independent audit firm. This audit must adhere to the generally accepted auditing standards (GAAS) and the generally accepted government auditing standards (GAGAS). The audit must also include a federally mandated “Single Audit”. This Single Audit must comply with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The goal of the independent audit is to provide reasonable assurance that the financial statements of McAllen Independent School District for fiscal year ended June 30, 2022, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent auditors’ report is presented as the first component of the financial section of this report.

Profile of the School District

McAllen Independent School District is located in McAllen, Texas, Hidalgo County, the southern tip of Texas. It is rooted in excellence and a tradition of success that spans one hundred and fourteen years. The McAllen school opened its doors in 1908 to welcome twenty children of all ages throughout the young community. It has had a stellar reputation.

The District is made up of 18 elementary schools, 6 middle schools, 3 comprehensive high schools, 1 early college high school, 1 alternative education campus school of choice and 1 alternative education discipline campus for a total of 30 campuses. In 2021-2022, the District enrolled and educated 20,410 students. The District provides a full range of educational services including regular and enriched academic education, special education for students with disabilities, career technical education, bilingual instruction for those with limited English proficiency and specialized instruction for disadvantaged students. The racial makeup of the District's enrollment in 2021-2022 was .05% American Indian or Alaskan, 1.20% Asian, .38% Black or African American, 93.47% Hispanic or Latino, 4.43% White, .01% Hawaiian or Pacific Islander and .46% other.

The McAllen Independent School District is a multicultural community in which students are enthusiastically and actively engaged in the learning process. Students demonstrate academic excellence in a safe, nurturing and challenging environment enhanced by technology and the contributions of the total community.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board), each of which is elected from an at large-member district for four-year staggered terms. The Board is not included in any other reporting entity as defined by GASB 61. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the Board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance.

On an annual basis, the District presents the Board of Trustees with the proposed budget for the General Operating Fund and the Debt Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The District has administratively opted to officially adopt a budget for the Capital Projects Fund. Additionally, special revenue funds are controlled by project length budgets approved by State and Federal grantor agencies. The proposed budget is presented to the Board summarized at the function level for each of the stated funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

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

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

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

Factors Affecting the Financial Condition

The changes to funding formula elements include: A basic allotment that remains the same (\$6,160 in 2020-2021 to \$6,160 in 2021-2022 per student), a decreased Per Capita Rate (from \$411.574 in 2020-2021 to \$200.00 in 2021-2022), and a Guaranteed Yield weight that remains the same (\$98.56 in 2020-2021 to \$98.56 in 2021-2022). For the 2021-2022, the final Average Daily Attendance (ADA) decreased by 1,090 from the original budget.

For 2021-2022, the Board of Trustees approved a salary increase for teachers, librarians, non-teaching professionals, paraprofessionals and auxiliary staff. The minimum general salary increase for the teachers and librarians was \$1,410. The compensation plan indicated the entry level salary for beginning “zero” year teachers at a minimum of \$51,000 and new to McAllen ISD with “20+” years’ experience at a maximum of \$61,730 salary. The compensation plan indicates a 2.5% of pay range midpoint increase for non-teaching professionals, paraprofessionals, and auxiliary staff.

Administration approved a one-time Retention Stipend in the amount of \$3,000 reimbursed from Elementary and Secondary School Emergency Relief Funds (ESSER III), for all employees who were employed by the District on a full-time basis as of September 15, 2021, and remain employed as of December 1, 2021. Eligible full-time employees are defined as persons employed by the District for at least 27.5 hours per week to include bus drivers and bus aides. This one-time stipend was paid during December 2021 and was contingent upon the allowability of the ESSER III funds and the consideration of the District's revenues and fund balances at the time plans for such payments were presented. The District recognized that additional payments made to staff are a part of the compensation structure and are conducted with the intent to retain employees by keeping compensation levels competitive with the local market.

State Program Revenues for the General Fund are lower compared to last year due to a decrease in ADA based on trend analysis.

Federal Program Revenues are higher compared to last year. The Child Nutrition Program and School Health Related Services (SHARS) revenues increased due to 100% in face-to-face instruction.

The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the District’s geographical taxing jurisdiction. For the District’s 2021-2022 fiscal year, the Hidalgo County Appraisal District reported that the 2021 Certified Totals for the approved Freeze Adjusted Taxable values increased by \$161,072,994 compared to the previous year. The tax collections were based on 96% of the estimated tax levy calculated on trend analysis.

For all funds invested by the District, the annual average interest rate for the 2021-2022 fiscal year was 0.320% compared to 0.221% the previous year, which represents an increase of .099%.

Miscellaneous Revenues increased due to the district receiving a one-time litigation settlement of \$8.9 million in 2021-2022.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27th, 2020. The CARES Act provides for the following grants/funds that have a funding impact to our District; Elementary and Secondary School Emergency Relief Fund (ESSER), Coronavirus Relief Fund (CRF), and the Governor's Emergency Education Relief Fund (GEERF). The district will continue to monitor the impact of the state budget and the resulting impact to the school district budget as well as the impact of COVID-19 in fiscal year 2022-2023.

The American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief Fund (ESSER III) was signed into law in March 2021, provides over \$112 billion to the State of Texas to support in safely reopening and sustaining safe operations of schools while meeting the academic, social, emotional, and mental health needs of students resulting from the coronavirus disease 2019 ("COVID-19") pandemic. The Texas Education Agency allocated over \$90 million to McAllen ISD and released two thirds of the funds \$60 million in June 24, 2021. The remaining \$30 million was released in February 21, 2022.

Local Economy

The McAllen Chamber of Commerce compiles an economic measurement tool of the local economy called The McAllen Area Economic Pulse. This tool uses several economic indicators to formulate the overall economic index. The McAllen Area Economic Pulse, as provided by the McAllen Chamber of Commerce, reported the following key points in their June 2022 edition:

- The cycle of expansion in the McAllen metro area economy extended to 16 months in June with another solid increase in the McAllen Economic Index. The index improved to 216.5 in June up from 215.8 in May, and up 8.4% from the June 2021 MEI of 199.7.
- Since reaching its post-COVID low point of 184.0 in February 2021, the McAllen Economic Index fully recovered its COVID-related downturn in June 2021 and has now increased by 17.7% compared to the February 2021 index trough. The rate of growth in the index is slowing, however, with the 8.4% year-over-year growth down compared to the peak of 16.2% in February 2022. The index increased at a 6.1% annualized rate in the second quarter 2022.
- General spending and employment, the two-mainstay local economic indicators, continue to reflect growth midway through 2022, with both at record levels and climbing. Hotel/motel activity is showing impressive growth in 2022, and Hidalgo bridge crossings remain sharply higher through midyear.
- Both total construction and new housing construction remain lower compared to high numbers in 2021, and existing home sales have now slid into negative year-over-year territory compared to record sales last year. Higher prices are keeping the total dollar volume of sales at record levels, however.
- General spending activity continues to improve even compared to fantastic rates of growth in 2021. General real (inflation-adjusted) spending per June sales tax receipts in the

McAllen, Edinburg, Mission and Pharr area were up by 3.5% compared to June 2021, which in turn was up by a whopping 51% compared to June of the prior year. Second quarter spending was up by an impressive 7.6%, and spending for the year-to-date was up by over 12% compared to the first six months of 2021, which in turn was up by nearly 20% compared to the prior year.

- Auto spending is lower, however, compared to record totals in 2021 and inflation rates that remain elevated, though they are falling now. Real auto spending in June was down by 6.2% in June, 10.3% for the quarter, and 5.2% for the year-to-date. The June, second quarter, and year-to-date totals in 2021 were all records, and were up sharply compared to the previous year, so in that context current year sales are still relatively high, but clearly peaked in 2021.
- Hotel/motel activity is improving rapidly in 2022 and is now up by some 28% midway through the year. The midyear totals are down only slightly compared to the record years of 2014 and 2015 but are rapidly closing that gap. The other travel-related indicator, airport passenger enplanements, after increasing in the first four months of the year, has begun to wane as of May and June, off by over 14% in June and nearly 3% in the second quarter compared to year-ago levels. The midyear total remains up by nearly 17% year-over-year thanks to the early year strength in the numbers.
- The construction indicators remain lower across the board. The inflation-adjusted total building permit valuation in the four cities was down by 33% in June, 12% in the second quarter, and 33% for the year-to-date compared to strong numbers from a year ago.
- New single-family housing construction permits are down compared to record totals in 2021, posting declines of 13%, 16%, and 12% for the month, quarter, and year-to-date compared to record totals for those time periods last year (through June 2021 the permit total was up by a sharp 50% compared to the previous year).
- Existing home sales also set records in 2021 and continued to do so in the first five months of 2022. The June monthly sales total was lower, however, off by 7.5% compared to a record June 2021. The second quarter and year-to-date were still higher, however, up by 1.3% and 10.3%, respectively, but sales may continue to weaken in 2022.
- The nominal average price of those sales was once again up sharply at 15% in June year-over-year, along with second quarter growth of 18.2% and the average in the first six months of the year up by 16.2%.
- Those price increases mean the total dollar volume of residential real estate sales up by 14% for the quarter and a stout 22% for the year-to-date. The June total suggests these numbers are slowing, however, at less than 1% improvement compared to June 2021.
- An estimated 13,700 jobs were added over the 12 months ending in June for a year-over-year growth rate of an impressive 5.0%. Employment fully recovered its COVID losses in July 2021 and has been at record and climbing levels since then.
- The McAllen city unemployment rate increased from May to June, but that is a normal seasonal increase that occurs each year. The relevant comparison is to the same month in previous years, and the 5.4% unemployment rate in June is down compared to 7.3% in June 2021 but remains higher compared to the pre-COVID June 2019 unemployment rate of 4.5%.

- Even with a few negatives, on the June/2nd quarter/midyear table of economic indicators, the McAllen metro area economy remains an economy clearly in expansion through midyear 2022. The McAllen Economic Index in the coming months (soon to be updated through September and October) may shed some light on economic trends in the face of economic uncertainty caused by inflation and other broader economic concerns. Considerable discussion has been devoted to whether the US economy is presently in recession. The answer to that question is probably ‘no’.
- The likelihood of a recession in the near future is a much more open question and one we do not yet know the answer to. Recession indicators are suggesting that possibility, however, and we should be diligent about tracking the economy as best we can with this in mind.

Long-Term Financial Planning and Major Initiatives

The financial goal of the McAllen Independent School District is to have a sufficient fund balance in the general operating fund to be able to maintain fiscal independence in case of a financial need or crisis. As per CE (Local) Policy, the District shall strive to maintain a balance in the general fund that closely approximates the optimum fund balance amount previously prescribed by the Texas Education Agency (TEA), as reported in Annual Comprehensive Financial Report (ACFR). The optimum fund balance includes two and a half months of general fund operating expenditures. Through focus group sessions, surveys, town hall meetings, and a series of full-day workshop meetings, students, parents, and other members of our community joined teachers and other employees in identifying our call to action, establishing our mission, identifying goals, and beginning the process of pinpointing key actions. On September 26, 2016, the Board of Trustees approved the McAllen ISD Strategic Plan. The Strategic Plan is comprised of the following goals and strategies:

Goal 1: *Student Achievement/Student Focus*

Goal 2: *People Development*

Goal 3: *Facility Priorities*

Goal 4: *Financial Priorities*

Strategy 1: *Branding* - We will effectively and continuously communicate and market the district’s mission, strengths, successes and diverse opportunities for every learner.

Strategy 2: *Attract/Retain High Quality Staff* - We will attract, recruit, develop and retain high quality staff.

Strategy 3: *Engaging Learning Environment* - We will foster secure, supportive, rigorous and engaging learning environments.

Strategy 4: *Rigorous/World Class Standards Customized for Every Learner* - We will utilize national and global standards to customize learning for every learner.

Strategy 5: *Partnerships with Business/Civic/Education Organizations* - We will develop and strengthen bonds with the business, education and civic community to provide engaging learning opportunities.

Strategy 6: *Future-Ready Students* - We will foster principled students who learn, adapt, and innovate in response to their ever-changing environment.

Strategy 7: *Financial Priorities* - We will conduct a budget development, budget implementation, and budget monitoring process that reflects sound business and fiscal practices, while supporting district goals.

In support of our current strategic plan, our District launched a Champion Project in fiscal year 2020-2021. Through conversation with students, parents, teachers, and other staff, McAllen ISD identified Seven Focus Areas. McAllen ISD then targeted those Focus Areas to develop an interactive collection of material - in digital formats - to spotlight the many programs and services that we provide to our community. Through this virtual Parent Symposium, our community can access information on any of the outstanding programs that make McAllen ISD an A+ District.

Focus 1: *A high quality Transformative & Multifaceted Education Program*

Focus 2: *Safety & Security*

Focus 3: *Wellness & Mental Health*

Focus 4: *Customer Service*

Focus 5: *Extra-Curricular Educational Programs*

Focus 6: *Community Involvement*

Focus 7: *Emotional Intelligence*

The District's goals and strategies are significant and measurable through student outcomes. In order to achieve these goals, the District must plan, prepare and evaluate the budget process to ensure the appropriate dollar amounts are allocated to meet all four goals and seven strategies.

Key factors that affected the adopting of the 2022-2023 budget include:

- Preliminary Certified Assessed Values increased 5.05% from 2021 to 2022. For future year budgets, an estimated 4% increase per year will be used to remain conservative.
- House Bill (HB) 3, passed in the 86th Legislature, allows for continued tax compression of the tier one tax rate. In tax year 2022 and fiscal year 2022-2023, state compression of the Maintenance and Operations (M&O) tax rate will apply to the District's tier one tax rate. The M&O tax rate has been compressed from \$1.0486 to \$1.0197. The Interest and Sinking (I&S) tax rate decreased from \$.0884 to \$.0767 for a total tax rate decrease of \$0.0406 from \$1.1370 to \$1.0964.
- Decrease in interest revenue due to current market conditions resulting in low interest rates.
- Decrease in state funding due to a decrease in ADA (Average Daily Attendance).
- Staffing levels and positions will continuously be monitored and reviewed. The District will strive to continue to make future staff reductions through attrition.
- For 2022-2023 the Board of Trustees approved a salary increase for teachers, librarians, non-teaching professionals, paraprofessionals and auxiliary staff. The minimum general salary increase for the teachers and librarians is \$1,700. The compensation plan indicates the entry level salary for beginning "zero" year teachers at a minimum of \$52,150 and new to McAllen ISD with "20+" years' experience at a maximum of \$62,630 salary. The compensation plan indicates a salary increase for Administrative Professionals (AE/AM) of \$1,700 and a salary increase of 3% of pay range midpoint for all other employees. In addition, as per TASB recommendations, additional pay adjustments are made across all pay groups to ascertain all salaries fall within the 10% pay range of market value, teachers schedule adjustments made to improve competitiveness for specific years, and that all salaries are at least at pay range minimum.

- Administration recommended a one-time Holiday pay stipend in the amount of \$1,500 for all employees who are employed by the district on a full-time basis as of September 15, 2022 and remain employed as of December 1, 2022. Eligible full-time employees are defined as persons employed by the district for at least 27.5 hours per week to include bus drivers and bus aides. This one-time stipend will be paid during December 2022 and is contingent upon the availability of funds and in consideration of the District's revenues and fund balances at the time plans for such payments are presented. This one-time stipend would be considered as non-TRS compensable.

The Facilities Maintenance & Operations Department identified projects as “in progress” as of June 30, 2022, and subsequently allocated funding to assigned fund balance in 2022-2023.

Projects for the Facilities Maintenance & Operations Department consist of camera upgrades at Morris Middle School and De Leon Middle School, fire alarms at Morris Middle School and Rowe High School, floor covering at Achieve Early College High School, water intrusion gym repairs at Travis Middle School, remodeling the front entrance at Memorial High School, installation of Memorial High School Press Box, exhaust installation at Warehouse, portable reallocations district wide and installation of canopies at various campuses.

Other projects include intercom replacements at Instruction & Guidance Center, Travis Middle School, Morris Middle School, Escandon Elementary School, Rayburn Elementary School, Roosevelt Elementary School, Hendricks Elementary School and Thigpen-Zavala Elementary School.

Additionally, due to the issuance of Maintenance Tax Note Series 2020, projects were identified and have been allocated to the restricted fund balance. These projects consist of construction, renovations and improvements district wide.

Projects for the Tax Ratification Election that are “in progress” for Facilities Maintenance & Operations Department consist of surveillance camera upgrades at Travis Middle School, Brown Middle School, Morris Middle School and Cathey Middle School and fencing at Travis Middle School and Cathey Middle School.

The Facilities Maintenance & Operations Department identified projects as “in progress” as of June 30, 2022, and subsequently allocated funding to committed fund balance in 2022-2023 for Hail Damage projects due to severe hailstorms that hit the District on March 29, 2012, and April 20, 2012.

Hail damage projects consist of roof replacement at Achieve Early College High School and Crockett Administration Annex.

Awards

School FIRST- This is the 20th year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency. The Texas Education Agency assigned one of four financial accountability ratings to Texas school districts, with the highest being “*A*” for “*Superior*”, followed by “*B*” for “*Above-Standard*”, “*C*” for “*Met Standard*” and “*F*” for “*Substandard Achievement*.” The primary goal of School FIRST is to achieve quality performance in the management of school

districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The District received a rating of “**A**” for “**Superior**” for 2015 through 2021 under Texas' School FIRST financial accountability rating system. The “**Superior**” rating is the state's highest, demonstrating the quality of the District's financial management and reporting system. The District received the highest rating “**Pass**” in 2014, a “**Superior Achievement**” rating in 2010 through 2013 and received an “**Above Standard Achievement**” rating for 2009. From 2002 through 2008, the District also received a “**Superior Achievement**” rating.

Annual Comprehensive Financial Report - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence* in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This is the eleventh year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Transparency Stars - The Texas Comptroller of Public Accounts recognizes local governments for going beyond in their transparency efforts through the Transparency Stars program. The Texas Comptroller of Public Accounts recognized the district on two specific awards, the *Traditional Finances Star* and the *Debt Obligations Star* in 2016, for exemplary efforts in creating financial transparency around public services and spending decisions. Once the *Traditional Finances Star* and the *Debt Obligations Star* are awarded, the recognition remains in effect and is reviewed on a quarterly basis starting one year after the date of the initial recognition.

The program recognizes government entities that accomplish the following:

- meet a high standard for financial transparency online and provide citizens with clear, consistent information about public spending in user-friendly formats.
- provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information.

Texas Comptroller Leadership Circle Award - The Texas Comptroller's Leadership Circle program recognizes local governments across Texas that are striving to meet a high financial transparency online, by providing citizens with a clear, consistent picture of spending and sharing information in a user-friendly format.

The District received the *Texas Comptroller Leadership Circle Platinum Member Award* for 2015 and 2014 which was the highest level achievable and highlights those entities that are setting the bar with their transparency efforts. The district received the *Texas Comptroller Gold Leadership Circle Award* for 2013, the Comptroller's highest level of achievement at that time.

Meritorious Budget - The Association of School Business Officials International (ASBO) awarded a *Meritorious Budget Award (MBA)* to the District for the June 30, 2023, annual budget. This is the sixth year that the District has achieved the meritorious budget award. The MBA promotes and recognizes excellence in school budget presentation and is conferred only to school districts whose budgets have undergone a rigorous review by financial professionals and have met or exceeded the program's stringent criteria.

Distinguished Budget - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Distinguished Budget Presentation Award* to the District for its 2017 and 2016 annual budget. In order to receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan, and as a communication device.

Acknowledgments

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

We would especially like to thank the District's Board of Trustees for their time, dedication and support to the District and its personnel and our independent auditors, Burton, McCumber & Longoria, LLP, for their assistance in the preparation of this report.



Jose A. Gonzalez, Ed. D.
Superintendent



Iris Luna, RSTBA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**McAllen Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



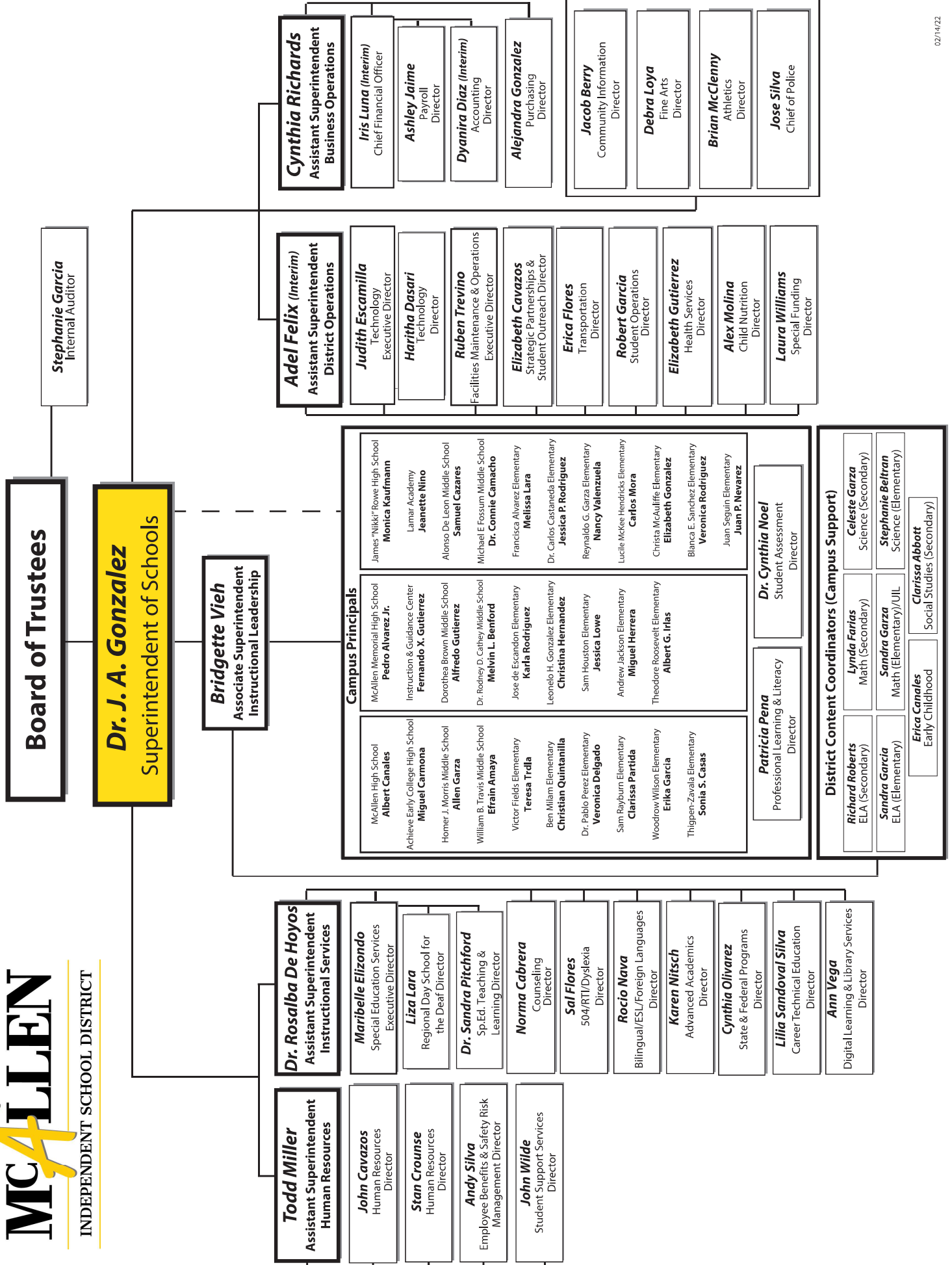


Principal Officers

<u>Board of Trustees</u> <i>as of May 18, 2022</i>	<u>Length of Service</u>	<u>Term Expires</u>
Mr. Tony Forina, Place 4 President	7 Years	2023
Mrs. Debbie Crane Aliseda, Place 3 Vice President	9 Years	2025
Mr. Marco Suarez, Place 1 Secretary	7 Years	2023
Mr. Conrado Alvarado, Place 2 Trustee	11 Years	2023
Ms. Sofia M. Peña, Place 6 Trustee	1 Year	2025
Mr. Sam Saldivar, Jr., Place 7 Trustee	13 Years	2025
Mr. Daniel D. Vela, Place 5 Trustee	15 Years	2023

<u>Administrative Officials</u>	<u>Position</u>	<u>Length of Service</u>
J. A. Gonzalez, Ed. D.	Superintendent of Schools	24 Years
Bridgette Vieh	Associate Superintendent for Instructional Leadership	26 Years
Cynthia Medrano-Richards, RTSBA, CPA	Assistant Superintendent for Business Operations	29 Years
Rosalba De Hoyos, Ed. D.	Assistant Superintendent for Instructional Services	10 Years
Adel Felix, CPA, CFE	Interim Assistant Superintendent for District Operations	4 Years
Todd Miller	Assistant Superintendent for Human Resources	7 Years
Iris Luna, RTSBA	Chief Financial Officer	8 Years







CERTIFICATE OF THE BOARD


MCALLEN INDEPENDENT SCHOOL DISTRICT,
HIDALGO COUNTY

County Number 108, District Number 906, Region Number 1

We the undersigned, do hereby certify that the audit report above named local education agency for the year June 30, 2022 was reviewed and X approved ___ disapproved at a meeting of the Board of such local education agency on the 16th day of November, 2022.



Mr. Tony Forina
President, Board of Trustees



Mr. Marco Suarez
Secretary, Board of Trustees



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
McAllen 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 the McAllen Independent School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McAllen Independent School District, as of June 30, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2, X to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases and early implemented GASB Implementation Guide No. 2021-1, *Implementation Guidance Update – 2021*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25 through 34 and budgetary comparison information, pension information and other postemployment benefits information on pages 101–108 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, other supplementary information, as listed in the table of contents, 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, other supplementary information, unless marked unaudited, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Burton, McCumber, & Longoria LLP". The signature is written in a cursive, flowing style.

McAllen, Texas
November 14, 2022



MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of McAllen Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District’s total net position is \$133,729,939 at June 30, 2022. This amounted to an increase in net position of \$61,490,303 with a prior period adjustment that resulted in an increase of \$4,964,819 from last year’s total of \$67,274,817 (Refer to Exhibit B-1, Table A-2 and Note 25). The increase in net position is due to the federal government providing supplemental grants to school districts in response to the Covid-19 Pandemic.
- During the year, the District’s expenses were \$61,490,303 less than the revenues generated in taxes and other revenues for governmental and business-type activities. The prior year expenses were \$1,000,552 less than the revenues.
- The costs of the District’s programs show a decrease of 0.00% or \$2,359 from the prior year, and the District’s average daily attendance decreased by 7.68%.
- The general fund reported a fund balance this year of \$149,933,573 with \$56,415,900 of this amount unassigned.

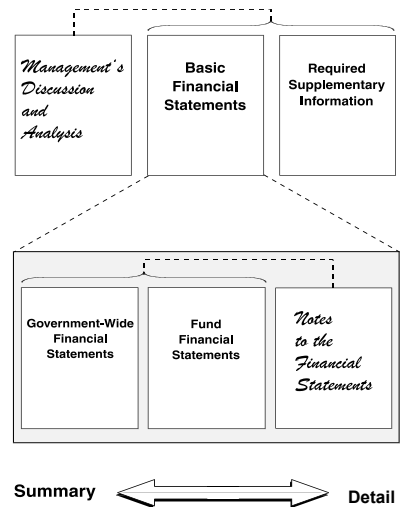
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and another schedules section that presents various Texas Education Agency required schedules.

The basic financial statements include two kinds of statements that present different views of the District:

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

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



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

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

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds) and the District's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	♦ Statement of net position	♦ Balance sheet	♦ Statement of net position	♦ Statement of fiduciary net position
	♦ Statement of activities	♦ Statement of revenues, expenditures & changes in fund balances	♦ Statement of revenues, expenses and changes in fund net position ♦ Statement of cash flows	♦ Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

Net position - the difference between the District's assets, liabilities, and deferred inflows/outflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes to the District's tax base.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities*—Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.
- *Business-type activities*—The District charges fees to customers to help cover the costs of certain services it provides. The District's Project Safe and Secure Program and Tuition-Based Pre-K Program are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District has Project Safe and Secure after school program and Tuition-Based Pre-K Program. We use *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities—such as the District's Self Insurance Funds.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District has 457 annuity accounts and student activity accounts.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *net position* increased by \$61,490,303 between fiscal years 2021 and 2022 to \$133,729,939 at June 30, 2022. (Refer to Table A-1)

Table A-1
District's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2022-21
Current and Other Assets	\$ 192,404,059	\$ 167,271,891	\$ 746,483	\$ 669,017	\$ 193,150,542	\$ 167,940,908	15.01%
Capital and Non-Current Assets	243,426,254	215,282,679	-	288	243,426,254	215,282,967	13.07%
Total Assets	435,830,313	382,554,570	746,483	669,305	436,576,796	383,223,875	13.92%
Deferred Outflows of Resources	39,073,388	38,937,316	-	-	39,073,388	38,937,316	0.35%
Current Liabilities	41,754,410	33,700,110	16,894	21,199	41,771,304	33,721,309	23.87%
Long-Term Liabilities	207,349,170	253,968,669	-	-	207,349,170	253,968,669	-18.36%
Total Liabilities	249,103,580	287,668,779	16,894	21,199	249,120,474	287,689,978	-13.41%
Deferred Inflows of Resources	92,799,771	67,196,400	-	-	92,799,771	67,196,400	38.10%
Net Position:							
Net Investment in Capital Assets	129,965,545	112,211,172	-	288	129,965,545	112,211,460	15.82%
Restricted	37,787,254	32,946,262	-	-	37,787,254	32,946,262	14.69%
Unrestricted	(34,752,449)	(78,530,727)	729,589	647,822	(34,022,860)	(77,882,905)	56.32%
Total Net Position	133,000,350	66,626,707	729,589	648,110	133,729,939	67,274,817	98.78%
Prior Period Adjustment	-	4,964,819	-	-	-	4,964,819	-100.00%
Total Net Position - Restated	\$ 133,000,350	\$ 71,591,526	\$ 729,589	\$ 648,110	\$ 133,729,939	\$ 72,239,636	85.12%

Net position of the District's governmental activities increased 99.62% to \$133,000,350. Most of the total net position is either invested in capital assets or is restricted. Unrestricted net position totaled to \$(34,752,449) at the end of this year. The unrestricted balance increased by 55.75% from the prior year.

The net position of the District's business-type activities increased by 12.57% to \$729,589 these resources cannot be used in governmental activities. The District generally can only use these funds to finance the continuing operations of its business activities such as Project Safe and Secure and Pre-K Tuition Program.

Changes in net position. The District's total revenues increased by 21.10% to \$347,235,696 (Refer to Table A-2).

Operating Grants represent 34.66%. State Aid-Formula revenues represent 33.54%. Property Taxes make up 26.96%. Charges for Services represent 4.06% while only 0.66% comes from Grants and Contributions Not Restricted (Refer to Figure A-3).

The total cost of all programs and services was \$285,343,839; 81.14% of these costs are for instructional and student services.

Governmental Activities

The total property tax rate was \$1.1370 in 2021-2022 and will decrease to \$1.0964 per \$100 assessed property valuation for the 2022-2023 fiscal year. The Maintenance and Operation (M&O) tax rate was \$1.0486 in 2021-2022 and will decrease to \$1.0206 in 2022-2023 as a result of the District electing the Declared Disaster Tax Rate Option allowing the District to increase the M&O tax rate by the remaining enrichment pennies available. The Debt Service tax rate was \$0.0884 in 2021-2022 and will decrease to \$0.0758 for 2022-2023. The tax rate change is due to House Bill 3 (HB3) Tier I M&O Tax Compression as well as the District responding to a disaster as allowed by the Texas Tax Code 26.042(e). The District experienced a series of severe weather in February 2021. This tax rate change is allowed by the governing body for the year following in which the disaster occurred.

Figure A-3 District Sources of Revenue for Fiscal Year 2022

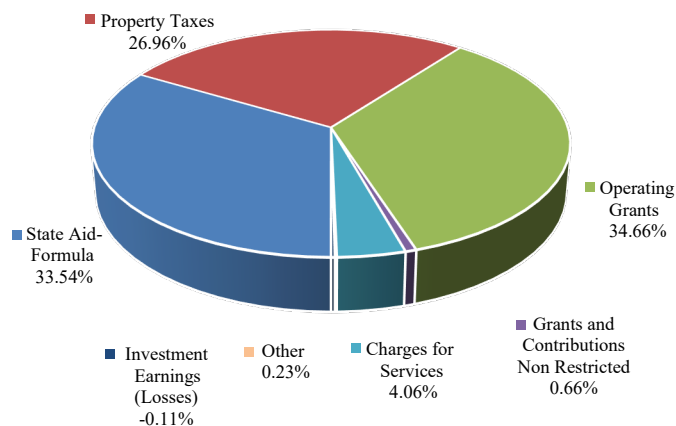


Table A-2 represents the changes in the District's Net Position.

Table A-2
Changes in the District's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2022	2021	
Program Revenues:							
Charges for Services	\$ 13,635,425	\$ 3,785,529	\$ 457,248	\$ 112,007	\$ 14,092,673	\$ 3,897,536	261.58%
Operating Grants & Contributions	120,355,593	61,699,546	25,189	7,479	120,380,782	61,707,025	95.08%
General Revenues:							
Property Taxes	93,615,484	88,941,920	-	-	93,615,484	88,941,920	5.25%
State Aid-Formula	116,466,793	128,541,436	-	-	116,466,793	128,541,436	-9.39%
Grants & Contributions Not Restricted	2,296,187	2,879,362	-	-	2,296,187	2,879,362	-20.25%
Investment Earnings (Losses)	(399,273)	335,225	-	-	(399,273)	335,225	-219.11%
Miscellaneous	783,050	441,082	-	-	783,050	441,082	77.53%
Total Revenues	\$ 346,753,259	\$ 286,624,100	\$ 482,437	\$ 119,486	\$ 347,235,696	\$ 286,743,586	21.10%
Expenses							
Instruction	\$ 149,109,588	\$ 154,271,550	\$ 96,978	\$ 75,520	\$ 149,206,566	\$ 154,347,070	-3.33%
Instructional Resources and Media Services	3,519,981	3,897,937	-	-	3,519,981	3,897,937	-9.70%
Curriculum and Staff Development	8,886,489	5,652,412	-	-	8,886,489	5,652,412	57.22%
Instructional Leadership	4,022,225	3,884,880	-	89	4,022,225	3,884,969	3.53%
School Leadership	13,268,340	14,523,225	1,139	72	13,269,479	14,523,297	-8.63%
Guidance, Counseling and Evaluation Service	12,079,210	12,024,567	-	-	12,079,210	12,024,567	0.45%
Social Work Services	2,182,654	2,068,933	-	-	2,182,654	2,068,933	5.50%
Health Services	3,247,444	3,387,373	-	-	3,247,444	3,387,373	-4.13%
Student (Pupil) Transportation	5,259,356	3,929,206	-	-	5,259,356	3,929,206	33.85%
Food Services	19,001,478	20,558,050	-	-	19,001,478	20,558,050	-7.57%
Extracurricular Activities	10,949,134	9,120,756	-	-	10,949,134	9,120,756	20.05%
General Administration	7,993,518	8,408,750	-	-	7,993,518	8,408,750	-4.94%
Facilities Maintenance & Oper.	26,819,675	26,294,888	288	865	26,819,963	26,295,753	1.99%
Security and Monitoring Services	4,844,285	4,529,601	-	-	4,844,285	4,529,601	6.95%
Data Processing Services	8,191,216	6,096,435	-	-	8,191,216	6,096,435	34.36%
Community Services	1,534,092	2,157,405	303,149	93,462	1,837,241	2,250,867	-18.38%
Debt Service- Interest on Long-Term Debt	3,448,730	3,397,314	-	-	3,448,730	3,397,314	1.51%
Debt Service - Bond Issuance							
Cost and Fees	12,155	463,570	-	-	12,155	463,570	-97.38%
Payments to Juvenile Justice							
Alternative Ed. Program	40,000	-	-	-	40,000	-	100.00%
Appraisal of Property	934,269	906,174	-	-	934,269	906,174	3.10%
Total Expenses	\$ 285,343,839	\$ 285,573,026	\$ 401,554	\$ 170,008	\$ 285,745,393	\$ 285,743,034	0.00%
Increase (Decrease) in Net Position	\$ 61,409,420	\$ 1,051,074	\$ 80,883	\$ (50,522)	\$ 61,490,303	\$ 1,000,552	6045.64%
Transfers	(596)	20,654	596	(20,654)	-	-	0.00%
Total Increase(Decrease)	\$ 61,408,824	\$ 1,071,728	\$ 81,479	\$ (71,176)	\$ 61,490,303	\$ 1,000,552	6045.64%
Net Position Beginning	71,591,526	65,554,979	648,110	719,286	72,239,636	66,274,265	9.00%
Net Position Ending	133,000,350	66,626,707	729,589	648,110	133,729,939	67,274,817	98.78%
Prior Year Adjustment	-	4,964,819	-	-	-	4,964,819	-100.00%
Total Net Position - Restated	\$ 133,000,350	\$ 71,591,526	\$ 729,589	\$ 648,110	\$ 133,729,939	\$ 72,239,636	85.12%

- The cost of all *governmental* activities this year was \$285,343,839.
- Some costs were paid by those who directly benefited from the programs through Charges for Services in the amount of \$13,635,425.
- Other costs were paid by Operating Grants, Capital Grants and Contributions of \$120,355,593.
- The amount our taxpayers paid for these activities through Property Taxes was \$93,615,484.
- The increase in Investment Earnings was due to increases in interest rates as a result of current market conditions which increased the District's yearly average weighted yield from 0.221% in 2020-2021 to 0.320% in 2021-2022.

Table A-3 represents the cost of each of the District’s largest functions as well as each function’s net cost (total cost less fees generated by the charges for services and operating grants and contributions). The net cost reflects the financial burden that was placed on the District’s taxpayers for each of these functions.

Table A-3
Net Cost of District’s Governmental Activities

	Cost			Net Cost		
	2022	2021	% Change	2022	2021	% Change
Instruction	\$ 149,109,588	\$ 154,271,550	-3.35%	\$ 75,577,967	\$ 126,325,178	-40.17%
School Leadership	13,268,340	14,523,225	-8.64%	12,254,886	13,418,279	-8.67%
Guidance, Counseling and Evaluation	12,079,210	12,024,567	0.45%	8,698,101	9,348,848	-6.96%
Food Services	19,001,478	20,558,050	-7.57%	(5,249,172)	(114,460)	-4486.03%
Extracurricular Activities	10,949,134	9,120,756	20.05%	9,435,553	8,338,096	13.16%
Facilities Maintenance & Operations	26,819,675	26,294,888	2.00%	14,068,591	22,032,992	-36.15%

Business-Type Activities

Revenues of the District’s business-type activities increased 303.76% to \$482,437 and expenses increased 136.20% to \$401,554. (Refer to Table A-2) The factor contributing to the increase in revenues was primarily due to an increase in enrollment in Project Safe and Secure due to the return of in-person instruction as a result of the COVID-19 pandemic. The increase in expenses resulted from an increase in support staff extra-duty/overtime pay due to the return of in-person instruction as a result of the COVID-19 pandemic.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Governmental Funds

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

As of June 30, 2022, the District’s governmental funds reported ending fund balances of \$170,979,502. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with GASB No. 54.

- \$1,296,579 is recorded as Nonspendable for Inventories, of which \$985,653 is in Food Service and \$310,926 is in General Fund.
- \$1,926,634 is recorded as Nonspendable for Prepaids, of which \$14,116 is in Food Service; \$20,774 is in Career Technical Education; \$20,124 is in Special Education and \$1,871,620 is in General Fund.
- \$49,077,915 is recorded as Restricted, of which \$7,772,281 is in Food Service; \$14,568,324 is in Federal and State Programs; \$3,328,221 is in Debt Service; and \$11,847,522 is in Retirement of Maintenance Tax Notes; and \$11,561,567 is in Maintenance Tax Notes 2020.
- \$35,050,693 is recorded as Committed, of which \$22,285,379 is for Construction which includes ESSER II - Local; \$1,005,993 is for Campus Activity Funds; and \$11,759,321 is for Other which includes ESSER II - Local.
- \$27,211,781 is recorded as Assigned, of which \$4,707,956 is for Construction; \$7,983,488 is for Equipment; and \$14,520,337 is for Other which includes an ADA contingency due to the unknowns created by the COVID-19 Pandemic.
- \$56,415,900 is recorded as Unassigned and is available for spending at the District’s discretion.

General Fund

The general fund is the chief operating fund of the District. At the end of the fiscal year, the fund balance of the general fund was \$149,933,573. This represents an increase of \$42,338,576 or 39.35%. Factors listed below contributed to the overall increase in fund balance to the General Fund.

- The District established the ESSER II – Local fund for approved projects. The projects that were not completed during the fiscal year resulted in an increase to Committed Fund Balance in the amount of \$33,737,249.
- The Food Service fund received additional revenues due to the return of in-person instruction, which led to increased meal participation, paired with a higher reimbursement rate. Also, the Texas Department of Agriculture, paid out a fair share loss as part of emergency operation costs as a result of significant participation drops during the last quarter of the 2019-2020 school year. This resulted in an increase in fund balance in the amount of \$4,536,475.
- The District received proceeds from a one-time litigation settlement. The excess amount was assigned for the one-time Holiday pay stipend of \$1,500 approved by the Board of Trustees on June 22, 2022 for eligible full-time employees in the amount of \$3,423,992.
- The restricted fund balance for Fund 197 QSCN 2011 increased in the amount of \$640,860. This restricted cash amount is being set aside for the future repayment of the Maintenance Tax Qualified School Construction Notes maturing on February 15, 2026.

General Fund Budgetary Highlights

At year-end, actual Revenues/Other Resources available were \$1 million less than the final budget amount.

- Actual Market Value Gain/Loss was less than the budget in the amount of \$881 thousand
- Actual Revenue by Texas Education Agency was less than the budget in the amount of \$66 thousand
- Actual Federal Revenue through State was less than the budget in the amount of \$23 thousand
- Actual Operating Transfers In was less than the budget in the amount of \$18 thousand
- Actual Federal Revenue through Government was less than the budget in the amount of \$14 thousand
- Actual School Breakfast Program revenue was more than the budget in the amount of \$2 thousand

At year end, actual Expenditures/Other Uses were \$53.9 million less than the final budgeted amount. This budget balance represents non-materialized expenditures of 20.71% due to the residual effects of the COVID-19 pandemic such as backordered items carried forward to 2022-2023 and various funding sources made available. This amount also includes Fund 194 ESSER II – Local unspent budget balance.

Over the course of the year, the District revised and the Board of Trustees approved the budget on a monthly basis.

The District made the following major amendments to revenues:

- Litigation Settlement
- Increase in Food Service Revenues
- Emergency Connectivity Fund Reimbursement
- SHARS Cost Report Settlement 2020
- Increase in Tax Collections
- Increase in SHARS Interim Revenues
- Increase in TRS On-behalf
- Increase in State Revenue due to 2017 and 2019 Property Value Studies
- Decrease in Interest Income
- Decrease in State Funding

The District made the following major amendments to appropriations:

- Increase to Food for Supper Meal Program for Food Service
- Increase for Emergency Connectivity Fund (ECF) Reimbursement for Technology Leases
- Increase for Athletic Uniforms, Equipment and Student Travel
- Increase to TRS On-behalf
- Increase for Transportation School Buses
- Increase for CDBG Grant for Playground, Pavilion and Fencing at Various Campuses

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021-2022, the District's governmental activities had invested \$211,269,817 in capital assets, including land, building and improvements, construction in progress, vehicles, furniture and equipment and capital leases. (Refer to Table A-4). In accordance with GASB 34, the District has recorded depreciation expense associated with all of its capital assets.

Table A-4
District's Capital Assets

	Governmental		Business-type		Total		Total Percentage Change
	Activities		Activities				
	2022	2021	2022	2021	2022	2021	
Land	\$ 12,148,272	\$ 12,148,658	\$ -	\$ -	\$ 12,148,272	\$ 12,148,658	0.00%
Construction in Progress	14,374,156	4,560,117	-	-	14,374,156	4,560,117	215.21%
Furniture and Equipment in Progress	813,915	1,224,694	-	-	813,915	1,224,694	-33.54%
Buildings and Improvements	306,395,423	300,276,924	-	-	306,395,423	300,276,924	2.04%
Furniture and Equipment	61,781,755	48,293,060	75,290	75,290	61,857,045	48,368,350	27.89%
Vehicles	12,937,270	12,459,197	-	-	12,937,270	12,459,197	3.84%
Leased Property Under Capital Leases	296,819	975,000	-	-	296,819	975,000	-69.56%
Total at historical cost	\$ 408,747,610	\$ 379,937,650	\$ 75,290	\$ 75,290	\$ 408,822,900	\$ 380,012,940	7.58%
Total Accumulated Depreciation	197,477,793	184,446,231	75,290	75,001	197,553,083	184,521,232	7.06%
Net Capital Assets	\$ 211,269,817	\$ 195,491,419	\$ -	\$ 289	\$ 211,269,817	\$ 195,491,708	8.07%

The increase in Construction in Progress is due to HVAC replacements at various campuses; Veterans Memorial Stadium pressbox renovations; field turf at McAllen, Memorial and Rowe High Schools; roof replacement at Memorial High School, Houston Elementary and Crockett Administration Building; parking lot paving at various campuses. Additional information about the District's capital assets is presented in Note 6 in the Financial Statements.

Long-Term Debt

Table A-5
District's Long Term Debt

	Governmental		Total Percentage Change 2022-21
	2022	2021	
Capital Leases	\$ 435,340	\$ 5,048,567	-91.38%
Compensated Absences	1,727,115	1,946,950	-11.29%
Claims Payable	4,159,915	3,347,287	24.28%
Bonds and Notes Payable:			
General Obligation Debt	50,939,850	56,294,094	-9.51%
Maintenance Tax Notes	39,196,000	40,101,000	-2.26%
Premium on Tax Notes	4,568,129	4,647,567	-1.71%
Total Bonds and Notes Payable	94,703,979	101,042,661	-6.27%
Total Long Term Debt Payable	\$ 101,026,349	\$ 111,385,465	-9.30%

At year-end, the District had \$101,026,349 in long-term debt outstanding. This represents a decrease of 9.30% over last year as a result of capital leases, compensated absences, claims payable, general obligation debt and maintenance tax notes. More detailed information about the District's debt is presented in Note 12 in the Financial Statements.

Bond Ratings

The District's bonds carry a Standard & Poor's rating "AA-" Moody's assigned "Aa2"

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget

- The Preliminary Certified Adjusted Freeze Taxable value used for the 2022-2023 budget increased by \$294,783,052 or 3.81% from \$7,733,525,460 to \$8,028,308,512.
- The District's 2022-2023 budget was planned on 19,030 refined average daily attendance, up 333.06 from the near final 2021-2022 actual, a 1.78% increase.
- General operating fund budgeted revenue per student decreased from \$12,799 in 2021-2022 to \$12,337 in 2022-2023.

These indicators were taken into account when adopting the general fund budget for 2022-2023.

The 2022-2023 budget for the General Fund was approved by the Board of Trustees on June 22, 2022. The 2022-2023 budget was balanced as follows: Revenues of \$234,771,286 equals Expenditures of \$270,432,014 minus Fund Balance of \$35,660,728.

Revenues in the general fund budget for 2022-2023 decreased by 5.92% to \$234,771,286 as compared to the final 2021-2022 final budget of \$249,533,589.

Expenditures in the general fund budget for 2022-2023 increased by 3.97% to \$270,432,014 as compared to the 2021-2022 final budget of \$260,101,629.

The changes to funding formula elements include: A basic allotment that remains the same (from \$6,160 in 2020-2021 to \$6,160 in 2021-2022 and \$6,160 in 2022-2023 per student), a decreased Per Capita Rate (from \$486.922 in 2020-2021 to \$510.890 in 2021-2022 to \$450.00 in 2022-2023), and a Guaranteed Yield weight that remains the same (from \$98.56 in 2020-2021 to \$98.56 in 2021-2022 and \$98.56 in 2022-2023).

There is an increase in the Child Nutrition Program which includes an increase in breakfast and lunch participation due to projecting 100% of students on face-to-face instruction for the 2022-2023 school year.

For 2022-2023, the Board of Trustees approved a salary increase for teachers, librarians, non-teaching professionals, paraprofessionals and auxiliary staff. The minimum general salary increase for the teachers and librarians is \$1,700. The compensation plan indicates the entry level salary for beginning "zero" year teachers at a minimum of \$52,150 and new to McAllen ISD with "20+" years' experience at a maximum of \$62,630 salary. The compensation plan indicates a salary increase for Administrative Professionals (AE/AM) of \$1,700 and a salary increase of 3% of pay range midpoint for all other employees.

Administration recommended the approval of a one-time Holiday pay stipend in the amount of \$1,500 for all employees who are employed by the district on a full-time basis as of September 15, 2022 and remain employed as of December 1, 2022. Eligible full-time employees are defined as persons employed by the district for at least 27.5 hours per week to include bus drivers and bus aides. This one-time stipend will be paid during December 2022 and is contingent upon the availability of funds and in consideration of the District's revenues and fund balances at the time plans for such payments are presented. This one-time stipend would be considered as non-TRS compensable.

The Health Fund, Workers Compensation Fund and Unemployment Fund are self-funded funds. The employer health contribution rate increased to \$5,828.40 for 2022-2023 compared to \$5,510.40 for 2021-2022. The employer contribution of Workers Compensation for 2022-2023 was reduced from a rate of

0.003082 to a rate of 0.001541 with the exception for Food Service, Maintenance, Police and Transportation which was reduced from a rate of 0.2705 to a rate of 0.13525. For the second year, the District has elected to fund the employer contribution of unemployment compensation for 2022-2023 at a rate of \$2.60 per employee per month.

Taxes

The tax rate for 2022-2023 is \$1.0206 for Maintenance & Operations and \$0.0758 for Interest & Sinking for a total tax rate of \$1.0964. The Hidalgo County Appraisal District estimated a 7.38% increase in 2022 Net Taxable Property Values. The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the District's geographical taxing jurisdiction.

Facilities

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2022, and subsequently allocated funding to assigned fund balance in 2022-2023.

Projects for the Facilities Maintenance & Operations Department consist of camera upgrades at Morris Middle School and De Leon Middle School, fire alarms at Morris Middle School and Rowe High School, floor covering at Achieve Early College High School, water intrusion gym repairs at Travis Middle School, remodeling the front entrance at Memorial High School, installation of Memorial High School Press Box, exhaust installation at Warehouse, portable reallocations district wide and installation of canopies at various campuses.

Other projects include intercom replacements at Instruction & Guidance Center, Travis Middle School, Morris Middle School, Escandon Elementary School, Rayburn Elementary School, Roosevelt Elementary School, Hendricks Elementary School and Thigpen-Zavala Elementary School.

Additionally, due to the issuance of Maintenance Tax Note Series 2020, projects were identified and have been allocated to the restricted fund balance. These projects consist of construction, renovations and improvements district wide.

Projects for the Tax Ratification Election that are "in progress" for Facilities Maintenance & Operations Department consist of surveillance camera upgrades at Travis Middle School, Brown Middle School, Morris Middle School and Cathey Middle School and fencing at Travis Middle School and Cathey Middle School.

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2022 and subsequently allocated funding to committed fund balance in 2022-2023 for Hail Damage projects due to severe hail storms that hit the District on March 29, 2012 and April 20, 2012.

Hail damage projects consist of roof replacement at Achieve Early College High School and Crockett Administration Annex.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and 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 Office of the Chief Financial Officer, McAllen I.S.D., 2000 North 23rd Street, McAllen, Texas 78501.

BASIC FINANCIAL STATEMENTS



MCALLEN ISD
STATEMENT OF NET POSITION
JUNE 30, 2022

Data Control Codes	1	2	3
	Governmental Activities	Primary Government Business- Type Activities	Total
ASSETS			
1110	\$ 12,846,492	\$ 120,334	\$ 12,966,826
1120	131,634,559	500,000	132,134,559
1225	4,247,948	-	4,247,948
1240	38,532,745	-	38,532,745
1250	165,051	-	165,051
1260	(126,149)	126,149	-
1290	1,474,992	-	1,474,992
1300	1,296,579	-	1,296,579
1410	2,331,842	-	2,331,842
Capital assets not subject to depreciation:			
1510	12,148,272	-	12,148,272
1580	15,188,071	-	15,188,071
Capital assets net of depreciation:			
1520	166,256,404	-	166,256,404
1530	17,441,649	-	17,441,649
1550	235,421	-	235,421
1890	11,791,138	-	11,791,138
1910	20,365,299	-	20,365,299
1000	<u>435,830,313</u>	<u>746,483</u>	<u>436,576,796</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701	2,273,480	-	2,273,480
1705	22,572,214	-	22,572,214
1706	14,227,694	-	14,227,694
1700	<u>39,073,388</u>	<u>-</u>	<u>39,073,388</u>
LIABILITIES			
2110	12,513,007	2,261	12,515,268
2140	1,286,296	-	1,286,296
2150	1,950,999	-	1,950,999
2160	25,052,997	14,563	25,067,560
2180	23,967	-	23,967
2190	92	-	92
2200	802,050	-	802,050
2300	125,002	70	125,072
Noncurrent Liabilities:			
2501	7,315,212	-	7,315,212
2502	92,909,086	-	92,909,086
2540	34,122,706	-	34,122,706
2545	73,002,166	-	73,002,166
2000	<u>249,103,580</u>	<u>16,894</u>	<u>249,120,474</u>
DEFERRED INFLOWS OF RESOURCES			
2605	38,016,992	-	38,016,992
2606	54,782,779	-	54,782,779
2600	<u>92,799,771</u>	<u>-</u>	<u>92,799,771</u>
NET POSITION			
3200	129,965,545	-	129,965,545
3820	22,340,605	-	22,340,605
3850	3,599,127	-	3,599,127
3890	11,847,522	-	11,847,522
3900	(34,752,449)	729,589	(34,022,860)
3000	<u>\$ 133,000,350</u>	<u>\$ 729,589</u>	<u>\$ 133,729,939</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
GOVERNMENTAL ACTIVITIES:			
11	Instruction	\$ 149,109,588	\$ 70,902,723
12	Instructional resources and media services	3,519,981	222,839
13	Curriculum and instructional staff development	8,886,489	5,302,001
21	Instructional leadership	4,022,225	957,716
23	School leadership	13,268,340	942,627
31	Guidance, counseling & evaluation services	12,079,210	3,287,436
32	Social work services	2,182,654	378,040
33	Health services	3,247,444	3,426,557
34	Student (pupil) transportation	5,259,356	319,700
35	Food services	19,001,478	24,196,657
36	Extracurricular activities	10,949,134	224,720
41	General administration	7,993,518	524,708
51	Facilities maintenance and operations	26,819,675	3,754,585
52	Security and monitoring services	4,844,285	551,384
53	Data processing services	8,191,216	3,201,308
61	Community services	1,534,092	1,546,985
72	Debt services - interest on long-term debt	3,448,730	1,411
73	Debt services - bond issuance cost and fees	12,155	614,196
95	Payments to juvenile justice alternative ed. prg.	40,000	-
99	Other intergovernmental charges	934,269	-
[TG]	Total Governmental Activities:	<u>285,343,839</u>	<u>120,355,593</u>
BUSINESS-TYPE ACTIVITIES:			
01	Project safe and secure	304,146	19,893
02	Tuition based pre-k program	97,408	5,296
[TB]	Total Business-Type Activities:	<u>401,554</u>	<u>25,189</u>
[TP]	TOTAL PRIMARY GOVERNMENT:	<u>\$ 285,745,393</u>	<u>\$ 120,380,782</u>

Data	
Control	
Codes	General Revenues and transfers:
	Taxes:
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
SF	State aid - formula grants
GC	Grants and contributions not restricted
IE	Investment earnings (losses)
MI	Miscellaneous local and intermediate revenue
FR	Transfers in (out)
TR	Total General Revenues and Transfers
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment
NE	Net Position - Ending

Net (Expenses) Revenues and Changes		
Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (75,577,967)	\$ -	\$ (75,577,967)
(3,294,711)	-	(3,294,711)
(3,487,218)	-	(3,487,218)
(2,865,221)	-	(2,865,221)
(12,254,886)	-	(12,254,886)
(8,698,101)	-	(8,698,101)
(1,804,614)	-	(1,804,614)
180,086	-	180,086
(4,938,793)	-	(4,938,793)
5,249,172	-	5,249,172
(9,435,553)	-	(9,435,553)
(7,278,728)	-	(7,278,728)
(14,068,591)	-	(14,068,591)
(4,290,046)	-	(4,290,046)
(4,989,612)	-	(4,989,612)
21,509	-	21,509
(3,447,319)	-	(3,447,319)
602,041	-	602,041
(40,000)	-	(40,000)
(934,269)	-	(934,269)
<u>(151,352,821)</u>	<u>-</u>	<u>(151,352,821)</u>
-	123,932	123,932
-	(43,049)	(43,049)
-	80,883	80,883
<u>\$ (151,352,821)</u>	<u>\$ 80,883</u>	<u>\$ (151,271,938)</u>
86,344,845	-	86,344,845
7,270,639	-	7,270,639
116,466,793	-	116,466,793
2,296,187	-	2,296,187
(399,273)	-	(399,273)
783,050	-	783,050
(596)	596	-
<u>212,761,645</u>	<u>596</u>	<u>212,762,241</u>
61,408,824	81,479	61,490,303
<u>66,626,707</u>	<u>648,110</u>	<u>67,274,817</u>
4,964,819	-	4,964,819
<u>\$ 133,000,350</u>	<u>\$ 729,589</u>	<u>\$ 133,729,939</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes	10 General Fund	281 ESSER II CRRSA	289 Federally Funded Special Revenue Funds	Other Funds	Total Governmental Funds	
ASSETS						
1110	Cash and cash equivalents	\$ 8,266,416	\$ 1,037	\$ 41,936	\$ 3,659,297	\$ 11,968,686
1120	Investments	104,811,059	-	-	18,795,907	123,606,966
1225	Property taxes receivable, net	3,917,262	-	-	330,686	4,247,948
1240	Receivables from other governments	24,430,051	7,240	5,727,796	8,074,399	38,239,486
1250	Accrued interest	165,051	-	-	-	165,051
1260	Due from other funds	7,432,018	-	-	2,104,827	9,536,845
1290	Other receivables	75,090	-	2,272	2,456	79,818
1300	Inventories	1,296,579	-	-	-	1,296,579
1410	Prepaid items	1,926,634	-	18,930	192,803	2,138,367
1800	Restricted assets	11,791,138	-	-	-	11,791,138
1910	Long-term investments	20,365,299	-	-	-	20,365,299
1000	Total Assets	<u>\$ 184,476,597</u>	<u>\$ 8,277</u>	<u>\$ 5,790,934</u>	<u>\$ 33,160,375</u>	<u>\$ 223,436,183</u>
LIABILITIES						
2110	Accounts payable	7,631,497	-	34,608	3,952,966	11,619,071
2150	Payroll deductions and withholdings payable	1,950,999	-	-	-	1,950,999
2160	Accrued wages payable	20,946,692	-	111,134	3,995,171	25,052,997
2170	Due to other funds	765,725	8,277	5,592,739	3,866,779	10,233,520
2180	Due to other governments	1,924	-	-	311	2,235
2190	Due to student groups	92	-	-	-	92
2300	Unearned revenue	44,235	-	310	80,457	125,002
2000	Total Liabilities	<u>31,341,164</u>	<u>8,277</u>	<u>5,738,791</u>	<u>11,895,684</u>	<u>48,983,916</u>
DEFERRED INFLOWS OF RESOURCES						
2601	Unavailable revenues	3,201,860	-	-	270,905	3,472,765
2600	Total Deferred Inflows of Resources	<u>3,201,860</u>	<u>-</u>	<u>-</u>	<u>270,905</u>	<u>3,472,765</u>
FUND BALANCES						
Nonspendable fund balance:						
3410	Inventories	1,296,579	-	-	-	1,296,579
3430	Prepaid items	1,926,634	-	-	-	1,926,634
Restricted fund balance:						
3450	Federal or state funds grant restrictions	20,398,976	-	52,143	1,889,486	22,340,605
3470	Restricted for capital acquisitions	-	-	-	-	-
3480	Retirement of long-term debt	-	-	-	3,328,221	3,328,221
3490	Other restricted fund balance	11,847,522	-	-	11,561,567	23,409,089
Committed fund balance:						
3510	Construction	22,285,379	-	-	-	22,285,379
3545	Other committed fund balance	11,759,321	-	-	1,005,993	12,765,314
Assigned Fund Balance:						
3550	Assigned for construction	1,499,437	-	-	3,208,519	4,707,956
3570	Capital expenditures for equipment	7,983,488	-	-	-	7,983,488
3590	Other assigned fund balance	14,520,337	-	-	-	14,520,337
3600	Unassigned fund balance	56,415,900	-	-	-	56,415,900
3000	Total Fund Balances	<u>149,933,573</u>	<u>-</u>	<u>52,143</u>	<u>20,993,786</u>	<u>170,979,502</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 184,476,597</u>	<u>\$ 8,277</u>	<u>\$ 5,790,934</u>	<u>\$ 33,160,375</u>	<u>\$ 223,436,183</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2022

	Total Fund Balances - Governmental Funds	\$ 170,979,502
1	The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate function in the other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is an increase to net position.	5,988,991
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Capital assets at historical cost, net of depreciation, increases net position.	211,269,817
3	Long-term liabilities including bonds, loans, capital leases and compensated absences are not due and payable in the current period and are not reported as liabilities in the funds.	(96,866,433)
4	Federal subsidies are recorded in the governmental funds when received. In the governmental activities, revenue is accrued for the period for which the subsidy was for.	293,259
5	Accrued interest payable does not require current financial resources so it is not reported as a liability in the funds.	(1,286,296)
6	Property taxes, MAC and SHARS receivables are not available soon enough to pay for current periods' expenditures and, therefore, are unavailable in the funds.	3,472,765
7	Gains/losses on defeasance of debt are recognized as deferred credits or charges and amortized over the remaining life of the debt.	2,273,480
8	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resources outflow in the amount of \$22,572,214, a deferred resources inflow in the amount of (\$38,016,992), and a net pension liability in the amount of (\$34,122,706). This resulted in a decrease in net position.	(49,567,484)
9	Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resources outflow in the amount of \$14,227,694, a deferred resources inflow in the amount of (\$54,782,779), and a net OPEB liability in the amount of (\$73,002,166). This resulted in a decrease in net position.	(113,557,251)
10	Net Position of Governmental Activities	<u><u>\$ 133,000,350</u></u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	10	281	289	Federally Funded Special Revenue Funds	Other Funds	Total Governmental Funds
REVENUES:						
5700 Total local and intermediate sources	\$ 96,881,249	\$ -	\$ 6	\$ 11,089,766	\$ 107,971,021	\$ 107,971,021
5800 State program revenues	123,949,691	-	-	3,755,397	127,705,088	127,705,088
5900 Federal program revenues	27,226,999	40,150,000	8,650,446	48,211,206	124,238,651	124,238,651
5020 Total Revenues	<u>248,057,939</u>	<u>40,150,000</u>	<u>8,650,452</u>	<u>63,056,369</u>	<u>359,914,760</u>	<u>359,914,760</u>
EXPENDITURES:						
Current:						
11 Instruction	83,119,893	40,119,318	2,303,775	32,365,983	157,908,969	157,908,969
12 Instructional resources and media services	3,400,534	-	-	291,440	3,691,974	3,691,974
13 Curriculum and instructional staff development	4,156,623	-	10,670	5,463,552	9,630,845	9,630,845
21 Instructional leadership	3,126,935	-	25,282	1,244,356	4,396,573	4,396,573
23 School leadership	13,126,222	-	9,199	1,443,360	14,578,781	14,578,781
31 Guidance, counseling and evaluation services	9,760,639	-	219,642	3,382,034	13,362,315	13,362,315
32 Social work services	1,982,513	-	61,986	352,657	2,397,156	2,397,156
33 Health services	2,801,661	-	98,268	656,586	3,556,515	3,556,515
34 Student (pupil) transportation	5,493,541	-	1,818	403,703	5,899,062	5,899,062
35 Food service	17,454,157	-	-	1,515,329	18,969,486	18,969,486
36 Extracurricular activities	9,495,173	-	104,718	726,470	10,326,361	10,326,361
41 General administration	7,769,056	-	-	631,237	8,400,293	8,400,293
51 Facilities maintenance and operations	20,768,591	30,682	2,155,903	2,326,554	25,281,730	25,281,730
52 Security and monitoring services	4,763,130	-	171,243	473,873	5,408,246	5,408,246
53 Data processing services	5,421,396	-	1,353,407	1,911,869	8,686,672	8,686,672
61 Community services	93,813	-	12,832	1,572,470	1,679,115	1,679,115
Debt Service:						
71 Principal on long term-debt	3,641,897	-	2,138,397	4,935,000	10,715,294	10,715,294
72 Interest on long-term debt	1,909,421	-	1,411	1,865,900	3,776,732	3,776,732
73 Bond issuance cost and fees	7,660	-	-	4,495	12,155	12,155
Capital Outlay:						
81 Facilities acquisition and construction	5,331,933	-	-	9,945,756	15,277,689	15,277,689
Intergovernmental:						
95 Payment to juvenile justice alternative education	40,000	-	-	-	40,000	40,000
99 Other intergovernmental charges	934,269	-	-	-	934,269	934,269
6030 Total Expenditures	<u>204,599,057</u>	<u>40,150,000</u>	<u>8,668,551</u>	<u>71,512,624</u>	<u>324,930,232</u>	<u>324,930,232</u>
1100 Excess (Deficiency) of Revenues Over (Under)						
Expenditures	43,458,882	-	(18,099)	(8,456,255)	34,984,528	34,984,528
OTHER FINANCING SOURCES (USES):						
7912 Sale of real and personal property	242,383	-	6	24,109	266,498	266,498
7913 Issuance of capital leases	205,301	-	-	-	205,301	205,301
7915 Transfers in	9,409	-	-	1,438,223	1,447,632	1,447,632
8911 Transfers out	(1,577,399)	-	-	-	(1,577,399)	(1,577,399)
7080 Total Other Financing Sources (Uses)	<u>(1,120,306)</u>	<u>-</u>	<u>6</u>	<u>1,462,332</u>	<u>342,032</u>	<u>342,032</u>
1200 Net Change in Fund Balances	42,338,576	-	(18,093)	(6,993,923)	35,326,560	35,326,560
0100 Fund Balance - (Beginning)	107,594,997	-	70,236	27,987,709	135,652,942	135,652,942
3000 Fund Balance - (Ending)	<u>\$ 149,933,573</u>	<u>\$ -</u>	<u>\$ 52,143</u>	<u>\$ 20,993,786</u>	<u>\$ 170,979,502</u>	<u>\$ 170,979,502</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Total Net Change in Fund Balances - Governmental Funds	\$ 35,326,560
1	The District uses an internal service fund to charge the costs of the health self insurance plan to appropriate functions in other funds. The net income of the internal service fund is reported with governmental activities.	300,873
2	Capital outlays are reported in the governmental funds as expenditures. In the statement of activities the cost of capital assets, \$18,898,913, is allocated over their useful lives as depreciation expense. Donated capital assets are totaled \$495,707. Depreciation expense totaled (\$13,071,856) for the year. Assets retired during the period net of depreciation had a net effect on net position totaling (\$386).	6,322,378
3	Because some property taxes, MAC and SHARS receivables will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds. This is the change in unavailable revenue.	(1,888,619)
4	Payment of principal on long-term debt is an expenditure in the funds but is not an expense in the statement of activities. Repayment of principal totaled \$10,715,294. Bond proceeds, premiums on bond issuance and capital leases are reported as other financing sources in the funds. Liability associated with new leases totaled (\$205,301).	10,509,993
5	Some expenses such as the effect of the change in compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	219,835
6	Governmental funds report premiums, discounts, gains/losses on debt transactions when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. Interest is recorded in the governmental funds when paid but in the statement of activities it is accrued. This is the net impact of amortization of premiums, deferred losses, accretion of interest on capital appreciation bonds and the change in accrued interest.	326,969
7	GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$7,408,431. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net pension liability. This caused a decrease in the change in net position totaling \$(4,615,864). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$2,601,875. The net result is an increase in the change in net position.	5,394,442
8	GASB 75 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$1,744,519. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net OPEB liability. This caused a decrease in the change in net position totaling \$(1,218,419). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$4,370,293. The net result is an increase in the change in net position.	<u>4,896,393</u>
9	Change in Net Position of Governmental Activities	<u><u>\$ 61,408,824</u></u>

The notes to this financial statement are an integral part of this statement.

MCALLEN ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 120,334	\$ 877,806
Investments - demand deposit	500,000	8,027,593
Due from other funds	129,596	689,141
Other receivables	-	1,395,174
Prepaid items	-	193,475
Total Current Assets	<u>749,930</u>	<u>11,183,189</u>
Noncurrent Assets:		
Furniture and equipment	75,290	53,859
Accumulated depreciation on furniture and equipment	(75,290)	(53,859)
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>749,930</u>	<u>11,183,189</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	2,261	893,937
Accrued wages payable	14,563	-
Due to other funds	3,447	118,614
Due to other governments	-	21,732
Accrued expenses	-	1,763,459
Unearned revenues	70	-
Total Current Liabilities	<u>20,341</u>	<u>2,797,742</u>
Noncurrent Liabilities:		
Other long-term debt	-	2,396,456
Total Noncurrent Liabilities	<u>-</u>	<u>2,396,456</u>
Total Liabilities	<u>20,341</u>	<u>5,194,198</u>
NET POSITION		
Net investment in capital assets	-	-
Unrestricted net position	<u>729,589</u>	<u>5,988,991</u>
Total Net Position	<u>\$ 729,589</u>	<u>\$ 5,988,991</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and intermediate sources	\$ 457,248	\$ 25,991,349
State program revenues	25,189	10,127
Total Operating Revenue	482,437	26,001,476
OPERATING EXPENSES:		
Payroll costs	382,525	25,759,008
Professional and contracted services	90	71,859
Other operating costs	8,180	1,123
Supplies and materials	10,471	10,372
Depreciation expense	288	-
Total Operating Expenses	401,554	25,842,362
Operating Income (Loss)	80,883	159,114
NONOPERATING REVENUES (EXPENSES):		
Earnings from temporary deposits and investments	-	12,588
Transfers in	10,005	129,171
Transfers out	(9,409)	-
Total Nonoperating Revenues (Expenses)	596	141,759
Change in net position	81,479	300,873
Total Net Position - Beginning	648,110	7,734,103
Prior Period Adjustment	-	(2,045,985)
Total Net Position - Ending	\$ 729,589	\$ 5,988,991

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash received from customers	\$ 322,451	\$ -
Interfund services provided and used	-	25,400,838
Cash payments to employees for services	(353,220)	(802,938)
Cash payments for claims	-	(24,189,634)
Cash payments for suppliers for goods and services	(18,040)	(86,195)
Net Cash Provided by (Used for) Operating Activities	<u>(48,809)</u>	<u>322,071</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Operating transfer (out) in	<u>596</u>	<u>129,171</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of investment securities	-	(612,371)
Interest and dividends on investments	-	12,588
Net Cash Used for Investing Activities	<u>-</u>	<u>(599,783)</u>
Net increase (decrease) in cash and cash equivalents	(48,213)	(148,541)
Cash and Cash Equivalents at Beginning of Year	<u>168,547</u>	<u>1,026,347</u>
Cash and Cash Equivalents at End of Year	<u>\$ 120,334</u>	<u>\$ 877,806</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For)</u>		
<u>Operating Activities:</u>		
Operating income (loss):	\$ 80,883	\$ 159,114
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	288	-
Effects of Increases and Decreases in Assets and Liabilities:		
Decrease (increase) in receivables	2,000	8,468
Decrease (increase) in interfund receivables	(129,596)	(519,586)
Decrease (increase) in prepaid items	-	23,980
Increase (decrease) in accounts payable	1,916	(52,376)
Increase (decrease) in accrued expenses	3,632	652,877
Increase (decrease) in interfund payables	1,918	(121,451)
Increase (decrease) in unearned revenue	(9,850)	-
Increase (decrease) in due to other governments	-	11,294
Increase (decrease) in other long-term liabilities	-	159,751
Net Cash Provided by (Used For) Operating Activities	<u>\$ (48,809)</u>	<u>\$ 322,071</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-Purpose Trust Funds	Custodial Funds
	Student Activity Funds	
ASSETS		
Cash and cash equivalents	\$ 13,645	\$ 690,206
Other receivables	-	1,340
Prepaid items	-	-
Total Assets	\$ 13,645	\$ 691,546
LIABILITIES		
Accounts payable	\$ -	\$ 25,154
Due to student groups	-	5,046
Payables from restricted assets	13,645	-
Total Liabilities	13,645	30,200
NET POSITION		
Restricted for student activities	-	661,346
Total Net Position	\$ -	\$ 661,346

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Funds	Custodial Funds
	Student Activity Funds	
Additions:		
Interest	\$ -	\$ -
Student activity revenues	-	549,222
Total Operating Revenue	-	549,222
Deductions:		
Payroll costs	13,547	-
Student activities	-	452,497
Total Operating Expenses	13,547	452,497
Change in Net Position	(13,547)	96,725
Net Position - Beginning, as originally reported	13,547	-
Prior period adjustment	-	564,621
Net Position - Beginning, as restated	13,547	564,621
Total Net Position - Ending	\$ -	\$ 661,346

The notes to the financial statements are an integral part of this statement.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 – REPORTING ENTITY

Membership of Board - The Board of Trustees includes seven eligible members elected at large by the qualified voters of the McAllen Independent School District. The governing Board derives its powers from the statutes of the State of Texas and the rules and regulations of the Texas State Department of Education. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by GASB Statement 14, *The Financial Reporting Entity*. The District has no component units.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McAllen Independent School District's (the "District") basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

A. Basis of Presentation

Government-Wide Statements:

The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Substantially, all of the effects of interfund activities have been removed from these statements. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Governmental activities generally are supported through taxes, intergovernmental revenues, and other non-exchange transactions and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities.

Program revenues include:

- (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and
- (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Basis of Presentation (Continued)

Fund Financial Statements:

The fund financial statements provide information about the District’s funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds, “Other Funds” and “Nonmajor Enterprise Funds.”

The District reports the following major governmental funds:

General Fund. This is the District’s primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

ESSER II CRRSA. This fund is used to account for federal stimulus ESSER II funds granted to the District through the CRRSA Act. These funds are used to instruct students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

Federally Funded Special Revenue Funds. This fund is to account for federally funded special revenue funds that are not identified in the financial accountability resource guide. This includes Emergency Connectivity funds, Stop School Violence funds, Equitable Sharing Program, Grants for State Assessments and Related Activities, Student Support and Academic Enrichment Program, Teacher and School Leader Incentive Grants, COVID 19 School Health Support Grant and COVID 19 Public Health Workforce Supplemental Funding Grant.

Additionally, the District reports the following fund types:

Enterprise Funds. These funds account for the operations of the safe and secure program and the tuition-based pre-kindergarten program. The expenses for these funds are financed through user charges.

Internal Service Funds. These unbudgeted funds account for the operations of a print shop, self-funded health and worker’s compensation insurance and unemployment claims. These funds account for services to other District funds, as well as, related operating expenses.

Private Purpose Trust Funds. These are reported in the fund financial statements. Since the resources in the Private Purpose Trust funds are held in a trustee or agent capacity and are, therefore, not available to support District programs, these funds are not included in the government-wide statements. The District maintains the assets for the 457 Plan and scholarship fund.

Custodial Funds. These are reported in the fund financial statements. These funds are held in a custodial capacity by a school district, and they consist of funds that are the property of students and are, therefore, not available to support District programs, these funds are not included in the government-wide statements.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. Basis of Accounting/Measurement Focus (Continued)

Government-wide, Proprietary and Fiduciary Fund Financial Statements:

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds and of the District's internal services funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. The District considers revenues as available if they are collected within 60 days after the District's fiscal year. Revenues susceptible to accrual are property taxes, fiscal year state funding, and interest revenues. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred for a purpose 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.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. Basis of Accounting/Measurement Focus (Continued)

Unavailable revenue is reported in the governmental funds when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

C. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB Statement No. 33.

In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

D. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less.

F. Investments

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker’s acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments in entities (such as investment pools) that calculate Net Asset Value per Share and follow the requirements of GASB Statement No. 79 are also reported at amortized cost. Nonparticipating interest-earning investment contracts are reported using a cost-based measure.

The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. All other investments are reported at fair value.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

G. Receivables and Payables

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are presented as a single “Transfers in (out)” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net position.

All trade and property tax receivables are shown net of an allowance for uncollectible. 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 in the District in conformity with Subtitle E, Texas Property Tax Code.

Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Delinquent taxes are prorated between the general and debt service funds based on rates adopted for the year of the levy. Allowance for uncollectible tax receivables are based on the historical experience in collecting property taxes.

Accrued liabilities primarily consist of amounts accrued for salaries and self-insurance claims.

H. Inventory

Inventory is valued at average cost. The District accounts for school supplies and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Reported inventories are equally offset by a fund balance non-spendable category in the fund level statements which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Commodity inventory is offset by unearned revenue.

I. Prepaid Items

Prepaid items are payments made that will benefit periods beyond June 30, 2022. This amount includes prepaid expenses for unexpired insurance policy premiums paid by June 30, 2022 which extend beyond that date and prepaid administrative charges for appraisal district functions. Prepaid items are recorded as expenditures when consumed rather than when purchased. In the fund financial statements for the General Fund, the reported amounts are equally offset by a fund balance non-spendable category, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Prepayments from Special Revenue Funds will not be offset by a fund balance non-spendable category since the resources for these funds are restricted.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15
Buildings & Improvements	10-75
Vehicles/Buses	2-12
Furniture and Equipment	2-15

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

Certain defined transactions that do not qualify for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets but before liabilities) or deferred inflows of resources (a separate subheading following liabilities but before equity).

Deferred outflows of resources—a consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. It has a positive effect on net position, similar to assets.

Deferred inflows of resources—an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Deferred Outflows of Resources

In the government-wide financial statements, insurance costs arising from the issuance of debt are reported as deferred outflows and amortized over the term of the related debt. Deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and are amortized over the lesser life of the refunded bonds or refunding debt.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

L. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Deferred outflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. Deferred outflows result from pension and OPEB plan contributions made after the measurement date of the net pension and net OPEB liabilities. Deferred outflows also include the District's proportionate share of the deferred outflows of resources of the TRS plan. These deferred outflows include the differences between expected and actual economic experience and changes in actuarial assumptions. The deferred outflows of resources related to the District's contributions which are subsequent to the measurement date will be recognized as a reduction of the net pension and net OPEB liabilities in the next fiscal year.

Deferred Inflows of Resources

Deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and are amortized over the lesser life of the refunded bonds or refunding debt.

Deferred inflows of resources for pension and OPEB are reported in the government-wide financial statement of net position. These deferred inflows result primarily from differences between projected and actual earnings on pension and OPEB plan investments.

Deferred Outflows and Deferred Inflows of Resources by Source for the Pension Plan as a whole

The recognition period for amortizing the deferred outflows and deferred inflows of resources is set forth by GASB Statement No. 68, paragraph 71. Depending on the specific deferral, the period is defined as either a fixed, 5-year period or equal to the Average Expected Remaining Service Life of all members in the plan, measured as of the beginning of the measurement period which was 6.3082 years.

Deferred Outflows and Deferred Inflows of Resources by Source for the OPEB Plan as a whole

The recognition period for amortizing the deferred outflows and deferred inflows of resources is set forth by GASB Statement No. 75, paragraph 86. Depending on the specific deferral, the period is defined as either a fixed, 5-year period or equal to the Average Expected Remaining Service Life of all members in the plan, measured as of the beginning of the measurement period which was 9.1672 years.

M. Unearned Revenue

Grant amounts and donations received in advance of meeting requirements are reported as unearned revenue. Payments received prior to June 30, 2022 for the 2023 fiscal year Pre-K tuition and Safe and Secure program are reported as unearned revenue under the business-type activities.

N. Fair Value Measurements

GASB Statement No. 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or an income approach. GASB Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

N. Fair Value Measurements (Continued)

Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

There are three general valuation techniques that may be used to measure fair value. The market approach uses prices generated by market transactions involving identical or comparable assets or liabilities. The cost approach uses the amount that currently would be required to replace the service capacity of an asset (replacement cost). The income approach uses valuation techniques to convert future amounts to present amounts based on current market expectations.

O. Compensated Absences

All sick pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the fund financial statements only if they have matured, for example, as a result of employee retirement.

P. Long-term Obligations

In the government-wide financial statements and proprietary funds type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are recorded and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond and tax notes issuance costs incurred, are expensed in the current period.

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.

Q. Pension

The District is a member employer of the Teacher Retirement System of Texas (TRS) and, therefore, records its proportionate share of the pension liability and related accounts in these financial statements.

The fiduciary net position of the TRS 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 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.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

R. Other Post-Employment Benefits

The fiduciary net position of the 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.

S. Internal Service Fund Activity

Because the principal users of the internal service activities are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental activities column when presented in the government-wide financial statements. Only the net profit or loss before investment income is allocated to the operating programs benefited. The investment income is combined with other unrestricted income as general revenue in the statement of activities.

T. Government-wide Net Position

Net position represents assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. The District's net position is composed of the following:

Net Investment in Capital Assets - The investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted for State and Federal Programs - The component of net position that reports the difference between assets and liabilities of the Federal and State special revenue programs that consists of assets with constraints placed on their use by the Department of Education, Agriculture, the Texas Education Agency and other federal state entities.

Restricted for Debt Service - The component of net position that reports the difference between assets and liabilities of the Debt Service Funds net of accrued interest at June 30, that consists of assets with constraints placed on their use by the bond covenants.

Restricted-Retirement of Maintenance Tax Note - The component of net position that consists of installments made to a sinking fund until Maintenance Tax Qualified School Construction Notes Series 2011 matures in 2026.

Unrestricted - The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not reported in net position invested in capital assets, net position restricted for debt service, net position restricted for state and federal programs or in net position restricted for retirement of maintenance tax note.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

U. Fund Balance

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance and unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

There are two major categories of fund balances, which are non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered non-spendable. The District does not have any non-spendable funds related to endowments.

In addition to the non-spendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted fund balances are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed fund balances can be used only for the specific purposes imposed by formal action through the adoption of a resolution by the Board of Trustees, which is the highest level of decision-making authority in the District. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (i.e. resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process.

Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered legally enforceable. Committed fund balance also incorporates contract obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

U. Fund Balance (Continued)

- Assigned fund balances contain self-imposed constraints of the District to be used for a particular purpose. The Board has, by Local Policy CE, authorized the Superintendent, or designee, to assign fund balance. The Board, Superintendent or designee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not have to be taken for the removal of an assignment.
- Unassigned fund balance of the general fund is not constrained for any particular purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

V. Accounting System

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

W. Data Control Codes

Data control codes appear in the rows and above the columns of certain financial statements. TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

X. Current Year Implementations

As of July 1, 2022, the District adopted GASB Statement No. 87, Leases. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The implementation of GASB Statement No. 87 didn't have a material impact on the financial statements.

The District early implemented the amendment provided in Implementation Guidance Update-2021 on capitalizing assets whose individual acquisition cost are less than the threshold for an individual asset if those assets in the aggregate are significant. The effect of this implementation is disclosed in Note 25.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Y. New Accounting Standards

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and availability payment arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections*
- Statement No. 101, *Compensated Absences*

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). A PPP as used in statement No. 94 is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction.

Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). 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 requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Y. New Accounting Standards (Continued)

GASB Statement No. 99 addresses the classification and reporting of derivative instruments with the scope of GASB Statement No. 53, Accounting and Financial Reporting for derivative Instruments. This requirement is effective for fiscal years beginning after June 15, 2023. GASB Statement No. 99 also provides clarification of provisions in GASB Statement No. 87, Leases, GASB Statement No. 94, Public- Private and Public-Public Partnerships and Availability Payment Arrangements and GASB Statement No. 96, Subscription-Based Information Technology Arrangements. These requirements are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Lastly, GASB Statement No. 99 provides an extension of the period during which the London Interbank Offered Rate is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the supplemental nutrition assistance program, disclosures related to nonmonetary transactions, pledges of future revenue when resources are not received by the pledging government, clarification of provisions in GASB Statement No. 34, terminology updates related to certain provisions of GASB Statement No. 63, and terminology used in Statement 53 to refer to resource flows statements. These requirements are effective June 15, 2023, and all reporting periods thereafter.

The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections. Changes in accounting principles and in accounting estimates that result from a change in measurement methodology, a new principal or methodology should be justified on the basis that it is preferable to the principal or methodology used before the change. This statement also requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for leave that has not been used and for leave that has been used but not yet paid in cash or settled through noncash means. This Statement also requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability as long as it's identified as a net change. This requirement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

B. COMPLIANCE AND ACCOUNTABILITY

NOTE 3 – FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations, if applicable.

Expenditures Exceeding Appropriations

For the year ended June 30, 2022, overall the District did not have expenditures exceeding appropriated amounts.

Deficit Fund Balances of Individual Funds or Deficit Net Position

The District does not have funds with deficit fund balances at year end. The District has a negative unrestricted net position in the Governmental Activities of (\$34,752,449) at year end. The result of this negative balance is due to prior years’ implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

C. DETAILED NOTES ON ALL FUNDS

NOTE 4 – PROPERTY TAXES

Property taxes are levied by October 1 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 February 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Property tax revenues are considered available when they are collected within the current period or within 60 days after the District’s fiscal year.

The District’s 2021 tax rate was \$1.0486 for maintenance and operation and \$0.0884 for debt service per \$100 assessed valuation. Allowances for uncollectible within the General and Debt Service Funds are based upon historical experience in collecting property taxes. The assessed valuation of \$8,227,795,767 used to determine the tax rates represents 100% of the fair market value of the property. Education Code section 45.003 limits a school district’s Maintenance & Operation rate for any year. The rate may not exceed the rate equal to the sum of \$0.17 and the product of the state compression percentage as determined by Section 48.255 multiplied by \$1.00. The Texas Education Code requires school districts to demonstrate to the Texas Attorney General the projected ability to pay all debt issued after September 1, 1992, with a rate not to exceed \$0.50.

Taxes Receivable at June 30, 2022 is as follows:

	Property Taxes Receivable	Less: Allowance for Uncollectible	Property Taxes Receivable, net
General Fund	\$ 6,302,896	\$ 2,385,634	\$ 3,917,262
Debt Service Fund	483,410	152,724	330,686
	\$ 6,786,306	\$ 2,538,358	\$ 4,247,948

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (*Continued*)

NOTE 5 – DEPOSITS AND INVESTMENTS

Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. During the year, the depository bank placed approved pledged securities with the District's agent bank to cover the bank deposits as authorized by Chapter 2257, Collateral for Public Funds of the Government Code, 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). At year-end, the carrying amount of the District's deposits was \$11,842,100 and the bank balance of \$14,898,686.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be covered by depository insurance, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's cash deposits at June 30, 2022 and during the year ended June 30, 2022 were covered by pledged securities held in the District's name by a bank other than the pledging bank.

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

- a. Name of Bank: Frost Bank
- b. The amount of pledged securities as of the date of the highest combined balance on deposit was \$33,618,093.
- c. The largest combined balances of cash and savings accounts was \$25,858,465 and occurred during the month of May 2022.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. The Act requires an annual review of the investment policy and investment strategy. The District's management believes that it complied with the requirements of the Act and the District's investment policies.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS *(Continued)*

NOTE 5 – DEPOSITS AND INVESTMENTS *(Continued)*

Investments (Continued)

The District's investment policies and types of investments are governed by the Public Funds Investments Act ("Act") of 1995. The following types of investment instruments are authorized:

- 1) Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009
- 2) Certificates of deposit and share certificates as permitted by Government Code 2256.010
- 3) Fully collateralized repurchase agreements as permitted by Government Code 2256.011
- 4) A securities lending program as permitted by Government Code 2256.0115
- 5) Banker's acceptances as permitted by Government Code 2256.012
- 6) Commercial paper as permitted by Government Code 2256.013
- 7) No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
- 8) A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements as established by Government Code 2256.015
- 9) Public funds investment pools as permitted by Government Code 2256.016

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. Information on the credit rating and credit risk associated with debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. government), external investment pools, money market funds, bond mutual funds and other pooled investments of fixed-income securities at year-end is required.

State law and the District's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the District's depository.

The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the District to non-FDIC coverage requires immediate liquidation.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS *(Continued)*

NOTE 5 – DEPOSITS AND INVESTMENTS *(Continued)*

Investments (Continued)

State law and the District’s adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement. Constant dollar, local-government investment pools, as by state law (2256.016) and approved by the adopted Policy are authorized. By state law, all local government pools are rated AAA or equivalent by at least one Nationally Recognized Securities Ratings Organization (NRSRO). All pools by Policy must strive to maintain a \$1 NAV.

Debt issued by states, local governments and other political subdivisions must be general obligations of the issuer and be rated A or better by at least one NRSRO and are restricted to two (2) years to maturity.

AAA rated, SEC registered money market mutual funds are authorized if they strive to maintain a \$1 NAV.

The Qualified School Construction Note Funds are defined as a separate sub-portfolio which has a maximum stated maturity and weighted average maturity of five (5) years. The policy restricts all other investments to a maximum stated maturity of two (2) years and also restricts the portfolio to a weighted average maturity of 365 days.

As of June 30, 2022:

- holdings in local government investment pools rated AAAM represented 64.67% of the total portfolio,
- holdings in fully FDIC insured or collateralized interest-bearing bank accounts represented 8.27% of the total portfolio,
- holdings in commercial paper obligations represented 4.70% of the total portfolio,
- holdings in Municipal Bond obligations represented 11.58% of the total portfolio.
- holdings in U.S. government agency obligations represented 10.78% of the total portfolio.

Interest-rate Risk

Interest-rate risk reduces the exposure to changes in interest rates that could adversely affect the value of investments. The District shall use final and weighted-average-maturity data. In order to limit interest and market rate risk from changes in interest rates, the District’s adopted Investment Policy sets a maximum maturity of two (2) years. The total portfolio has a dollar weighted average maturity (WAM) limit of 365 days. The investment in the QSCN Reserve Fund has a maturity of 285 days in keeping with its specific policy and goals. The District’s investment in TexPool and Lone Star are available daily. The dollar weighted average maturity of the total portfolio was 124 days.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act.

The District’s adopted Investment Policy requires diversification on all authorized investment types and monthly monitoring of credit ratings. See concentrations of investments detailed under the credit risk section above.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2256 of the Texas Government Code, in addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

All of the investment pools that the District is invested in meet the criteria established under GASB Statement No. 79 to report their value at amortized cost. All of the investment pools strive to maintain a \$1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

The District’s investments at June 30, 2022 are shown as follows:

	Reported Amount	Weighted Average Maturity (days)	Standard & Poor's Rating
<i>Reported at Amortized Cost</i>			
TexPool Government Investment Fund	\$ 10,580,939	25	AAAm
TexPool Prime Investment Fund	10,635,636	20	AAAm
Lone Star Corporate Investment Fund	49,263,931	14	AAAm
Lone Star Government Investment Fund	45,978,852	12	AAAm
Commercial Paper	8,453,859	126	A-1
<i>Reported at Fair Value (Level 1)</i>			
FFCB	18,787,878	728	Varies
Municipal Bond	20,587,269	337	Varies
	\$ 164,288,363		

The District’s investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

D. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Public Funds Investment Pools (Continued)

The following is a reconciliation of the District’s total cash:

Deposits	\$	13,667,556
Investments		164,288,365
Petty cash		3,119
Restricted cash		2,632
Total		<u>\$ 177,961,673</u>
Exhibit A-1		
Cash and cash equivalents	\$	12,966,826
Current investments		132,134,559
Long-term investments		20,365,299
Other restricted assets		11,791,138
Total Exhibit A-1		<u>\$ 177,257,822</u>
Exhibit E-1		
Fiduciary cash and cash equivalents	\$	703,851
Total Exhibit E-1		<u>\$ 703,851</u>

Restricted Cash and Investments

Restricted cash and investments in the amount of \$11,791,138 in the general fund is set aside for future payment of the Maintenance Tax Qualified School Construction Notes. The restricted cash to pay future requirements of the tax notes is offset in the restricted fund balance of the General Fund.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, are as follows:

Governmental Activities	Beginning Balance	Increases / Transfers-In	Decreases / Transfers-Out	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 12,148,658	\$ 5,157,797	\$ (5,158,183)	\$ 12,148,272
Construction in progress	4,560,117	9,814,039	-	14,374,156
Furniture and equipment in progress	1,224,694	766,407	(1,177,186)	813,915
	<u>17,933,469</u>	<u>15,738,243</u>	<u>(6,335,369)</u>	<u>27,336,343</u>
Capital assets being depreciated:				
Buildings and improvements	300,276,924	6,145,999	(27,500)	306,395,423
Furniture and equipment	48,293,060	13,488,695	-	61,781,755
Vehicles	12,459,197	490,865	(12,792)	12,937,270
Leased property under capital lease	975,000	296,819	(975,000)	296,819
	<u>362,004,181</u>	<u>20,422,378</u>	<u>(1,015,292)</u>	<u>381,411,267</u>
Less accumulated depreciation for:				
Buildings and improvements	132,115,080	8,051,439	(27,500)	140,139,019
Furniture and equipment	42,955,975	4,620,537	-	47,576,512
Vehicles	8,902,590	811,066	(12,792)	9,700,864
Leased property under capital lease	472,586	61,398	(472,586)	61,398
Total Accumulated Depreciation	<u>184,446,231</u>	<u>13,544,440</u>	<u>(512,878)</u>	<u>197,477,793</u>
Total Capital Assets Being Depreciated (Net)	<u>177,557,950</u>	<u>6,877,938</u>	<u>(502,414)</u>	<u>183,933,474</u>
Governmental Activities Capital Assets (Net)	<u>\$ 195,491,419</u>	<u>\$ 22,616,181</u>	<u>\$ (6,837,783)</u>	<u>\$ 211,269,817</u>

Internal Service Fund capital assets detailed below are included with the Governmental Activities in the Statement of Net Position and are included in the previous recap of governmental activities' capital assets.

	Internal Service Fund
Machinery and equipment	\$ 53,859
Accumulated depreciation	<u>(53,859)</u>
Net capital assets	<u>\$ -</u>

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Furniture and equipment	\$ 75,290	\$ -	\$ -	\$ 75,290
	<u>75,290</u>	<u>-</u>	<u>-</u>	<u>75,290</u>
Less accumulated depreciation for:				
Furniture and equipment	75,001	289	-	75,290
Total Accumulated Depreciation	<u>75,001</u>	<u>289</u>	<u>-</u>	<u>75,290</u>
Total Capital Assets Being Depreciated (Net)	<u>289</u>	<u>(289)</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 289</u>	<u>\$ (289)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation was charged to the following functions:

Governmental Activities:

11 – Instruction	\$ 5,472,745
12 – Instruction and instructional related services	181,703
13 – Curriculum and instructional staff development	18,332
21 – Instructional leadership	8,376
23 – School leadership	119,232
31 – Guidance, counseling and evaluation services	23,605
32 – Social work services	9,521
33 – Health services	21,210
34 – Student transportation	545,596
35 – Food services	938,362
36 – Extracurricular activities	1,301,667
41 – General administration	311,176
51 – Facilities, maintenance and operations	3,708,798
52 – Security and monitoring services	113,469
53 – Data processing services	297,858
61 – Community services	206
Total depreciation expense-governmental activities	<u>\$ 13,071,856</u>

Business-Type Activities:

Nonmajor funds – Project Safe and Secure Depreciation	<u>\$ 289</u>
---	---------------

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 7 – INTERFUND RECEIVABLES/PAYABLES

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

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 3,505,116
General Fund	ESSER II CRRSA	8,277
General Fund	Federally funded Special Revenue	3,915,237
General Fund	Enterprise	3,228
General Fund	Internal Service Fund	160
Nonmajor Governmental Funds	Federally funded Special Revenue	1,677,502
Nonmajor Governmental Funds	Nonmajor Governmental Funds	361,663
Nonmajor Governmental Funds	Enterprise	219
Nonmajor Governmental Funds	General Fund	65,442
Internal Service Fund	General Fund	689,141
Enterprise	General Fund	11,142
Enterprise	Internal Service Fund	118,454
		<u>\$ 10,355,581</u>

NOTE 8 – DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables and payables as of June 30, 2022 for the District’s individual major, nonmajor, internal service funds and enterprise funds in the aggregate are as follows:

	General Fund	Nonmajor Governmental Funds	Federally Funded Special Revenue Fund	Internal Service Fund	Enterprise Fund	Total
Property taxes receivable, net	\$ 3,917,262	\$ 330,686	\$ -	\$ -	\$ -	\$ 4,247,948
Other receivables	\$ 75,090	\$ 2,456	\$ 2,272	\$ 1,395,174	\$ -	\$ 1,474,992
Accrued Liabilities:						
Accrued wages payable	\$ 20,946,692	\$ 3,995,171	\$ 111,134	\$ -	\$ 14,563	\$ 25,067,560
Payroll deductions and withholdings payable	122,988	-	-	-	-	122,988
	<u>\$ 21,069,680</u>	<u>\$ 3,995,171</u>	<u>\$ 111,134</u>	<u>\$ -</u>	<u>\$ 14,563</u>	<u>\$ 25,190,548</u>

Other receivables do not have any allowances associated with them. See Note 14 for further detail regarding risk financing and claims payable.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 9 – DUE TO AND FROM OTHER GOVERNMENTS

Amounts due to and from other governments are reflected in the following funds:

	General Fund	Federally Funded Special Revenue Funds	Nonmajor Governmental Funds	Internal Service Fund	Total
Federal /State Funding:					
Texas Education Agency	\$ 23,577,328	\$ 270,097	\$ 7,789,964	\$ -	\$ 31,637,389
Texas Department of Agriculture					-
National School Lunch/Breakfast	293,088	-	-	-	293,088
Texas Medicaid and Health Care					-
Partnership (TMHP)	11,485	-	-	-	11,485
Texas Retirement System (TRS)	4,000	-	-	-	4,000
Federal Agencies	364,873	5,464,939	-	-	5,829,812
SHARS	-	-	-	-	-
County of Hidalgo Tax Collections	178,873	-	13,186	-	192,059
Other	404	-	271,249	-	271,653
Exhibit C-1	<u>\$ 24,430,051</u>	<u>\$ 5,735,036</u>	<u>\$ 8,074,399</u>	<u>\$ -</u>	<u>\$ 38,239,486</u>
Due from U.S. Treasury QSC Notes Subsidy					293,259
Exhibit A-1					<u>\$ 38,532,745</u>
Due To Other Governments:					
Due to State of Texas Ex. C-1	\$ 1,924	\$ -	\$ 311	\$ -	\$ 2,235
Due to ESC-Regions 13 Ex. C-1	-	-	-	-	-
Due to U. S. Treasury Ex. D-1	-	-	-	21,732	21,732
Exhibit A-1	<u>\$ 1,924</u>	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ 21,732</u>	<u>\$ 23,967</u>

NOTE 10 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period.

In the fund level financial statements, the District has the following deferred inflows of resources:

	General Fund	Nonmajor Governmental Fund	Total
Property Taxes, unavailable	\$ 3,201,860	\$ 270,905	\$ 3,472,765
SHARS, unavailable	-	-	-
E Rate	-	-	-
Totals Exhibit C-1	<u>\$ 3,201,860</u>	<u>\$ 270,905</u>	<u>\$ 3,472,765</u>

In the government-wide financial statements (Exhibit A-1), the District reports cumulative deferred charge on refunding as Deferred Outflows of Resources in the amount of \$2,573,279 net of cumulative amortization of \$299,799 or \$2,273,480

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

**NOTE 10 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES
(Continued)**

Deferred outflows resources and deferred inflows resources related to pensions and OPEB are \$36,799,908 and \$92,799,711, respectively. See related details at Note 13 regarding pensions and Note 21 regarding Retiree Health Care Plan (OPEB).

NOTE 11 – UNEARNED REVENUES

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The following summarizes unearned revenues:

Description:	Amount
Advances on donations	\$ 44,235
Refundable advances	80,767
Exhibit C-1	\$ 125,002
Advances on tuition	\$ 70
Exhibit D-1	\$ 70

NOTE 12 – LONG-TERM OBLIGATIONS

Governmental Activities

Long-Term Debt

Changes in debt long-term obligations for the year ended June 30, 2022 are as follows:

Governmental Activities	Beginning Balance 7/1/2021	Increase	Decrease	Ending Balance 6/30/2022	Due within One Year
Bonds Payable					
General Obligation Bonds	\$ 50,155,000	\$ -	\$ 4,935,000	\$ 45,220,000	\$ 5,175,000
Premium on Bonds	6,139,094	-	419,244	5,719,850	-
Sub-Total Bonds	56,294,094	-	5,354,244	50,939,850	5,175,000
Capital Leases	5,048,567	262,067	4,875,294	435,340	38,647
Maintenance Tax Notes	40,101,000		905,000	39,196,000	945,000
Premium on Tax Note	4,647,567		79,438	4,568,129	-
Total Long-Term Debt	106,091,228	262,067	11,213,976	95,139,319	6,158,647
Other Long-Term Liabilities					
Compensated Absences	1,946,950	75,993	295,828	1,727,115	210,676
Claims Payable	3,347,287	1,923,210	1,110,582	4,159,915	1,763,459
Total Other Long-Term Liabilities	5,294,237	1,999,203	1,406,410	5,887,030	1,974,135
Total Governmental Activities	\$ 111,385,465	\$ 2,261,270	\$ 12,620,386	\$ 101,026,349	\$ 8,132,782

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 12 – LONG-TERM OBLIGATIONS (Continued)

Bonded debt will be paid by the Debt Service Fund, claims payable will be paid by the Internal Service Fund, compensated absences will be paid by the General Fund and Federal and State Funds, as applicable, and the Maintenance Tax Notes debt will be paid by the General Fund.

Bonds Payable

Bonds payable at June 30, 2022 are comprised of the following:

Unlimited Tax School Building and Refunding Bonds:

\$64,465,000 Series 2013A due in varying installments through 2023, interest at 2% to 5%	\$ 3,920,000
\$17,355,000 Series 2013B due in varying installments through 2023, interest at 2% to 4%	1,055,000
\$8,075,000 Series 2020A due in varying installments through 2030, interest at 2% to 5%	8,005,000
\$32,800,000 Series 2020B due in varying installments through 2030, interest at 3% to 4%	32,240,000
	\$ 45,220,000

Debt service requirements are as follows:

Year Ending June 30,	Bonds Payable		Total Requirements
	Principal	Interest	
2023	\$ 5,175,000	\$ 1,633,200	\$ 6,808,200
2024	5,340,000	1,389,000	6,729,000
2025	5,290,000	1,165,500	6,455,500
2026	5,475,000	985,900	6,460,900
2027	5,695,000	766,900	6,461,900
2028-2030	18,245,000	1,182,050	19,427,050
	\$ 45,220,000	\$ 7,122,550	\$ 52,342,550

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 12 – LONG-TERM OBLIGATIONS (Continued)

Maintenance Tax Qualified School Construction Notes

Maintenance tax notes payable are comprised of the following at June 30, 2022:

2011 \$16,485,000 Maintenance tax notes payable in annual installments of \$1,175,000 to \$1,180,000 to a sinking fund until the tax notes mature in 2026, with interest at 4.66% due semi-annually, February 2013 to February 2026. TEC Code Sec. 45.108.	\$ 16,485,000
2012 \$901,000 Maintenance tax notes payable in annual installments of \$60,000 to \$66,000 through August 2026, with interest at 4.24% due semi-annually, February 2013 to August 2026. TEC Code Sec. 45.108.	326,000
2020 \$24,010,000 Maintenance tax notes payable in annual installments of \$785,000 to \$1,815,000 through February 2039, with interest at 4%-5% due semi-annually, August 2020 to February 2039. TEC Code Sec. 45.108.	<u>22,385,000</u>
	<u>\$ 39,196,000</u>

Tax levies are pledged to the payment of interest and principal of the tax notes.

All maintenance tax notes requirements to term, including the required installments that must be made to a sinking fund for the \$16,485,000 issue, are as follows:

Year Ending June 30,	Principal/ Sinking Fund	Interest	Interest Subsidy Available	Total Requirements
2023	\$ 2,125,000	\$ 1,786,695	\$ 780,645	\$ 3,131,050
2024	2,170,000	1,739,939	777,889	3,132,050
2025	2,215,000	1,690,933	775,133	3,130,800
2026	2,265,000	1,639,677	772,377	3,132,300
2027	1,136,000	817,699	1,399	1,952,300
2028-2039	17,520,000	5,106,700	-	22,626,700
	<u>\$ 27,431,000</u>	<u>\$ 12,781,643</u>	<u>\$ 3,107,443</u>	<u>\$ 37,105,200</u>
General Fund				
Restricted Assets				11,765,000
Total Requirements	<u>\$ 27,431,000</u>			<u>\$ 48,870,200</u>

This debt will be paid by the General Fund. Under Code Section 6431(f), the District receives federal assistance on the interest requirements. For the fiscal year 2021-2022, the District received federal assistance of \$732,230.

Funds are required by ordinance to be set aside to pay the maintenance tax notes debt. The fair value of investments in a sinking fund is \$11,791,137 and is recorded as restricted assets in the General Fund. These funds are managed by a Trustee and are currently invested in federal agency obligations. Other Restrictions of Fund Balances in the balance sheet includes this amount.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 12 – LONG-TERM OBLIGATIONS (Continued)

Capital Leases payable – Governmental Funds

Capital leases payable at June 30, 2022 are as follows:

Capital lease payable to Synovia Solutions, LLC for 90 GPS units, 5 annual payments of \$48,600, with an imputed interest rate of 5.89% from February 2022 through February 2026.	\$168,806
Capital lease payable to Insight Investments, LLC for Chromebook’s, 4 annual payments of \$849,395 with an imputed interest rate of .552% from August 2020 through August 2023.	192,960
Capital lease payable to Pitney Bowes Inc. for postage meters, 18 quarterly payments of \$5,970 with an imputed interest rate of 6.993% from September 2021 through December 2025.	73,574
	\$ 435,340

Year Ending June 30,	Lease Payable		Total
	Principal	Interest	Requirements
2023	\$ 57,880	\$ 14,601	\$ 72,481
2024	254,500	12,013	266,512
2025	65,432	7,049	72,481
2026	57,528	3,012	60,540
	\$ 435,340	\$ 36,674	\$ 472,014

The capital lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. All capital lease requirements are funded by the General Fund.

The asset acquired through capital lease is as follows:

	Governmental Activities
Property Under Capital Lease	\$ 296,819
Less: Accumulated Depreciation	61,398
	\$ 235,421

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 12 – LONG-TERM OBLIGATIONS (Continued)

Advance Refunding in Prior Year

In 2021, the District advance refunded \$32,910,000, Series 2013A Bonds and \$8,715,000, Series 2013B Bonds. The District issued Series 2020A Bonds in the amount of \$8,075,000 and Series 2020B Bonds in the amount of \$32,800,000 to be placed in an irrevocable escrow account to provide for all future debt service payments on the old bonds. Accordingly, the liability for the defeased bonds is not included in the District's financial statements.

At June 30, 2022, the District had \$41,625,000 in defeased bonds outstanding.

Compensated Absences

It is the District's policy to allow employees the opportunity to receive a one-time payment for accumulated unused leave. Any employee who retires through the Teacher Retirement System of Texas and is in compliance with Board Policy DEC (LOCAL) shall be eligible for compensation. A one-time payment of unused leave (all types) shall be processed to a maximum of 75 days. The compensation rate for professional employees is \$125 per day and \$70 per day for paraprofessional and auxiliary personnel.

NOTE 13 – PENSION PLAN OBLIGATIONS

Defined Benefit Pension Plan

A. Plan Description

The McAllen Independent School 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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS *(Continued)*

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

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% (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 post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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

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 can be found in the TRS 2021 ACFR, Note 11, on page 85 and 86.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

D. Contributions (Continued)

	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.75%
Current fiscal year employer contributions	\$	8,499,046
Current fiscal year member contributions	\$	13,631,748
2021 measurement year NECE on-behalf contributions	\$	9,018,634

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

As the non-employer contributing entity for public education 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, there are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member's salary beginning in fiscal year 2021, gradually increasing to 2% in fiscal year 2025.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

D. Contributions (Continued)

- 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 total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2021 TRS ACFR, Note 11, page 87.

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2020.

F. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

F. Discount Rate (Continued)

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 (see page 53 of the TRS ACFR) are summarized below:

Asset Class	Target Allocation* %	Long-Term Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
			2.20%
			-0.95%
Total			6.90%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY2021 policy model

*** Capital Market Assumptions come from the Aon Hewitt (as of 8/31/2021)

**** The volatility drag results from the conversion between arithmetic and geometric mean returns

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

G. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate. The discount rate can be found in the 2021 TRS ACFR, Note 11, page 87.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District’s proportionate share of the net pension liability	\$ 74,563,529	\$ 34,122,706	\$ 1,312,924

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

At June 30, 2022, the District reported a liability of \$ 34,122,706 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 were as follows:

District’s proportionate share of the collective net pension liability	\$ 34,122,706
State’s proportionate share that is associated with District	<u>53,819,339</u>
Total	<u>\$ 87,942,045</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the employer’s proportion of the collective net pension liability was 0.1339907657% which was an increase of 0.0049370152% from its proportion measured as of August 31, 2020.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Changes since the Prior Actuarial Valuation

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

For the year ended June 30, 2022, the District recognized pension expense of \$2,229,152 and revenue of \$215,163 for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 57,103	\$ 2,402,266
Changes in actuarial assumptions	12,061,710	5,257,871
Difference between projected and actual investment earnings	-	28,611,447
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	3,044,970	1,745,408
Total as of August 31, 2021 measurement date	\$ 15,163,783	\$ 38,016,992
Contributions paid to TRS subsequent to the measurement date	7,408,431	-
Total as of fiscal year-end	\$ 22,572,214	\$ 38,016,992

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

<u>Year Ended June 30,</u>	<u>Pension Expense</u>
	<u>Amount</u>
2023	\$ (4,236,816)
2024	(4,325,253)
2025	(6,378,082)
2026	(8,100,710)
2027	140,515
Thereafter	47,137

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 13 – PENSION PLAN OBLIGATIONS (Continued)

Defined Benefit Pension Plan (Continued)

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	\$ 69,118,556	\$ (29,277,827)	\$ 5,718,023	\$ 34,122,706

The District contributes to TRS at the statutorily determined rates from the General Fund and Special Revenue Funds. Those contributions are applied to the pension liability at the State Level.

Deferred Compensation Plan

The District offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan was available to all District employees and permitted them to defer a portion of their salary until future years. The deferred compensation plan is no longer available to employees. These accumulated funds are accounted for in a fiduciary fund and are for distribution only.

NOTE 14 – RISK MANAGEMENT

A. General

During the fiscal year, the District maintained insurance for all governmental functions it may be liable for claims. The more significant of these included a property insurance policy covering District buildings and properties in an aggregate amount of approximately \$534,211,459 for all perils, except named storms.

During the fiscal year, the District made various property damage claims and received insurance recoveries totaling approximately \$6,666. None of these events resulted in an impaired asset.

The District participated in a public entity risk pool (the Program) for all other significant governmental functions that it may be liable for claims. The more significant of these includes \$1,000,000 of general liability insurance.

Provisions of the Program require annual contributions based on a risk-funding plan developed by the Program. In addition, the terms of the Program allow the Program to collect an adjusted contribution if the Program’s operations for any given fund year are inadequate to pay the ultimate cost of claims incurred in that fund year.

This adjusted contribution may be collected from a member who no longer participates in the Program if the year was attributable to a member’s participation year. The Program shall provide excess coverage to ensure the Program’s financial integrity.

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

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (*Continued*)

NOTE 14 – RISK MANAGEMENT (*Continued*)

B. Health and Dental Benefit Plan

During the year ended June 30, 2022, employees of the McAllen Independent School District were covered by a health care insurance plan (the Plan) which is accounted for in the Internal Service Fund. The plan year runs from January 1 through December 31. The District contributed premiums of \$440 for medical and \$18 for dental per employee per month through the plan year ending December 31, 2021 and renewed the same amounts on January 1, 2022 which continued through the District's fiscal year-end of June 30, 2022. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. The Plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement.

The contract between the McAllen Independent School District and the third-party administrator is renewable each January 1, and terms of coverage and contribution costs are included in the contractual provisions. In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through American National Life Insurance Company of Texas.

For the plan year, stop-loss coverage was in effect for individual claims exceeding \$330,000. Minimum aggregate retention was \$27,252,963 with an unlimited maximum aggregate benefit. Management believes that adequate funding plans have been made for all incurred and anticipated claims at June 30, 2022.

C. Worker's Compensation

The District has a self-insured worker's compensation program which is accounted for in the Internal Service Fund. The District is self-insured for individual claims up to \$400,000. Management believes that adequate funding has been made for all incurred and anticipated claims at June 30, 2022.

D. Claims Liabilities

The claims for worker's compensation insurance and health insurance liability of \$4,159,915 of which \$2,396,456 is long-term, reported in the Internal Service Fund at June 30, 2022, is based on the requirements of Governmental Accounting Standards Board Statement No. 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 14 – RISK MANAGEMENT (Continued)

Changes in the Fund’s claims liability amount in fiscal year 2021 and 2022 were:

	2021		2022	
	Health and Dental	Worker's Compensation	Health and Dental	Worker's Compensation
Beginning of fiscal year claims	\$ 688,187	\$ 2,635,218	\$ 693,559	\$ 2,653,728
Current year claims and changes in in estimates	20,820,842	285,981	21,687,488	694,145
Claim payments net of stop loss	<u>(20,815,470)</u>	<u>(267,471)</u>	<u>(21,095,578)</u>	<u>(473,427)</u>
End of fiscal year claims liability	<u>\$ 693,559</u>	<u>\$ 2,653,728</u>	<u>\$ 1,285,469</u>	<u>\$ 2,874,446</u>

NOTE 15 – REVENUES

Revenues of the District consist of the following:

Local and intermediate revenues in Governmental Fund Types consist of property taxes and related penalties & interest (87%), shared services arrangement (3%), and the remaining from gifts and bequests, food service activities, athletic activities, and co-curricular student activities (10%).

State program revenues are primarily comprised of foundation monies received from the Texas Education Agency and other miscellaneous state program reimbursements.

Federal program revenues include all federal grants direct from federal agencies or passed through from the Texas Education Agency or other state and local entities.

NOTE 16 – GENERAL FUND FEDERAL SOURCE REVENUES

The following summarizes general fund federal program revenues:

	ALN Number	Amount
National School Lunch/Breakfast	10.555/10.553	\$ 19,195,454
Child and Adult Care Food Program	10.558	1,344,124
Commodity Supplemental Food Program	10.555	1,106,641
Fresh Fruit and Vegetable Program	10.582	128,105
Junior Reserve Officer Training Corps	12.U01	200,688
Community Development Block Grants/Entitlement Grants	14.218	56,807
Medicaid	Not applicable	1,618,192
SHARS	Not applicable	1,032,625
Maintenance Tax Notes Subsidy Federal Government	Not applicable	732,230
E-Rate	Not applicable	339,880
Indirect Cost Revenue Various Federal Programs	Various	<u>1,472,253</u>
Total for general fund		<u>\$ 27,226,999</u>

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 17 – OTHER FINANCING SOURCES (USES) AND TRANSFERS

Other financing sources, uses and transfers during the fiscal year are as follows:

	General Fund	Federally Funded Special Revenue Funds	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Internal Service Fund	Total
General Financing Sources(Uses) and Transfers:						
Sale of real and personal property	\$ 242,383	\$ 6	\$ 24,109	\$ -	\$ -	\$ 266,498
Proceeds from capital leases	205,301	-	-	-	-	205,301
Premium on issuance of bonds	-	-	-	-	-	-
Transfers in/out	(1,567,990)	-	1,438,223	596	129,171	-
Payment to escrow	-	-	-	-	-	-
	<u>\$ (1,120,306)</u>	<u>\$ 6</u>	<u>\$ 1,462,332</u>	<u>\$ 596</u>	<u>\$ 129,171</u>	<u>\$ 471,799</u>

During the year, the District transferred \$1,400,000 from the General Fund to the Capital Projects Fund to help cover the costs of the press box renovations.

NOTE 18 – SHARED SERVICE ARRANGEMENT

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

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting and reporting. According to guidance provided in Texas Education Agency’s Resource Guide, the District has accounted for the activities of the SSA in the appropriate Special Revenue Funds. Additionally, the SSA is accounted for using the Accounting and Reporting Treatment Guidance section of the Resource Guide.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 18 – SHARED SERVICE ARRANGEMENT (Continued)

According to the SSA agreement, costs incurred by the SSA shall be divided among the Member Districts in proportion to the number of students of each member district attending the Regional Day School program. Expenditures allocated to the SSA members as of June 30, 2022 are summarized below:

Member District	Fund			
	315	340	435	Total
Donna	\$ 22,843	\$ -	\$ 173,394	\$ 196,237
Edcouch-Elsa	7,390	-	56,098	63,488
Edinburg	19,484	490	147,895	167,869
Excellence in Leadership	672	-	5,100	5,772
Hidalgo	1,344	-	10,200	11,544
IDEA	16,796	-	127,496	144,292
La Joya	30,234	245	229,492	259,971
La Villa	672	-	5,100	5,772
McAllen	30,905	490	234,592	265,987
Mercedes	3,359	-	25,499	28,858
Mission	13,437	-	101,997	115,434
Progreso	1,344	-	10,200	11,544
PSJA	6,719	-	50,998	57,717
Rio Grande City	11,422	-	86,697	98,119
Roma	8,062	-	61,198	69,260
San Isidro	672	-	5,100	5,772
Sharyland	2,016	-	15,299	17,315
South Texas	1,344	-	10,200	11,544
Triumph Public High Schools	1,344	-	10,200	11,544
Valley View	4,031	-	30,599	34,630
Vanguard	6,046	-	45,898	51,944
Weslaco	16,124	245	122,396	138,765
Total Allocated	<u>\$ 206,260</u>	<u>\$ 1,470</u>	<u>\$ 1,565,648</u>	<u>\$ 1,773,378</u>

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 19 – CONTINGENT LIABILITIES

- A. The District participates in a number of state and federally assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District’s compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.
- B. The District is independently self-insured for health and worker’s compensation insurance. Claims paid are reported in the Internal Service Fund. Claims incurred but not reported have been considered in determining the accrual for claims and the District management believes adequate accruals have been provided at June 30, 2022.
- C. The District participates in a public entity risk pool for various governmental functions. The District believes any adjustments to premiums for claims would be immaterial.
- D. The District is involved in various legal proceedings arising from its operations. Management in consultation with its attorneys believes the outcomes will have no material effect on the District’s financial position.

NOTE 20 – COMMITMENTS AND ENCUMBRANCES

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

Project	Authorization	Expended	Remaining	Sources
Roof Replacement - Memorial, Crockett, Houston	\$3,357,500	\$ 2,791,783	\$565,717	MTN20 Fund
Veterans Memorial Stadium Pressbox	4,114,000	579,559	3,534,441	Capital Projects Fund
Field Turf - McHi, Memorial, Rowe	7,187,420	4,445,435	2,741,985	General Fund
Parking Lot Paving - Various Campuses	1,277,562	728,763	548,799	MTN20 Fund
McHi Doors	85,128	1,500	83,628	Special Revenue Fund
Fire Alarm Upgrades - Various Campuses	672,279	586,083	86,196	MTN20 Fund
AECHS - Culinary Academy	767,038	760,342	6,696	Capital Projects Fund
Restroom Partition Upgrades - Various Campuses	179,300	161,370	17,930	MTN20 Fund
HVAC - Various Campuses	10,137,800	2,158,510	7,979,290	MTN20 Fund
Surveillance Cameras Upgrade - Various Campuses	55,470	32,470	23,000	General Fund
Kitchen Upgrades - Various Campuses	804,415	455,009	349,406	Special Revenue Fund
Kitchen Cooking Equipment - Various Campuses	121,350	32,200	89,150	General Fund
	<u>\$28,759,262</u>	<u>\$ 12,733,024</u>	<u>\$16,026,238</u>	

- B. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored in the subsequent year.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 20 – COMMITMENTS AND ENCUMBRANCES (Continued)

As of June 30, 2022, the District had the following encumbrances outstanding:

Major Funds		Nonmajor Funds		Total
General Fund	289 Special Revenue Funds	Special Revenue Funds	Capital Project Funds	Governmental Funds
\$ 9,003,211	\$ 89,479	\$ 1,882,296	\$ 3,263,966	\$ 14,238,952

NOTE 21 – RETIREE HEALTH CARE PLAN

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 with 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

Detailed information about the TRS-Care’s fiduciary net position is available in a separately-issued TRS 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>; 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.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 21 – RETIREE HEALTH CARE PLAN (Continued)

C. Benefits Provided (Continued)

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.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public 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 the type of contributor.

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions	\$ 2,007,172	
Current fiscal year member contributions	\$ 1,114,575	
2021 measurement year NECE on-behalf contributions	\$ 1,980,823	

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS *(Continued)*

NOTE 21 – RETIREE HEALTH CARE PLAN *(Continued)*

D. Contributions (Continued)

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions: Actuarial Assumptions can be found in the 2021 TRS ACFR, Note 9, page 76.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

The active mortality rates were based on 90% 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, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

MCALLEN INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 21 – RETIREE HEALTH CARE PLAN (Continued)

E. Actuarial Assumptions (Continued)

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Salary Increases	3.05% to 9.05%, including inflation
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc post-employment benefit changes	None

F. Discount Rate

A single discount rate used to measure the total OPEB liability was 1.95%. This was a decrease of .38% in the discount rate since the previous year. The Discount Rate can be found in the 2021 TRS ACFR on page 77. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

G. Discount Rate Sensitivity Analysis

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

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 21 – RETIREE HEALTH CARE PLAN (Continued)

G. Discount Rate Sensitivity Analysis (Continued)

	1% Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District’s proportionate share of the net OPEB liability	\$ 88,057,434	\$ 73,002,166	\$ 61,153,181

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the District reported a liability of \$ 73,002,166 for its proportionate share of the TRS’s net OPEB. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s proportionate share of the collective net OPEB liability	\$ 73,002,166
State’s proportionate share that is associated with the District	<u>97,806,634</u>
Total	<u>\$ 170,808,800</u>

The net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the employer’s proportion of the collective net OPEB liability was 0.1892499599% which was a decrease of 0.0040042471% from its proportion measured as of August 31, 2020.

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District’s proportionate share of the net OPEB liability	\$ 59,129,336	\$ 73,002,166	\$ 91,616,059

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 21 – RETIREE HEALTH CARE PLAN (Continued)

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period: These can be found in the 2021 TRS ACFR on page 77.

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95%, as of August 31, 2021. This change increased the total OPEB liability.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes.

For the year ended June 30, 2022, the District recognized OPEB expense of \$(6,761,686) and revenue of \$(3,609,812) for support provided by the State.

At June 30, 2022, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 3,143,089	\$ 35,338,156
Changes in actuarial assumptions	8,085,847	15,438,607
Difference between projected and actual investment earnings	79,257	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	1,174,982	4,006,016
Total as of August 31, 2021 measurement date	\$ 12,483,175	\$ 54,782,779
Contributions paid to TRS subsequent to the measurement date	1,744,519	-
Total as of fiscal year-end	\$ 14,227,694	\$ 54,782,779

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 21 – RETIREE HEALTH CARE PLAN (Continued)

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Year Ended June 30,</u>	<u>OPEB Expense</u>	
		<u>Amount</u>	
	2023	\$(8,145,957)	
	2024	(8,147,745)	
	2025	(8,147,255)	
	2026	(6,225,643)	
	2027	(3,624,121)	
	Thereafter	(8,008,883)	
	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>
	<u>Balance</u>		<u>Ending</u>
Net OPEB Liability	\$ 73,464,651	\$1,015,987	\$ 1,478,472
			<u>Balance</u>
			\$ 73,002,166

The District contributes to TRS at the statutorily determined rates from the General Fund and Special Revenue Funds. Those contributions are applied to the pension liability at the State Level.

I. Medicare Part D – On Behalf Payments for Reporting Entities

Funding Policy. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries, also 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 drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. The amount of subsidy reimbursement received by TRS on behalf of the District for the period ending June 30, 2022, 2021 and 2020, was estimated at \$743,414, \$721,006 and \$557,741, respectively, and was recognized by the District.

The contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statement of the General Fund as both state revenues and payroll expenditures.

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 22 – FUND BALANCE

The District has classified its fund balances as follows:

Description	General Fund	Federally Funded Special Revenue Funds	Other Governmental Funds			Total Governmental Funds
			Special Revenue Funds	Debt Service Fund	Capital Projects Fund	
Fund Balances:						
Nonspendable:						
Inventories	\$ 1,296,579	\$ -	\$ -	\$ -	\$ -	\$ 1,296,579
Prepaid items	1,926,634	-	-	-	-	1,926,634
Restricted:						
Food service/federal grant	7,772,281	52,143	275,127	-	-	8,099,551
State programs	12,626,695	-	1,614,359	-	-	14,241,054
Retirement of long-term debt	-	-	-	3,328,221	-	3,328,221
Other restricted fund balance						
Capital projects	-	-	-	-	11,561,567	11,561,567
Retirement of maintenance tax notes	11,847,522	-	-	-	-	11,847,522
Committed:						
Construction	22,285,379	-	-	-	-	22,285,379
Campus activity funds	-	-	1,005,993	-	-	1,005,993
Other committed fund balance	11,759,321	-	-	-	-	11,759,321
Assigned:						
Construction	1,499,437	-	-	-	3,208,519	4,707,956
Capital expenditures for equipment	7,983,488	-	-	-	-	7,983,488
Other assigned fund balance	14,520,337	-	-	-	-	14,520,337
Unassigned:						
	56,415,900	-	-	-	-	56,415,900
Total Fund Balance	\$ 149,933,573	\$ 52,143	\$ 2,895,479	\$ 3,328,221	\$ 14,770,086	\$ 170,979,502

Other Committed fund balance consists of ESSER II – Local projects. Other Assigned fund balance includes carry-forward purchase orders from 2021-2022, an ADA contingency due to the unknowns of the residual effect of the Covid-19 pandemic and a one-time Holiday pay stipend for eligible full-time employees approved by the Board of Trustees.

The District has not established a contingency reserve or “Rainy Day Fund” but monitors an optimum fund balance that targets an estimated two and a half months (75 days) average cash disbursements balance.

NOTE 23 – ROUNDING ADJUSTMENTS

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

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C. DETAILED NOTES ON ALL FUNDS (Continued)

NOTE 24 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 14, 2022 which is the date these financial statements were available to be issued. On August 29, 2022, the Board approved two interlocal agreements to construct and lease facilities with UTRGV for a Collegiate Academy. The contracts are currently under negotiation. Accordingly, formal contracts have not yet been executed.

NOTE 25 – PRIOR PERIOD ADJUSTMENTS

During the current fiscal year, a prior period adjustment was made to capitalize computer leases due to early implementation of Guidance Update 2021 in reference to guide 2015-1 issued by the Governmental Accounting Standards Board. In addition, current year revenues for the health insurance fund were incorrectly recorded in the prior year. Below is a summary of the adjustments to restate beginning net position.

	Governmental Activities	Internal Service Funds
Beginning Net Position as previously reported	\$ 66,626,707	\$ 7,734,103
Capitalize computer leases due to early implementation of Guidance Update 2021 in reference to guide 2015-1	7,010,804	
To correct revenues that were erroneously recognized in prior year for health insurance fund	(2,045,985)	(2,045,985)
	\$ 71,591,526	\$ 5,688,118



REQUIRED SUPPLEMENTARY INFORMATION



MCALLEN ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Local and intermediate sources	\$ 88,097,580	\$ 97,793,713	\$ 96,881,249	\$ (912,464)
5800	State program revenues	133,383,459	123,006,509	123,949,691	943,182
5900	Federal program revenues	20,132,664	28,521,132	27,226,999	(1,294,133)
5020	Total Revenues	<u>241,613,703</u>	<u>249,321,354</u>	<u>248,057,939</u>	<u>(1,263,415)</u>
EXPENDITURES:					
Current:					
0011	Instruction	126,586,945	116,896,605	83,119,893	33,776,712
0012	Instructional resources and media services	3,568,402	3,465,633	3,400,534	65,099
0013	Curriculum and instructional staff development	4,557,240	4,863,516	4,156,623	706,893
0021	Instructional leadership	3,450,687	3,433,928	3,126,935	306,993
0023	School leadership	13,393,257	13,396,370	13,126,222	270,148
0031	Guidance, counseling and evaluation services	9,820,599	10,159,483	9,760,639	398,844
0032	Social work services	1,957,232	2,089,186	1,982,513	106,673
0033	Health services	2,885,127	3,076,401	2,801,661	274,740
0034	Student (pupil) transportation	4,049,716	6,165,919	5,493,541	672,378
0035	Food service	17,265,197	21,224,379	17,454,157	3,770,222
0036	Extracurricular activities	9,738,355	10,698,692	9,495,173	1,203,519
0041	General administration	8,043,476	8,381,219	7,769,056	612,163
0051	Facilities maintenance and operations	20,349,685	25,442,499	20,768,591	4,673,908
0052	Security and monitoring services	4,415,229	5,778,811	4,763,130	1,015,681
0053	Data processing services	4,429,511	6,328,368	5,421,396	906,972
0061	Community services	36,710	103,133	93,813	9,320
Debt Service:					
0071	Principal on long-term debt	4,038,939	4,181,264	3,641,897	539,367
0072	Interest on long-term debt	1,856,512	1,876,564	1,909,421	(32,857)
0073	Bond issuance cost and fees	9,700	9,700	7,660	2,040
Capital Outlay:					
0081	Facilities acquisition and construction	6,000	10,006,909	5,331,933	4,674,976
Intergovernmental:					
0095	Payment to juvenile justice alternative education	40,000	45,000	40,000	5,000
0099	Other intergovernmental charges	939,270	944,270	934,269	10,001
6030	Total Expenditures	<u>241,437,789</u>	<u>258,567,849</u>	<u>204,599,057</u>	<u>53,968,792</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175,914</u>	<u>(9,246,495)</u>	<u>43,458,882</u>	<u>52,705,377</u>
OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	-	184,875	242,383	57,508
7913	Issuance of capital leases	-	-	205,301	205,301
7915	Transfers in	-	27,360	9,409	(17,951)
8911	Transfers out	(85,000)	(1,533,780)	(1,577,399)	(43,619)
7080	Total Other Financing Sources (Uses)	<u>(85,000)</u>	<u>(1,321,545)</u>	<u>(1,120,306)</u>	<u>201,239</u>
1200	Net Change in Fund Balances	90,914	(10,568,040)	42,338,576	52,906,616
0100	Fund Balance - Beginning	<u>107,594,997</u>	<u>107,594,997</u>	<u>107,594,997</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 107,685,911</u>	<u>\$ 97,026,957</u>	<u>\$ 149,933,573</u>	<u>\$ 52,906,616</u>

MCALLEN ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2022

	FY 2022 <u>Plan Year 2021</u>	FY 2021 <u>Plan Year 2020</u>	FY 2020 <u>Plan Year 2019</u>	FY 2019 <u>Plan Year 2018</u>
District's proportion of the net pension liability (asset)	0.1339907657%	0.1290537505%	0.1288655625%	0.1236546701%
District's proportionate share of the net pension liability (asset)	\$ 34,122,706	\$ 69,118,556	\$ 66,988,348	\$ 68,062,531
State's proportionate share of the net pension liability (asset) associated with the District	<u>53,819,339</u>	<u>121,301,253</u>	<u>116,155,208</u>	<u>134,662,850</u>
Total	<u>\$ 87,942,045</u>	<u>\$ 190,419,809</u>	<u>\$ 183,143,556</u>	<u>\$ 202,725,381</u>
District's covered payroll	\$ 166,785,085	\$ 165,987,549	\$ 154,606,270	\$ 154,106,862
District's proportionate share of the net pension liability as a percentage of its covered payroll	20.46%	41.64%	43.33%	44.17%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%

Note: Only eight years of data is presented in accordance with GASB Statement No. 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement".

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.1332032746%	0.1376054964%	0.1443069000%	0.0932441000%
\$ 42,591,231	\$ 51,999,071	\$ 51,010,568	24,906,788
<u>78,645,514</u>	<u>95,115,776</u>	<u>90,852,976</u>	<u>79,177,686</u>
<u>\$ 121,236,745</u>	<u>\$ 147,114,847</u>	<u>\$ 141,863,544</u>	<u>\$ 104,084,474</u>
\$ 151,848,295	\$ 148,924,609	\$ 144,968,179	\$ 143,054,541
28.05%	34.92%	35.19%	17.41%
82.17%	78.00%	78.43%	83.25%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 8,493,494	\$ 5,469,714	\$ 5,181,614	\$ 4,500,451
Contributions in relation to the contractually required contributions	<u>(8,499,046)</u>	<u>(5,497,971)</u>	<u>(5,232,098)</u>	<u>(4,520,374)</u>
Contribution deficiency (excess)	<u>\$ (5,552)</u>	<u>\$ (28,257)</u>	<u>\$ (50,484)</u>	<u>\$ (19,923)</u>
District's covered payroll	\$ 171,479,398	\$ 165,793,778	\$ 163,913,077	\$ 154,165,777
Contributions as a percentage of covered payroll	4.95%	3.30%	3.16%	2.92%

Note: Only eight years of data is presented in accordance with GASB Statement No. 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement".

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,467,275	\$ 4,366,838	\$ 4,364,469	\$ 4,123,936
<u>(4,476,586)</u>	<u>(4,366,838)</u>	<u>(4,364,469)</u>	<u>(4,123,936)</u>
<u>\$ (9,311)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 154,000,839	\$ 151,613,208	\$ 148,051,309	\$ 144,662,074
2.90%	2.88%	2.95%	2.85%

MCALLEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED JUNE 30, 2022

	Measurement Year Ended August 31,				
	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.1892499599%	0.1932542070%	0.1922215616%	0.1906084696%	0.1958726317%
District's proportionate share of the net OPEB liability (asset)	\$ 73,002,166	\$ 73,464,651	\$ 90,903,930	\$ 95,172,554	\$ 85,177,660
State's proportionate share of the net OPEB liability (asset) associated with the district	<u>97,806,634</u>	<u>98,718,881</u>	<u>120,790,991</u>	<u>130,592,822</u>	<u>114,122,576</u>
Total	<u>\$ 170,808,800</u>	<u>\$ 172,183,532</u>	<u>\$ 211,694,921</u>	<u>\$ 225,765,376</u>	<u>\$ 199,300,236</u>
District's covered payroll	\$ 166,790,508	\$ 165,987,549	\$ 154,606,270	\$ 154,106,862	\$ 151,848,295
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	43.77%	44.26%	58.80%	61.76%	56.09%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%	0.91%

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

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

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Contractually required contributions	\$ 2,007,172	\$ 1,451,486	\$ 1,446,887	\$ 1,349,120	\$ 1,362,905
Contribution in relation to the contractually required contributions	<u>(2,007,172)</u>	<u>(1,455,914)</u>	<u>(1,451,657)</u>	<u>(1,352,413)</u>	<u>(1,361,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (4,428)</u>	<u>\$ (4,770)</u>	<u>\$ (3,293)</u>	<u>\$ 1,389</u>
District's covered payroll	\$ 171,482,950	\$ 165,793,778	\$ 163,913,077	\$ 154,165,777	\$ 154,000,839
Contributions as a percentage of covered payroll	1.17%	0.88%	0.88%	0.88%	0.88%

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

MCALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

A. Budgets

The official school original budget was prepared for adoption for required Governmental Fund Types on June 14. The budget was formally adopted by the Board of School Trustees at a duly advertised public meeting prior to the expenditure of funds. The Board also approved amendments throughout the year and the final amended budget by June 30. Expenditures may not legally exceed budgeted appropriations at the function level. Annual budgets were adopted for the General Fund and the Debt Service Fund on a basis consistent with generally accepted accounting principles. The District does not legally adopt Special Revenue Funds as it is not legally required. The Debt Service Fund budget comparison schedule is presented in the Other Supplementary Information section of the financial statements.

B. Encumbrances

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

C. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

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

D. TRS OPEB Plan

Changes of Benefit Terms.

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

Changes in Assumptions

The single discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021.

COMBINING FUND STATEMENTS



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

266 Elementary and Secondary School Emergency Relief (ESSER) Funds (Coronavirus Aid, Relief, and Economic Security Act (CARES Act)) – This fund is used to account for federal stimulus ESSER funds granted to LEAs through the CARES Act that support an LEA’s ability to operate and instruct its students during the COVID-19 pandemic.

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

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

279 Texas COVID Learning Acceleration Supports (TCLAS) – State Elementary and Secondary School Emergency Relief Fund III (ESSER III) – This fund is used to account for funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic. Examples of how the funds may be used to assist LEAs in learning acceleration and support areas are:

- Strategic planning and performance management
- Instructional materials that are rigorous and high-quality that make up ground and master grade level Texas Essential Knowledge and Skills (TEKS)
- Teacher pipelines that support teachers to deliver excellence in the classroom
- Expanded instructional time for students in most need, including expanding instructional time in the summer and with targeted tutoring
- Innovative school models to incorporate all of the learning acceleration framework

282 Elementary and Secondary School Emergency Relief Fund III (ESSER III) - This fund is used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

284 IDEA—Part B, Formula—American Rescue Plan Act of 2021 – This fund is used to account for federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities.

285 IDEA—Part B, Preschool—American Rescue Plan Act of 2021 – This fund is used to account for federal stimulus funds granted under the ARP Act for preschool children with disabilities.

315 Shared Services Arrangements – IDEA – Part B, Discretionary – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds used to support an education service center basic special education component and also:

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

340 Shared Services Arrangements – IDEA, Part C, Early Intervention (Deaf) – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

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

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

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

- 427 – National Incident Based Reporting System (NIBRS)
- 427-F – State Funded Asset Forfeiture Program
- 427-Z – Region 13 College and Career Readiness School Model Sub Grant
- 428-2D-0 – Math Achievement Academies
- 428-F – Special Education Fiscal Support Round 2
- 429-0 – Read to Succeed
- 429-F – School Safety and Security Grant
- 429-M – CTE Certification Exam Reimbursements
- 429-Z – Community Youth Development (CYD) Program Grant
- 429-801 – Law Enforcement Officer Standards and Education

435 Shared Services Arrangements – Regional Day School for the Deaf – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

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

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

- 498-0 – TIBS Innovative teaching/training grant
- 498-M – United Way Grant
- 498-Z – No Kid Hungry Grant
- 499-0 –Children’s Defense Fund

DEBT SERVICE FUND

The Debt Service Fund is used to account for revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District’s bonded indebtedness.

599 Debt Service Funds – This code is used to combine all debt service funds for reporting. School districts are encouraged to use locally defined debt service funds (codes 511-598) to provide separate accountability for each type or issue of debt and convert those accounts to code 599 for PEIMS reporting.

CAPITAL PROJECTS FUNDS

619 MISD Maintenance Tax Notes – Locally Defined – This fund is used, at the option of the school district, to classify capital projects on a project-by-project basis. The projects identified here are part of the original plan for the maintenance tax notes but resources for these projects did not come from the sale of bonds. For PEIMS reporting, these accounts are converted to code 699.

620 Maintenance Tax Notes 2020 - This fund is used to account for the expenditures of resources accumulated from sales of bonds and related interest earnings for the maintenance of school facilities.

698 MISD Capital Projects Fund – Locally Defined – This fund is used, at the option of the school district, to classify capital projects on a project-by-project basis. For PEIMS reporting, these accounts are converted to code 699.

MCALLEN ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes	211	212	224	225	244	255
	ESEA I, A Improving Basic Programs	ESEA Title I Part C Migrant	IDEA - Part B Formula	IDEA - Part B Preschool	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
ASSETS						
1110 Cash and cash equivalents	\$ 173	\$ -	\$ -	\$ -	\$ 12,652	\$ -
1120 Investments	-	-	-	-	-	-
1225 Property taxes receivable, net	-	-	-	-	-	-
1240 Receivables from other governments	2,255,783	69,770	866,261	12,846	25,810	336,168
1250 Accrued interest	-	-	-	-	-	-
1260 Due from other funds	-	-	-	-	-	-
1290 Other receivables	825	-	-	6	10	190
1300 Inventories	-	-	-	-	-	-
1410 Prepaid items	3,575	-	-	-	2,705	4,606
1800 Restricted assets	-	-	-	-	-	-
1910 Long-term investments	-	-	-	-	-	-
1000 Total Assets	<u>\$ 2,260,356</u>	<u>\$ 69,770</u>	<u>\$ 866,261</u>	<u>\$ 12,852</u>	<u>\$ 41,177</u>	<u>\$ 340,964</u>
LIABILITIES						
2110 Accounts payable	136,492	4,902	38,041	-	687	1,821
2150 Payroll deductions and withholdings payable	-	-	-	-	-	-
2160 Accrued wages payable	1,264,855	10,605	516,742	7,783	7,968	176,737
2170 Due to other funds	859,009	54,263	311,478	5,069	32,522	162,406
2180 Due to other governments	-	-	-	-	-	-
2190 Due to student groups	-	-	-	-	-	-
2300 Unearned revenue	-	-	-	-	-	-
2400 Payable from restricted assets	-	-	-	-	-	-
2000 Total Liabilities	<u>2,260,356</u>	<u>69,770</u>	<u>866,261</u>	<u>12,852</u>	<u>41,177</u>	<u>340,964</u>
DEFERRED INFLOWS OF RESOURCES						
2601 Unavailable revenue - property taxes	-	-	-	-	-	-
2604 Deferred inflow of resources - other	-	-	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable fund balance:						
3410 Inventories	-	-	-	-	-	-
3430 Prepaid items	-	-	-	-	-	-
Restricted fund balance:						
3450 Federal or state funds grant restrictions	-	-	-	-	-	-
3470 Restricted for capital acquisitions	-	-	-	-	-	-
3480 Retirement of long-term debt	-	-	-	-	-	-
3490 Other restricted fund balance	-	-	-	-	-	-
Committed fund balance:						
3510 Construction	-	-	-	-	-	-
3545 Other committed fund balance	-	-	-	-	-	-
Assigned Fund Balance:						
3550 Assigned for construction	-	-	-	-	-	-
3570 Capital expenditures for equipment	-	-	-	-	-	-
3590 Other assigned fund balance	-	-	-	-	-	-
3600 Unassigned fund balance	-	-	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,260,356</u>	<u>\$ 69,770</u>	<u>\$ 866,261</u>	<u>\$ 12,852</u>	<u>\$ 41,177</u>	<u>\$ 340,964</u>

263	266	272	274	279	282	284	285	315	340	397
Title III, A English Lang. Acquisition	CARES ESSER	Medicaid Admin. Claim MAC	GEAR UP	TCLAS ESSER III	ESSER III	IDEA-B Formula - ARP	IDEA - B Preschool - ARP	SSA IDEA, Part B Discretionary	SSA - IDEA C Deaf, Early Intervention	Advanced Placement Incentives
\$ -	\$ 7,517	\$ 129,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,331
-	-	-	-	-	-	-	-	-	-	-
120,930	-	16,064	168,919	27,422	3,152,183	360,293	37,956	38,065	487	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	132	-	107	14	-	-	-	-
300	-	-	7,781	-	173,836	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 121,230</u>	<u>\$ 7,517</u>	<u>\$ 145,162</u>	<u>\$ 176,832</u>	<u>\$ 27,422</u>	<u>\$ 3,326,126</u>	<u>\$ 360,307</u>	<u>\$ 37,956</u>	<u>\$ 38,065</u>	<u>\$ 487</u>	<u>\$ 48,331</u>
-	-	-	2,373	-	565,239	46,880	-	-	50	-
79,321	-	-	24,720	-	1,344,154	-	37,956	24,301	-	-
41,909	-	-	149,739	27,422	1,416,733	313,427	-	13,764	437	-
-	-	-	-	-	-	-	-	-	-	-
-	7,517	-	-	-	-	-	-	-	-	48,331
-	-	-	-	-	-	-	-	-	-	-
<u>121,230</u>	<u>7,517</u>	<u>-</u>	<u>176,832</u>	<u>27,422</u>	<u>3,326,126</u>	<u>360,307</u>	<u>37,956</u>	<u>38,065</u>	<u>487</u>	<u>48,331</u>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	145,162	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	145,162	-	-	-	-	-	-	-	-
<u>\$ 121,230</u>	<u>\$ 7,517</u>	<u>\$ 145,162</u>	<u>\$ 176,832</u>	<u>\$ 27,422</u>	<u>\$ 3,326,126</u>	<u>\$ 360,307</u>	<u>\$ 37,956</u>	<u>\$ 38,065</u>	<u>\$ 487</u>	<u>\$ 48,331</u>

MCALLEN ISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2022

Data Control Codes	410	429	435	461	499	Total Nonmajor Special Revenue Funds
	State Textbook Fund	Other State Special Revenue Funds	SSA Regional Day School - Deaf	Campus Activity Funds	Other Local Special Revenue Funds	
ASSETS						
1110 Cash and cash equivalents	\$ 448,077	\$ 3,983	\$ -	\$ 1,065,794	\$ 9,188	\$ 1,724,813
1120 Investments	-	-	-	-	-	-
1225 Property taxes receivable, net	-	-	-	-	-	-
1240 Receivables from other governments	-	176,521	395,734	-	-	8,061,212
1250 Accrued interest	-	-	-	-	-	-
1260 Due from other funds	-	-	2,039,167	65,660	-	2,104,827
1290 Other receivables	-	9	15	50	2	1,360
1300 Inventories	-	-	-	-	-	-
1410 Prepaid items	-	-	-	-	-	192,803
1800 Restricted assets	-	-	-	-	-	-
1910 Long-term investments	-	-	-	-	-	-
1000 Total Assets	<u>\$ 448,077</u>	<u>\$ 180,513</u>	<u>\$ 2,434,916</u>	<u>\$ 1,131,504</u>	<u>\$ 9,190</u>	<u>\$ 12,085,015</u>
LIABILITIES						
2110 Accounts payable	318,113	20,153	5,085	114,576	-	1,254,412
2150 Payroll deductions and withholdings payable	-	-	-	-	-	-
2160 Accrued wages payable	-	-	496,305	3,724	-	3,995,171
2170 Due to other funds	-	152,535	319,166	6,900	-	3,866,779
2180 Due to other governments	-	-	-	311	-	311
2190 Due to student groups	-	-	-	-	-	-
2300 Unearned revenue	-	7,825	-	-	9,190	72,863
2400 Payable from restricted assets	-	-	-	-	-	-
2000 Total Liabilities	<u>318,113</u>	<u>180,513</u>	<u>820,556</u>	<u>125,511</u>	<u>9,190</u>	<u>9,189,536</u>
DEFERRED INFLOWS OF RESOURCES						
2601 Unavailable revenue - property taxes	-	-	-	-	-	-
2604 Deferred inflow of resources - other	-	-	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable fund balance:						
3410 Inventories	-	-	-	-	-	-
3430 Prepaid items	-	-	-	-	-	-
Restricted fund balance:						
3450 Federal or state funds grant restrictions	129,964	-	1,614,360	-	-	1,889,486
3470 Restricted for capital acquisitions	-	-	-	-	-	-
3480 Retirement of long-term debt	-	-	-	-	-	-
3490 Other restricted fund balance	-	-	-	-	-	-
Committed fund balance:						
3510 Construction	-	-	-	-	-	-
3545 Other committed fund balance	-	-	-	1,005,993	-	1,005,993
Assigned Fund Balance:						
3550 Assigned for construction	-	-	-	-	-	-
3570 Capital expenditures for equipment	-	-	-	-	-	-
3590 Other assigned fund balance	-	-	-	-	-	-
3600 Unassigned fund balance	-	-	-	-	-	-
3000 Total Fund Balances	<u>129,964</u>	<u>-</u>	<u>1,614,360</u>	<u>1,005,993</u>	<u>-</u>	<u>2,895,479</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 448,077</u>	<u>\$ 180,513</u>	<u>\$ 2,434,916</u>	<u>\$ 1,131,504</u>	<u>\$ 9,190</u>	<u>\$ 12,085,015</u>

599		619		620		698	
Debt Service Fund	Total Nonmajor Debt Service Funds	MISD MTN 2020	Maintenance Tax Notes 2020	MISD Capital Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
\$ 6,920	\$ 6,920	\$ 357,901	\$ 148,199	\$ 1,421,464	\$ 1,927,564	\$ 3,659,297	
3,254,831	3,254,831	1,155,615	13,595,975	789,486	15,541,076	18,795,907	
330,686	330,686	-	-	-	-	330,686	
13,187	13,187	-	-	-	-	8,074,399	
-	-	-	-	-	-	-	
-	-	-	-	-	-	2,104,827	
1,096	1,096	-	-	-	-	2,456	
-	-	-	-	-	-	-	
-	-	-	-	-	-	192,803	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 3,606,720</u>	<u>\$ 3,606,720</u>	<u>\$ 1,513,516</u>	<u>\$13,744,174</u>	<u>\$ 2,210,950</u>	<u>\$ 17,468,640</u>	<u>\$ 33,160,375</u>	
-	-	436,798	2,182,607	79,149	2,698,554	3,952,966	
-	-	-	-	-	-	-	
-	-	-	-	-	-	3,995,171	
-	-	-	-	-	-	3,866,779	
-	-	-	-	-	-	311	
-	-	-	-	-	-	-	
7,594	7,594	-	-	-	-	80,457	
-	-	-	-	-	-	-	
<u>7,594</u>	<u>7,594</u>	<u>436,798</u>	<u>2,182,607</u>	<u>79,149</u>	<u>2,698,554</u>	<u>11,895,684</u>	
270,905	270,905	-	-	-	-	270,905	
-	-	-	-	-	-	-	
<u>270,905</u>	<u>270,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,905</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	1,889,486	
-	-	-	-	-	-	-	
3,328,221	3,328,221	-	-	-	-	3,328,221	
-	-	-	11,561,567	-	11,561,567	11,561,567	
-	-	-	-	-	-	-	
-	-	-	-	-	-	1,005,993	
-	-	1,076,718	-	2,131,801	3,208,519	3,208,519	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>3,328,221</u>	<u>3,328,221</u>	<u>1,076,718</u>	<u>11,561,567</u>	<u>2,131,801</u>	<u>14,770,086</u>	<u>20,993,786</u>	
<u>\$ 3,606,720</u>	<u>\$ 3,606,720</u>	<u>\$ 1,513,516</u>	<u>\$13,744,174</u>	<u>\$ 2,210,950</u>	<u>\$ 17,468,640</u>	<u>\$ 33,160,375</u>	

MCALEN ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	211	212	224	225	244	255
Data Control Codes	ESEA I, A Improving Basic Programs	ESEA Title I Part C Migrant	IDEA - Part B Formula	IDEA - Part B Preschool	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting
REVENUES:						
5700 Local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-	-	-	-
5900 Federal program revenues	10,741,475	623,446	4,117,925	53,229	345,242	1,531,182
5020 Total Revenues	<u>10,741,475</u>	<u>623,446</u>	<u>4,117,925</u>	<u>53,229</u>	<u>345,242</u>	<u>1,531,182</u>
EXPENDITURES:						
Current:						
11 Instruction	7,722,801	185,411	2,881,221	53,229	123,425	1,318,390
12 Instructional resources and media services	37,746	-	-	-	-	-
13 Curriculum and instructional staff development	1,108,186	-	-	-	112,017	150,507
21 Instructional leadership	309,735	334,203	47,970	-	2,906	-
23 School leadership	44,424	-	-	-	1,476	51,106
31 Guidance, counseling and evaluation services	64,057	-	1,122,989	-	105,551	75
32 Social work services	119,982	-	65,501	-	-	-
33 Health services	13,173	-	-	-	-	-
34 Student (pupil) transportation	-	-	-	-	-	-
35 Food service	-	-	-	-	-	-
36 Extracurricular activities	-	-	-	-	-	-
41 General administration	-	-	-	-	-	-
51 Facilities maintenance and operations	10,826	1,029	-	-	-	-
52 Security and monitoring services	11,925	-	-	-	-	-
53 Data processing services	-	-	-	-	-	-
61 Community services	1,319,830	103,875	250	-	-	11,104
Debt Service:						
71 Principal on long term-debt	-	-	-	-	-	-
72 Interest on long-term debt	-	-	-	-	-	-
73 Bond issuance cost and fees	-	-	-	-	-	-
Capital Outlay:						
81 Facilities acquisition and construction	-	-	-	-	-	-
Intergovernmental:						
93 Payment to fiscal agent of SSA	-	-	-	-	-	-
95 Payment to juvenile justice alternative education	-	-	-	-	-	-
99 Other intergovernmental charges	-	-	-	-	-	-
6030 Total Expenditures	<u>10,762,685</u>	<u>624,518</u>	<u>4,117,931</u>	<u>53,229</u>	<u>345,375</u>	<u>1,531,182</u>
1100 Excess (Deficiency) of Revenues Over (Under)						
Expenditures	(21,210)	(1,072)	(6)	-	(133)	-
OTHER FINANCING SOURCES (USES):						
7911 Issuance of bonds	-	-	-	-	-	-
7912 Sale of real and personal property	21,210	1,072	6	-	133	-
7915 Transfers in	-	-	-	-	-	-
7916 Discount on issuance of bonds	-	-	-	-	-	-
8949 Payment to escrow	-	-	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>21,210</u>	<u>1,072</u>	<u>6</u>	<u>-</u>	<u>133</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-	-	-	-	-
100 Fund Balance - (Beginning)	-	-	-	-	-	-
3000 Fund Balance - (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

263	266	272	274	279	282	284	285	315	340	397
Title III, A English Lang. Acquisition	CARES ESSER	Medicaid Admin. Claim MAC	GEAR UP	TCLAS ESSER III	ESSER III	IDEA-B Formula - ARP	IDEA - B Preschool - ARP	SSA IDEA, Part B Discretionary	SSA - IDEA C Deaf, Early Intervention	Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
813,034	142,658	77,359	225,352	27,422	28,906,903	360,293	37,956	206,260	1,470	4,113
813,034	142,658	77,359	225,352	27,422	28,906,903	360,293	37,956	206,260	1,470	4,113
765,604	-	-	7,723	27,422	13,872,027	261,200	37,956	115,692	1,420	-
-	-	-	-	-	252,916	-	-	-	-	-
29,037	-	-	2,113	-	3,945,925	-	-	831	50	4,113
539	-	-	-	-	288,456	-	-	-	-	-
3,486	-	-	1,569	-	1,076,250	-	-	-	-	-
-	-	-	214,231	-	1,553,968	96,828	-	89,737	-	-
-	-	-	-	-	163,209	2,265	-	-	-	-
-	-	4,889	-	-	637,464	-	-	-	-	-
-	-	-	-	-	403,703	-	-	-	-	-
-	-	-	-	-	1,486,959	-	-	-	-	-
-	-	-	-	-	203,990	-	-	-	-	-
-	-	-	-	-	623,646	-	-	-	-	-
-	142,658	-	-	-	1,541,124	-	-	-	-	-
-	-	-	-	-	378,629	-	-	-	-	-
-	-	-	-	-	1,911,869	-	-	-	-	-
14,368	-	-	-	-	111,759	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	455,009	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
813,034	142,658	4,889	225,636	27,422	28,906,903	360,293	37,956	206,260	1,470	4,113
-	-	72,470	(284)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	284	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	284	-	-	-	-	-	-	-
-	-	72,470	-	-	-	-	-	-	-	-
-	-	72,692	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 145,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MCALEN ISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	410	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
REVENUES:						
5700 Local and intermediate sources	\$ -	\$ -	\$ 2,596,274	\$ 1,098,890	\$ 32,486	\$ 3,727,650
5800 State program revenues	1,607,566	274,003	1,698,922	635	135	3,585,374
5900 Federal program revenues	-	-	-	-	-	48,211,206
5020 Total Revenues	<u>1,607,566</u>	<u>274,003</u>	<u>4,295,196</u>	<u>1,099,525</u>	<u>32,621</u>	<u>55,524,230</u>
EXPENDITURES:						
Current:						
11 Instruction	1,544,531	23,062	3,325,951	95,672	3,246	32,365,983
12 Instructional resources and media services	-	59	-	719	-	291,440
13 Curriculum and instructional staff development	-	794	108,260	1,719	-	5,463,552
21 Instructional leadership	-	-	260,547	-	-	1,244,356
23 School leadership	-	-	260	264,789	-	1,443,360
31 Guidance, counseling and evaluation services	-	6,550	119,319	8,729	-	3,382,034
32 Social work services	-	-	-	-	1,700	352,657
33 Health services	-	-	1,060	-	-	656,586
34 Student (pupil) transportation	-	-	-	-	-	403,703
35 Food service	-	-	-	695	27,675	1,515,329
36 Extracurricular activities	-	-	-	522,480	-	726,470
41 General administration	-	7,591	-	-	-	631,237
51 Facilities maintenance and operations	-	-	-	1,774	-	1,697,411
52 Security and monitoring services	-	76,766	-	6,553	-	473,873
53 Data processing services	-	-	-	-	-	1,911,869
61 Community services	-	-	11,284	-	-	1,572,470
Debt Service:						
71 Principal on long term-debt	-	-	-	-	-	-
72 Interest on long-term debt	-	-	-	-	-	-
73 Bond issuance cost and fees	-	-	-	-	-	-
Capital Outlay:						
81 Facilities acquisition and construction	-	159,187	-	-	-	614,196
Intergovernmental:						
93 Payment to fiscal agent of SSA	-	-	-	-	-	-
95 Payment to juvenile justice alternative education	-	-	-	-	-	-
99 Other intergovernmental charges	-	-	-	-	-	-
6030 Total Expenditures	<u>1,544,531</u>	<u>274,009</u>	<u>3,826,681</u>	<u>903,130</u>	<u>32,621</u>	<u>54,746,526</u>
1100 Excess (Deficiency) of Revenues Over (Under)	63,035	(6)	468,515	196,395	-	777,704
OTHER FINANCING SOURCES (USES):						
7911 Issuance of bonds	-	-	-	-	-	-
7912 Sale of real and personal property	1,375	6	23	-	-	24,109
7915 Transfers in	-	-	-	-	-	-
7916 Discount on issuance of bonds	-	-	-	-	-	-
8949 Payment to escrow	-	-	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>1,375</u>	<u>6</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>24,109</u>
1200 Net Change in Fund Balances	64,410	-	468,538	196,395	-	801,813
100 Fund Balance - (Beginning)	65,554	-	1,145,822	809,598	-	2,093,666
3000 Fund Balance - (Ending)	<u>\$ 129,964</u>	<u>\$ -</u>	<u>\$ 1,614,360</u>	<u>\$ 1,005,993</u>	<u>\$ -</u>	<u>\$ 2,895,479</u>

EXHIBIT H-2
(Concluded)

599		619		620		698	
Debt Service Fund	Total Nonmajor Debt Service Funds	MISD MTN 2020	Maintenance Tax Notes 2020	MISD Capital Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
\$ 7,324,534	\$ 7,324,534	\$ 2,652	\$ 32,937	\$ 1,993	\$ 37,582	\$ 11,089,766	
170,023	170,023	-	-	-	-	3,755,397	
-	-	-	-	-	-	48,211,206	
<u>7,494,557</u>	<u>7,494,557</u>	<u>2,652</u>	<u>32,937</u>	<u>1,993</u>	<u>37,582</u>	<u>63,056,369</u>	
-	-	-	-	-	-	32,365,983	
-	-	-	-	-	-	291,440	
-	-	-	-	-	-	5,463,552	
-	-	-	-	-	-	1,244,356	
-	-	-	-	-	-	1,443,360	
-	-	-	-	-	-	3,382,034	
-	-	-	-	-	-	352,657	
-	-	-	-	-	-	656,586	
-	-	-	-	-	-	403,703	
-	-	-	-	-	-	1,515,329	
-	-	-	-	-	-	726,470	
-	-	-	-	-	-	631,237	
-	-	-	629,143	-	629,143	2,326,554	
-	-	-	-	-	-	473,873	
-	-	-	-	-	-	1,911,869	
-	-	-	-	-	-	1,572,470	
4,935,000	4,935,000	-	-	-	-	4,935,000	
1,865,900	1,865,900	-	-	-	-	1,865,900	
4,495	4,495	-	-	-	-	4,495	
-	-	705,353	7,106,899	1,519,308	9,331,560	9,945,756	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>6,805,395</u>	<u>6,805,395</u>	<u>705,353</u>	<u>7,736,042</u>	<u>1,519,308</u>	<u>9,960,703</u>	<u>71,512,624</u>	
689,162	689,162	(702,701)	(7,703,105)	(1,517,315)	(9,923,121)	(8,456,255)	
-	-	-	-	-	-	-	
-	-	-	-	-	-	24,109	
-	-	-	-	1,438,223	1,438,223	1,438,223	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	1,438,223	1,438,223	1,462,332	
689,162	689,162	(702,701)	(7,703,105)	(79,092)	(8,484,898)	(6,993,923)	
2,639,059	2,639,059	1,779,419	19,264,672	2,210,893	23,254,984	27,987,709	
<u>\$ 3,328,221</u>	<u>\$ 3,328,221</u>	<u>\$ 1,076,718</u>	<u>\$ 11,561,567</u>	<u>\$ 2,131,801</u>	<u>\$ 14,770,086</u>	<u>\$ 20,993,786</u>	



INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one organizational unit of the District to other organizational units of the District on a cost reimbursement basis. Internal service funds are also used to account for the operations of self-funded health and worker's compensation and self-administered unemployment claims. Internal Service Funds maintained by the District are the following:

Print Shop Fund – To provide print shop services to other organizational units of the District.

Health Insurance Fund – To account for health benefits under a self-funded plan.

Unemployment Fund – To account for benefits to pay unemployment requirements.

Worker's Compensation Fund – To account for worker's compensation benefits under a self-administered plan.

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

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ -	\$ 269,665	\$ 115,735	\$ 492,406	\$ 877,806
Investments - demand deposit	-	2,990,192	1,308	5,036,093	8,027,593
Due from other funds	118,614	570,527	-	-	689,141
Other receivables	-	1,395,174	-	-	1,395,174
Prepaid items	-	-	-	193,475	193,475
Total Current Assets	<u>118,614</u>	<u>5,225,558</u>	<u>117,043</u>	<u>5,721,974</u>	<u>11,183,189</u>
Noncurrent Assets:					
Furniture and equipment	53,859	-	-	-	53,859
Depreciation on furniture and equipment	(53,859)	-	-	-	(53,859)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>118,614</u>	<u>5,225,558</u>	<u>117,043</u>	<u>5,721,974</u>	<u>11,183,189</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	-	828,473	51,472	13,992	893,937
Due to other funds	118,614	-	-	-	118,614
Due to other governments	-	21,732	-	-	21,732
Accrued expenses	-	1,285,469	-	477,990	1,763,459
Total Current Liabilities	<u>118,614</u>	<u>2,135,674</u>	<u>51,472</u>	<u>491,982</u>	<u>2,797,742</u>
Noncurrent Liabilities:					
Other long-term debt	-	-	-	2,396,456	2,396,456
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,396,456</u>	<u>2,396,456</u>
Total Liabilities	<u>118,614</u>	<u>2,135,674</u>	<u>51,472</u>	<u>2,888,438</u>	<u>5,194,198</u>
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted net position	-	3,089,884	65,571	2,833,536	5,988,991
Total Net Position	<u>\$ -</u>	<u>\$ 3,089,884</u>	<u>\$ 65,571</u>	<u>\$ 2,833,536</u>	<u>\$ 5,988,991</u>

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

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES:					
Local and intermediate sources	\$ 40,073	\$ 24,697,305	\$ 102,138	\$ 1,151,833	\$ 25,991,349
State program revenues	10,127	-	-	-	10,127
Total Operating Revenue	<u>50,200</u>	<u>24,697,305</u>	<u>102,138</u>	<u>1,151,833</u>	<u>26,001,476</u>
OPERATING EXPENSES:					
Payroll costs	138,788	24,713,059	36,578	870,583	25,759,008
Professional and contracted services	71,859	-	-	-	71,859
Other operating costs	1,123	-	-	-	1,123
Supplies and materials	10,372	-	-	-	10,372
Depreciation expense	-	-	-	-	-
Total Operating Expenses	<u>222,142</u>	<u>24,713,059</u>	<u>36,578</u>	<u>870,583</u>	<u>25,842,362</u>
Operating Income (Loss)	(171,942)	(15,754)	65,560	281,250	159,114
NONOPERATING REVENUES (EXPENSES)					
Earnings from temporary deposits and investments	-	3,519	11	9,058	12,588
Transfers in	129,171	-	-	-	129,171
Transfers out	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	129,171	3,519	11	9,058	141,759
Change in net position	(42,771)	(12,235)	65,571	290,308	300,873
Total Net Position - Beginning	42,771	5,148,104	-	2,543,228	7,734,103
Prior Period Adjustment	-	(2,045,985)	-	-	(2,045,985)
Total Net Position - Ending	<u>\$ -</u>	<u>\$ 3,089,884</u>	<u>\$ 65,571</u>	<u>\$ 2,833,536</u>	<u>\$ 5,988,991</u>

MCALLEN ISD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Interfund services provided and used	\$ 65,823	\$ 23,940,368	\$ 242,814	\$ 1,151,833	\$ 25,400,838
Cash payments to employees for services	(138,627)	-	-	(664,311)	(802,938)
Cash payments for claims	-	(24,060,849)	(128,785)	-	(24,189,634)
Cash payments for suppliers for goods and services	(86,195)	-	-	-	(86,195)
Net Cash Provided by (Used for) Operating Activities	<u>(158,999)</u>	<u>(120,481)</u>	<u>114,029</u>	<u>487,522</u>	<u>322,071</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>					
Operating transfers (out) in	129,171	-	-	-	129,171
<u>Cash Flows from Investing Activities:</u>					
Purchase of investment securities	-	(403,405)	-	(208,966)	(612,371)
Interest and dividends on investments	-	3,519	11	9,058	12,588
Net Cash Provided by Investing Activities	<u>-</u>	<u>(399,886)</u>	<u>11</u>	<u>(199,908)</u>	<u>(599,783)</u>
Net increase in cash and cash equivalents	(29,828)	(520,367)	114,040	287,614	(148,541)
Cash and cash equivalents at beginning of year	29,828	790,032	1,695	204,792	1,026,347
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 269,665</u>	<u>\$ 115,735</u>	<u>\$ 492,406</u>	<u>\$ 877,806</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss):	\$ (171,942)	\$ (15,754)	\$ 65,560	\$ 281,250	\$ 159,114
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	-	-	-	-
Effects of Increases and Decreases in Assets and Liabilities:					
Decrease (increase) in receivables	-	8,468	-	-	8,468
Decrease (increase) in interfund receivables	(102,779)	(557,484)	140,677	-	(519,586)
Decrease (increase) in prepaid items	678	32,093	-	(8,791)	23,980
Increase (decrease) in accounts payable	(3,519)	49,006	(92,208)	(5,655)	(52,376)
Increase (decrease) in accrued expenses	-	591,910	-	60,967	652,877
Increase (decrease) in interfund payables	118,563	(240,014)	-	-	(121,451)
Increase (decrease) in unearned revenue	-	-	-	-	-
Increase (decrease) in due to other governments	-	11,294	-	-	11,294
Increase (decrease) in other long-term liabilities	-	-	-	159,751	159,751
Net Cash Provided by Operating Activities	<u>\$ (158,999)</u>	<u>\$ (120,481)</u>	<u>\$ 114,029</u>	<u>\$ 487,522</u>	<u>\$ 322,071</u>

NON MAJOR ENTERPRISE FUNDS

An enterprise fund is a proprietary fund type accounted for on the accrual basis. The expenses for these funds are financed through user charges. Enterprise funds maintained by the District are the following:

Safe and Secure Fund – An after school program that provides a safe and secure environment to students in the District.

Tuition Based Pre-Kindergarten Fund – To account for revenue received and operating expenses incurred in the operation of a tuition based Pre-Kindergarten program.



MCALLEN ISD
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2022

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 116,023	\$ 4,311	\$ 120,334
Investments - demand deposit	500,000	-	500,000
Due from other funds	119,141	10,455	129,596
Total Current Assets	<u>735,164</u>	<u>14,766</u>	<u>749,930</u>
Noncurrent Assets:			
Furniture and equipment	75,290	-	75,290
Depreciation on furniture and equipment	(75,290)	-	(75,290)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>735,164</u>	<u>14,766</u>	<u>749,930</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	2,261	-	2,261
Accrued wages payable	-	14,563	14,563
Due to other funds	3,244	203	3,447
Unearned revenues	70	-	70
Total Current Liabilities	<u>5,575</u>	<u>14,766</u>	<u>20,341</u>
Total Liabilities	<u>5,575</u>	<u>14,766</u>	<u>20,341</u>
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted net position	729,589	-	729,589
Total Net Position	<u>\$ 729,589</u>	<u>\$ -</u>	<u>\$ 729,589</u>

MCALLEN ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Local and intermediate sources	\$ 408,185	\$ 49,063	\$ 457,248
State program revenues	19,893	5,296	25,189
Total Operating Revenue	<u>428,078</u>	<u>54,359</u>	<u>482,437</u>
OPERATING EXPENSES:			
Payroll costs	286,256	96,269	382,525
Professional and contracted services	90	-	90
Other operating costs	7,041	1,139	8,180
Supplies and materials	10,471	-	10,471
Depreciation expense	288	-	288
Total Operating Expenses	<u>304,146</u>	<u>97,408</u>	<u>401,554</u>
Operating Income (Loss)	123,932	(43,049)	80,883
Transfers in	-	10,005	10,005
Transfers out	(9,409)	-	(9,409)
Change in net position	114,523	(33,044)	81,479
Total Net Position - Beginning	<u>615,066</u>	<u>33,044</u>	<u>648,110</u>
Total Net Position - Ending	<u>\$ 729,589</u>	<u>\$ -</u>	<u>\$ 729,589</u>

MCALLEN ISD
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
<u>Cash Flows from Operating Activities:</u>			
Cash received from customers	\$ 281,844	\$ 40,607	\$ 322,451
Cash payments to employees for services	(265,880)	(87,340)	(353,220)
Cash payments for suppliers for goods and services	(15,566)	(2,474)	(18,040)
Net Cash Provided by (Used for) Operating Activities	398	(49,207)	(48,809)
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating transfers (out) in	(9,409)	10,005	596
Net Decrease in Cash and Cash Equivalents	(9,011)	(39,202)	(48,213)
Cash and Cash Equivalents at Beginning of Year	125,034	43,513	168,547
Cash and Cash Equivalents at End of Year	<u>\$ 116,023</u>	<u>\$ 4,311</u>	<u>\$ 120,334</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss):	\$ 123,932	\$ (43,049)	\$ 80,883
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	288	-	288
Effects of Increases and Decreases in Assets and Liabilities			
Decrease (increase) in receivables	-	2,000	2,000
Decrease (increase) in interfund receivables	(119,141)	(10,455)	(129,596)
Increase (decrease) in accounts payable	1,924	(8)	1,916
Increase (decrease) in accrued expenses	-	3,632	3,632
Increase (decrease) in interfund payables	3,245	(1,327)	1,918
Increase (decrease) in unearned revenue	(9,850)	-	(9,850)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 398</u>	<u>\$ (49,207)</u>	<u>\$ (48,809)</u>

MCALLEN ISD
 COMBINING STATEMENT OF PRIVATE-PURPOSE TRUST FUNDS NET POSITION
 JUNE 30, 2022

	Private-Purpose Trust Funds		Total
	Scholarship Fund	Pension Trust 457 Plan	
ASSETS			
Cash and cash equivalents	\$ 13,645	\$ -	\$ 13,645
Other receivables	-	-	-
Prepaid items	-	-	-
Total Assets	<u>\$ 13,645</u>	<u>\$ -</u>	<u>\$ 13,645</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payables from restricted assets	13,645	-	13,645
Total Liabilities	<u>13,645</u>	<u>-</u>	<u>13,645</u>
NET POSITION			
Held in trust for pension benefits	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

MCALLEN ISD
 COMBINING STATEMENT OF CHANGES PRIVATE-PURPOSE TRUST FUNDS NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Funds		Total
	Scholarship Fund	Pension Trust 457 Plan	
Additions:			
Interest	\$ -	\$ -	\$ -
Student activity revenues	-	-	-
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Deductions:			
Payroll costs	-	13,547	13,547
Student activities	-	-	-
Total Operating Expenses	<u>-</u>	<u>13,547</u>	<u>13,547</u>
Change in Net Position	-	(13,547)	(13,547)
Net Position - Beginning	<u>-</u>	<u>13,547</u>	<u>13,547</u>
Total Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.



OTHER SUPPLEMENTARY INFORMATION

MCALLEN ISD
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2022

Last 10 Fiscal	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior	1.0400	0.1250	\$ 6,033,745,927
2014	1.0400	0.1250	6,218,879,252
2015	1.0400	0.1250	6,192,959,091
2016	1.0400	1.1150	6,437,876,627
2017	1.1550	0.0000	6,977,731,212
2018	1.1550	0.0000	7,065,804,368
2019	1.1550	0.0000	7,336,882,611
2020	1.0586	0.0942	7,747,732,008
2021	1.0450	0.0936	7,964,158,964
2022 (School year under audit)	1.0486	0.0884	8,227,795,767
1000	TOTAL		

*Fiscal year ends prior to 2010 are August 31
(3) Source: Hidalgo County Tax Office

(10) Beginning Balance 7/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2022
1,498,707	\$ -	\$ 111,881	\$ 8,214	\$ (17,997)	\$ 1,360,615
169,350	-	20,298	2,440	(1,698)	144,914
205,862	-	24,474	2,941	(1,102)	177,345
250,890	-	32,197	3,560	(5,845)	209,288
362,701	-	53,017	-	(84,476)	225,208
463,964	-	123,601	-	(7,081)	333,282
605,203	-	206,895	-	5,963	404,271
1,075,738	-	306,223	27,249	(94,878)	647,388
2,978,270	-	1,536,929	137,662	(414,123)	889,556
-	90,489,805	83,402,538	7,031,075	2,338,247	2,394,439
<u>\$ 7,610,685</u>	<u>\$ 90,489,805</u>	<u>\$ 85,818,053</u>	<u>\$ 7,213,141</u>	<u>\$ 1,717,010</u>	<u>\$ 6,786,306</u>

MCALLEN ISD
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
 FOR THE YEAR ENDED JUNE 30, 2022
UNAUDITED

Data Control Codes	Explanation	
1	Total General Fund Balance as of June 30, 2022 (from Exhibit C-1 - object 3000 for the General Fund only)	\$ 149,933,573
2	Total General Fund Non-Spendable Fund Balance (from Exhibit C-1 - total of object 341x-343x for the General Fund only)	\$ 3,223,213
3	Total General Fund Restricted Fund Balance (from Exhibit C-1- total object 345x-349x for the General Fund only)	32,246,498
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351x-354x for the General Fund only)	34,044,700
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355x-359x for the General Fund only)	24,003,262
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	-
7	Estimate of two and a half months' (75 days) average cash disbursements during the fiscal year	41,163,702
8	Estimate of delayed payments from state sources (58xx)	152,535
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	-
10	Estimate of delayed payments from federal sources (59xx)	8,989,196
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>-</u>
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	<u>143,823,106</u>
13	Excess (Deficit) Unassigned General Fund Balance (1-12)	6,110,467
14	Estimate of two and a half months' (75 days) average cash disbursements for salaries reclassified to ESSER during the fiscal year.	(8,358,191)
15	Estimate of one time delayed payments for ECF and ESSER	<u>5,032,626</u>
16	Revised Excess (Deficit) Unassigned General Fund Balance (13+14+15)	<u><u>\$ 2,784,902</u></u>

The excess Unassigned General Fund Balance will be used in subsequent years towards any unforeseen needs of the District.

MCALLEN ISD
 COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2022

Data
 Control
 Codes

Section A: Compensatory Education Programs

AP1	Did your LEA expend any State Compensatory Education Program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have written policies and procedures for its State Compensatory Education Program?	YES
AP3	List the total state allotment funds received for State Compensatory Education Programs during the District's fiscal year.	\$ 23,217,210
AP4	List the actual direct program expenditures for State Compensatory Education Programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 15,078,901

Section B: Bilingual Education Program

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.	\$ 4,306,914
AP9	List the actual direct program expenditures for Bilingual Education Programs during the LEA's fiscal year. (PICs 25, 35)	\$ 3,878,645

MCALLEN ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive or (Negative)	
	Original	Final	(GAAP Basis)		
REVENUES:					
5700	Local and intermediate sources	\$ 6,644,732	\$ 7,312,297	\$ 7,324,534	\$ 12,237
5800	State program revenues	161,168	198,749	170,023	(28,726)
5020	Total Revenues	<u>6,805,900</u>	<u>7,511,046</u>	<u>7,494,557</u>	<u>(16,489)</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on long-term debt	4,935,000	4,935,000	4,935,000	-
0072	Interest on long-term debt	1,865,900	1,865,900	1,865,900	-
0073	Bond issuance cost and fees	5,000	5,000	4,495	505
6030	Total Expenditures	<u>6,805,900</u>	<u>6,805,900</u>	<u>6,805,395</u>	<u>505</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>705,146</u>	<u>689,162</u>	<u>(15,984)</u>
1200	Net Change in Fund Balances	-	705,146	689,162	(15,984)
0100	Fund Balance - Beginning	<u>2,639,059</u>	<u>2,639,059</u>	<u>2,639,059</u>	-
3000	Fund Balance - Ending	<u>\$ 2,639,059</u>	<u>\$ 3,344,205</u>	<u>\$ 3,328,221</u>	<u>\$ (15,984)</u>

STATISTICAL SECTION



MCALLEN INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION OVERVIEW (Unaudited)

This part of the District's Annual Comprehensive Financial Report presents detailed information to provide the reader's of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures and required supplementary information.

The statistical section is organized in the following sections:

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

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

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

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

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



FINANCIAL TRENDS INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN YEARS

	2013*	2014	2015	2016
Governmental Activities				
<i>Net Investment in Capital Assets</i>	\$ 109,095,723	\$ 113,908,785	\$ 119,062,432	\$ 115,343,800
<i>Restricted</i>	9,324,193	9,583,622	10,771,985	12,211,190
<i>Unrestricted</i>	66,481,256	78,350,164	54,333,232	50,644,391
<i>Total Governmental Activities Net Position</i>	\$ 184,901,172	\$ 201,842,571	\$ 184,167,649	\$ 178,199,381
Business-Type Activities				
<i>Net Investment in Capital Assets</i>	\$ 34,927	\$ 27,162	\$ 21,410	\$ 16,124
<i>Restricted</i>	-	-	-	-
<i>Unrestricted</i>	575,499	519,488	515,668	529,264
<i>Total Business-Type Activities Net Position</i>	\$ 610,426	\$ 546,650	\$ 537,078	\$ 545,388
Primary Government				
<i>Net Investment in Capital Assets</i>	\$ 109,130,650	\$ 113,935,947	\$ 119,083,842	\$ 115,359,924
<i>Restricted</i>	9,324,193	9,583,622	10,771,985	12,211,190
<i>Unrestricted</i>	67,056,755	78,869,652	54,848,900	51,173,655
Total Primary Government Net Position	\$ 185,511,598	\$ 202,389,221	\$ 184,704,727	\$ 178,744,769

Source:

Financial Statements and Independent Auditors' Report
Statement of Net Position (Exhibit A-1)
Statement of Activities (Exhibit B-1)
2013-2022 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

***Reclassification: Certain amounts in the prior period statements have been reclassified to conform to the presentation of the current period financial statements.

****Effective 2022, the District early implemented Guidance Update 2021 of the GASB 2015-1 Guide

TABLE L-1

2017	2018**	2019***	2020	2021	2022****
\$ 125,192,579	\$ 129,365,506	\$ 133,487,812	\$ 118,050,108	\$ 112,211,172	\$ 129,965,545
10,684,853	8,211,978	17,338,248	28,749,534	32,946,262	37,787,254
44,832,215	(71,269,887)	(82,315,316)	(81,244,662)	(78,530,727)	(34,752,449)
<u>\$ 180,709,647</u>	<u>\$ 66,307,597</u>	<u>\$ 68,510,744</u>	<u>\$ 65,554,980</u>	<u>\$ 66,626,707</u>	<u>\$ 133,000,350</u>
\$ 11,196	\$ 6,268	\$ 2,017	\$ 1,153	\$ 288	\$ -
-	-	-	-	-	-
538,301	575,095	614,885	718,128	647,822	729,589
<u>\$ 549,497</u>	<u>\$ 581,363</u>	<u>\$ 616,902</u>	<u>\$ 719,281</u>	<u>\$ 648,110</u>	<u>\$ 729,589</u>
\$ 125,203,775	\$ 129,371,774	\$ 133,489,829	\$ 118,051,261	\$ 112,211,460	\$ 129,965,545
10,684,853	8,211,978	17,338,248	28,749,534	32,946,262	37,787,254
45,370,516	(70,694,792)	(81,700,431)	(80,526,534)	(77,882,905)	(34,022,860)
<u>\$ 181,259,144</u>	<u>\$ 66,888,960</u>	<u>\$ 69,127,646</u>	<u>\$ 66,274,261</u>	<u>\$ 67,274,817</u>	<u>\$ 133,729,939</u>

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

<u>Expenses</u>	2013*	2014	2015	2016
Governmental Activities:				
<i>Instruction</i>	\$ 124,041,694	\$ 134,045,799	\$ 139,861,299	\$ 154,583,806
<i>Instructional Resource and Media Services</i>	3,636,660	3,803,185	3,762,979	4,400,086
<i>Curriculum and Staff Development</i>	5,778,461	6,161,535	5,653,326	6,300,188
<i>Instructional Leadership</i>	3,034,179	3,003,358	2,906,986	3,256,892
<i>School Leadership</i>	11,471,298	12,797,288	13,173,910	14,275,866
<i>Guidance, Counseling and Evaluation Services</i>	8,233,397	9,525,084	9,709,441	10,834,298
<i>Social Work Services</i>	2,254,326	1,278,261	1,214,519	1,368,213
<i>Health Services</i>	2,823,166	3,141,132	3,130,412	3,362,747
<i>Student (Pupil) Transportation</i>	3,292,358	3,257,435	3,514,171	3,956,666
<i>Food Services</i>	13,105,481	14,652,070	15,933,875	17,446,776
<i>Extracurricular Activities</i>	6,840,416	8,051,832	8,564,019	10,078,863
<i>General Administration</i>	4,945,697	5,710,466	5,776,741	6,023,047
<i>Facilities Maintenance and Operations</i>	19,720,206	20,684,131	21,083,173	24,012,580
<i>Security and Monitoring Services</i>	2,647,772	2,393,738	2,497,185	2,950,793
<i>Data Processing Services</i>	3,566,944	3,163,740	3,203,516	3,353,761
<i>Community Services</i>	1,344,503	1,552,888	1,359,458	1,328,735
<i>Debt Service-Interest and Fees on Long-Term Debt</i>	5,660,783	4,234,704	4,049,791	3,712,199
<i>Payment to Juvenile Justice Alternative Ed. Prg.</i>	6,478	17,766	63,733	61,834
<i>Appraisal of Property</i>	667,096	651,087	734,354	707,839
Total Governmental Activities Expenses	223,070,915	238,125,499	246,192,888	272,015,189
Business-Type Activities:				
<i>Project Safe and Secure</i>	412,684	473,460	491,194	409,173
<i>Tuition Based Pre-K Program</i>	-	-	-	-
Total Business-Type Activities Expenses	412,684	473,460	491,194	409,173
Total Primary Government Expenses	\$ 223,483,599	\$ 238,598,959	\$ 246,684,082	\$ 272,424,362
Revenues				
Governmental Activities:				
<i>Charges for Services</i>				
<i>Instruction</i>	\$ 2,918,448	\$ 2,384,155	\$ 2,339,943	\$ 2,028,937
<i>Instructional Resources and Media Services</i>	17,840	18,755	55,915	47,866
<i>Curriculum and Staff Development</i>	11,005	12,880	18,674	23,619
<i>Instructional Leadership</i>	169,031	157,346	187,038	143,634
<i>School Leadership</i>	429,023	839,542	250,645	207,717
<i>Guidance, Counseling and Evaluation Services</i>	78,676	77,359	78,261	97,027
<i>Health Services</i>	4,474	4,869	4,727	4,171
<i>Student (Pupil) Transportation</i>	-	-	-	-
<i>Food Services</i>	1,326,098	1,333,476	489,017	367,386
<i>Extracurricular Activities</i>	629,724	619,398	767,481	1,122,376
<i>General Administration</i>	-	-	-	11,926
<i>Facilities Maintenance and Operations</i>	-	193	1,267	37,221
<i>Security and Monitoring Services</i>	-	-	2,444	2,659
<i>Data Processing Services</i>	-	-	-	-
<i>Community Services</i>	4,600	3,167	33,168	52,284
<i>Payment to Juvenile Justice Alternative Ed. Prg.</i>	-	-	-	-
<i>Operating Grants/Capital and Contributions</i>	53,290,941	50,873,821	61,682,952	62,782,915
Total Governmental Activities Revenues	58,879,860	56,324,961	65,911,532	66,929,738
Business Type-Activities:				
<i>Charges for Services</i>				
<i>Project Safe and Secure</i>	426,170	466,939	481,622	464,793
<i>Tuition Based Pre-K Program</i>	-	-	-	-
Total Business-Type Activities Revenues	426,170	466,939	481,622	464,793
Total Primary Government Revenues	\$ 59,306,030	\$ 56,791,900	\$ 66,393,154	\$ 67,394,531
Net (Expense)/Revenue:				
<i>Governmental Activities</i>	\$ (164,191,055)	\$ (181,800,538)	\$ (180,281,356)	\$ (205,085,451)
<i>Business-Type Activities</i>	13,486	(6,521)	(9,572)	55,620
Total Primary Government Net Expense	\$ (164,177,569)	\$ (181,807,059)	\$ (180,290,928)	\$ (205,029,831)

Source:
Financial Statement and Independent Auditors' Report
Statement of Activities (Exhibit B-1)
2013-2022 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

***Effective 2022, the District early implemented Guidance Update 2021 of the GASB 2015-1 Guide

TABLE L-2

2017	2018**	2019	2020	2021	2022***
\$ 145,441,790	\$ 95,025,917	\$ 147,114,988	\$ 166,485,825	\$ 154,271,550	\$ 149,109,588
4,672,789	2,692,989	3,883,279	4,078,410	3,897,937	3,519,981
5,851,811	3,706,431	4,898,091	5,866,581	5,652,412	8,886,489
3,237,332	2,317,125	3,739,490	4,080,452	3,884,880	4,022,225
13,917,035	8,945,622	14,228,954	14,953,868	14,523,225	13,268,340
11,406,859	7,453,877	11,924,007	12,511,684	12,024,567	12,079,210
1,558,170	1,021,065	1,711,441	2,047,657	2,068,933	2,182,654
3,338,970	2,128,230	3,409,052	3,555,774	3,387,373	3,247,444
3,885,371	2,769,314	4,306,951	4,973,074	3,929,206	5,259,356
17,155,534	12,734,114	16,766,629	18,242,947	20,558,050	19,001,478
11,254,476	9,551,794	11,896,380	11,380,789	9,120,756	10,949,134
6,575,058	5,001,496	7,214,175	8,431,965	8,408,750	7,993,518
24,551,465	20,804,983	23,883,077	23,395,713	26,294,888	26,819,675
3,602,360	2,336,208	4,315,094	5,056,040	4,529,601	4,844,285
3,715,980	2,230,022	3,186,859	4,910,562	6,096,435	8,191,216
1,423,477	833,048	1,542,863	1,734,500	2,157,405	1,534,092
3,504,980	3,233,723	2,944,211	3,510,305	3,860,884	3,460,885
13,416	40,000	40,000	40,000	-	40,000
729,669	733,144	815,564	852,122	906,174	934,269
<u>265,836,542</u>	<u>183,559,102</u>	<u>267,821,105</u>	<u>296,108,268</u>	<u>285,573,026</u>	<u>285,343,839</u>
352,228	323,198	347,327	246,270	94,326	304,146
-	-	73,604	63,442	75,682	97,408
<u>352,228</u>	<u>323,198</u>	<u>420,931</u>	<u>309,712</u>	<u>170,008</u>	<u>401,554</u>
\$ 266,188,770	\$ 183,882,300	\$ 268,242,036	\$ 296,417,980	\$ 285,743,034	\$ 285,745,393
\$ 1,582,823	\$ 1,996,708	\$ 2,631,933	\$ 2,331,521	\$ 2,752,827	\$ 2,628,898
10,966	12,651	4,722	2,297	2,777	2,431
18,431	44,444	40,576	12,925	5,554	97,270
170,102	170,727	199,588	218,777	277,924	199,288
242,368	238,391	272,724	145,576	53,757	70,827
113,027	102,544	110,699	89,587	95,895	93,673
34,020	-	4,722	2,297	10,847	973
-	-	-	4,594	-	863
277,995	366,544	419,560	309,152	20,885	53,993
1,139,013	1,267,511	1,255,943	1,026,371	349,647	1,288,861
355,456	87,918	58,750	57,431	149,960	190,082
61,682	67,924	90,843	59,830	37,686	8,996,499
10,966	2,320	6,217	4,594	-	2,855
-	-	-	2,297	-	296
10,965	-	-	-	-	8,616
-	-	18,889	22,972	27,770	-
<u>57,117,308</u>	<u>7,673,412</u>	<u>60,064,501</u>	<u>60,734,131</u>	<u>61,699,546</u>	<u>120,355,593</u>
<u>61,145,122</u>	<u>12,031,094</u>	<u>65,179,667</u>	<u>65,024,352</u>	<u>65,485,075</u>	<u>133,991,018</u>
458,809	470,057	497,048	347,090	68,383	428,078
-	-	99,295	85,969	51,103	54,359
<u>458,809</u>	<u>470,057</u>	<u>596,343</u>	<u>433,059</u>	<u>119,486</u>	<u>482,437</u>
\$ 61,603,931	\$ 12,501,151	\$ 65,776,010	\$ 65,457,411	\$ 65,604,561	\$ 134,473,455
\$ (204,691,420)	\$ (171,528,008)	\$ (202,641,438)	\$ (231,083,916)	\$ (220,087,951)	\$ (151,352,821)
106,581	146,859	175,412	123,347	(50,522)	80,883
\$ (204,584,839)	\$ (171,381,149)	\$ (202,466,026)	\$ (230,960,569)	\$ (220,138,473)	\$ (151,271,938)

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

	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue				
<i>Governmental Activities</i>	\$ (164,191,055)	\$ (181,800,538)	\$ (180,281,356)	\$ (205,085,451)
<i>Business-Type Activities</i>	<u>13,486</u>	<u>(6,521)</u>	<u>(9,572)</u>	<u>55,620</u>
Total Primary Government Net Expense	\$ (164,177,569)	\$ (181,807,059)	\$ (180,290,928)	\$ (205,029,831)

General Revenue and Changes in Net Position

<i>Governmental Activities:</i>				
<i>Property Taxes-General</i>	\$ 62,393,072	\$ 64,459,060	\$ 65,175,197	\$ 66,686,400
<i>Property Taxes-Debt Services</i>	7,463,732	7,770,824	7,817,726	7,376,451
<i>Investment Earnings</i>	179,509	91,110	62,186	340,885
<i>State Aid Formula Grants</i>	-	-	-	-
<i>Grants & Contributions Not Restricted</i>	105,993,625	117,019,432	117,324,312	124,543,816
<i>Extraordinary Item</i>	4,376,102	9,305,643	-	-
<i>Miscellaneous</i>	92,249	38,613	485,958	122,321
<i>Transfers</i>	70,000	57,255	-	47,310
Total Governmental Activities	<u>180,568,289</u>	<u>198,741,937</u>	<u>190,865,379</u>	<u>199,117,183</u>
<i>Business-Type Activities:</i>				
<i>Miscellaneous</i>	-	-	-	-
<i>Transfers</i>	(70,000)	(57,255)	-	(47,310)
Total Business-Type Activities	<u>(70,000)</u>	<u>(57,255)</u>	<u>-</u>	<u>(47,310)</u>
Total Primary Government Net Revenue	\$ 180,498,289	\$ 198,684,682	\$ 190,865,379	\$ 199,069,873

Primary Government Changes in Net Position

<i>Governmental Activities</i>	\$ 16,377,234	\$ 16,941,399	\$ 10,584,023	\$ (5,968,268)
<i>Business-Type Activities</i>	<u>(56,514)</u>	<u>(63,776)</u>	<u>(9,572)</u>	<u>8,310</u>
Total Primary Government Changes in Net Position	<u>\$ 16,320,720</u>	<u>\$ 16,877,623</u>	<u>\$ 10,574,451</u>	<u>\$ (5,959,958)</u>

Source:

Financial Statements and Independent Auditors' Report
Statement of Activities (Exhibit B-1)
2013-2022 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

*** Effective 2020, the State Aid Formula Grants and Grants & Contributions Non Restricted have been separated for disclosure purposes.

****Effective 2022, the District early implemented Guidance Update 2021 of the GASB 2015-1 Guide

TABLE L-3

2017	2018**	2019	2020***	2021	2022****
\$ (204,691,420)	\$ (171,528,008)	\$ (202,641,438)	\$ (231,083,916)	\$ (220,087,951)	\$ (151,352,821)
106,581	146,859	175,412	123,347	(50,522)	80,883
\$ (204,584,839)	\$ (171,381,149)	\$ (202,466,026)	\$ (230,960,569)	\$ (220,138,473)	\$ (151,271,938)
\$ 79,125,006	\$ 81,929,068	\$ 84,383,358	\$ 80,332,951	\$ 81,635,756	\$ 86,344,845
54,253	39,291	32,386	7,156,959	7,306,164	7,270,639
757,324	1,471,057	2,711,425	2,012,673	335,225	(399,273)
-	-	-	125,851,753	128,541,436	116,466,793
126,912,697	122,726,350	117,374,907	11,686,451	2,879,362	2,296,187
-	-	-	-	-	-
249,934	262,630	202,636	1,066,396	441,082	783,050
102,472	114,993	139,873	20,968	20,654	(596)
207,201,686	206,543,389	204,844,585	228,128,151	221,159,679	212,761,645
-	-	-	-	-	-
(102,472)	(114,993)	(139,873)	(20,968)	(20,654)	596
(102,472)	(114,993)	(139,873)	(20,968)	(20,654)	596
\$ 207,099,214	\$ 206,428,396	\$ 204,704,712	\$ 228,107,183	\$ 221,139,025	\$ 212,762,241
\$ 2,510,266	\$ 35,015,381	\$ 2,203,147	\$ (2,955,765)	\$ 1,071,728	\$ 61,408,824
4,109	31,866	35,539	102,379	(71,176)	81,479
\$ 2,514,375	\$ 35,047,247	\$ 2,238,686	\$ (2,853,386)	\$ 1,000,552	\$ 61,490,303

MCALLEN INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

	2013	2014	2015	2016
General Fund				
<i>Non-spendable:</i>				
<i>Inventories</i>	\$ 719,989	\$ 850,559	\$ 1,161,734	\$ 1,180,357
<i>Prepaid Items</i>	1,812,754	1,691,333	1,636,002	1,667,985
<i>Restricted:</i>				
<i>Federal or State Funds Grant Restriction</i>	8,460,882	7,699,257	9,008,031	11,243,329
<i>Other Restricted Fund Balance</i>	1,175,135	2,358,563	3,532,335	4,746,630
<i>Committed Fund Balance:</i>				
<i>Construction</i>	-	-	-	-
<i>Other Committed Fund Balance</i>	-	-	-	-
<i>Assigned Fund Balance:</i>				
<i>Construction</i>	5,814,992	12,622,473	11,480,004	12,470,734
<i>Capital Expenditures for Equipment</i>	2,570,949	4,043,040	1,748,475	2,861,369
<i>Other Assigned Fund Balance</i>	1,076,340	32,000	3,775,071	546,303
<i>Unassigned Fund Balance</i>	42,263,262	44,742,153	47,765,665	49,379,229
Total General Fund Balance	<u>\$ 63,894,303</u>	<u>\$ 74,039,378</u>	<u>\$ 80,107,317</u>	<u>\$ 84,095,936</u>
 All Other Governmental Funds				
<i>Restricted:</i>				
<i>Federal or State Funds Grant Restrictions</i>	\$ 3,144,875	\$ 2,592,410	\$ 2,461,067	\$ 2,052,543
<i>Restricted for Capital Acquisitions</i>	-	-	-	-
<i>Retirement of Long-Term Debt</i>	4,256,101	5,098,638	5,194,117	5,078,277
<i>Other Restricted Fund Balance</i>	19,455	-	-	-
<i>Committed Fund Balance:</i>				
<i>Other Committed Fund Balance</i>	909,625	952,423	963,749	905,853
<i>Assigned Fund Balance:</i>				
<i>Construction</i>	-	-	-	-
<i>Total All Other Governmental Fund Balances</i>	<u>8,330,056</u>	<u>8,643,471</u>	<u>8,618,933</u>	<u>8,036,673</u>
Total Governmental Fund Balance	<u>\$ 72,224,359</u>	<u>\$ 82,682,849</u>	<u>\$ 88,726,250</u>	<u>\$ 92,132,609</u>
 Governmental Funds				
<i>Beginning Fund Balance</i>	\$ 79,389,593	\$ 72,224,359	\$ 82,682,849	\$ 88,726,250
<i>Net Change in Fund Balance</i>	(7,165,234)	10,458,490	6,043,401	3,406,359
Ending Fund Balance	<u>\$ 72,224,359</u>	<u>\$ 82,682,849</u>	<u>\$ 88,726,250</u>	<u>\$ 92,132,609</u>

Source:

Financial Statement and Independent Auditors' Report
Balance Sheet-Governmental Funds (Exhibit C-1) 2013-2022
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2022
2013-2022 Fiscal Year End 6/30

TABLE L-4

2017	2018	2019	2020	2021	2022
\$ 1,130,448	\$ 903,884	\$ 1,288,053	\$ 1,314,020	\$ 1,346,908	\$ 1,296,579
1,590,668	1,351,417	1,447,325	1,722,543	1,952,112	1,926,634
12,711,298	14,260,893	16,211,693	15,838,847	17,433,743	20,398,976
5,959,118	7,210,718	8,617,741	9,961,854	11,206,662	11,847,522
-	4,129,547	2,742,366	515,626	307,451	22,285,379
-	-	-	-	-	11,759,321
6,846,916	4,285,561	3,295,925	668,504	1,923,165	1,499,437
1,104,228	2,545,667	4,316,186	1,727,319	5,481,523	7,983,488
3,990,768	2,812,743	5,663,375	9,688,667	11,923,358	14,520,337
53,429,288	54,187,604	54,487,758	56,262,851	56,020,075	56,415,900
<u>\$ 86,762,732</u>	<u>\$ 91,688,034</u>	<u>\$ 98,070,422</u>	<u>\$ 97,700,231</u>	<u>\$ 107,594,997</u>	<u>\$ 149,933,573</u>
\$ 1,393,035	\$ 708,083	\$ 475,469	\$ 577,521	\$ 1,354,306	\$ 1,941,629
-	-	-	25,330,814	-	-
4,905,627	2,646,444	1,740,717	2,046,425	2,639,059	3,328,221
-	-	-	-	19,264,672	11,561,567
836,147	833,712	872,990	980,400	809,603	1,005,993
-	-	-	4,856,225	3,990,311	3,208,519
<u>7,134,809</u>	<u>4,188,239</u>	<u>3,089,176</u>	<u>33,791,385</u>	<u>28,057,951</u>	<u>21,045,929</u>
<u>\$ 93,897,541</u>	<u>\$ 95,876,273</u>	<u>\$ 101,159,598</u>	<u>\$ 131,491,616</u>	<u>\$ 135,652,948</u>	<u>\$ 170,979,502</u>
\$ 92,132,608	\$ 93,897,541	\$ 95,876,273	\$ 101,159,598	\$ 131,491,616	\$ 135,652,942
1,764,933	1,978,732	5,283,325	30,332,018	4,161,332	35,326,560
<u>\$ 93,897,541</u>	<u>\$ 95,876,273</u>	<u>\$ 101,159,598</u>	<u>\$ 131,491,616</u>	<u>\$ 135,652,948</u>	<u>\$ 170,979,502</u>



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

TABLE L-5

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Tuition	Other	Per Capita and Foundation	On Behalf TRS Payments	Other		
2013	\$ 69,273,715	\$ 1,956,745	\$ 5,872,677	\$ 106,670,070	\$ 7,640,983	\$ 3,925,927	\$ 39,639,257	\$ 234,979,374
2014	70,754,428	1,980,621	5,032,570	115,826,535	8,871,973	4,617,966	38,208,494	245,292,587
2015	72,581,728	2,015,175	7,614,718	115,823,088	9,414,284	7,488,349	42,388,513	257,325,855
2016	72,956,264	2,030,109	3,978,980	122,831,447	9,858,257	7,052,734	41,309,336	260,017,127
2017	77,713,582	2,091,256	3,890,578	126,948,116	10,349,174	3,717,909	42,030,986	266,741,601
2018	80,745,481	2,017,423	5,095,811	122,115,433	10,432,984	3,388,885	36,586,728	260,382,745
2019	83,050,839	2,513,770	6,623,173	116,673,307	10,355,983	1,280,402	39,237,909	259,735,383
2020	86,152,446	2,439,971	5,478,518	125,677,650	12,089,639	4,381,056	45,611,960	281,831,240
2021	88,466,069	3,088,046	2,547,818	128,370,357	11,825,513	1,943,284	47,140,263	283,381,350
2022	92,967,452	2,915,227	12,088,342	116,296,770	9,332,523	2,075,795	124,238,651	359,914,760

Source:
Financial Statement and Independent Auditors' Report
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2022
2013-2022 Fiscal Year End 6/30

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

Fiscal Year	Instructional and Related Services	Instructional and School Leadership	Support Services Student Other	Administrative Support Services	Support Services Not -Student Based	Ancillary Services
2013	\$ 130,141,086	\$ 14,541,037	\$ 35,314,637	\$ 4,958,150	\$ 23,414,611	\$ 1,343,723
2014	137,752,410	15,747,366	38,191,475	5,687,612	23,287,968	1,553,509
2015	141,790,294	15,991,820	40,259,443	5,734,533	23,293,445	1,376,164
2016	151,398,283	16,469,193	43,054,063	5,739,614	25,963,583	1,242,633
2017	142,085,970	16,321,552	44,548,065	6,331,540	26,660,084	1,321,574
2018	142,388,925	16,788,033	45,669,203	6,572,577	26,178,309	1,248,712
2019	140,826,303	16,557,859	44,808,076	6,770,537	26,237,195	1,432,907
2020	158,306,224	17,346,862	46,730,432	7,801,327	28,324,071	1,575,286
2021	153,614,078	17,788,188	47,000,639	7,887,928	32,869,009	2,101,428
2022	169,996,945	18,975,354	53,701,140	8,346,245	37,854,070	1,679,115

Source:
Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3) 2017-2022
Reconciliation of Statement (Exhibit C-3) 2013-2016
Reconciliation of the Governmental Funds Statement (Exhibit C-4) 2017, 2020-2022
Reconciliation of the Governmental Funds Balance Sheet (Exhibit C-2) 2018-2019
2013-2022 Fiscal Year End 6/30

TABLE L-6

Debt Service Principal	Debt Service Interest	Debt Service Other Fees	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures	*Ratio of Debt Services to Non-Capital Expenditures
\$ 8,646,277	\$ 6,049,095	\$ 846,254	\$ 27,325,324	\$ 673,574	\$ 253,253,768	6.50%
10,004,507	3,994,703	13,918	7,335,206	668,853	244,237,527	5.91%
8,541,187	4,695,852	16,608	8,852,338	798,087	251,349,771	5.46%
7,363,707	4,371,926	11,828	8,788,885	769,673	265,173,388	4.58%
9,215,686	4,244,207	8,000	14,131,700	743,085	265,611,463	5.35%
9,466,238	4,033,099	6,690	5,050,707	773,144	258,175,637	5.33%
7,912,290	3,677,445	5,530	5,687,611	855,564	254,771,317	4.65%
6,331,912	3,437,255	268,064	14,869,293	892,122	285,882,848	3.60%
8,684,561	3,880,902	463,570	10,709,870	906,174	285,906,347	4.57%
10,715,294	3,776,732	12,155	18,898,913	974,269	324,930,232	4.74%

* Ratio of Debt Services to Non-Capital Expenditures Percentage was calculated as follows:

$$\frac{(\text{Debt Service Principal} + \text{Debt Service Interest})}{(\text{Total Expenditures} - \text{Capital Outlay})} = \frac{(10,715,294 + 3,776,732)}{324,930,232 - 18,898,913} = 4.74\%$$

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	\$ (18,274,394)	\$ 1,055,060	\$ 5,976,084	\$ (5,156,261)
<i>Other Financing Sources (Uses)</i>				
<i>Issuance of Bonds</i>	-	-	-	-
<i>Refunding Bonds Issued</i>	81,820,000	-	-	-
<i>Sale of Real and Personal Property</i>	77,106	40,532	81,254	84,887
<i>Issuance of Capital Leases</i>	5,730,060	-	-	8,430,422
<i>Loan Proceeds</i>	-	-	-	-
<i>Transfer In</i>	70,000	57,255	-	47,310
<i>Premium on Issuance of Bonds</i>	12,261,598	-	-	-
<i>Discounts on Issuance of Bonds</i>	-	-	-	-
<i>Transfer Out</i>	(4,503)	-	(13,934)	-
<i>Payments of Bonds</i>	(93,221,203)	-	-	-
<i>Payment to Escrow</i>	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>6,733,058</u>	<u>97,787</u>	<u>67,320</u>	<u>8,562,619</u>
<i>Special Items</i>				
<i>Extraordinary Items (Resources)</i>	<u>4,376,102</u>	<u>9,305,643</u>	<u>-</u>	<u>-</u>
<i>Net Changes in Fund Balances</i>	<u><u>\$ (7,165,234)</u></u>	<u><u>\$ 10,458,490</u></u>	<u><u>\$ 6,043,404</u></u>	<u><u>\$ 3,406,358</u></u>

Source:

Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3) 2017-2022
2013-2022 Fiscal Year End 6/30

TABLE L-7

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,130,138	\$ 2,207,108	\$ 4,964,066	\$ (4,051,608)	\$ (2,524,997)	\$ 34,984,528
-	-	-	-	40,875,000	-
-	-	-	-	-	-
532,323	156,631	179,386	1,936,895	2,398,305	266,498
-	-	-	5,286,917	4,175,623	205,301
-	-	-	28,701,259	-	-
7,652,176	7,374,887	8,005,288	3,616,903	844,654	1,447,632
-	-	-	-	-	-
-	-	-	-	5,332,904	-
(7,549,704)	(7,759,894)	(7,865,415)	(5,158,348)	(1,190,151)	(1,577,399)
-	-	-	-	-	-
-	-	-	-	(45,750,006)	-
634,795	(228,376)	319,259	34,383,626	6,686,329	342,032
-	-	-	-	-	-
<u>\$ 1,764,933</u>	<u>\$ 1,978,732</u>	<u>\$ 5,283,325</u>	<u>\$ 30,332,018</u>	<u>\$ 4,161,332</u>	<u>\$ 35,326,560</u>

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

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Instructional and Instructional Related Services</u>	<u>Instructional and School Leadership</u>	<u>Support Services Student Other</u>	<u>Administrative Support Services</u>	<u>Support Services Not -Student Based</u>
2013	23,130	\$ 5,931	\$ 629	\$ 1,561	\$ 220	\$ 1,266
2014	23,302	5,925	676	1,663	245	1,055
2015	22,770	6,244	703	1,796	252	1,077
2016	22,400	6,765	735	1,955	260	1,194
2017	22,177	6,407	736	2,086	292	1,435
2018	21,825	6,530	769	2,155	304	1,258
2019	21,161	6,669	783	2,160	322	1,279
2020	20,645	7,672	840	2,359	378	1,510
2021	20,311	7,568	876	2,390	392	1,688
2022	18,697	9,158	1,015	2,915	449	2,106

Source:

Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-3) 2017-2022
PEIMS DATA Report (PFR7D001) 2013-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2022
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
FY 2022 includes TEA Operational Minutes Adjustment to the PEIMS Report data
2013-2022 Fiscal Year End 6/30

Note: Average Daily Attendance-the average daily attendance of eligible enrollees, district-wide

TABLE L-8

<u>Ancillary Services</u>	<u>Debt Service Principal</u>	<u>Debt Service Interest and Other</u>	<u>Capital Outlay</u>	<u>Inter-Governmental Charges</u>	<u>Total Governmental Fund Expenditures by Function per Average Daily Attendance</u>
\$ 58	\$ 374	\$ 298	\$ 583	\$ 29	\$ 10,949
67	429	172	221	29	10,482
60	375	207	289	35	11,038
55	329	196	314	34	11,837
60	416	192	319	34	11,977
57	434	185	103	35	11,830
68	374	174	171	40	12,040
76	307	179	482	43	13,846
103	428	214	373	45	14,077
90	573	203	817	52	17,378



REVENUE CAPACITY INFORMATION

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

Fiscal Year	Assessed Value			Total Taxable Assessed Value
	Real Property	Minerals	Personal Property	
2013	\$ 5,258,457,216	\$ 14,119,517	\$ 761,169,194	\$ 6,033,745,927
2014	5,396,121,899	10,367,570	812,389,783	6,218,879,252
2015	5,359,176,534	9,699,943	824,082,614	6,192,959,091
2016	5,572,398,989	8,839,414	856,638,224	6,437,876,627
2017	6,091,998,085	5,109,512	880,623,615	6,977,731,212
2018	6,162,969,165	5,935,685	896,899,518	7,065,804,368
2019	6,450,201,127	6,808,785	879,872,699	7,336,882,611
2020	6,821,973,654	4,682,623	921,075,731	7,747,732,008
2021	7,002,635,158	2,641,657	958,882,149	7,964,158,964
2022	7,248,633,709	1,974,519	977,187,539	8,227,795,767

Source:
 Financial Statements and Independent Auditors' Report
 Certified Totals from Hidalgo County Appraisal District (2013-2022)
 2013-2022 Fiscal Year End 6/30

TABLE L-9

<u>Estimated Actual Taxable Value</u>	<u>Ratio of Total Taxable Assessed Value to Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
\$ 7,477,059,920	80.70%	\$ 1.1650
7,705,489,474	80.71%	1.1650
7,637,882,649	81.08%	1.1650
8,132,711,592	79.16%	1.1550
8,727,081,408	79.95%	1.1550
8,854,674,967	79.80%	1.1550
9,180,201,564	79.92%	1.1550
9,694,370,520	79.92%	1.1528
9,941,474,224	80.11%	1.1386
10,277,383,845	80.06%	1.1370

MCALLEN INDEPENDENT SCHOOL DISTRICT
PROPERTY LEVIES AND COLLECTIONS
LAST TEN YEARS

TABLE L-10

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of Levy		Collection Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	\$ 69,895,945	\$ 65,944,762	94.35%	\$ 2,590,568	\$ 68,535,330	98.05%
2014	71,097,454	68,498,702	96.34%	2,453,838	70,952,540	99.80%
2015	72,346,810	69,936,968	96.67%	2,232,497	72,169,465	99.75%
2016	72,904,302	70,412,533	96.58%	2,282,481	72,695,014	99.71%
2017	78,036,765	75,418,303	96.64%	2,393,254	77,811,557	99.71%
2018	80,838,856	78,268,821	96.82%	2,236,754	80,505,575	99.59%
2019	82,829,794	80,659,668	97.38%	1,765,855	82,425,523	99.51%
2020	86,987,371	84,183,950	96.78%	2,156,033	86,339,983	99.26%
2021	88,536,592	85,972,445	97.10%	1,674,591	87,647,036	99.00%
2022	92,828,052	90,433,613	97.42%	-	90,433,613	97.42%

Source:
 Financial Statements and Independent Auditors' Report
 Certified Totals from Hidalgo County Appraisal District
 2013-2022 Fiscal Year end 6/30

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

TABLE L-11

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2013	\$ 1.0400	\$ 0.1250	\$ 1.1650	\$ 61,456,546	\$ 7,386,594	\$ 68,843,140
2014	1.0400	0.1250	1.1650	63,476,318	7,629,354	71,105,672
2015	1.0400	0.1250	1.1650	63,287,180	7,606,621	70,893,801
2016	1.0400	0.1150	1.1550	65,702,091	7,265,127	72,967,218
2017	1.1550	0.0000	1.1550	78,984,670	-	78,984,670
2018	1.1550	0.0000	1.1550	79,980,500	-	79,980,500
2019	1.1550	0.0000	1.1550	83,161,525	-	83,161,525
2020	1.0586	0.0942	1.1528	80,304,199	7,145,897	87,450,096
2021	1.0450	0.0936	1.1386	81,122,319	7,266,055	88,388,374
2022	1.0486	0.0884	1.1370	83,454,404	7,035,401	90,489,805

Source:
 Financial Statements and Independent Auditors' Report
 Certified Tax Roll from Hidalgo County Tax Office
 Detail General Ledger Reports
 2013-2022 Fiscal Year End 6/30

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

TABLE L-12

Fiscal Year	Tax Year	Hidalgo County	South Texas ISD	District 1-4	McAllen ISD	STC	City of McAllen	Total Direct and Overlapping Tax Rate	Original Levy Total
2013	2012	\$ 0.5900	\$ 0.0492	\$ 0.1816	\$ 1.1650	\$ 0.1507	\$ 0.4313	\$ 2.5678	\$ 68,843,140
2014	2013	0.5900	0.0492	0.2039	1.1650	0.1500	0.4313	2.5894	71,105,672
2015	2014	0.5900	0.0492	0.2055	1.1650	0.1850	0.4763	2.6710	70,893,801
2016	2015	0.5900	0.0492	0.2069	1.1550	0.1850	0.4763	2.6624	72,967,218
2017	2016	0.5900	0.0492	0.2103	1.1550	0.1850	0.4763	2.6658	78,984,670
2018	2017	0.5800	0.0492	0.2046	1.1550	0.1850	0.4763	2.6501	79,980,500
2019	2018	0.5800	0.0492	0.2014	1.1550	0.1780	0.4792	2.6428	83,161,525
2020	2019	0.5750	0.0492	0.2109	1.1528	0.1733	0.4957	2.6569	87,450,096
2021	2020	0.5750	0.0492	0.2047	1.1386	0.1718	0.4956	2.6349	88,388,374
2022	2021	0.5750	0.0492	0.2249	1.1370	0.1715	0.4956	2.6532	90,489,805

Source:
 Financial Statements and Independent Auditors' Report
 Certified Tax Roll from Hidalgo County Tax Office
 Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)
 City of McAllen
 2013-2022 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
TAX YEAR 2021 AND 2012

TABLE L-13
Page 1 of 2

Taxpayer	Tax Year 2021 Assessed Valuation	Percentage Total Assessed Valuation
1 Simon Property Group-McAllen NO 2	\$ 155,336,606	1.90%
2 AEP Texas Inc-27th	65,239,530	0.79%
3 La Plaza Mall LLC	51,211,149	0.62%
4 Rio Grande Regional Hospital	50,238,704	0.61%
5 Universal Health Services	45,243,201	0.55%
6 Palm Crossing Town Center LLC	41,337,244	0.50%
7 Shops at 29 LTD	31,078,810	0.38%
8 H E Butt Grocery Company	25,258,057	0.31%
9 Wal-Mart Real Estate Business Trust	24,197,084	0.29%
10 McAllen Medical Center	24,080,983	0.29%
11 GE Engine Services-McAllen LP	24,021,334	0.29%
12 S P Plaza L C	22,314,195	0.27%
13 Coca-Cola Southwest Beverage LLC	21,207,516	0.26%
14 Weingarten Realty Investors	20,913,403	0.25%
15 Dillard Texas OPG LTD Prtnrshp	20,090,194	0.24%
16 Jim & Mary Kay Moffitt Family LTD	18,770,719	0.23%
17 Villa Regale at Nolana LLC	17,694,725	0.22%
18 Calmac Suites LTD	17,467,540	0.21%
19 Texas State Bank	17,200,000	0.21%
20 Sam's Real Estate Business Trust	17,075,676	0.21%
21 Palms Crossing II LLC	16,838,293	0.20%
22 DHR Real Estate Management LLC	16,535,911	0.20%
23 Macy's Mall Real Estate LLC	15,378,718	0.19%
24 Daimler Trucks of North America LLC	14,637,876	0.18%
25 Bam River Valley LP	14,172,045	0.17%
	\$ 787,539,513	9.57%

Source:
Certified Totals from Hidalgo County Appraisal District
Top Taxpayer 2021 & 2012

MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
TAX YEAR 2021 AND 2012

TABLE L-13
Page 2 of 2

Taxpayer	Tax Year 2012 Assessed Valuation	Percentage Total Assessed Valuation
1 Rio Grande Regional Hospital	\$ 56,157,088	0.93%
2 Universal Health Services	53,599,944	0.89%
3 Simon Property Group-McAllen No 2	51,503,892	0.85%
4 Palms Crossing Town Center LLC	40,248,350	0.67%
5 AEP Texas Central Co	24,350,230	0.40%
6 H E Butt Grocery Company	23,258,338	0.39%
7 Inland Western McAllen Trenton	20,014,530	0.33%
8 McAllen Medical Center	19,185,516	0.32%
9 Dillard Texas OPG LTD Prtnship	15,718,274	0.26%
10 Calmac Suites LTD	14,816,812	0.25%
11 Texas State Bank	14,076,045	0.23%
12 Macy's	13,458,897	0.22%
13 GE Engine Services-McAllen LP	13,375,090	0.22%
14 SP Plaza L C	13,188,465	0.22%
15 Palms Crossing II LLC	12,341,452	0.20%
16 Southwestern Bell Tele	12,137,040	0.20%
17 Macy's TX 1 LP	11,000,306	0.18%
18 Dillard's INC #727	10,922,584	0.18%
19 Wal-Mart Real Estate Business Trust	10,877,941	0.18%
20 Inter National Bank	10,633,096	0.18%
21 Amreit River Valley L.P.	10,338,760	0.17%
22 Walters Investments	10,101,347	0.17%
23 Oxy USA INC	9,514,490	0.16%
24 Coca-Cola Refreshments USA INC	9,322,590	0.15%
25 BREFOF Bnk Texas LP	9,219,512	0.15%
	\$ 489,360,589	8.11%

DEBT CAPACITY INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt		
	General Obligation Bonds	Premiums on Bonds	Accretion of Bonds	Maintenance Tax Notes	Premium on Tax Notes	Capital Leases
2013	\$ 98,320,000	\$ 12,559,841	\$ 12,054	\$ 17,386,000	\$ -	\$ 5,510,695
2014	91,720,000	11,737,743	106,511	17,326,000	-	2,166,188
2015	85,405,000	10,253,970	264,390	17,266,000	-	-
2016	79,565,000	8,931,581	-	17,201,000	-	7,426,715
2017	73,060,000	7,732,321	-	17,136,000	-	4,781,029
2018	66,320,000	6,621,147	-	17,071,000	-	2,119,791
2019	60,180,000	5,595,237	-	17,006,000	-	412,501
2020	55,860,000	4,641,536	-	40,951,000	4,691,259	3,752,504
2021	50,155,000	6,139,094	-	40,101,000	4,647,567	5,048,566
2022	45,220,000	5,719,850	-	39,196,000	4,568,129	435,340

Source:
Financial Statements and Independent Auditors' Report
Notes to Financial Statement (Note 12) Long Term Debt Obligations
TEA Budgeted Financial Data
2013-2022 Fiscal Year End 6/30

TABLE L-14

	<u>Total Debt</u>	<u>*Total Debt to Personal Income</u>	<u>**Total Debt to Per Capita</u>	<u>***Total Debt to Estimated Actual Taxable Value</u>	<u>****Total Debt to Average Daily Membership</u>
\$	133,788,590	0.71%	993	1.79%	5,391
	123,056,442	0.58%	900	1.60%	4,901
	113,189,360	0.51%	815	1.48%	4,603
	113,124,296	0.50%	802	1.39%	4,676
	102,709,350	0.41%	717	1.18%	4,333
	92,131,938	0.36%	634	1.04%	3,897
	83,193,738	0.31%	558	0.91%	3,649
	109,896,299	0.40%	728	1.13%	4,916
	106,091,227	N/A	710	1.07%	4,925
	95,139,319	N/A	640	0.93%	4,691

* Percentage of Personal Income calculated as follows:
Total Debt divided by Personal Income, Table L-20

**Total Debt to Per Capita calculated as follows:
Total Debt divided by Population, Table L-20

***Percentage of Estimated Actual Tax Value calculated as follows:
Total Debt divided by Estimated Actual Tax Value, Table L-17

****Total Debt to ADA calculated as follows:
Total Debt divided by Average Daily Membership, Table L-17

MCALLEN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

TABLE L-15

Political Subdivision	*Gross Debt Amounts	As of	Applicable to MISD	Overlapping Debt
DIRECT DEBT				
<i>McAllen ISD - Bonds</i>	\$ 50,939,850	6/30/2022	100.00%	\$ 50,939,850
<i>McAllen ISD - Capital Leases</i>	435,340	6/30/2022	100.00%	435,340
<i>McAllen ISD - Maintenance Tax Notes</i>	43,764,129	6/30/2022	100.00%	43,764,129
	<u>\$ 95,139,319</u>			<u>\$ 95,139,319</u>
OVERLAPPING DEBT				
<i>Edinburg, City Of</i>	\$ 108,870,000	6/30/2022	0.50%	\$ 544,350
<i>Hidalgo Co.</i>	380,945,000	6/30/2022	20.23%	77,065,174
<i>Hidalgo Co DD #1</i>	263,339,000	6/30/2022	21.06%	55,459,193
<i>McAllen, City Of</i>	96,040,000	6/30/2022	77.24%	74,181,296
<i>South Texas College</i>	120,909,693	6/30/2022	18.99%	22,960,751
<i>Total Net Overlapping Debt</i>				<u>230,210,764</u>
<i>Total Direct and Overlapping Debt:</i>				<u><u>\$ 325,350,083</u></u>

* Gross Debt Amounts include related premium.

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

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of the District. This process recognizes that, when considering the district's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas



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

	2013	2014	2015	2016
<i>Assessed Valuation</i>	\$ 6,033,745,927	\$ 6,218,879,252	\$ 6,192,959,091	\$ 6,437,876,627
<i>Debt Limit-10% of Assessed Valuation</i>	\$ 603,374,593	\$ 621,887,925	\$ 619,295,909	\$ 643,787,663
<i>General Obligation Bonds</i>	98,332,054	91,720,000	85,405,000	79,565,000
<i>Deduct Amount Available in Debt Services Fund</i>	(4,256,101)	(5,098,638)	(5,194,117)	(5,078,277)
<i>Net General Bonded Debt</i>	94,075,953	86,621,362	80,210,883	74,486,723
<i>Maintenance Tax Note</i>	16,210,865	17,326,000	17,266,000	17,201,000
<i>Loans Payable</i>	-	-	-	-
<i>Capital Leases</i>	5,510,695	2,166,188	-	7,426,715
<i>Less : Applicable Debt Margin</i>	115,797,513	106,113,550	97,476,883	99,114,438
<i>Legal Debt Margin</i>	\$ 487,577,080	\$ 515,774,375	\$ 521,819,026	\$ 544,673,225
<i>Debt Margin as a Percentage of the Debt Limit</i>	80.81%	82.94%	84.26%	84.60%

Source:

Financial Statements and Independent Auditors' Report
Notes to Financial Statements (Note 12) Long Term Obligations
Schedule of Revenues, Expenditures and Changes in Fund Balance Debt Service Fund (J-4) 2013-2020
Schedule of Revenues, Expenditures and Changes in Fund Balance Debt Service Fund (J-5) 2021-2022
Certified Totals from Hidalgo County Appraisal District
2013-2022 Fiscal Year End 6/30

TABLE L-16

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 6,977,731,212</u>	<u>\$ 7,065,804,368</u>	<u>\$ 7,336,882,611</u>	<u>\$ 7,747,732,008</u>	<u>\$ 7,964,158,964</u>	<u>\$ 8,227,795,767</u>
\$ 697,773,121	\$ 706,580,437	\$ 733,688,261	\$ 774,773,201	\$ 796,415,896	\$ 822,779,577
73,060,000	66,320,000	60,180,000	55,860,000	50,155,000	45,220,000
<u>(4,905,627)</u>	<u>(2,646,444)</u>	<u>(1,740,717)</u>	<u>(2,046,425)</u>	<u>(2,639,059)</u>	<u>(3,328,221)</u>
68,154,373	63,673,556	58,439,283	53,813,575	47,515,941	41,891,779
17,136,000	17,071,000	17,006,000	40,951,000	40,101,000	39,196,000
-	-	-	-	-	-
<u>4,781,029</u>	<u>2,119,791</u>	<u>412,501</u>	<u>3,752,504</u>	<u>5,048,566</u>	<u>435,340</u>
<u>90,071,402</u>	<u>82,864,347</u>	<u>75,857,784</u>	<u>98,517,079</u>	<u>92,665,507</u>	<u>81,523,119</u>
<u>\$ 607,701,719</u>	<u>\$ 623,716,090</u>	<u>\$ 657,830,477</u>	<u>\$ 676,256,122</u>	<u>\$ 703,750,389</u>	<u>\$ 741,256,458</u>
87.09%	88.27%	89.66%	87.28%	88.36%	90.09%

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

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Bonds</u>	<u>Premium on Bonds</u>	<u>Accretions of Bonds</u>
2013	24,815	\$ 7,477,059,920	\$ 98,320,000	\$ 12,559,841	\$ 12,054
2014	25,108	7,705,489,474	91,720,000	11,737,743	106,511
2015	24,590	7,637,882,649	85,405,000	10,253,970	264,390
2016	24,195	8,132,711,592	79,565,000	8,931,581	-
2017	23,703	8,727,081,408	73,060,000	7,732,321	-
2018	23,640	8,854,674,967	66,320,000	6,621,147	-
2019	22,802	9,180,201,564	60,180,000	5,595,237	-
2020	22,354	9,694,370,520	55,860,000	4,641,536	-
2021	21,540	9,941,472,224	50,155,000	6,139,094	-
2022	20,282	10,277,383,845	45,220,000	5,719,850	-

Source:
 Financial Statements and Independent Auditors' Report
 Notes to Financial Statements (Note 12) Long Term Obligations
 Certified Totals from the Hidalgo County Appraisal District
 TEA Budgeted Financial Data
 2013-2022 Fiscal Year End 6/30

TABLE L-17

<u>Less: Amount Available in Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt to Estimated Actual Taxable Value</u>	<u>General Obligation Bonds Per Average Daily Membership</u>
\$ 4,256,101	\$ 106,635,794	1.43%	3,962
5,098,638	98,465,616	1.28%	3,653
5,194,117	90,729,243	1.19%	3,473
5,078,277	83,418,304	1.03%	3,288
4,905,627	75,886,694	0.87%	3,082
2,464,444	70,476,703	0.80%	2,805
1,740,717	64,034,520	0.70%	2,639
2,046,425	58,455,111	0.60%	2,499
2,639,059	53,655,035	0.54%	2,328
3,328,221	47,611,629	0.46%	2,230

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

TABLE L-18

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest*</u>	<u>Annual Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Annual Debt Service to Total General Fund Expenditures</u>
2013	\$ 5,265,000	\$ 5,093,488	\$ 10,358,488	\$ 201,238,259	5.15%
2014	6,600,000	3,133,117	9,733,117	206,900,987	4.70%
2015	6,315,000	3,865,050	10,180,050	211,403,126	4.82%
2016	6,295,000	3,567,150	9,862,150	225,493,796	4.37%
2017	6,505,000	3,397,250	9,902,250	229,999,689	4.31%
2018	6,740,000	3,148,200	9,888,200	224,047,540	4.41%
2019	6,140,000	2,849,900	8,989,900	221,835,182	4.05%
2020	4,320,000	2,584,500	6,904,500	240,233,604	2.87%
2021	4,955,000	1,946,583	6,901,583	240,909,414	2.86%
2022	4,935,000	1,865,900	6,800,900	204,599,057	3.32%

Note: *excludes other fees

Source:

Financial Statements and Independent Auditors' Report
 Debt Fund Budgetary Comparison Schedule (Exhibit J-4) 2013-2016
 Schedule of Revenues,Expenditures and Changes in Fund Balance Debt Service Fund (J-4) 2017-2020
 Schedule of Revenues,Expenditures and Changes in Fund Balance Debt Service Fund (J-5) 2021-2022
 General Fund Budgetary Comparison Schedule (Exhibit G-1) 2013-2016
 Schedule of Revenues, Expenditures and Changes in Fund Balance General Fund (G-1) 2017-2022
 2013-2022 Fiscal Year End 6/30

DEMOGRAPHIC AND ECONOMIC INFORMATION



MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
2022 AND 2013

TABLE L-19
Page 1 of 2

Employer	2022		Percentage of Total City Employment
	Employees	Rank	
<i>McAllen Independent School District</i>	3,348	1	23.77%
<i>South Texas College</i>	2,321	2	16.48%
<i>City of McAllen</i>	2,043	3	14.50%
<i>McAllen Medical Center</i>	1,200	4	8.52%
<i>Rio Grande Regional Hospital</i>	1,150	5	8.16%
<i>HEB</i>	1,000	6	7.10%
<i>Motorola</i>	900	7	6.39%
<i>Spectrum</i>	875	8	6.21%
<i>Teletech</i>	650	9	4.61%
<i>Wal-Mart</i>	600	10	4.26%
<i>Total Top Ten Employers</i>	<u>14,087</u>		<u>100.00%</u>

Source:
Workforce Solutions
TSDS PEIMS Report (PDM1-110-004)
McAllen ISD CAFR Fiscal Year 2013

TABLE L-19
Page 2 of 2

Employer	2013		Percentage of Total City Employment
	Employees	Rank	
<i>McAllen Independent School District</i>	4,024	1	25.56%
<i>Doctor's Hospital @ Renaissance</i>	3,200	2	20.32%
<i>South Texas College</i>	2,163	3	13.74%
<i>McAllen Medical Center</i>	2,000	4	12.70%
<i>City Of McAllen</i>	1,800	5	11.43%
<i>Rio Grande Regional Hospital</i>	1,100	6	6.99%
<i>International Bank of Commerce</i>	405	7	2.57%
<i>Valley Coca-Cola</i>	380	8	2.41%
<i>Wal-Mart</i>	355	9	2.25%
<i>Wal-Mart</i>	320	10	2.03%
Total Top Ten	15,747		100.00%

MCALLEN INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

TABLE L-20

Fiscal Year	Population	*Personal Income	*Per Capita Personal Income	Unemployment Rate	Average Daily Attendance	Percentage Economically Disadvantaged Students
2013	134,697	\$ 18,827,748,000	\$ 23,073	11.10%	23,130	55.6%
2014	136,748	21,209,449,000	25,521	9.10%	23,302	67.2%
2015	138,967	22,322,643,000	26,502	7.30%	22,770	72.2%
2016	141,020	22,640,177,000	26,640	7.50%	22,400	72.9%
2017	143,205	24,922,000,000	28,957	7.90%	22,177	72.2%
2018	145,425	25,777,800,000	29,769	6.70%	21,825	71.1%
2019	149,161	26,598,950,000	30,619	5.90%	21,161	71.2%
2020	150,884	27,264,698,000	31,153	12.00%	20,645	71.8%
2021	149,447	N/A	N/A	10.50%	20,311	73.5%
2022	148,750	N/A	N/A	7.50%	18,697	73.8%

Source:

PEIMS Edit + Report (PRF7D001) 2013-2016

TSDS PEIMS Report (PDM3-130-001), (PDM3-130-005) 2017-2022

FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance

FY 2022 includes TEA Operational Minutes Adjustment to the PEIMS Report data

City of McAllen

McAllen Chamber of Commerce

2013-2022 Fiscal Year End 6/30

* MSA statistics (McAllen-Mission-Edinburg)



OPERATING INFORMATION

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

<u>Classification</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Number of Employees</i>				
<i>Teachers</i>	1,603	1,632	1,648	1,608
<i>Professional Support</i>	371	395	400	398
<i>Campus Administration</i>	86	97	95	101
<i>Central Administration</i>	34	30	33	31
<i>Educational Aides</i>	312	334	375	378
<i>Auxiliary Staff</i>	<u>891</u>	<u>928</u>	<u>868</u>	<u>906</u>
<i>Total Employees</i>	<u>3,297</u>	<u>3,416</u>	<u>3,419</u>	<u>3,422</u>
Percent of Total				
<i>Teachers</i>	48.62%	47.78%	48.20%	47.01%
<i>Professional Support</i>	11.26%	11.56%	11.71%	11.63%
<i>Campus Administration</i>	2.61%	2.83%	2.78%	2.94%
<i>Central Administration</i>	1.03%	0.88%	0.95%	0.89%
<i>Educational Aides</i>	9.46%	9.78%	10.97%	11.05%
<i>Auxiliary Staff</i>	<u>27.02%</u>	<u>27.17%</u>	<u>25.39%</u>	<u>26.48%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source:
 PEIMS Edit + Reports (PRF4D004) 2013-2016
 TSDS PEIMS Report (PDM1-110-004) 2017-2022
 2013-2022 Fiscal Year End 6/30

TABLE L-21

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1,614	1,608	1,564	1,567	1,548	1,503
381	376	344	373	391	429
89	88	86	80	77	79
32	34	31	34	37	34
366	367	354	389	383	408
<u>900</u>	<u>912</u>	<u>886</u>	<u>881</u>	<u>899</u>	<u>895</u>
<u>3,382</u>	<u>3,385</u>	<u>3,265</u>	<u>3,324</u>	<u>3,335</u>	<u>3,348</u>
47.72%	47.50%	47.90%	47.15%	46.42%	44.89%
11.27%	11.10%	10.54%	11.22%	11.72%	12.81%
2.63%	2.60%	2.63%	2.41%	2.31%	2.36%
0.95%	1.00%	0.95%	1.02%	1.11%	1.02%
10.82%	10.84%	10.84%	11.70%	11.48%	12.19%
<u>26.61%</u>	<u>26.96%</u>	<u>27.14%</u>	<u>26.50%</u>	<u>26.96%</u>	<u>26.73%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION
LAST TEN YEARS

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
2013	\$ 41,500	\$ 53,544	\$ 43,500	\$ 55,544	Non Applicable	
2014	43,049	53,359	45,049	55,358	Non Applicable	
2015	44,001	53,344	46,001	55,344	Non Applicable	
2016	45,000	53,600	47,000	55,600	Non Applicable	
2017	45,800	55,150	47,800	57,150	Non Applicable	
2018	46,849	56,569	48,849	58,569	Non Applicable	
2019	47,750	57,620	49,750	59,620	Non Applicable	
2020	49,100	59,420	51,100	61,420	Non Applicable	
2021	49,800	61,970	51,800	63,970	Non Applicable	
2022	51,000	61,730	53,000	63,730	Non Applicable	

Source:
 District's Human Resource Department
 PEIMS Edit + Reports Data Review (PRF4D004) 2013-2016
 TSDS PEIMS Report (PDM1-110-004) 2017-2022
 2013-2022 Fiscal Year End 6/30

TABLE L-22

<u>Average Teacher Salary</u>	<u>Average Years of Experience</u>	<u>Bachelor's Education</u>	<u>Master's Education</u>
\$ 48,999	12.7	79.2%	20.0%
49,659	12.2	80.6%	18.7%
49,702	11.8	80.6%	18.6%
50,574	11.9	80.4%	18.9%
51,620	12.2	79.1%	20.1%
52,641	12.4	78.5%	20.7%
53,846	13.1	77.3%	21.7%
56,797	13.2	77.1%	21.9%
57,203	13.7	76.6%	22.6%
58,269	13.4	78.3%	20.7%

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

TABLE L-23

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Average Daily Membership</u>	<u>Percent of Attendance</u>
2013	23,130	24,815	93.21%
2014	23,302	25,108	92.81%
2015	22,770	24,590	92.60%
2016	22,400	24,195	92.58%
2017	22,177	23,703	93.56%
2018	21,824	23,640	92.32%
2019	21,161	22,802	92.80%
2020	20,645	22,354	92.35%
2021	20,311	21,540	94.29%
2022	18,697	20,282	92.19%

Source:

PEIMS Edit + Reports Data Review (PRF7D001) 2013-2016

TSDS PEIMS Report (PDM3-130-001) 2017-2022

FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance

FY 2022 includes TEA Operational Minutes Adjustment to the PEIMS Report data

TEA Budgeted Financial Data

2013-2022 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN YEARS

TABLE L-24

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures*	Cost Per Pupil	Per Pupil Change	Governmental Operating Expenditures*	Cost Per Pupil	Per Pupil Change
2013	23,130	\$ 190,920,245	\$ 8,254	10.96%	\$ 224,223,437	\$ 9,694	7.98%
2014	23,302	197,500,641	8,476	2.69%	225,074,541	9,659	-0.36%
2015	22,770	201,751,931	8,860	4.53%	231,506,068	10,167	5.26%
2016	22,400	216,572,617	9,668	9.12%	246,382,631	10,999	8.18%
2017	22,177	219,354,756	9,891	2.32%	245,060,880	11,050	0.46%
2018	21,825	218,193,562	9,997	1.07%	242,430,464	11,108	0.52%
2019	21,161	215,622,716	10,190	1.93%	239,567,571	11,321	1.92%
2020	20,645	230,097,546	11,145	9.37%	265,901,867	12,880	13.77%
2021	20,311	235,398,374	11,590	3.99%	265,294,620	13,062	1.41%
2022	18,697	193,708,146	10,360	-10.61%	295,148,362	15,786	20.86%

*General Fund and Governmental Operating Expenditures less Debt Service and Capital Projects (Function 70 and 80)

Source:

Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2013-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2022
PEIMS Edit + Reports Data Review (PRF7D001) 2013-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2022
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
FY 2022 includes TEA Operational Minutes Adjustment to the PEIMS Report data
2013-2022 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION
LAST TEN YEARS

TABLE L-25

<u>Fiscal Year</u>	<u>Teacher/ Student Ratio</u>	<u>Percentage of Free and Reduced Lunch</u>	<u>Number of Economically Disadvantaged Students</u>	<u>Percentage of Economically Disadvantaged Students</u>
2013	15.6	65.2%	13,859	55.6%
2014	15.5	65.2%	16,937	67.2%
2015	15.0	82.1%	17,822	72.2%
2016	15.1	82.1%	17,729	72.9%
2017	14.8	82.1%	17,193	72.2%
2018	14.8	82.1%	16,862	71.1%
2019	14.6	82.5%	16,286	71.2%
2020	14.3	87.1%	16,105	71.8%
2021	14.0	89.1%	15,886	73.5%
2022	13.6	90.2%	15,060	73.8%

Source:
 Academic Excellence Indicator System (AEIS) 2013-2016
 TSDS PEIMS Reports (PDM1-110-004), (PDM1-120-009) 2017-2022
 Child Nutrition Program
 2013-2022 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDINGS AND PORTABLES
LAST TEN YEARS

TABLE L-26

	Estimated Square Footage	Building Capacity	Portable Square Footage	Portable Capacity
<u>High Schools</u>				
<i>McAllen High School</i>	296,062	2,200	14,328	420
<i>Memorial High School</i>	302,587	2,200	7,680	300
<i>James "Nikki" Rowe High School</i>	328,938	2,300	4,608	180
<i>Achieve Early College High School at Abraham Lincoln</i>	92,776	900	1,536	60
Sub-Total	1,020,363	7,600	28,152	960
<u>Middle Schools</u>				
<i>Dorothea Brown Middle School</i>	97,074	900	4,800	180
<i>Dr. Rodney D. Cathey Middle School</i>	118,082	1,000	4,608	180
<i>Alonzo De Leon Middle School</i>	151,302	1,500	1,536	60
<i>Michael E. Fossum Middle School</i>	119,893	900	1,536	60
<i>Homer J. Morris Middle School</i>	96,292	900	9,984	360
<i>William B. Travis Middle School</i>	116,050	1,000	-	-
Sub-Total	698,693	6,200	22,464	840
<u>Elementary Schools</u>				
<i>Francisco Alvarez Elementary</i>	54,305	500	-	-
<i>James Bonham Elementary-closed May 31, 2021</i>	47,118	430	-	-
<i>Dr. Carlos Castaneda Elementary</i>	64,579	600	-	-
<i>Jose De Escandon Elementary</i>	60,904	500	4,608	180
<i>Victor Fields Elementary</i>	70,899	600	-	-
<i>Reynaldo G. Garza Elementary</i>	67,154	600	-	-
<i>Leonel H. Gonzalez Elementary</i>	56,809	500	12,480	510
<i>Lucile McKee Hendricks Elementary</i>	65,815	600	-	-
<i>Sam Houston Elementary</i>	55,432	500	1,536	60
<i>Andrew Jackson Elementary</i>	73,882	700	-	-
<i>Christa McAuliffe Elementary</i>	65,174	600	-	-
<i>Ben Milam Elementary</i>	65,819	600	8,640	300
<i>Jose Antonio Navarro Elementary-closed May 31, 2018</i>	47,194	400	1,536	60
<i>Dr. Pablo Perez Elementary</i>	66,000	600	-	-
<i>Sam Rayburn Elementary</i>	64,220	600	-	-
<i>Theodore Roosevelt Elementary</i>	72,009	650	-	-
<i>Blanca E. Sanchez Elementary</i>	66,000	600	-	-
<i>Juan Seguin Elementary</i>	70,748	600	-	-
<i>Thigpen-Zavala Elementary</i>	70,899	600	3,072	120
<i>Woodrow Wilson Elementary</i>	52,882	500	1,536	60
Sub-Total	1,257,842	11,280	33,408	1,290
<u>Other</u>				
<i>Instruction & Guidance Center</i>	15,841	200	5,568	210
<i>Lamar Academy</i>	82,712	700	12,480	270
Sub-Total	98,553	900	18,048	480
Total	3,075,451	25,980	102,072	3,570

Source:
 McAllen ISD Facilities M & O Department



SINGLE AUDIT SECTION



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

To the Board of Trustees
McAllen Independent School District

Report on the Audit of the Financial Statements

Opinions

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 the McAllen Independent School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

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

Purpose of This Report

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

Budton, McCumber, & Longoria LLP

McAllen, Texas
November 14, 2022

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

To the Board of Trustees
McAllen Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the McAllen Independent School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors Responsibilities for the Audit of Compliance

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

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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



McAllen, Texas
November 14, 2022

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal Control over financial reporting:

•Material weakness(es) identified? _____ yes X no

•Significant deficiencies identified that are not considered to be material weaknesses? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal awards

Internal control over major programs:

•Material weakness(es) identified? _____ yes X no

•Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.425D/84.425U	Education Stabilization Fund
84.010A	Title I Grants to Local Education Agencies
32.009	Emergency Connectivity Fund Program
84.027A	Special Education Cluster
84.173A/84.173X	Special Education Grants to States Special Education Preschool Grants
84.367A	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualifies as a low-risk auditee? X yes _____ no

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference Number 2022-001

Internal Controls over Cash

Criteria:	Internal controls should be suitably designed to prevent and/or detect errors to ensure cash general ledger balances are fairly stated.
Condition Found:	<p>The District’s bank reconciliations for the month ended June 30, 2022 were not completed until September through October 2022. As a best practice, bank reconciliations should be completed no later than 30 days after the end of each month.</p> <p>Additionally, we noted a wire disbursement of approximately \$1.8 million made in July 2022 was backdated and posted to the general ledger as of June 2022. The bank reconciliation preparation and review process failed to detect this error.</p>
Context:	Condition noted was identified as part of our review of bank reconciliations.
Effect:	Assets and liabilities in the general fund were understated by approximately \$1.8 million.
Cause:	The wire disbursement was incorrectly backdated to June because it pertained to expenditures incurred for that month.
Recommendation:	We recommend the District implement processes and procedures and provide training to staff to ensure cash transactions are posted to the general ledger as of the date the transactions occur (no backdating transactions). We also recommend the District strengthen internal controls over the bank reconciliation process to require bank reconciliation be completed no later than 30 days after the end of each month. Training should be provided to staff involved in the bank reconciliation process, including preparers and reviewers, to assist in being able to detect and correct errors timely.
Repeat Finding from Prior Year(s):	N/A
Views of Responsible Officials:	See management’s corrective action plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE.



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2022**

Findings Related to the Financial Statements

2022-001 Internal Controls over Cash

Recommendation- We recommend the District implement processes and procedures and provide training to staff to ensure cash transactions are posted to the general ledger as of the date the transactions occur (no backdating transactions). We also recommend the District strengthen internal controls over the bank reconciliation process to require bank reconciliation be completed no later than 30 days after the end of each month. Training should be provided to staff involved in the bank reconciliation process, including preparers and reviewers, to assist in being able to detect and correct errors timely.

Corrective Action Plan- We will make sure cash transactions are posted to the general ledger as of the date the transaction occurred. We will also prepare and review monthly bank reconciliations timely so that any variances and/or discrepancies can be addressed in a timely manner. We have and will continue to provide thorough training to staff who prepare and review bank reconciliations.

Proposed Completion Date- February 2023

Contact Person- Dyanira Diaz, Director of Accounting



MCALLEN ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1) FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal ALN	(3) Pass-Through Entity Identifying Number	(4) Funds Provided to Subrecipients	(5) Federal Expenditures
FEDERAL COMMUNICATIONS COMMISSION				
<u>Direct Programs</u>				
COVID-19 Emergency Connectivity Fund Program	32.009	N/A	\$ -	\$ 6,679,289
Total ALN 32.009			-	6,679,289
Total Direct Programs			-	6,679,289
TOTAL FEDERAL COMMUNICATIONS COMMISSION			\$ -	\$ 6,679,289
U.S. DEPARTMENT OF DEFENSE				
<u>Direct Programs</u>				
Junior Reserve Officer Training Corps	12.U01	108-906	\$ -	\$ 200,689
Total ALN Number 12.U01			-	200,689
Total Direct Programs			-	200,689
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ -	\$ 200,689
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>Passed Through City of McAllen</u>				
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-48-0506	\$ -	\$ 56,807
Total ALN Number 14.218			-	56,807
Total CDBG- Entitlement Grants Cluster			-	56,807
Total Passed Through City of McAllen			-	56,807
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ -	\$ 56,807
U.S. DEPARTMENT OF JUSTICE				
<u>Direct Programs</u>				
STOP School Violence	16.839	2019-YS-BX-0082	\$ -	\$ 95,116
STOP School Violence	16.839	2019-YS-BX-0102	-	60,538
Total ALN Number 16.839			-	155,654
Equitable Sharing Program	16.922	TX1082600	-	4,885
Total ALN Number 16.922			-	4,885
Total Direct Programs			-	160,539
TOTAL U.S. DEPARTMENT OF JUSTICE			\$ -	\$ 160,539
U.S. DEPARTMENT OF EDUCATION				
<u>Passed Through State Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010A	20610101108906	\$ -	\$ 458,650
Title I Grants to Local Educational Agencies	84.010A	21610101108906	-	296,288
Title I Grants to Local Educational Agencies	84.010A	22610101108906	-	10,431,935
Total ALN Number 84.010A			-	11,186,873
Migrant Education State Grant Program	84.011A	20615001108906	-	52,941
Migrant Education State Grant Program	84.011A	21615001108906	-	141,386
Migrant Education State Grant Program	84.011A	22615001108906	-	453,383
Total ALN Number 84.011A			-	647,710
Special Education Cluster (IDEA)				
*Special Education Grants to States	84.027A	206600011089066600	-	28,253
*Special Education Grants to States	84.027A	216600011089066600	-	88,431
*Special Education Grants to States	84.027A	226600011089066600	-	4,001,241
*Special Education Grants to States	84.027A	225350011089065350	-	360,293
*Special Education Grants to States	84.027A	206600011089066673	-	36,287
*Special Education Grants to States	84.027A	216600011089066673	-	4,266
*Special Education Grants to States	84.027A	226600011089066673	-	174,762
Total ALN Number 84.027A			-	4,693,533
*Special Education Preschool Grants	84.173A	216610011089066610	-	753
*Special Education Preschool Grants	84.173A	226610011089066610	-	52,476
Total ALN Number 84.173A			-	53,229
*Special Education Preschool Grants	84.173X	225360011089065360	-	37,956
Total ALN Number 84.173X			-	37,956
Total Special Education Cluster (IDEA)			-	4,784,718
Special Education Grants for Infants and Families	84.181A	223911011089063911	-	1,470
Total ALN Number 84.181A			-	1,470
Career and Technical Education Basic Grants to States	84.048A	21420006108906	-	19,786
Career and Technical Education Basic Grants to States	84.048A	22420006108906	-	343,375
Total ALN Number 84.048A			-	363,161

MCALLEN ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT K-1
(Continued)

(1) FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal ALN	(3) Pass-Through Entity Identifying Number	(4) Funds Provided to Subrecipients	(5) Federal Expenditures
English Language Acquisition State Grants	84.365A	20671001108906	-	48,326
English Language Acquisition State Grants	84.365A	21671001108906	-	87,440
English Language Acquisition State Grants	84.365A	22671001108906	-	707,598
Total ALN Number 84.365A			-	843,364
Supporting Effective Instruction State Grants	84.367A	20694501108906	-	185,177
Supporting Effective Instruction State Grants	84.367A	21694501108906	-	20,014
Supporting Effective Instruction State Grants	84.367A	22694501108906	-	1,373,769
Total ALN Number 84.367A			-	1,578,960
Grants for State Assessments and Related Activities	84.369A	69551902	-	1,372
Grants for State Assessments and Related Activities	84.369A	69552002	-	19,217
Total ALN Number 84.369A			-	20,589
School Improvement Grants	84.377A	17610740108906	-	186
Total ALN Number 84.377A			-	186
Student Support and Academic Enrichment Program	84.424A	20680101108906	-	139,773
Student Support and Academic Enrichment Program	84.424A	21680101108906	-	8,649
Student Support and Academic Enrichment Program	84.424A	22680101108906	-	683,932
Total ALN Number 84.424A			-	832,354
COVID-19 Education Stabilization Fund	84.425D	20521001108906	-	142,658
COVID-19 Education Stabilization Fund	84.425D	21521001108906	-	40,190,746
Total ALN Number 84.425D			-	40,333,404
COVID-19 Education Stabilization Fund	84.425U	21528001108906	-	28,906,903
COVID-19 Education Stabilization Fund	84.425U	21528042108906	-	27,422
Total ALN Number 84.425U			-	28,934,325
Total Passed Through State Department of Education			-	89,527,114
<u>Passed Through Region One Education Service Center</u>				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180024-20	-	16,953
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180024-20	-	88,227
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A210014	-	122,562
Total ALN Number 84.334A			-	227,742
Teacher and School Leader Incentive Grants	84.374A	U374A160002-20	-	108,723
Teacher and School Leader Incentive Grants	84.374A	U374A160002-21	-	71,125
Total ALN Number 84.374A			-	179,848
Total Passed Through Region One Education Service Center			-	407,590
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ -	\$ 89,934,704
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed Through Texas Health and Human Services Commission</u>				
Medicaid Cluster				
*Medical Assistance Program	93.778	529-07-0157-00075	\$ -	\$ 4,889
Total ALN Number 93.778			-	4,889
Total Medical Assistance Cluster			-	4,889
Total Passed Through Texas Health and Human Services Commission			-	4,889
<u>Passed Through Region One Education Service Center</u>				
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Health Crisis Response	93.354	HHS001101500001	-	2,591
Total ALN Number 93.354			-	2,591
Total Passed Through Region One Education Service Center			-	2,591
<u>Passed Through State Department of Education</u>				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	02748273	-	832,301
Total ALN Number 93.323			-	832,301
Total Passed Through State Department of Education			-	832,301
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ -	\$ 839,781

MCALLEN ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT K-1
(Concluded)

FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal ALN	Pass-Through Entity Identifying Number	Funds Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<u>Passed Through State Department of Education</u>				
Child Nutrition Cluster				
*School Breakfast Program	10.553	00568	\$ -	\$ 6,556,634
Total ALN Number 10.553			-	6,556,634
*National School Lunch Program - Non-Cash Assistance	10.555	00568	-	1,106,641
*National School Lunch Program - Cash Assistance	10.555	00568	-	13,454,043
Total ALN Number 10.555			-	14,560,684
Total Passed Through State Department of Education			-	21,117,318
<u>Passed Through State Department of Agriculture</u>				
*Fresh Fruit and Vegetable Program	10.582	00568	-	128,105
Total ALN Number 10.582			-	128,105
Total Child Nutrition Cluster			-	21,245,423
Child and Adult Care Food Program	10.558	00568	-	1,344,124
Total ALN Number 10.558			-	1,344,124
Total Passed Through Texas Department of Agriculture			-	1,472,229
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ -	\$ 22,589,547
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 120,461,356

*Clustered Programs

MCALLEN ISD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of McAllen Independent School District. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate:

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

Sub-recipients:

During the year ended June 30, 2022, the District had no sub -recipients.

Federal Loans and Loan Guarantees:

During the year ended June 30, 2022, the District had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended June 30, 2022, the District had no federally funded insurance.

Noncash awards:

During the year ended June 30, 2022, the District received \$1,106,641 as non-cash assistance under the National School Lunch Program.

Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-3:

Total Federal Award Expended	\$	120,461,356
Medicaid		1,618,192
QSCN 2011/2012		732,230
SHARS PY		1,032,625
MAC & Summer LEP		59,248
E-Rate		339,880
Equitable Sharing Program		-4,880
Exhibit C-3	\$	124,238,651