

**EL PASO INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EL PASO, TEXAS

**PREPARED BY
FINANCIAL SERVICES DEPARTMENT**

EL PASO INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

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**INTRODUCTORY SECTION
(UNAUDITED)**



EL PASO INDEPENDENT SCHOOL DISTRICT

Financial Services

1100 N. Stanton St.
El Paso, TX 79902
Phone (915) 230-2136
www.episd.org

November 6, 2023

Members of the Board of Trustees and Citizens of El Paso Independent School District:

The Texas Education Code requires that school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. 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 the *Government Auditing Standards* issued by the Comptroller General of the United States. Pursuant to this requirement, we hereby issue the Annual Comprehensive Financial Report of the El Paso Independent School District (the District) for the fiscal year ending June 30, 2023.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. District management has established relevant financial policies to provide a reasonable basis for making these representations. These policies include a comprehensive internal control framework designed to protect its assets from loss, theft, or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information to prepare the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive internal controls framework has been designed to provide reasonable assurance rather than an absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Gibson Ruddock Patterson, LLC, audited the District's financial statements. They are a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the District's financial statements for the fiscal year ending June 30, 2023, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

For financial reporting purposes, the El Paso Independent School District Administrative Public Facility Corporation (Public Facility Corporation) is included as a blended component unit in the operations and activities of the District. The criteria used to include the Public Facility Corporation as a blended component unit of the District are: the District appoints a voting majority of the Public Facility Corporation's governing body, the District can impose its will on the Public Facility Corporation, and the Public Facility Corporation serves the District exclusively as a financing vehicle for capital projects. The Public Facility Corporation's data is reported as a capital projects fund and is included in the other funds column of the governmental funds' financial statements.

The District is required to undergo an annual "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements (with particular emphasis on internal controls and legal requirements for the administration of federal awards). The results of the District's single audit for the fiscal year ending June 30, 2023, complied with all material respects of the requirements referred to above that could have a direct and material effect on each of its major federal programs and did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. These reports are available in the Reports on Compliance, Internal Control, and Federal Awards Section of this report.



Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the basic financial statements. The District's MD&A can be found immediately following the independent auditors' report.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the appropriated annual budget approved by the Board of Trustees. Every school district in Texas is required by law to prepare and file a budget with the Texas Education Agency. Governmental funds with annual budgets approved by the Board include activities of the General Fund, Child Nutrition Fund (special revenue), and Debt Service Fund. Budgets for Special Revenue funds (other than the Child Nutrition Fund) and Capital Projects funds are prepared on a project basis and based on grant regulations or applicable bond ordinances. Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at the functional category level within each fund. These functional categories are defined by the Texas Education Agency and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances outstanding at year-end are generally re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Background Information

The El Paso Independent School District (EPISD) was organized in 1883 and is a Texas Certified District of Innovation. EPISD occupies 214 square miles in the western part of Texas in El Paso County and serves a student population of approximately 49,000 on 76 campuses. EPISD is the 70th largest District in the United States, the 17th largest District in Texas, and the largest school district in the El Paso County area. The District is one of the largest civilian employers in El Paso, with approximately 8,000 employees. The District is continuously seeing a decline in student enrollment. It has a projected enrollment of 48,974 for the 2023-2024 school year. The 2022-2023 general fund adopted budget was \$526,769,361. EPISD is authorized to levy a tax on taxable property within its boundaries.

EPISD is not only a large district but also one rich in history. EPISD celebrated its 140th anniversary in 2023. In late 1882, a newspaper headline read: "\$700 has been subscribed by the citizens of El Paso in lands, money, and all material to erect a public school." So, the mission began. An election took place for a board, selecting Oscar T. Bassett as the first president, with Mayor Joseph Magoffin overseeing the new school board.

In the fall of 1883, the first public school in El Paso was officially opened. With 200 students housed in an old wooden structure. The principal, John Merrill, received \$150 monthly and used his furniture to furnish the school. Only one teacher was hired, Anna Moore, and she received \$75 a month. Calvin Esterly, the first superintendent, knew that more needed to be done. He signed a contract to have a new, large schoolhouse built that would be for all the students of El Paso.

In 1884, the building was constructed on the corner of Myrtle and Campbell streets and was called Central School. In 1893 it became home to the first public kindergarten class in Texas. In 1885, the first high school was established, and it was on the second floor of the building. The subjects deemed critical at that time included mathematics, grammar, and, at the top of the list, penmanship.



District Snapshot

The El Paso Independent School District is the pioneer of public education in the Paso del Norte region. With a history that spans more than 140 years, El Paso ISD recognizes its position as the springboard for generations of students to realize their dreams. We acknowledge the need to continue to assess our existing programs to bring innovation, empowerment, and inspiration so our students thrive socially, emotionally, and academically. We are El Paso's district!

Our organization's theory of action is anchored on our core values, mission, and vision. In partnership with our families and community we seek to uphold the highest standards to provide inclusive and fair learning experiences that support the whole child. We will accomplish this theory of action through whole child development, delivery of instructional excellence, fostering a transparent culture of excellence, and intentional equity design to thereby make EPISD a destination district.

Demographics

Hispanic	86%
White	9%
Black/African American	3%
Economically Disadvantaged	67%
Special Needs	11%
Bilingual	23%



49K
STUDENTS



8K
EMPLOYEES

	2022-23	Proposed 2023-24
High Schools	10	10
Middle Schools	10	9
Elementary Schools	43	42
PreK-8	5	6
Specialty Schools	4	4
(Magnet, Career & Technology)		
Alternative Schools	4	4
TOTAL	76	75

EPISD has 43 elementary schools, 10 middle schools, 10 traditional high schools, and 5 PreK – 8 schools. Specialty campuses include a Medical Magnet High School, an Early College High School, a Career & Technical Center, a College Career and Technology Academy, a PreK-8 Early Childhood Development Center, and a Young Women's STEAM Research & Preparatory Academy. Other campuses include a recovery program for students at risk of dropping out, an adult education school for GED and citizenship classes, and several magnet programs.



El Paso High School is the oldest operating high school in El Paso and is part of the El Paso Independent School District. "The Lady on the Hill," as El Paso High School is nicknamed, sits on a mountainside at the foot of the Franklin Mountains overlooking the central portion of the city and its boundary with Ciudad Juárez, Mexico. It stands out prominently on the horizon, commanding a view of the city. Designed by the architectural firm of Trost & Trost, the Greco-Roman features of El Paso High School make it a unique landmark in town.

Historic Jefferson High School, shown on the right, was replaced with a new 3-story classroom building as part of the 2016 Bond Program. The scope of services included a new weight room, softball field, and renovations to the Auxiliary Gym. Construction is scheduled for completion in September 2023. In addition, a new baseball stadium was constructed at Washington Park as an EPISD-City of El Paso collaboration to be used by the Jefferson baseball team.



Today, EPISD courses and programs are facilitated through a curriculum that aligns with state standards. EPISD leverages a strong foundation and continuous improvement processes to ensure daily quality learning in every classroom. EPISD offers a variety of academic programs that not only address the needs of all learners but also prepares them for many post-secondary experiences. The diverse programs like law, engineering, medical magnets, dual language, International Baccalaureate, and New Tech are a few of the opportunities students in EPISD have access to.

Governing Body

The Board of Trustees (Board) consists of seven members who serve, without compensation, a four-year term in office. On a rotating basis, three or four places are filled during the annual elections held on the first Saturday of May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the area of the District they represent.

Regular meetings are usually scheduled on the third Tuesday of each month and are held on the second floor of the El Paso ISD Administration Building located at 1014 North Stanton Street. Special meetings and various committee meetings are scheduled as needed and announced in compliance with the Texas Open Meetings Act.

The Board has final control over local school matters limited only by the state legislature, the courts, and the people's will as expressed in school board elections. Board decisions are based on a majority vote of the quorum present.

In general, the Board adopts policies, sets the direction for the curriculum, employs the Superintendent, and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations, including calling trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.



Board of Trustees

The seven-member El Paso ISD Board of Trustees helps guide the El Paso Independent School District toward excellence. As the District's elected leaders, the Trustees represent the community's high expectations in the creation of high-quality, fiscally-sound educational programs and services that will help El Paso ISD prepare El Paso's children for a successful future.



Israel Irrobal
Dist. 5
President



Daniel E. Call
Dist. 7
Vice President



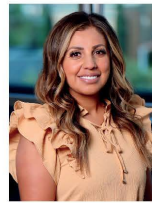
Isabel Hernandez
Dist. 4
Secretary



Dr. Josh Acevedo
Dist. 3
Trustee



Alex Cuellar
Dist. 2
Trustee



Valerie Ganelon Beals
Dist. 6
Trustee



Leah Hanany
Dist. 1
Trustee

The Board solicits and evaluates community input and support concerning actual policies. The Board is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation of EPISD's financial planning and control. The budget is prepared by fund and function. Campus and department heads may transfer resources as they see fit. Transfers between functions require the approval of a majority of the members of the Board.

The financial statements are best understood when considered from the perspective of the District's environment.

Economic Conditions and Outlook

The city of El Paso sits astride the Franklin Mountains on the westernmost tip of the state of Texas. To the south and west, across the Rio Grande river, is Ciudad Juarez, the largest city in the Mexican state of Chihuahua. Together with the city of Las Cruces to the north, in New Mexico, the cities combine to form what is known as the Paso Del Norte metropolitan area. The region of over 2.7 million people constitutes the largest bilingual and binational workforce in the Western Hemisphere.

Marathon Petroleum Corporation, the largest petroleum refiner in the United States, operates a large refinery three miles east of downtown El Paso. The refinery was formerly the headquarters of Western Refining and was purchased by Marathon Petroleum Corporation in September 2018. El Paso is also home to two other publicly traded companies and the Medical Center of the Americas, the only medical research and care provider complex in West Texas and southern New Mexico. In July of 2020, Amazon announced plans to open a fulfillment center in El Paso. Operations began in November of 2021; the center handles the processing of packages and sends them to Amazon Delivery facilities nationwide. The 2.6 million square foot facility, located on the city's far east side, is now the largest industrial building, by square footage, in El Paso.

The University of Texas at El Paso is the city's primary university and home to the UTEP Miners. Established in 1914, it is the second oldest academic component of the University of Texas System. The city hosts the annual Sun Bowl college football post-season game, the second oldest bowl game in the country.

El Paso has a strong federal and military presence. William Beaumont Army Medical Center, Biggs Army Airfield, and Fort Bliss call the city home. Fort Bliss is one of the largest military complexes of the United States Army and the most extensive training area in the United States. Also headquartered in El Paso are the Drug Enforcement Administration (DEA) domestic field division 7, El Paso Intelligence Center, Joint Task Force North, US Border Patrol El Paso Sector, regional office for the Federal Bureau of Investigations, and US Border Patrol Special Operations Group (SOG).

In 2023, El Paso was ranked as the 4th safest large city in the US. The city was ranked first for four consecutive years and has ranked in the top five since 1997. In 2010 and 2018, El Paso received an All-America City Award. As of June 30, 2023, the population estimate for the city from the most recent US Census data was 677,433, making it the 6th largest city in Texas and the 22nd largest city in the United States. Its US metropolitan area covers all of El Paso and Hudspeth counties in Texas and has a population of 867,947.

El Paso's diversified economy focuses primarily on international trade, military, government civil service, oil and gas, health care, tourism, and service sectors. The city has become a significant location for American-based call centers. Call center operations employ more than 10,000 people in the area. Automatic Data Processing (ADP) has an office in West El Paso, employing about 1,100 people. Cotton, fruit, vegetables, and livestock are produced locally or in surrounding areas. El Paso has added a significant manufacturing sector with items and goods, including petroleum, metals, medical devices, plastics, machinery, defense-related products, and automotive parts. The city is the US's second busiest international crossing point, behind San Diego, California.

Education is also a driving force in El Paso's economy. El Paso's three large school districts are among the largest employers in the area, employing more than 20,000 people. Unemployment in El Paso reached a high of 14.9% in 2019-2020 due to the effects of the Global COVID-19 Pandemic that hit the United States in March of 2020. As of June 30, 2023, unemployment has decreased to 4.5%; this indicates the city's population is returning to work and recovering from the pandemic's economic impact.

The District is one of many entities nationwide facing the economic impacts of this global pandemic. This pandemic has caused much disruption throughout our nation, state, and District. We have faced this crisis head-on, recognizing that we may be negatively impacted economically and financially. The level of impact is still uncertain. However, the District maintains strong internal budgetary controls and a sound fund balance, allowing the District to mitigate the negative financial impacts yet to come.

Major Initiatives

El Paso ISD has undertaken a process to identify strategic priorities. This has spurred the district to carefully evaluate its inherent strengths and how they can be leveraged to meet the community we serve. Our organization's theory of action is anchored on our core values, mission, and vision. In partnership with our families and community, we seek to uphold the highest standards to provide inclusive and fair learning experiences that support the whole child. We will accomplish this theory of action through whole child development, delivery of instructional excellence, fostering a transparent culture of excellence, and intentional equity design to thereby make EPISD a destination district. Armed with these strategic levers and with an unwavering commitment, the district has established a road map to work toward the hopes and dreams of our students and families.

Vision

INSPIRE and EMPOWER learners to THRIVE.

Mission

In partnership with our families and community, we will uphold the highest standards to provide inclusive and fair learning experiences that support the whole child.

Strategic Blueprint



The district has established five strategic levers: Whole Child Development, Academic Excellence, Destination District, Culture of Accountability, and Equity by Design. There are additional focus areas that will yield the most impactful gains for the school system, called essential actions, associated with each lever.

These strategic priorities are key to laying out the work of EPISD. Budget and financial planning is performed to ensure that resources are aligned with these strategic priorities.

Bond Program

On November 8, 2016, the taxpayers of EPISD passed a historic \$668.7 million bond proposal aimed at modernizing and right sizing the District. The bond proposal passage resulted from a two-year assessment of facilities that began with a study of campuses. The study included a thorough review of needs from the Facilities Advisory Committee -- a group of 80 community members that vetted the information on facilities' needs and ultimately voted to recommend the bond election. Over 1/3 of EPISD's school building portfolio is more than 45 years old, and another 1/3 is between 25 and 45 years old. Many of EPISD's schools were constructed quickly during the post-war baby boom era. Due to their current age, they are exhibiting rapid deterioration. EPISD has done an excellent job maintaining these buildings with limited resources. Significant capital investment is required to maintain safe, cool, comfortable school operations in facilities of this age profile. The underlying costs of maintaining and renovating the older EPISD buildings were included in the assessment results.

The 2016 Bond Program has helped EPISD create 21st Century Learning Environments throughout the District to facilitate modern, future-ready teaching and learning techniques of a District of Innovation. Crockett Elementary School was the 1st major renovation completed for the 2016 Bond Programs and the first to feature 21st century learning classrooms. Renovations were completed while keeping the historic character of the school, and the original stained glass and auditorium flooring are still proudly on display. The 2016 Bond has also consolidated schools into modern facilities to create a more sustainable inventory of campuses in EPISD. Other focus areas for the 2016 Bond included investments in athletic facilities, school buses, instructional technology, and safety and security measures.

Other projects completed in fiscal year 2023 include General Douglas MacArthur PK-8, El Paso High School, Austin High School, Andress High School, and Coach Archie Duran Elementary. All these campuses feature 21st-century learning environments that will help our students be better prepared for future endeavors. Additionally, the construction of a fine arts wing was completed at El Paso High School, and both Austin and Andress high schools now have a Performing Arts Center on their campuses.

The Board has committed to completing all 2016 Bond projects by the end of the fiscal year 2023-2024. The projects are reviewed by a 20-member Citizens Bond Advisory Committee that meets frequently on behalf of the public to guarantee transparency and accountability. The public also has an unprecedented overview of the 2016 Bond's progress through interactive tools on the EPISD website that will show individual projects' status during construction.

While the 2016 Bond continued to be a critical event for the District, student academic progress and initiatives were a top priority. Programs and activities were focused on student progress, initiatives, and plans for specific interventions based on data.

Long-term Financial Planning and Relevant Financial Policies

The District's Facilities Department continued work on the 2016 Bond Program, which began with the successful \$668,695,577 bond election in November 2016. The District issued approximately \$200,000,000 in January 2017 and approximately \$250,000,000 in January 2019. The District issued the remaining amount of the bond balance, \$218,695,577, in 2020.

On October 11, 2018, the El Paso Independent School District Administrative Public Facility Corporation issued the \$16,385,000 Lease Revenue Bonds, Series 2018. The bonds were used to construct a new administration building at 1014 N. Stanton, El Paso, Texas. The existing building at 1100 N. Stanton was refurbished with the proceeds from Qualified School Construction Maintenance Tax Notes issued in 2017. The buildings were completed in early 2021, and all EPISD Administration was successfully moved in by May 2021.

In fiscal year 2022, the District received \$8,570,966 in capital proceeds to provide financing for installing energy upgrades under a guaranteed energy performance contract (EPC). The EPC program will update District schools not covered in the 2016 Bond Program.

Fitch and Moody's affirmed the District's bond ratings at "AAA" rating. This long-term rating reflects the guarantee provided by the Texas Permanent School Fund.

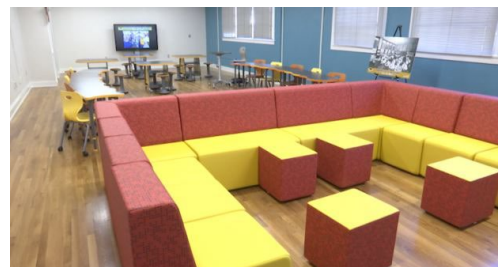
Treasury Management

The Board adopts a formal investment policy that guides investments made on behalf of the District. The Treasury Office processes property value self-reports and audit reports with the State Comptroller's Property Tax Assistance Division. These reports offset property value losses in residential and commercial values due to value protests and lawsuits. The comptroller's office sends the reduction in property values to TEA. The result is an increase in State funding in the following fiscal year. The Treasury Office updates and posts the required annual Debt Transparency Report on the District's website.

District investment earnings totaled \$13.1 million in 2022-23. Interest earnings increased significantly from the prior year due to higher interest rates. Capital Projects, investment earnings increased from \$398 thousand to \$3 million. General Fund investment earnings investments increased from \$464 thousand to \$7.3 million.

Budget Controls

As budgets play an essential role in the planning, control, and evaluation of the District's operations, the Budget & External Financial Management Office is the link between initiative design and the financial plan used by the District to achieve its goals and objectives. On an annual basis, the Budget & External Financial Management Office sets goals based on improving processes to streamline its operations. The Budget & External Financial Management Office adheres to legal and contractual requirements for developing the budget and presents it to the Board of Trustees at an annual meeting. The Budget & External Financial Management Office allocates resources to EPISD's prioritized needs developed during a review process.





Financial Management

The Financial Services Department is critical in the District's current and long-term financial management strategy. Our mission is to promote financial transparency, accountability, and academic excellence. We achieve this by meticulously establishing and adhering to precise and punctual payment guidelines for our dedicated staff and valued vendors. Through our commitment to financial integrity, we aim to create a robust foundation that supports the district's educational mission, fostering an environment where academic success is achievable and continually enhanced. The Financial Services Department is also responsible for maintaining an effective system of internal controls; recognizing revenue and expenditures in the appropriate accounting period; utilizing modified and full accrual accounting methods in accordance with Generally Accepted Accounting Principles (GAAP); establishing and maintaining a capital asset accounting system; maintaining accountability for federal, state, and local grants; adhering to the standards for financial accounting and reporting; informing the Superintendent, Board, and Taxpayers of the financial condition of the school district; and managing the external audit process.

Overall, the Financial Services Department continues to strive to implement processes and systems that will allow the District to achieve long-term financial planning strategies as it delivers 21st century academic strategies at all its campuses and departments.

Awards and Acknowledgements

A significant accomplishment was preparing, completing, and issuing the Annual Comprehensive Financial Report (ACFR). For the sixth consecutive year, the District applied for an ACFR review and proudly received two prestigious recognitions, the Certificate of Achievement for Excellence in Financial Reporting Program through the Government Finance Officers Association (GFOA) and the Association of School Business Officials (ASBO). Users of the financial statements will have access to a high-quality report promoting better transparency to taxpayers and other stakeholders. Credit rating agencies and other interested parties may view the award as a significant factor in decision-making.

EPISD earned a "Superior Achievement" rating from the Texas Education Agency on the 2023 Financial Integrity Rating System of Texas (FIRST), which relates to data for the fiscal year 2021-2022. EPISD has received the highest "Superior Achievement" rating for 20 years. The FIRST rating is designed to measure the financial solvency of Texas school districts.

For three consecutive terms, EPISD has received the Government Treasurer's Organization of Texas (GTOT) Certificate of Distinction for its commitment to maintaining a comprehensive written investment policy that meets the criteria set forth in the GTOT Investment Policy Review Checklist.

The Budget and External Financial Management Department has been awarded the ASBO Meritorious Budget Award, for the past two years.

Many of EPISD's school finance and operations professionals have completed the certification program offered by TASBO and have received the highest certification of Registered Texas School Business Administrator (RTSBA).

Academic Highlights

The Texas Education Agency (TEA) implemented a new accountability rating system in the 2018 academic year. TEA's overall design of the accountability system evaluates performance according to three domains: Student Achievement, which assesses performance across all subjects for all students; School Progress, which measures district and campus outcomes in academic growth from one year to another; and Closing the Gaps, which measures the performance of subgroups. Districts received an accountability letter grade of A, B, C, D, or F, while campuses were assigned the Met Standard, Improvement Required, Met Alternative Standard, or Not Rated labels.

All Texas school districts and campuses were labeled *Not Rated: Declared State of Disaster* for 2020 and 2021. The 2019 accountability rating reports were applied to the 2022 fiscal year. In January of 2023, TEA proposed updates and growth cuts to appropriately account for the impact of COVID-19 in evaluating baseline data. As a result of the changes and other feedback gathered from the community, the issuance of the 2023 ratings has been delayed. The scores were unavailable at the time of this publication and, therefore, are not included.

Summary

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department. We want to express our sincere appreciation to all other District administrative staff who assisted and contributed to this report's preparation. We would also like to thank the Board of Trustees for their interest and support in the District's financial operations. Finally, we would like to thank the residents of the District for their support of our public schools and the principals, teachers, support staff, and administration who provide the excellent standard of educational services for which the District has become known.

Respectfully submitted,

Martha Aguirre

Martha Aguirre
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**El Paso Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

El Paso Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

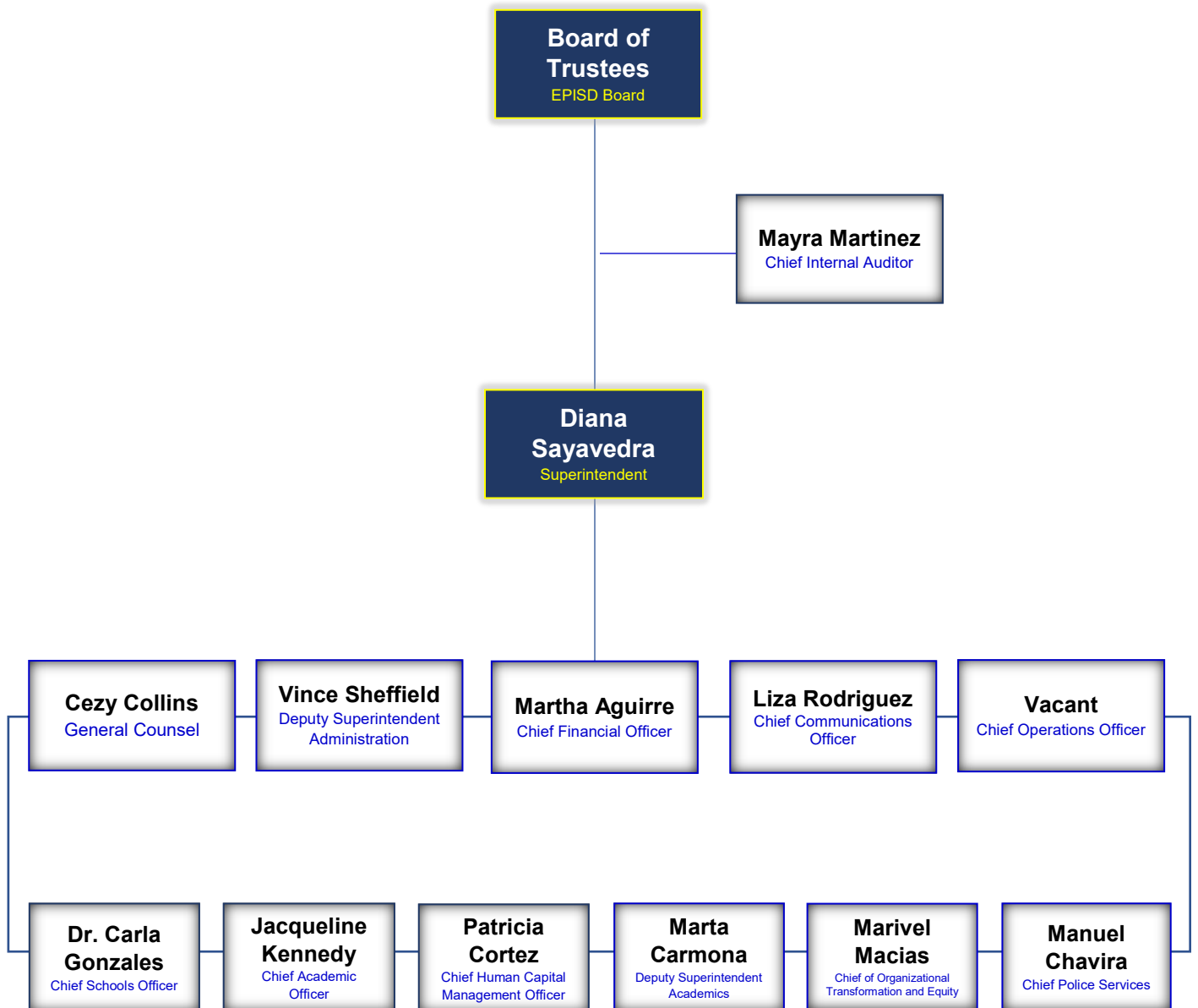
**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**



El Paso Independent School District 2022-2023 Organizational Chart



EL PASO INDEPENDENT SCHOOL DISTRICT

PRINCIPAL OFFICIALS

BOARD OF TRUSTEES

Israel Irrobali
President

Valerie Ganelon Beals
Vice-President

Isabel Hernandez
Secretary

Dr. Joshua Acevedo
Member

Daniel Call
Member

Leah Hanany
Member

Alex Cuellar
Member

ADMINISTRATION

Diana Sayavedra
Superintendent

CERTIFICATE OF BOARD

El Paso Independent School District
Name of School District

El Paso County
County

071902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial and compliance reports of the above named school district were reviewed and _____ approved _____ disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 7th day of November 2023.

Signature of Board Secretary

Signature of Board President

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
El Paso Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Paso Independent School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the El Paso Independent School 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, each major fund, and the aggregate remaining fund information of El Paso Independent School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the El Paso Independent School 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 I to the financial statements, in 2023, El Paso Independent School District adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 El Paso Independent School 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 El Paso Independent School 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, budgetary comparison, and pension and other post employment benefits information on pages 25 through 41 and 123 through 136 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 El Paso Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, required TEA schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 6, 2023, on our consideration of the El Paso Independent School 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 El Paso Independent School 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 El Paso Independent School District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Gibson Ruddock Patterson" followed by three cursive "c"s.

Gibson Ruddock Patterson, LLC
El Paso, Texas
November 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the **El Paso Independent School District's** (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the basic financial statements, which follow this section.

The Management's Discussion and Analysis is a combination of both government-wide financial statements and fund financial statements.

FINANCIAL HIGHLIGHTS

The District's change in net position from normal operations was an increase of \$48.5 million. The total net position of the District increased from \$46.4 million in fiscal year 2022 to \$94.9 million at year-end 2023. Of this total amount, the unrestricted net position increased by \$8.8 million from a deficit of \$(258.7) million to a deficit of \$(249.9) million. Total revenues increased by \$31.9 million from \$695.0 million in fiscal year 2022 to \$726.9 million in fiscal year 2023. Total expenses increased \$41.9 million from \$636.5 million to \$678.4 million in fiscal year 2023.

The District's governmental fund financial statements reported a combined ending fund balance in fiscal year 2023 of \$282.7 million. The combined ending fund balance of the District decreased \$35.3 million from \$318.0 million in fiscal year 2022. Of this total amount, \$1.7 million is Non-spendable, \$143.4 million is Restricted, \$9.6 million is Assigned, and \$128.0 million is Unassigned in the General Fund and is available for spending at the District's discretion.

On November 8, 2016, the voters approved a bond proposal totaling \$668.7 million. Bond funds are being utilized for consolidations and modernizing existing school facilities. The fund balance for the 2016 Bond Projects is \$42.2 million, with expenditures of \$42.4 million for the year ended June 30, 2023. The District's website features a dashboard showing the progress of all projects. The Board of Trustees committed that all 2016 Bond projects be completed by 2024.

During Fiscal Year 2023 the following bond projects were completed;

- El Paso ISD opened the doors to two new PreK-8th grade campuses, Charles Q. Murphree and Bobby Joe Hill.
- The District also opened a new Middle School campus CPT. Gabriel L. Navarrete.
- Thomas Jefferson High School's renovations included the addition of a new three-story academic and administration building. This building includes 52 classrooms, a new library, and administrative offices. Renovations also included a new softball field and a student and faculty parking lot.
- EPISD also initiated technology upgrades to the various bond campuses to include outdoor wireless enhancement, broadband fiber refresh which improves data speed and interactive flat panels along with mini-PCs for all classrooms.
- As part of the Campus Safety & Security initiative for the 2016 Bond, the Technology Department installed interior and exterior surveillance cameras and provided access control for all bond campuses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A-1. The figure shows how the required parts of this annual report are arranged and related to one another.

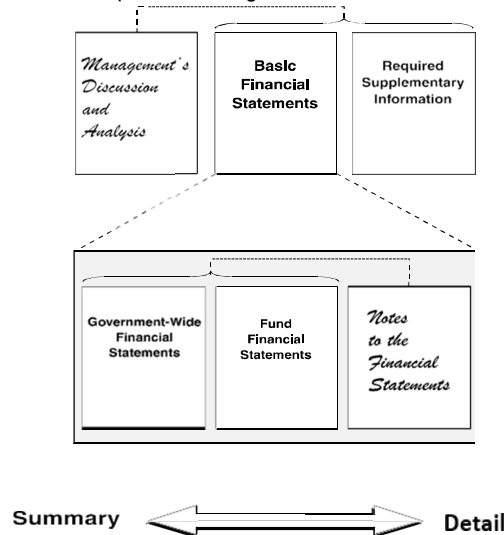


Figure A-2 below summarizes the major features of the District's financial statements and the types of information they contain.

Type of Statement	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District's Governmental Funds (excludes fiduciary)	Activities of the District related to Governmental funds	Instances in which the District is the trustee or agent for someone else's resources
Required Financial Statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, & Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position Statement of Changes in Fiduciary Fund Net Position
Accounting Basis & Measurement Focus	Accrual accounting & Economic Resources	Modified Accrual accounting & current Financial Resources focus	Accrual accounting & Economic Resources focus
Type of Asset/Liability Information	All assets & liabilities both financial & capital, short-term & long-term	Short Term assets & liabilities expected to be used within the year; no capital assets	Short Term assets & liabilities expected to be used within the year; No capital assets
Type of Inflow/Outflow Information	All revenues & expenses for the fiscal year, regardless of the cash transaction timing	All revenues & expenses for the fiscal year, with cash transaction happening in the fiscal year	Custodial funds do not report revenue and expenditures

Government-Wide Financial Statements

All of the District's services are reported in the government-wide financial statements (refer to Exhibits A-1 and B-1), including instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction, and food services. Property taxes, state and federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported on these statements.

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

The District's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The statement of activities details how the District's net position has changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused sick leave, pension, and other post-employment benefits).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities), as opposed to business-type activities that are intended to recover all, or a significant portion, of their costs through user fees and charges.

Fund Financial Statements

The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide additional 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 fund restrictions are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, or show that it is properly using certain grants.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for, essentially, the same functions reported as governmental activities in the government-wide financial statements. Most of the District's activities are included in governmental funds using modified accrual accounting. The focus is on 1) how cash and other financial assets can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available. However, unlike the government-wide financial statements, governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Proprietary funds are used to account for operations financed similar to those found in the private sector. These funds provide both long and short-term financial information. The District maintains a type of proprietary fund called an Internal Service Fund. The District uses Internal Service Funds to account for its Workers' Compensation, Health Insurance Fund, Print Shop programs, Right-to-Use Leases, and Subscription Based IT Arrangements. These funds employ the full accrual method.

Fiduciary funds are used to account for resources held by the District in a custodial capacity. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Fund Net Position. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The fiduciary fund statements provide information about the financial relationships in which the District acts solely as a custodian or agent for funds that belong to others.

Notes to the Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements and the government-wide statements. Immediately following the required supplementary information are the combining statements for the non-major funds, the internal service funds, the fiduciary funds, required TEA schedules, and statistical schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, the net position may serve, over time, as a useful indicator of the District's financial position. The District's total net position was approximately \$94.9 million for the year ended June 30, 2023. The District's governmental activities net position increased by \$48.5 million.

Table I
El Paso Independent School District
Statement of Net Position
(in millions of dollars)

<u>Governmental Activities</u>	2023	2022	Variance	% Change
Current and other assets	\$ 418.0	\$ 443.4	\$ (25.4)	(5.7%)
Capital Assets	1,238.6	1,194.7	43.9	3.7%
Non-Current Assets	18.1	18.3	(0.2)	(1.1%)
Total Assets	1,674.7	1,656.4	\$18.3	1.1%
Deferred Charge for Refunding	14.4	15.9	(1.5)	(9.4%)
Deferred Outflow Related to TRS Pension	66.2	39.4	26.8	68.0%
Deferred Outflow Related to TRS OPEB	23.7	27.9	(4.2)	(15.1%)
Total Deferred Outflows of Resources	104.3	83.2	21.1	25.4%
Current Liabilities	158.7	150.0	8.7	5.8%
Non-Current Liabilities	1,321.2	1,305.2	16.0	1.2%
Total Liabilities	1,479.9	1,455.2	24.7	1.7%
Deferred Inflow Gain on Refunding	1.6	1.8	(0.2)	(11.1%)
Deferred Inflow Related to TRS Pension	22.8	94.6	(71.8)	(75.9%)
Deferred Inflow Related to TRS OPEB	179.8	141.6	38.2	27.0%
Total Deferred Inflows of Resources	204.2	238.0	(33.8)	(14.2%)
Net Position:				
Net Investment in Capital Assets	282.6	258.5	24.1	9.3%
Restricted	62.2	46.6	15.6	33.5%
Unrestricted	(249.9)	(258.7)	8.8	(3.4%)
Total Net Position	\$ 94.9	\$ 46.4	\$ 48.5	104.5%

Investment in capital assets (e.g., land, buildings, furniture, and equipment), less any related debt used to acquire those assets that are still outstanding is \$282.6 million. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position of \$62.2 million represents resources subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position may be used to meet the District's ongoing obligations. During fiscal year 2023, the unrestricted net position of the District resulted in a negative amount of (\$249.9) million that is primarily attributed to the effects of recording the District's portion of TRS liability.

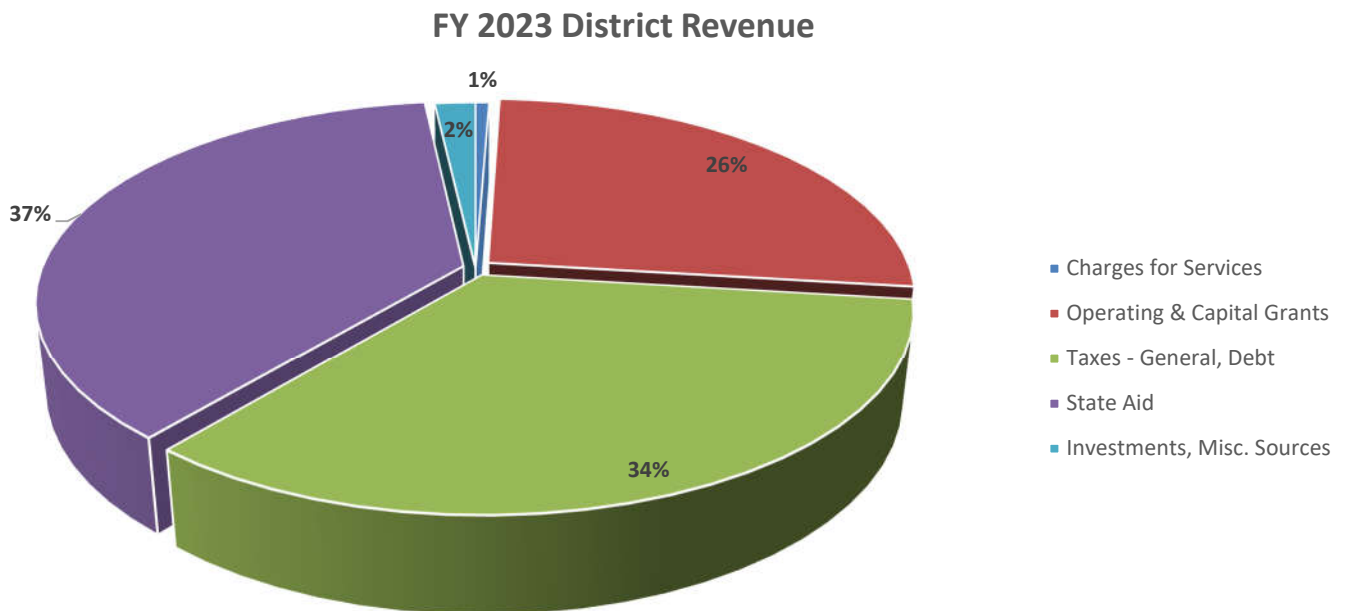
Statement of Activities

Revenues

The District's total revenues were \$726.9 million. A significant portion, approximately 37%, of the District's revenue comes from state aid-formula grants. Operating and capital grants and contributions provided 26% of revenue, 34% comes from property taxes, 2% relates to investment income, the remaining 1% is charges for services, local miscellaneous sources, and property sales.

Funding for governmental activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental activities:

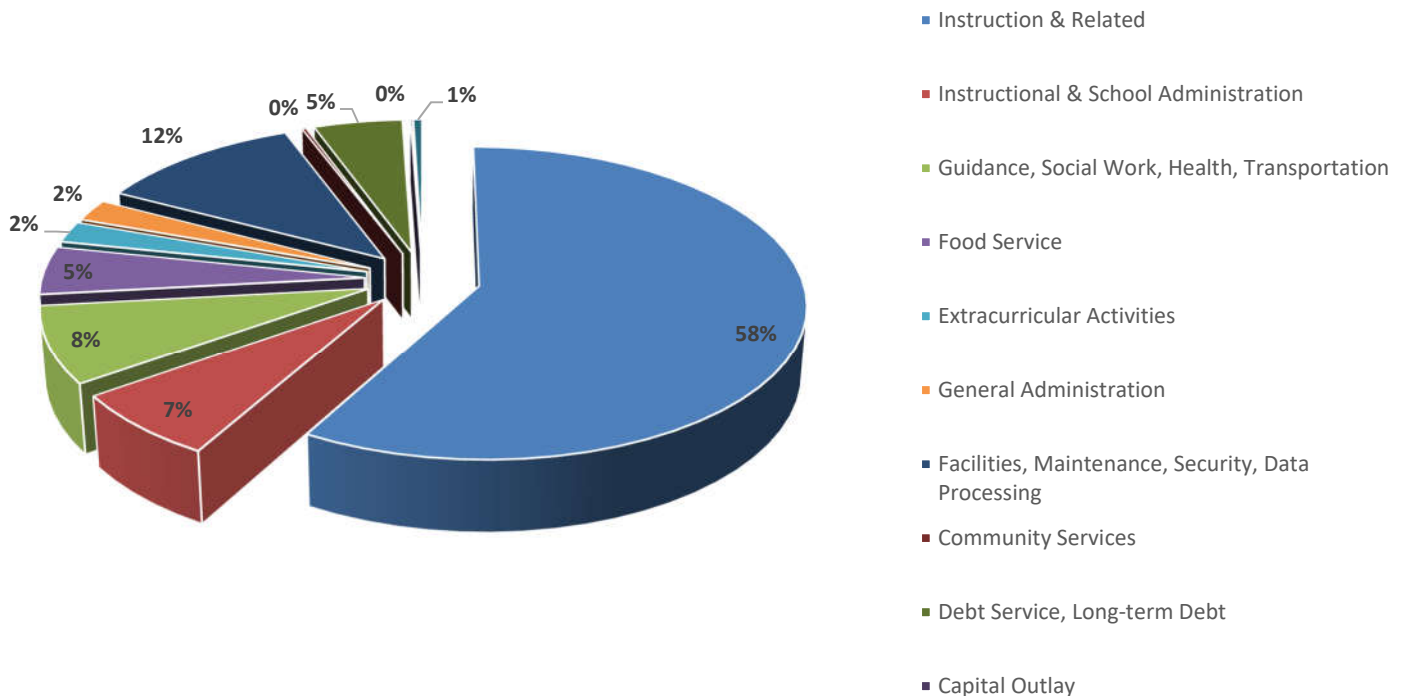
- The cost of all *governmental activities* this year was \$678.4 million.
- Program revenues directly attributable to specific activities funded some of the governmental activities. These program revenues amounted to \$195.3 million.
- The remaining cost of governmental activities, not directly funded by program revenues, was \$483.1 million of which \$247.5 million was funded by property taxes, and \$269.2 million was funded by state aid not restricted to specific programs.



Expenses

The District's total expenses were \$678.4 million. The largest portion, \$395.2 million or approximately 58%, was spent on instruction and instructional-related services. Meanwhile, 7% of expenses were for instructional leadership and school administration, 8% for guidance, social work, health and transportation, 12% for facilities, maintenance, security and data processing, while only 2% was related to general administration.

FY 2023 District Expenses



Changes in Net Position

The change in net position totaled \$48.5 million, with an ending balance of \$94.9 million for the fiscal year 2023. The District's net position includes: net investments in capital assets and right-to-use lease and SBITA assets, restrictions for federal and state programs, campus activities, debt service, and other purposes. The following activities impacted the total net position of the District:

- Property tax revenue increased by \$8.9 million in General Purposes, and increased by \$5.3 million in Debt Service, for a net increase of \$14.2 million. The increase was due to a 8.3% increase in property values. There was a decrease in the total tax rate of 4 cents. The 4^{1/2} cent decrease in the M&O rate was part of House Bill 3 (HB3) tax compression. The ½ a cent increase in the I&S rate was due to increased debt requirements.
- Charges for Services increased by \$1.1 million primarily attributed to the reinstatements of fees for school meals and the resumption of the provision of free and reduced-price meals contingent upon student eligibility. During the COVID-19 pandemic, Congressional measures temporarily authorized schools to serve free meals to all students, but this funding ended in the previous fiscal year.
- State Aid-Formula Grants decreased by \$18.7 million due to lower State Foundation funding. The decrease was due to lower average daily attendance (ADA) and less funding due to increased property values. The passage of House Bill 3 (HB3) in 2019 increased the school funding basic allotment from \$5,651 to \$6,160. It also provided increased funding for Compensatory Education, Special Education,

Bilingual Education, and Career & Technology Education. There were also new state allotments for Early Education and College, Career, & Military Readiness.

- During the fiscal year, the District incurred a net expense increase of \$41.9 million. Notably, there was a \$24.6 million rise in Operating Grants and Contributions, along with a \$1.1 million increase in Charges for Services. Among the various expense categories, Instruction and Instructional related expenses experienced the most significant increase, totaling \$27.7 million. Food Services followed with a \$4.3 million increase, and Guidance, Social Work, Health, and Transportation Services collectively experienced a \$4.2 million rise.
- It is important to highlight that during fiscal year 2023, the District remained in the process of recovery from the global pandemic's effects of COVID-19. Additionally, the District filled numerous position vacancies throughout its operations, contributing to the overall expense increase. Another key factor in the expense growth was the adjustment in the Health Savings Contribution, which rose from \$300 to \$1,000 per eligible employee.
- Throughout fiscal year 2023, the District continued to receive funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and the American Rescue Plan (ARP). These funds were prudently allocated to ensure the uninterrupted delivery of essential services. Notably, allocations were made to cover COVID-19 healthcare expenses, amounting to \$3.3 million, procure essential technology equipment to support student learning, totaling \$15.5 million, invest in HVAC upgrades, which accounted for \$7.8 million, and disburse two employee retention stipends, collectively valued at approximately \$18.4 million. These stipends were issued at \$1,000 in the fall and \$1,500 in the spring, designed to mitigate the economic challenges arising from the inflationary effects brought about by the COVID-19 pandemic.
- Operating grants and contributions demonstrated a significant rise of \$24.6 million when compared to the preceding year. This considerable increase can be attributed to several key factors. These factors include the ongoing funding received through the Elementary and Secondary School Emergency Relief Grant Program (ESSER), which led to a net increase in expenses of \$19.2 million as compared to the prior year. Additionally, the successful filling of personnel vacancies and strategic investments in small-dollar equipment, aimed at enhancing the Child Nutrition Program across the district, played vital roles in this increase.

Table II
El Paso Independent School District
Statement of Activities
(in millions of dollars)

Governmental Activities

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Revenues				
<u>Program Revenues</u>				
Charges for Services	\$ 4.4	\$ 3.3	\$ 1.1	33.3%
Operating Grants and Contributions	190.9	166.3	24.6	14.8%
Capital Grants and Contributions	-	1.0	(1.0)	(100.0%)
Sub-Total	195.3	170.6	24.7	14.5%
<u>General Revenues</u>				
Property Taxes	247.7	233.5	14.2	6.1%
State Aid-Formula Grants	269.2	287.9	(18.7)	(6.5%)
Investment Earnings	12.1	1.4	10.7	764.3%
Miscellaneous	1.1	1.6	(0.5)	(31.3%)
Special Item	1.5	-	1.5	0.0%
Sub-Total	531.6	524.4	7.2	1.4%
Total Revenues	726.9	695.0	31.9	4.6%
Expenses				
Instruction and Instructional Related	395.2	367.5	27.7	7.5%
Instructional Leadership/School Administration	47.2	45.8	1.4	3.1%
Guidance, Social Work, Health, Transportation	54.7	50.5	4.2	8.3%
Food Services	33.8	29.5	4.3	14.6%
Extracurricular Activities	14.8	13.3	1.5	11.3%
General Administration	15.3	13.9	1.4	10.1%
Plant Maintenance, Security & Data Processing	78.0	75.6	2.4	3.2%
Community Services	1.6	1.5	0.1	6.7%
Interest & Fees on Long Term Debt	33.8	33.9	(0.1)	(0.3%)
Facilities Planning & Innovative Construction	0.8	2.0	(1.2)	(60.0%)
Payments to Tax Appraisal District	3.2	3.0	0.2	6.7%
Total Expenses	678.4	636.5	41.9	6.6%
Increase in Net Position	48.5	58.5	(10.0)	(17.1%)
Beginning Net Position	46.4	(13.7)	60.1	(438.7%)
Prior Period Adjustment	-	1.6	(1.6)	(100.0%)
Ending Net Position	\$ 94.9	\$ 46.4	\$ 48.5	104.5%

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-Term Debt

At year-end, the District had \$1,047.6 billion in total long-term debt outstanding versus \$1,068.4 billion at the end of 2022. Retired and refunded bonded debt was \$15.1 million, and the year-end balance was \$852.7 million in bonds payable.

On November 8, 2016, the voters in the District approved a \$668,695,577 bond election. It was the largest bond election ever approved in El Paso County. The District issued Unlimited Tax School Building Bonds in 2017, 2019, and 2020 for the total amount authorized by the election.

The District has outstanding balances for limited tax debt issuances: the 2009 Qualified School Construction (QSC) Maintenance Tax Notes of \$15.3 million, 2017 Maintenance Tax Notes of \$4.4 million, 2017 QSC Maintenance Tax Notes of \$15.3 million, 2020 Variable Rate Maintenance Tax Notes of \$17 million, and the 2018 Administrative Public Facility Corporation Lease Revenue Bonds of \$15.1 million. Other long-term obligations include accrued sick leave of \$11 million and loans from direct borrowing of \$30.7 million.

Loans from direct borrowing are for three energy savings performance contracts (ESCO). An ESCO provides a means to make capital improvements that are paid over a period of years from guaranteed annual utility cost savings.

The two QSC issuances were pursuant to the authority of the American Recovery and Reinvestment Act (ARRA) of 2009. The 2009 QSC issuance was sold as tax credits to the bondholders, with additional supplemental interest paid by the District. The 2017 QSC Notes will receive subsidy payments from the U.S. Treasury for 90% of the interest payments. Sinking Fund deposits are made for both QSC issuances. The result of interest earnings in the sinking funds, and the federal tax provisions, is a negative net borrowing cost for both QSC issuances. The 2009 QSC Sinking Fund has an investment balance of \$12.5 million. The 2017 QSC Sinking Fund has an investment balance of \$3.3 million.

The District has aggressively managed its debt by competitive bidding to obtain the best interest rates available by refinancing existing debt for lower rates when in the market. The efficient management of budgets and fund balance has provided an adequate cash flow so that at no time has the District been short of cash when needed. No investment has been sold before its scheduled maturity date. More detailed information about the District's long-term liabilities is presented in Note IV. J through Note IV. R of the financial statements.

Bond Ratings

The District's bonds presently carry an 'AAA' rating with both Fitch Ratings and Moody's. This long-term rating reflects the guaranty provided by the Texas Permanent School Fund. The underlying rating, reflecting the credit quality before considerations of the guaranty is AA by Fitch, and Aa2 by Moody's. Both ratings were affirmed in June 2020, with a stable outlook.

Capital Assets

The District has invested \$1,238.5 million, net of depreciation and amortization, in a broad range of capital assets, including land, buildings, improvements, furniture, equipment, and vehicles. This amount includes capital asset additions of \$64.7 million, depreciation expense of \$22.8 million and retirements of \$0.4 million in the past year. Fiscal year 2023 major completed projects include (in millions):

Planetarium Relocation	\$ 0.6
Coldwell, Zavala & Douglas Site Improvements	1.8
Pneumatic Controls Digital Upgrades at Chapin	<u>0.4</u>
Total Major Completed Projects	<u>\$2.8</u>

El Paso Independent School District The District's Capital Assets (in millions of dollars)

Governmental Activities

	2023	2022	Variance	% Change
Land	\$ 46.9	\$ 46.9	\$ -	0.0%
Land Improvements	3.9	3.9	-	0.0%
Buildings & Improvements	840.4	837.3	3.1	0.4%
Furniture, Equipment & Vehicles	99.8	104.4	(4.6)	(4.4%)
Right-to-Use Leased Assets	3.5	3.5	-	0.0%
SBITA Assets	6.9	-	6.9	N/A
Construction/Software in Progress	<u>726.4</u>	<u>671.6</u>	<u>54.8</u>	8.2%
Totals at Historical Cost	1,727.8	1,667.6	60.2	3.6%
Total Accumulated Depreciation	(484.7)	(471.9)	(12.8)	2.7%
Total Accumulated Amortization	<u>(4.6)</u>	<u>(1.1)</u>	<u>(3.5)</u>	(318.2%)
Net Capital Assets	<u>\$1,238.5</u>	<u>\$1,194.6</u>	<u>\$ 43.9</u>	3.7%

The District implemented GASB Statement No. 96 Subscription Based Information Technology Arrangements in fiscal year 2023. Under this statement, governments are required to recognize a subscription liability and an intangible right-to-use subscription asset at the end of the contract term.

Additional detailed information about the District's capital assets activity is presented in Note IV.G of the Notes to the Financial Statements.

FINANCIAL ANALYSIS OF DISTRICT'S FUNDS

Governmental Funds

The District's accounting records, for governmental operations, are maintained on a modified accrual basis as prescribed by the Financial Accountability System Resource Guide, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded, and the fund liabilities are incurred when services or goods are received. The governmental operations include the following major funds: General Fund, Elementary and Secondary School Emergency Relief (ESSER II), Debt Service Fund, and the 2016 Capital Projects Fund.

The District has established fund balance categories of non-spendable, restricted, committed, assigned, and unassigned. A more detailed explanation about the District's Fund Balance can be found in Note I.E.21 and Note IV.Y to the financial statements.

The District's total governmental fund revenues for fiscal year 2023 were \$743.2 million, compared to \$728.7 million in the prior year. Local revenues increased by \$24.2 million. State aid and grants decreased by \$(20.0) million and Federal Program Revenues increased by \$10.3 million. The Maintenance and Operations tax rate decreased to a compressed rate of \$1.0061, after the passage of House Bill 3. The overall tax rate decreased from \$1.3542 to \$1.3137.

The District's total governmental fund expenditures for fiscal year 2023 amounted to \$780.0 million compared to \$812.1 million in 2022. Principal and interest expenses decreased by \$(2.7) million primarily due to lower debt interest payments on the debt issued from the 2016 bond election for the construction and renovation of school buildings. Facilities, Acquisition, and Construction decreased by \$(52.4) million, primarily attributed to the completion of major construction projects in the prior year from the 2016 Bond Projects.

The net decrease of the combined fund balances of \$(35.3) million was comprised of a fund balance decrease of \$(7.3) million in the General Fund, a decrease of \$(39.4) million in the 2016 Capital Projects Fund, an increase of \$10.7 million in the Debt Service Fund, and an increase of \$0.8 million in the non-major governmental funds. The 2016 Capital Projects Fund ended fiscal year 2023 with a fund balance of \$42.2 million. This represents a decrease of \$(39.4) million from fiscal year 2022 which ended at \$81.6 million. Current fiscal year expenditures decreased to \$42.4 million compared to \$98.3 million in fiscal year 2022, a decrease of \$(55.9) million. The District currently has three projects under construction and twelve projects have been completed. These projects include renovations and improvements at six high schools and consolidation of current schools into renovated or newly constructed schools.

The Elementary and Secondary School Emergency Relief (ESSER II) grant program, authorized in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), was considered a major fund during fiscal year 2023. During fiscal year 2023, the District utilized ESSER II program funds to pay two employee retention stipends, one paid in the fall for \$1,000 and a second stipend for \$1,500 paid in the spring for a total of \$18.4 million to offset the inflation effects created by the COVID-19 pandemic. The District utilized ESSER II funds to cover COVID-19 healthcare expenses and procured essential technology equipment to support student learning.

The General Fund serves as the principal operational fund for the District. At the end of fiscal year 2023, the fund balance exhibited a reduction of \$(7.3) million, bringing it to a total of \$159.3 million. This decrease in the overall fund balance can be attributed to several key factors: *Revenue Shortfalls:* The District experienced revenue shortfalls, with revenues falling approximately \$(5.5) million below the amended budget and \$(6.3) million below the adopted budget. Local revenue fell short of projections by \$(2.9) million, primarily due to a higher-than-expected number of taxpayer refunds. State revenue came in \$(5.1) million under budget due to a lower-than-anticipated average daily attendance (ADA) of 1,667 students, coupled with an offset in state revenue of \$(18.7) million due to an increase in property values of 8.3%. Federal revenue exceeded budget expectations by \$2.6 million, mainly attributed to additional SHARS revenue of \$1 million and indirect cost revenue generated from ESSER (Elementary and Secondary School Emergency Relief). *Expenditure Increase:* In the fiscal year 2023, the comprehensive compensation package implemented a 7% salary increase for teachers, librarians, counselors, and nurses, along with a varying range of 3 to 5% for all other employees. Additionally, there was an adjustment in the employer Health Savings Account contribution, rising from \$300 to \$1,000.

A portion of the General Fund balance is non-spendable and held as inventories for \$1.7 million. Another portion, \$20.0 million, is Restricted and legally segregated for the Maintenance Tax Notes projects and state-mandated programs. Lastly, the classified Assigned General Fund balance indicates tentative plans for financial resource utilization in a future period. The District assigned a total of \$9.6 million in fund balance.

The General Fund total fund balance of \$159.3 million is equivalent to approximately 30.2% of expenditures and 88.5 days of operational expenditures in the unassigned fund balance. The unassigned fund balance of \$128.0 million minimizes the likelihood that the District would be required to enter the short-term debt market to pay for current operating expenditures.

The fund balance in the Debt Service Funds is \$45.9 million, up from \$35.2 million at the end of 2022. The interest and sinking tax rate for fiscal year 2023 increased from \$.3025 to \$.3076. The .0051 cent increase was approved by taxpayers as part of the 2016 Bond Program. The Debt Service Fund was considered a major fund during fiscal year 2023.

Proprietary Funds

The Proprietary Funds are those funds which are primarily self-supporting. The District maintains five Proprietary Funds, which are all Internal Service Funds. These funds are the Print Shop, the Workers' Compensation Fund, the Health Insurance Fund, the Right-to-use-Leases Fund, and the Subscription-Based IT Arrangements Fund.

The Print Shop had an operating income of \$91.7 thousand for the fiscal year ending 2023. The fund closed the year with a positive total net position balance of \$308 thousand.

The Workers' Compensation Fund experienced an operating loss of \$(693) thousand for the year ending June 30, 2023. The net position ended at \$1.4 million. The District contribution remained at \$36 per employee per month in 2023. The District has a liability balance of \$6.5 million to cover future claims.

The Health Insurance Fund includes both the self-insured health plan and the existing Health Care Clinic Program. The District completed the fourth year of the self-insured health plan during 2023. The Health Insurance Fund had an operating loss of \$(585) thousand for fiscal year 2023. The District contributed \$8 per employee per month in 2023 for the clinic program and up to \$511 per full-time employee per month to the self-insured health plan. The fund ended the fiscal year 2023 with a deficit net position balance of \$(1.5) million. The District set aside \$5.0 million from the general fund to cover future deficits. The District made self-insured health plan changes that were effective at the beginning of the plan year to sustain the operating expenditures, generate a healthy fund balance, and provide a competitive health insurance plan.

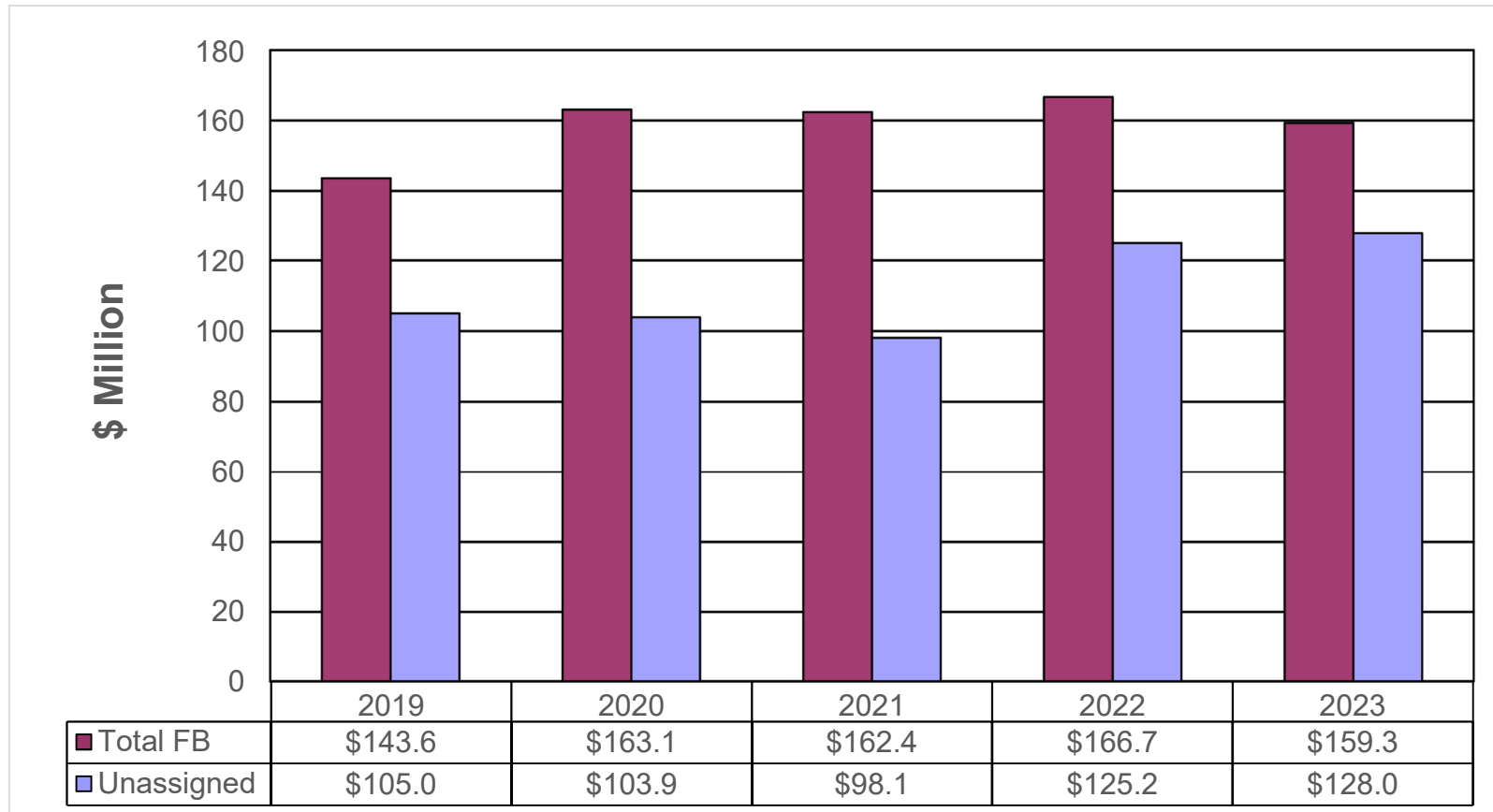
The Right-to-use-Leases Fund was created to account for the reporting of certain lease liabilities under GASB Statement No. 87. The fund experienced an operating income of \$15 thousand and closed the year with a deficit net position of \$(24) thousand on June 30, 2023.

The Subscription-Based IT Arrangements Fund was created during fiscal year 2023 to account for the reporting of subscription-based IT Arrangements by a government end user under GASB Statement No. 96. The fund experienced an operating income of \$531 thousand and closed the year with a total net position of \$473 thousand.

Fiduciary Funds

Fiduciary Funds (trust and custodial funds) are used to account for assets held by a government, in a custodial capacity, or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District accounts for student activity funds that are received and held by a school as custodial funds.

General Fund - Fund Balances



Days of Operational Expenditures in Unassigned Fund Balance

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
75.2	73.6	68.4	88.9	88.5

Percentage of Total Fund Balance to GF Expenditures

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
28.1%	30.8%	30.5%	32.4%	30.2%

GENERAL FUND CURRENT YEAR BUDGETARY HIGHLIGHTS

Over the course of the year, the District's budget was revised. At the end of fiscal year 2023, the expenditure budget increased by \$31.6 million. The following are the significant amendments: the largest increase to the expenditure budget was in Facilities, Acquisition and Construction in the amount of \$27.9 million. The increase was primarily due to costs associated with construction projects in the amount of \$3 million; issuance of maintenance tax notes in the amount of \$16.4 million; and the roll forward of funds in the amount of \$8.5 million from prior year for construction work in progress. Instruction also had an increase in the expenditure budget of \$1.5 million. This was primarily due to a \$1 million roll forward of funds for bilingual state allotment, and \$500 thousand to support districtwide operations. Facilities Maintenance and Operations also increased by \$2.7 million which included \$2.2 million of utility expenses, \$200 thousand for the purchase of supplies to secure school facilities, and \$300 thousand for maintenance supplies and equipment.

General Fund revenues were \$520.5 million. This was \$5.5 million under the total revenue budget of \$525.9 million. Local revenues were \$2.9 million under budget due to lower tax collections, caused by high property tax refunds. State revenue was \$5.2 million under budget due to lower average daily attendance (ADA) and increased property values. Federal revenue was \$2.6 million over budget, with Impact Aid revenue exceeding budget by \$926 thousand, Federal Indirect revenue was \$653 thousand over budget, and SHARS Medicaid was \$1 million over budget.

Actual expenditures were \$29.1 million less than the appropriated budget amounts. The primary and largest variance occurred in Facilities Acquisition and Construction, \$18.3 million remained unspent due to work in progress for the El Paso High School renovation, maintenance tax notes, and various campus capital projects. Other functions that reflected unspent allocations include:

- Data Processing Services - \$3.1 million
- Security and Monitoring Services - \$1.3 million
- Student Transportation - \$1.1 million
- Curriculum and Instructional Staff Development - \$1.9 million

Lastly, it is the District's practice to allocate a budget for personnel costs at one hundred percent of actual salary. Campuses and departments have a flexible revision policy for non-payroll budgets but cannot transfer excess salary savings for non-salary purposes. In most cases, unspent payroll dollars are recaptured and allotted to the fund balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2023-24 budget and tax rates. The certified appraised values used for the 2023 budget were forecasted at 4% growth. The District's 2023-2024 refined average daily attendance (ADA) was budgeted at 44,785 students. This is an increase of 1,248 from the prior year's final ADA due to an increase in forecasted attendance.

The District adopted the budget on June 20, 2023. It is the fifth year of increased State funding provided after passage of House Bill 3 during the 86th session of the Texas Legislature. HB 3 provided comprehensive reform to the State's Foundation School Program. The most significant changes are the compression of the M&O tax rate, an increase to the basic allotment for students, and increases to program funding, including weighted adjustments to the basic allotment. The District forecasted a small decline in student enrollment. Because of increases to forecasted interest earnings and Tier II state funding, the 2024 budgeted revenue is \$16.1 million higher than 2022-23. The 2023-24 adopted budget included a general pay increase of 2% for teachers, hourly staff, campus and central office administrators.

The District's 2023-24 budget was based on an M&O tax rate of \$.8263 which was compressed from the prior year rate of \$1.0061. Because of increased debt requirements, the I&S tax rate increased from \$.3076 to \$.3108. The total tax rate decreased by almost 18 cents, from \$1.3137 to \$1.1317. A state constitutional amendment in November of 2024 will increase the homestead exemption on a school district property from \$40,000 to \$100,000.

If it passes, it will decrease local tax revenue and increase state funding. The District will amend the budget to reflect the changes in funding. The District's Board of Trustees adopted a balanced budget for fiscal year 2023-24. Both revenues and expenditures for the adopted General Fund budget totaled \$542,930,562.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances, and show the District's accountability for the funding it receives. The administration believes that the El Paso Independent School District has sound financial practices. The District has financial challenges ahead such as, completing bond construction on time and within budget, increasing salaries to a competitive level, and increasing the Unassigned Fund Balance. The District is moving in the right direction both financially and educationally.

Many thanks are owed to teachers, campus administrators, support staff, the District's elected and appointed officials, volunteers, and central office administrators, whose purpose is to direct the resources of the District to educate our children. In many cases, these individuals have been asked to make sacrifices to assist the District in achieving its current financial position.

If you have questions about this report or need additional financial information, please contact Martha Aguirre, Chief Financial Officer at (915) 230-2823, or Maria D. Alonso, Executive Director, Financial Services at (915) 230-2145 or by mail at El Paso Independent School District, 1100 N. Stanton St. El Paso, Texas, 79902.

The El Paso Independent School District does not discriminate in its educational programs or employment practices on the basis of race, color, age, sex, religion, national origin, marital status, citizenship, military status, disability, genetic information, gender stereotyping and perceived sexuality, or on any other basis prohibited by law. Inquiries concerning the application of Titles VI, VII, IX, and Section 504 may be referred to the District compliance officer, Rosa Ramos, at 230-2031; Section 504 inquiries regarding students may be referred to Kelly Ball at 230-2856.

El Distrito Escolar Independiente de El Paso no discrimina en los programas de educación o en prácticas de empleo usando el criterio de raza, color, edad, sexo, religión, origen nacional, estado civil, ciudadanía, estado militar, discapacidad, información genética, estereotipo sexual o sexualidad percibida, u otra práctica prohibida por la ley. Preguntas acerca de la aplicación del título VI, VII o IX, y la Sección 504 pueden ser referidas al oficial del distrito, Rosa Ramos al 230-2031; preguntas sobre 504 tocante a estudiantes pueden ser referidas a Kelly Ball al 230-2856.

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BASIC FINANCIAL STATEMENTS

EL PASO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 292,018,223
1220 Property Taxes - Delinquent	17,636,534
1230 Allowance for Uncollectible Taxes	(9,058,000)
1240 Due from Other Governments	113,673,915
1250 Accrued Interest	668,727
1290 Other Receivables, Net	996,694
1300 Inventories	1,729,160
1410 Prepayments	424,793
Capital Assets:	
1510 Land	46,862,933
1520 Buildings and Improvements, Net	442,531,728
1530 Furniture and Equipment, Net	14,382,629
1540 Land Improvements, Net	2,478,974
1550 Right-to-Use Lease Assets, Net	1,355,027
1553 SBITA Assets, Net	4,487,411
1580 Construction and Technology in Progress	726,372,269
1800 Restricted Assets	1,010,455
1990 Long-Term Investments	17,133,088
1000 Total Assets	1,674,704,560
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	14,390,403
1705 Deferred Outflow Related to TRS Pension	66,256,745
1706 Deferred Outflow Related to TRS OPEB	23,671,741
1700 Total Deferred Outflows of Resources	104,318,889
LIABILITIES	
2110 Accounts Payable	5,308,461
2140 Interest Payable	14,224,207
2150 Payroll Deductions and Withholdings	10,441,890
2160 Accrued Wages Payable	57,328,687
2180 Due to Other Governments	2,159
2200 Accrued Expenses	40,578,837
2300 Unearned Revenue	30,897,757
Noncurrent Liabilities:	
2501 Due Within One Year: Bonds, Notes, Leases, etc.	35,779,138
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	1,011,825,095
2540 Net Pension Liability (District's Share)	174,823,052
2545 Net OPEB Liability (District's Share)	98,649,879
2000 Total Liabilities	1,479,859,162
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow for Gain on Refundings	1,625,394
2605 Deferred Inflow Related to TRS Pension	22,827,740
2606 Deferred Inflow Related to TRS OPEB	179,803,219
2600 Total Deferred Inflows of Resources	204,256,353
NET POSITION	
3200 Net Investment in Capital Assets	282,636,528
Restricted:	
3820 Restricted for Federal and State Programs	19,456,968
3850 Restricted for Debt Service	40,805,925
3870 Restricted for Campus Activities	1,891,005
3890 Restricted for Other Purposes	59,283
3900 Unrestricted	(249,941,775)
3000 Total Net Position	\$ 94,907,934

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

EL PASO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 363,358,261	\$ 186,691	\$ 92,841,938	\$ (270,329,632)
12 Instructional Resources and Media Services	7,338,511	-	716,296	(6,622,215)
13 Curriculum and Instructional Staff Development	24,470,707	-	10,446,908	(14,023,799)
21 Instructional Leadership	7,500,116	-	1,750,109	(5,750,007)
23 School Leadership	39,736,934	-	3,287,586	(36,449,348)
31 Guidance, Counseling, and Evaluation Services	28,458,346	-	8,767,927	(19,690,419)
32 Social Work Services	4,850,361	-	569,508	(4,280,853)
33 Health Services	7,320,869	-	8,973,535	1,652,666
34 Student (Pupil) Transportation	14,127,975	14,797	2,571,660	(11,541,518)
35 Food Services	33,797,454	1,938,832	31,873,755	15,133
36 Extracurricular Activities	14,786,550	1,168,490	760,305	(12,857,755)
41 General Administration	15,267,874	941,413	8,900,374	(5,426,087)
51 Facilities Maintenance and Operations	61,258,580	111,976	6,390,533	(54,756,071)
52 Security and Monitoring Services	7,789,686	-	729,616	(7,060,070)
53 Data Processing Services	8,926,215	-	418,359	(8,507,856)
61 Community Services	1,607,820	-	1,658,974	51,154
72 Interest and Fees on Long-Term Debt	33,826,509	-	3,146,382	(30,680,127)
81 Facilities Planning and Innovative Construction	783,577	-	7,125,878	6,342,301
99 Payments to Tax Appraisal District	3,162,457	-	-	(3,162,457)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 678,368,802	\$ 4,362,199	\$ 190,929,643	(483,076,960)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			189,206,863
DT	Property Taxes, Levied for Debt Service			58,332,044
SF	State Aid - Formula Grants			269,216,592
IE	Investment Earnings			12,139,462
MI	Miscellaneous Local and Intermediate Revenue			1,145,758
SI	Special Item - Sale of Real Property			1,523,500
TR	Total General Revenues and Special Items			531,564,219
CN	Change in Net Position			48,487,259
NB	Net Position - Beginning			46,420,675
NE	Net Position - Ending			\$ 94,907,934

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

EL PASO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes		General Fund	ESSER II Emergency Relief	Debt Service Fund
ASSETS				
1110	Cash and Cash Equivalents	\$ 174,568,434	\$ -	\$ 45,991,221
1220	Property Taxes - Delinquent	14,413,031	-	3,223,503
1230	Allowance for Uncollectible Taxes	(7,400,000)	-	(1,658,000)
1240	Due from Other Governments	77,426,366	20,785,128	157,806
1250	Accrued Interest	242,142	-	-
1260	Due from Other Funds	22,705,163	-	-
1290	Other Receivables	777,783	-	16,687
1300	Inventories	1,729,160	-	-
1800	Restricted Assets	951,172	-	-
1900	Long-Term Investments	1,292,740	-	-
1000	Total Assets	<u>\$ 286,705,991</u>	<u>\$ 20,785,128</u>	<u>\$ 47,731,217</u>
LIABILITIES				
2110	Accounts Payable	\$ 3,615,827	\$ -	\$ -
2150	Payroll Deductions and Withholdings Payable	10,441,890	-	-
2160	Accrued Wages Payable	48,945,483	3,054,492	-
2170	Due to Other Funds	24,856,940	17,730,636	-
2180	Due to Other Governments	2,159	-	-
2200	Accrued Expenditures	2,872,490	-	-
2300	Unearned Revenue	29,816,471	-	346,279
2000	Total Liabilities	<u>120,551,260</u>	<u>20,785,128</u>	<u>346,279</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	6,819,450	-	1,506,607
2600	Total Deferred Inflows of Resources	<u>6,819,450</u>	<u>-</u>	<u>1,506,607</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	1,729,160	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	16,867,883	-	-
3480	Retirement of Long-Term Debt	-	-	45,878,331
3490	Other Restricted Fund Balance	3,131,184	-	-
Assigned Fund Balance:				
3550	Construction	1,742,776	-	-
3570	Capital Expenditures for Equipment	2,103,440	-	-
3580	Self-Insurance	5,000,000	-	-
3590	Other Assigned Fund Balance	807,234	-	-
3600	Unassigned Fund Balance	127,953,604	-	-
3000	Total Fund Balances	<u>159,335,281</u>	<u>-</u>	<u>45,878,331</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 286,705,991</u>	<u>\$ 20,785,128</u>	<u>\$ 47,731,217</u>

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

2016 Capital Projects	Other Funds	Total Governmental Funds
\$ 61,104,318	\$ 2,325,499	\$ 283,989,472
-	-	17,636,534
-	-	(9,058,000)
-	15,304,615	113,673,915
213,170	213,415	668,727
-	20,836,863	43,542,026
-	202,224	996,694
-	-	1,729,160
-	59,283	1,010,455
-	15,840,348	17,133,088
<u>\$ 61,317,488</u>	<u>\$ 54,782,247</u>	<u>\$ 471,322,071</u>
\$ 306,804	\$ 909,388	\$ 4,832,019
-	-	10,441,890
1,688	5,322,446	57,324,109
1,915	4,848,108	47,437,599
-	-	2,159
18,833,284	7,619,173	29,324,947
-	735,007	30,897,757
<u>19,143,691</u>	<u>19,434,122</u>	<u>180,260,480</u>
-	-	8,326,057
-	-	8,326,057
-	-	1,729,160
-	17,276,956	17,276,956
42,173,797	67,118	59,108,798
-	16,053,763	61,932,094
-	1,950,288	5,081,472
-	-	1,742,776
-	-	2,103,440
-	-	5,000,000
-	-	807,234
-	-	127,953,604
<u>42,173,797</u>	<u>35,348,125</u>	<u>282,735,534</u>
<u>\$ 61,317,488</u>	<u>\$ 54,782,247</u>	<u>\$ 471,322,071</u>

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

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 282,735,534
---	----------------

Amounts reported for governmental activities in the statement of net position are different because:

- | | |
|---|-----------------|
| 1 Capital assets of \$1,717,084,691 net of accumulated depreciation and amortization of (\$484,479,466), less assets held in internal service funds are not financial resources, and therefore, are not reported as assets in governmental funds. | 1,232,605,225 |
| 2 Property taxes are not available to pay for the current period's expenditures and therefore are deferred in the funds. | 8,326,057 |
| 3 Prepaid insurance amortization is not reported in the fund financial statement but is reported as part of the statement of net position. | 424,793 |
| 4 Internal service funds are used by the District's management to charge the costs of certain activities, such as the print shop, worker's compensation, health insurance, Right-to-Use Leases, and Subscription Based IT Arrangements to the other funds. The assets and liabilities of the internal service funds are included in governmental activities. | 662,019 |
| 5 Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds: | (1,042,272,126) |
| <ul style="list-style-type: none"> - Bonds Payable (\$852,660,227) - Premiums on Bonds Payable (\$71,373,927) - Lease Revenue Bonds Payable (\$15,065,000) - Premium on Lease Revenue Bonds Payable (\$279,587) - Accretion Payable (\$8,469,603) - Loans Payable (\$30,729,664) - Maintenance Tax Notes Payable (\$51,960,000) - Premiums on Maintenance Tax Notes Payable (\$718,829) - Accumulated Unpaid Leave Benefits (\$11,015,289) | |
| 6 Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. | (14,163,173) |
| 7 Deferred gains and losses on the refunding of bonds are not reported in the funds but are considered deferred outflows and inflows in the statement of net position. The Deferred Charge for Refundings is \$14,390,403 as of June 30, 2023, and the Deferred Gain on Refunding is (\$1,625,394) as of June 30, 2023. | 12,765,009 |
| 8 Included in the items related to debt is the recognition of the District's proportionate share of pension liability required by GASB 68: | (131,394,047) |
| <ul style="list-style-type: none"> - Net Pension liability (\$174,823,052) - Deferred Outflow Related to TRS Pension \$66,256,745 - Deferred Inflow Related to TRS Pension (\$22,827,740) | |

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

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

EXHIBIT C-2

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:	(254,781,357)
	- Net OPEB liability (\$98,649,879)	
	- Deferred Outflow Related to TRS OPEB \$23,671,741	
	- Deferred Inflow Related to TRS OPEB (\$179,803,219)	
19	Net Position of Governmental Activities	<u><u>\$ 94,907,934</u></u>

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

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

Data Control Codes	General Fund	ESSER II Emergency Relief	Debt Service Fund
REVENUES:			
5700 Local and Intermediate Sources	\$ 199,073,329	\$ -	\$ 59,170,841
5800 State Program Revenues	298,280,164	-	3,146,382
5900 Federal Program Revenues	23,115,301	42,361,850	-
5020 Total Revenues	520,468,794	42,361,850	62,317,223
EXPENDITURES:			
Current:			
0011 Instruction	295,643,966	33,693,032	-
0012 Instructional Resources and Media Services	6,964,919	237,328	-
0013 Curriculum and Instructional Staff Development	15,411,832	821,261	-
0021 Instructional Leadership	6,353,110	151,585	-
0023 School Leadership	38,500,401	1,489,563	-
0031 Guidance, Counseling, and Evaluation Services	21,751,983	727,071	-
0032 Social Work Services	4,364,309	158,728	-
0033 Health Services	6,923,829	251,193	-
0034 Student (Pupil) Transportation	12,008,031	732,286	-
0035 Food Services	-	1,080,322	-
0036 Extracurricular Activities	14,364,939	95,706	-
0041 General Administration	14,451,158	322,976	-
0051 Facilities Maintenance and Operations	55,868,091	1,822,018	-
0052 Security and Monitoring Services	7,241,745	468,719	-
0053 Data Processing Services	8,674,122	174,947	-
0061 Community Services	43,624	126,797	-
Debt Service:			
0071 Principal on Long-Term Liabilities	2,586,902	-	15,059,781
0072 Interest on Long-Term Liabilities	2,787,069	-	36,523,362
0073 Bond Issuance Cost and Fees	18,665	-	38,578
Capital Outlay:			
0081 Facilities Acquisition and Construction	10,887,476	8,318	-
Intergovernmental:			
0099 Other Intergovernmental Charges	3,162,457	-	-
6030 Total Expenditures	528,008,628	42,361,850	51,621,721
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,539,834)	-	10,695,502
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	1,523,500	-	-
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	(1,311,267)	-	-
7080 Total Other Financing Sources (Uses)	212,233	-	-
1200 Net Change in Fund Balances	(7,327,601)	-	10,695,502
0100 Fund Balance - July 1 (Beginning)	166,662,882	-	35,182,829
3000 Fund Balance - June 30 (Ending)	\$ 159,335,281	\$ -	\$ 45,878,331

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

	2016 Capital Projects	Other Funds	Total Governmental Funds
\$	2,969,418	\$ 4,175,455	\$ 265,389,043
	-	1,070,470	302,497,016
	-	109,860,656	175,337,807
	2,969,418	115,106,581	743,223,866
	38,180	45,518,843	374,894,021
	-	320,204	7,522,451
	-	9,417,170	25,650,263
	-	1,471,839	7,976,534
	-	899,182	40,889,146
	-	7,570,201	30,049,255
	-	358,416	4,881,453
	-	496,618	7,671,640
	-	1,569,179	14,309,496
	-	33,336,669	34,416,991
	-	881,676	15,342,321
	505,954	422,866	15,702,954
	-	3,965,115	61,655,224
	-	110,798	7,821,262
	436,922	104,642	9,390,633
	-	1,532,177	1,702,598
	-	-	17,646,683
	-	-	39,310,431
	-	-	57,243
	41,428,616	7,611,968	59,936,378
	-	-	3,162,457
	42,409,672	115,587,563	779,989,434
	(39,440,254)	(480,982)	(36,765,568)
	-	-	1,523,500
	-	1,311,267	1,311,267
	-	-	(1,311,267)
	-	1,311,267	1,523,500
	(39,440,254)	830,285	(35,242,068)
	81,614,051	34,517,840	317,977,602
\$	42,173,797	\$ 35,348,125	\$ 282,735,534

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

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (35,242,068)
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Amounts reported for governmental activities in the statement of activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of assets is allocated over their estimated useful lives as depreciation expense. Thus the cost of current year outlays is removed from expense and depreciation is added to expense net of Internal Service Fund Activity:	40,422,222
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- Additions to Construction in Progress \$59,142,422
- Additions to Buildings and Improvements \$37,676
- Additions to Furniture and Equipment \$945,799
- Additions to Vehicles \$34,956
- Disposal/Adjustments of Assets (\$424,181)
- Depreciation Expense (\$19,314,450)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from the sale of bonds is a source of financing in the governmental funds, but the statement of net position recognizes it as an increase in the long-term liabilities. The changes in long term liabilities for the fiscal year consisted of the following:	23,719,089
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- Net Change in Bonds Payable \$15,059,781
- Net Change in Premiums on Bonds and Maintenance Tax Notes \$5,722,690
- Net Change in Premium on Lease Revenue Bonds Payable \$14,231
- Net Change in Accretion Payable \$704,314
- Net Change in Loans Payable \$1,886,902
- Net Change in Accumulated Leave Benefits (\$368,829)
- Net Change in Maintenance Tax Notes \$240,000
- Net Change in Lease Revenue Bonds \$460,000

Deferred outflows and inflows of gains and losses on debt refundings are amortized over the term of the bonds in the statement activities but are expensed in the year incurred in governmental funds:	(1,309,248)
--	-------------

- Net Deferred Outflow Charge for Refunding (\$1,529,387)
- Net Deferred Inflow Gain on Refunding \$220,139

Property taxes that will not be collected until after the District's fiscal year end are not considered "available" revenues and are deferred in the governmental funds. The change in deferred tax revenues, net of allowance for bad debt, are recognized in the statement of activities.	1,356,113
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.	409,178
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Prepaid insurance amortization is not reported in the fund financial statements. The net change in prepaid insurance is reported in the statement of activities.	43,190
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The notes to the financial statements are an integral part of this statement.

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

EXHIBIT C-4

Internal service funds are used by management to charge the costs of certain activities, such as print shop, workers' compensation, health insurance, health clinics, Right-to-Use leases, and Subscription-based IT arrangements to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(397,076)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$12,781,035. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling (\$11,410,893). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$2,833,121). The net result is an decrease in the change in net position.	(1,462,979)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,855,051. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling (\$2,782,751). Finally, the proportionate share of the TRS-Care OPEB expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$20,876,538. The net result is an increase in the change in net position.	20,948,838
Change in Net Position of Governmental Activities	<u><u>\$ 48,487,259</u></u>

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

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

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 8,028,751
Due from Other Funds	4,020,077
Total Current Assets	<u>12,048,828</u>
Noncurrent Assets:	
Capital Assets:	
Furniture and Equipment, Net	23,308
Right-to-Use Lease Assets, Net	1,355,027
SBITA Assets, Net	4,487,411
Total Noncurrent Assets	<u>5,865,746</u>
Total Assets	<u>17,914,574</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	476,442
Interest Payable	61,034
Accrued Wages Payable	4,578
Due to Other Funds	124,504
Accrued Expenses	11,253,890
Total Current Liabilities	<u>11,920,448</u>
Noncurrent Liabilities:	
SBITA Payable - One-Year	2,595,837
Lease Payable - One-Year	965,946
Right-to-Use Lease Liability - Long Term	408,720
SBITA Liability - Long Term	1,361,604
Total Noncurrent Liabilities	<u>5,332,107</u>
Total Liabilities	<u>17,252,555</u>
NET POSITION	
Net Investment in Capital Assets	472,605
Unrestricted Net Position	189,414
Total Net Position	<u><u>\$ 662,019</u></u>

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

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

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 62,134,015
Total Operating Revenues	62,134,015
OPERATING EXPENSES:	
Payroll Costs	1,135,349
Claims Expense	52,274,485
Professional and Contracted Services	5,522,258
Supplies and Materials	200,203
Other Operating Costs	164,898
Depreciation/Amortization Expense	3,478,328
Total Operating Expenses	62,775,521
Operating Income (Loss)	(641,506)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	328,354
Non-operating Interest Expense	(96,307)
Total Nonoperating Revenues (Expenses)	232,047
Change in Net Position	(409,459)
Total Net Position - July 1 (Beginning)	1,071,478
Total Net Position - June 30 (Ending)	\$ 662,019

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

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

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 6,805,535
Cash Received from Assessments - Other Funds	56,112,342
Cash Payments to Employees for Services	(1,131,868)
Cash Payments for Insurance Claims	(52,756,360)
Cash Payments for Suppliers	(5,433,826)
Cash Payments for Other Operating Expenses	(164,898)
Net Cash Provided by Operating Activities	3,430,925
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Principal on Right-to-Use assets	(3,897,577)
Interest on Right-to-Use Assets	(35,273)
Net Cash Provided by (Used for) Capital & Related Financing Activities	(3,932,850)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	328,354
Right-to-Use Assets	15,254
Implementation Costs	(94,300)
Net Cash Provided by Investing Activities	249,308
Net Decrease in Cash and Cash Equivalents	(252,617)
Cash and Cash Equivalents at Beginning of Year	8,281,368
Cash and Cash Equivalents at End of Year	\$ 8,028,751
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ (641,506)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization	3,478,328
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Due from Other Funds	783,862
Increase (decrease) in Accounts Payable	(891,910)
Increase (decrease) in Accrued Wages Payable	3,481
Increase (decrease) in Due to Other Funds	111,371
Increase (decrease) in Accrued Expenses	587,299
Net Cash Provided by Operating Activities	\$ 3,430,925
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 8,028,751
<u>Noncash Investing, Capital and Financing Activities:</u>	
Borrowing Under Right-to- Use Assets	4,411,969

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

FIDUCIARY FUND FINANCIAL STATEMENTS

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

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 3,664,299
Other Receivables	-	562,272
Restricted Assets	<u>365,045</u>	<u>-</u>
Total Assets	<u>365,045</u>	<u>\$ 4,226,571</u>
LIABILITIES		
Accounts Payable	<u>-</u>	<u>562,272</u>
Total Liabilities	<u>-</u>	<u>562,272</u>
NET POSITION		
Restricted for Individuals and Organizations	-	3,664,299
Restricted for Other Purposes	<u>365,045</u>	<u>-</u>
Total Net Position	<u>\$ 365,045</u>	<u>\$ 3,664,299</u>

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

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

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Contributions to Student Groups	\$ -	\$ 1,501,494
Earnings from Temporary Deposits	13,795	-
Contributions, Gifts and Donations	3,000	538,494
Miscellaneous Additions - Club Dues	-	841,468
Total Additions	<u>16,795</u>	<u>2,881,456</u>
DEDUCTIONS:		
Supplies and Materials	51,718	1,996,362
Other Deductions	5,000	336,063
Total Deductions	<u>56,718</u>	<u>2,332,425</u>
Change in Fiduciary Net Position	(39,923)	549,031
Total Net Position - July 1 (Beginning)	<u>404,968</u>	<u>3,115,268</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 365,045</u></u>	<u><u>\$ 3,664,299</u></u>

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

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

El Paso Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. Reporting Entity

The Board of Trustees (the "Board") is elected by the public. It has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board (GASB).

In accordance with Governmental Accounting Standards Board, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the school district. Blended component units, although a legally separate entity, are in substance a part of the District's operations, and thus the data is combined with data of the primary government.

The criteria used to determine whether an organization is a component unit of the District includes: financial accountability of the District for the component unit, whether the District appoints a voting majority of the entity's board, the ability to impose the District's will on the component unit, fiscal dependency criterion, if it is a financial benefit to or burden to the District, and whether services are provided entirely or almost entirely to the District.

On February 17, 2015, the District approved a Resolution authorizing the formation of the El Paso Independent School District Administrative Public Facility Corporation (Public Facility Corporation). The Public Facility Corporation is a nonprofit public corporation organized exclusively to act on behalf of the District to finance, refinance, or provide the costs of certain public facilities.

For financial reporting purposes, the Public Facility Corporation is included as a blended component unit in the operations and activities of the District. The criteria used to include the Public Facility Corporation as a blended component unit of the District include: the District appoints a voting majority of the Public Facility Corporation's governing body, the District is able to impose its will on the Public Facility Corporation, and the Public Facility Corporation serves the District exclusively as a financing vehicle for capital projects. The Public Facility Corporation's data is reported as a capital projects fund (Fund 690) and is included in the other funds column of the governmental funds financial statements.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The EPISD Education Foundation (the Foundation) is a not-for-profit organization which was organized to provide scholarship funds to students and classroom impact grants for teachers of the El Paso Independent School District. The members of the Board of Directors of the Foundation are either appointed or elected. The Superintendent of El Paso Independent School District (EPISD) has the right to appoint one voting member of the Board of Directors, and the EPISD Board selects two members from the EPISD Board. The remaining members make up a majority and are elected by the current Board of Directors of the Foundation. The Foundation's financial condition and results of operations are not included in the District's financial statements. Beginning in 2014, activity was transferred to the Paso del Norte Foundation as an agency advised fund.

For financial reporting purposes, the EPISD Education Foundation is not included as a component unit of the District. The previously listed criteria was applied to the EPISD Education Foundation and management determined it was not a component unit of the District.

B. Government-Wide and Fund Financial Statements

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

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement category represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For pensions and OPEB, these outflows result from pension plan and OPEB contributions made after the measurement date of the net pension and OPEB liabilities, the net differences between projected and actual investment earnings, changes in actuarial assumptions, differences between expected and actual experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. The deferred outflows of resources related to pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension and OPEB liabilities in the next fiscal year. The other pension and OPEB related deferred outflows will be amortized over a systematic and rational method over a closed period.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement category represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For pensions and OPEB, these inflows result from pension plan and OPEB changes in actuarial assumptions, the net differences between projected and actual investment earnings, differences between expected and actual experiences, and changes in the District's proportionate share of net pension and OPEB liabilities. These deferred inflows will be amortized over a systematic and rational method over a closed period.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function of the District. Examples include tuition paid by students not residing in the District, school lunch charges, athletic and extracurricular/cocurricular activities, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act as amended by the Every Student Succeeds Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as a due to or due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and between governmental and internal service funds are eliminated on the government-wide statements. The District has no interfund services provided and used between functions that would be program revenue which, would not be eliminated in the process of consolidation.

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

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

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

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, leases, and subscription-based information technology arrangements, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers most revenues, other than property tax revenues, available if they are collectible within one year after year end. School Health and Related Services (SHARS) revenue is recognized as revenue when it is earned and when the annual Cost Report is acknowledged by the Texas Health and Human Service Commission.

Revenues from local sources consist primarily of property taxes, investment income, food service activity, and athletic activity, and extracurricular and co-curricular activity. Property tax revenues and revenues received from the State are recognized under the "susceptible -to- accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Unavailable revenue from property taxes arises only under the modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources and recognize revenue in the period that the amounts become available.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources, associated with the operation of these funds are included in the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted and unrestricted net position.

D. Fund Accounting

The District reports the following major governmental funds:

1. **The General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **ESSER II - Emergency Relief** - This fund is part of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. It provides funds to help Local Education Agencies prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students.
3. **Debt Service Fund** - This is the main debt service fund for the District. It is used to account for resources accumulated and payments made for annual principal and interest on long-term general obligation debt of governmental funds.
4. **2016 Capital Projects Fund** - This fund accounts for the construction activity related to the bonds from the 2016 general election to construct, renovate, demolish, acquire, and equip school buildings in the District.

Additionally, the District reports the following fund types:

Governmental Funds:

1. **Special Revenue Funds** - The District accounts for resources restricted to specific purposes by a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods. The District's Food Service Fund is considered a special revenue fund since it meets the following criteria:

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- User fees are charged to supplement the National School Lunch Program (NSLP),
- The General Fund may subsidize the Food Service Program for expenditures in excess of NSLP, and
- Food Service fund balances are used exclusively for child nutrition program purposes.

2. Debt Service Funds -

2009 QSC-MTN Sinking Fund - This fund is used to account for resources accumulated to pay for principal and interest on the Qualified School Construction Maintenance Tax Notes, Series 2009.

2017 QSC-MTN Sinking Fund - This fund is used to account for resources accumulated to pay for principal and interest on the Qualified School Construction Maintenance Tax Notes, Series 2017.

3. Capital Projects Funds -

2008 Capital Projects Fund - This fund accounts for the construction activity related to the 2008 bonds to construct, renovate, acquire and equip school buildings in the District.

Public Facilities Corporation Capital Projects Fund - This fund is used to account for the acquisition, construction, and equipment, for a new administration office facility.

4. Permanent Funds - The District has no permanent funds.

Proprietary Funds:

5. Enterprise Funds - The District has no enterprise funds.

6. Internal Service Funds - These funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The revenues and expenses related to services provided to departments within the District are accounted for in an internal service fund.

The District's Internal Service Funds are as follows:

Print Shop - This fund accounts for transactions related to print shop services provided to other departments of the District.

Workers' Compensation Fund - This fund accounts for all financial activity associated with the District's self-insured workers' compensation plan.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Health Insurance Fund - This fund accounts for all financial activity associated with both the self-insured health plan and the Health Care Clinic Program, which is supported principally by employer and employee contributions. Payments are then made to a third party administrator based upon the monthly invoices received. Services are available to all full-time and part-time employees.

Right-to-Use Leases - This fund accounts for all financial reporting for lease contracts under GASB Statement No. 87, which requires the lessee to recognize the lease liability and the right to use the leased asset.

Subscription-Based IT Arrangements - This fund accounts for all financial reporting for subscription-based information technology arrangements (SBITAs) in compliance with GASB Statement No. 96, which requires governments to record the right-to-use subscription asset and a corresponding subscription liability.

Fiduciary Funds:

7. **Private Purpose Trust Funds** - The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has two private purpose trust funds to account for scholarships and other restricted donations.

Scholarship Trust Fund - accounts for all financial activity and donations related to scholarships to high school students, as stipulated by the donor.

Aoy Elementary School Fager Trust Fund - accounts for all financial activity related to a restricted donation for various needs of the students at Aoy Elementary School.

8. **Pension (and Other Employee Benefit) Trust Funds** - The District has no pension (and other employee benefit) trust funds.
9. **Investment Trust Funds** - The District has no investment trust funds.
10. **Custodial Funds** - The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial fund is used to account for activities of student groups.

E. Other Accounting Policies

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Investments with an original maturity greater than one year from the date of purchase are stated at fair value. If applicable, premiums and discounts on investments are amortized or accreted using the straight-line method, which approximates the interest method over the terms of the related securities.
3. The funds of the District must be deposited and invested under the terms of a contract, the contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.
4. The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the District to invest in: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. Management asserts that the District is in substantial compliance with the requirements of the Act and with local policies.

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

Credit Risk:

Deposits - Credit risk is not applicable to deposits.

Temporary Investments (Cash Equivalents) - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in public funds investment pools to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the District's investments in TexPool, TexPool Prime, Texas CLASS, Texas Range, and LOGIC investment pools were rated AAAM, and the Lone Star investment pool was rated AAAs/S1+ by Standard & Poors.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations, the District limits investments in U.S. Agencies to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). In addition, the Collateralized Mortgage Obligations (CMOs) and the Guaranteed Investment Contract (GIC) held by the District as of June 30, 2023, do not require disclosure of credit quality ratings since they are guaranteed or secured by the Federal Government. Certificates of Deposit must be secured in accordance with Government Code Chapter 2257 (Public Funds Collateral Act).

Custodial Credit Risk:

Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District has a contract that complies with this law, it has minimal custodial credit risk for deposits.

Temporary Investments (Cash Equivalents) - To limit the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. Investment pools and bank-insured deposit accounts are not categorized or exposed to custodial risk because they are not evidenced by securities that exist in physical or book-entry form.

Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk:

Deposits - Concentration of credit risk is not applicable to the deposits.

Temporary Investments (Cash Equivalents) - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. Concentration of Credit Risk is not applicable to the investment pools since the purpose of these are to diversify the District's investment portfolio.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - To limit the risk of loss attributed to the magnitude of the District's investment in a single issuer, the District's policy states that the portfolio must be diversified. The District's investments in securities are in a Guaranteed Investment Contract (GIC), Collateralized Mortgage Obligations (CMOs), municipal bonds, and agency securities. The CMOs and GIC are approximately 5% of total governmental investments and the municipal bonds and agency securities are approximately 0.4% of total governmental investments.

Interest Rate Risk:

Deposits - Interest rate risk is not applicable to deposits.

Temporary Investments (Cash Equivalents) - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires its investment portfolio for the general fund to have maturities of less than one year and a weighted average maturity of a maximum of 180 days for investments from all funds. Each pool invests in different investment instruments and each portfolio has varying maturities.

Investments - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires its investment portfolio to have maturities of less than one year for the general fund and a weighted average maturity of a maximum of 180 days for all investments. As of June 30, 2023, management calculated the District's WAM for the general fund at 6 days, and the total WAM was 94 days.

Foreign Currency Risk:

Deposits - The District limits the risk that changes in exchange rates will adversely affect a deposit by not having any deposits denominated in a foreign currency.

Temporary Investments (Cash Equivalents) - The District is not exposed to the risk that changes in exchange rates will adversely affect the fair value of an investment as the investment pools are not denominated in a foreign currency.

Investments - The District is not exposed to the risk that changes in exchange rates will adversely affect the fair value of an investment as none of the investments are denominated in any foreign currencies.

6. The District reports inventories of supplies at weighted average cost, including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at fair values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair value is supplied by the Texas Department of Agriculture and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.
8. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.
9. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, right-to-use lease, and SBITA liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Premiums and discounts are deferred and amortized over the life of the bonds using the straight line method and are presented as a component of non-current liabilities. Deferred charges or gains on refundings are also amortized over the life of the bonds using the straight line method and are presented as deferred outflows of resources or deferred inflows of resources. Long-term debt is reported net of the applicable premium or discount. The right-to-use lease and SBITA liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease or the SBITA and the interest included in the lease or SBITA payment is recorded as an expense.

In the fund financial statements, governmental fund types recognized premiums and discounts, as well as 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.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Vacation days are earned by certain employees based upon their contract year and how much of their contract year they have completed. Unused leave time rolls forward, however, any unused days are forfeited six months after the applicable contract year is completed. Upon separation, any remaining balance earned is paid to the employee at their current rate of pay.

Non-duty days are work days on the District calendar in which the employee may choose not to work. If the employee does not use these days, they are considered days in excess of their contract. Unused days roll forward, however, any unused days are forfeited six months after the applicable contract year is completed for exempt employees; non-exempt employees are paid. In some instances, the employees may be eligible to receive payment for the unused days if separating from the District at the end of their contract.

It is District policy that leave time be used for its intended purpose, as noted above. Management has determined that any resulting obligation at the end of the fiscal year would be insignificant and immaterial to the financial statements. As such, no provision has been recorded in the accompanying fund financial statements.

It is the District's policy to require vacations to be taken in the year earned and any unused days at the end of the fiscal year are generally forfeited after a six-month period. Employees are entitled to sick leave based on the category/class of employment. Sick leave is allowed to be accumulated but does not vest. Upon resignation and qualified retirement of grandfathered employees, the District pays one-half accrued sick leave in a lump-sum cash payment to each employee or his/her beneficiary or estate based on the salary or wages for the last year of employment. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements, but all eligible sick leave is accrued when incurred in the government-wide financial statements.

11. Capital assets, which include land, buildings, furniture, vehicles, equipment, right-to-use lease assets, and subscription-based IT arrangements are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

All individual federally funded assets with a cost of \$5,000 or more shall be capitalized in accordance with the aforementioned policies.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Significant gains or losses on the disposal of assets are considered infrequent in occurrence and are reported in the governmental activities column of the government-wide financial statements as a Special Item. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	10 - 50
Buildings and Building Improvements	20 - 50
Furniture and Equipment	10
Buses	10
Technology Equipment	5
Vehicles, Transportation Equipment	5 - 10

Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. When a lease contains a purchase option the District chooses to exercise, the lease asset is amortized over the useful life of the underlying asset. The amortization expense is combined with depreciation expense for financial reporting purposes.

12. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
13. The District sponsors self-insured plans for worker's compensation and health insurance benefits to employees. Revenues for these Internal Service Funds are received from interest on investments as well as employee contributions and District contributions on behalf of the employees. The District contributions are charged as an expenditure to the various funds where the employee's salary is charged. Expenses are comprised of claims incurred during the fiscal year, professional and contracted services, and other miscellaneous expenses.

The General Fund is contingently liable for liabilities of these funds. Fund accounting is employed internally to maintain the integrity of the self-insurance activities of the District.

14. In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The entire fund balances in the Special Revenue, Debt Service, and Capital Projects Funds have such restrictions. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose.
15. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
16. The Data Control Codes refer to the account code structure prescribed by TEA in the ***Financial Accountability System Resource Guide***. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency to ensure accuracy in building a Statewide database for policy development and funding plans.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the Texas State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Resource Guide. Mandatory codes are recorded in the order provided in the Resource Guide.
18. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund, as appropriate. These indirect costs are fully allocated to function 41.
19. Preparation of these financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Net Investment in Capital Assets - this component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, leasing or improvement of those assets or related debt will be included in this component of net position.

Restricted for Federal and State Programs - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.

Restricted for Debt Service - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The assets arise from bond issuances which have constraints placed on them by the bond covenants for the purpose of future debt service payments.

Restricted for Campus Activities - this component of net position consists of restricted assets reduced by liabilities related to those assets, which are restricted transactions related to a principal's activity fund.

Restricted for Other Purposes- this component of net position consists of restricted assets which are related to the Bray Milk donation and sinking fund requirements.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Position - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

21. Fund Balance

The District may report the following fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable fund balance** - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed fund balance** - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Trustees). These amounts are committed through a formal resolution approved by the Board. Once reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- **Assigned fund balance** - amounts the District intends to use for a specific purpose. Intent can be expressed by the Superintendent or the Officer position as named in the local policy approved by the Board.
- **Unassigned fund balance** - amounts that are available for District operations. Positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is established by the Superintendent or Officer for a specific purpose, such as, the purchase of capital assets, construction, debt service, or for other purposes.

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- F. The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement (1) defines a subscription-based information technology arrangement (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 payment, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The District implemented GASB Statement No. 99, *Omnibus 2022*. The standard enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified in previous GASB statements, and (2) adding guidance on accounting and financial reporting for financial guarantees.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

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

- B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

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

Other elements of the reconciliation on Exhibit C-4 include recognizing property tax revenue considered available, recognizing accruals of interest on long-term debt and recognizing internal service fund activity. In addition, certain pension and OPEB expenditures were de-expended and the District recorded its proportionate share of the pension and OPEB expense. These adjustments are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Funds, and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The Board does not legally adopt a budget for the other special revenue funds since the budgets are determined by the grantor. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears on Exhibit G-1 and the other two reports are Exhibit J-2 and J-3.

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

1. Prior to June 19, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board for the purpose of adopting the proposed budget is held. A Public notice of the meeting must be posted at least ten days in advance.
3. On June 23, 2022, the budget was legally enacted through the approval of a motion by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

Throughout the year various budget amendments were processed, however the following are amendments management believes were most significant in fiscal year 2023.

The general fund budget increased by a net of \$30.9 million during FY2023. Multiple budget amendments were presented to revise revenue and expenditures.

Revenue amendments resulted in a net decrease of \$835,000. This includes an increase of \$2.4 million due to increased property collections, \$5.1 million due to interest earnings, and a decrease of \$1.5 million for impact aid and \$835,000 for E-Rate; and a decrease of \$7.5 million in state revenue and \$1.5 million in federal indirect revenue.

Expenditure amendments resulted in a net of \$31.6 million. A budget amendment in the amount of \$28.4 million was processed for the roll-forward of encumbered transactions and projects from fiscal year 2022. The amendment affected several functions, most notably, facilities acquisition and construction, facilities maintenance and operations, and instructional related expenditures.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

The budget was increased by \$3 million for districtwide capital outlay related projects. Lastly, a budget amendment in the amount of \$1.5 million was processed to record the sale of land.

The Budget and External Financial Management Office manages and monitors the budget at the revenue and expenditure function and object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.

4. The budget is managed and monitored by the Budget and External Financial Management Office at the revenue and expenditure function and object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
5. A negative variance was identified in the General Fund, Function 11 – Instruction, in the amount of \$779 thousand. The variance was primarily attributed to insufficient allocation in personnel costs.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits

Cash at Depository Bank - At June 30, 2023, the carrying amount of the District's general fund, nonmajor governmental funds, internal service funds, and custodial funds deposits (cash and interest-bearing savings accounts) were \$(1,957,023), \$275,839, \$(183,613), and \$3,664,299, respectively, and the total bank balance was \$4,473,985. The District's cash deposits at June 30, 2023, and during the year ended June 30, 2023, were fully covered by federal depository insurance or pledged collateral held by the District's agent bank in the District's name.

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

- a. Depository: Wells Fargo Bank - El Paso, Texas.
- b. The highest combined balances of cash, savings, and time deposit accounts amounted to \$8,032,576 and occurred during the month of March 2023.
- c. The total amount of FDIC coverage at the time of the highest combined balance was \$500,000.
- d. The estimated fair value of securities pledged as of the date of the highest combined balance on deposit was \$10,272,709.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District also had cash at ArbiterPay and First American Bank, institutions other than the depository bank. The carrying amount of the District's general fund deposits at these institutions were \$9,082 and \$951,172, respectively, at June 30, 2023. These amounts were FDIC insured up to \$250,000 each. In addition, the deposit at First American Bank in the amount of \$951,172 is secured by a Custodial Agreement of \$2,109,677 in pledged collateral and is shown as restricted assets in the General Fund.

B. Temporary Investments

The District's temporary investments included in cash and cash equivalents at June 30, 2023, are shown below at amortized cost or fair value, which approximates the value of the pool shares:

Temporary Investments	General Fund	Debt Service Fund	2016 Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
LOGIC Investment Pool**	\$ 291,040	\$ -	\$ -	\$ 24,319	\$ -	\$ 315,359
Lone Star Investment Pool**	50,454,638	41,345,694	43,655,294	437,851	-	135,893,477
Texas CLASS Investment Pool**	12,387,193	-	-	-	-	12,387,193
Texas Range*	17,504,189	-	17,449,024	-	-	34,953,213
TexPool Investment Pool*	1,486,704	-	-	1,587,490	-	3,074,194
TexPool Prime Investment Pool*	94,392,569	4,645,527	-	-	8,212,364	107,250,460
Fidelity Investments*	42	-	-	-	-	42
Total	\$ 176,516,375	\$ 45,991,221	\$ 61,104,318	\$ 2,049,660	\$ 8,212,364	\$ 293,873,938

* - measured at amortized cost

** - measured at fair value

In addition to the above TexPool Funds, the District also has funds invested in TexPool for the Bray Milk Trust in the National Breakfast and Lunch Program in the amount of \$59,283, the Scholarship Trust Fund in the amount of \$154,421, and the Aoy Elementary School Fager Trust Fund in the amount of \$210,624, which are shown as restricted assets in the Nonmajor Governmental Funds and the Private Purpose Trust Funds in the amounts of \$59,283 and \$365,045, respectively.

LOGIC (Local Government Investment Cooperative) is a local government investment pool administered by Hilltop Securities and J.P. Morgan Chase. The Lone Star Investment Pool is administered by First Public, LLC. The investment managers for the pool are American Beacon Advisors and Standish Investments Corporation. The custodian bank is State Street Bank. Texas Class (Texas Cooperative Liquid Assets Securities System Trust) is a pooled investment program administered by Public Trust Advisors, LLC. Texas Class is governed by the Board of Trustees comprised of active members and elected by the participants and is guided by the Advisory Board. The Texas Range Investment Program was created by and for Texas local governments. It is managed by PFM Asset Management LLC, and elects an Advisory Board of experienced local government officials, finance directors and treasurers who are responsible for overall management of the Program, including the selection of service providers that are focused on providing professional investment services to investors. TexPool is a local government investment pool in the State of Texas. The State Comptroller of Public Accounts oversees TexPool. There is also a TexPool Advisory Board, composed of participants, which advises on TexPool's investment policy and approves fee increases.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

For those pools measured at amortized cost, management is not aware of the presence of any limitations or restrictions on withdrawals such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates.

C. Investments

The District's investments at June 30, 2023, are shown below at fair value for the investments with an original maturity of more than one year and amortized cost for the investments with an original maturity of less than one year:

Investments	General Funds	NonMajor Governmental Funds	Total	Investment Maturities (in years)		Weighted Average Maturity (in days)	Credit Ratings
				Less than 1 year	More than 1 year		
Repurchase Agreement invested in Collateralized Mortgage Obligations	\$ -	\$ 12,540,653	\$ 12,540,653	\$ -	\$ 12,540,653	569	N/A*
Guaranteed Investment Contract		3,299,695	3,299,695	-	3,299,695	994	N/A*
Municipal Bonds	1,292,740		1,292,740	1,292,740	-	10	AA
Total Investments	\$ 1,292,740	\$ 15,840,348	\$ 17,133,088	\$ 1,292,740	\$ 15,840,348		

* U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

** Collateralized with a FHLB Letter of Credit

On February 18, 2010, the District entered into a Master Repurchase Agreement with Morgan Stanley and The Bank of New York Mellon. The parties agreed that the pricing rate used for the transactions shall be 4.00% per annum and the margin percentage shall be 102% with regard to eligible securities specified in the Repurchase Agreement. Maturity dates shall not exceed the date that the notes will be paid which is August 15, 2025. The CMOs were secured by pledged securities with an estimated fair value of \$12,728,762 as of June 30, 2023.

On August 15, 2018, the District entered into a Guaranteed Investment Contract with Bayerische Landsbank and Wells Fargo. During fiscal year 2022, this was transferred from Wells Fargo to Principal Custody Solutions. The parties agreed that the margin percentage shall be 102% with regard to eligible securities specific in the initial agreement. Maturity dates shall not exceed the date that the notes will be paid which is August 15, 2037. The GIC was secured by Small Business Administration (SBA) pledged securities with an estimated fair value of \$4,234,162 as of June 30, 2023.

Because investing is not a core part of the District's mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District has the following recurring fair value measurements as of June 30, 2023:

- CMOs of \$12,540,653 are valued using market closing prices under the market approach (Level 2 inputs).
- GICs of \$3,299,695 are valued using market closing prices under the market approach (Level 2 inputs)
- Mortgage-backed and other securities \$1,292,740 are valued using market closing prices under the market approach (Level 2 inputs)

D. Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. A majority of federal grants shown below are passed through the TEA. Management has deemed that no allowance for doubtful accounts is necessary for fair presentation as there is usually no risk of uncollectibility. Amounts due from federal and state governments as of June 30, 2023, are summarized as follows:

Description	General Fund	ESSER II Emergency Relief	Debt Service	Nonmajor Governmental Funds	Governmental Activities Total
State Entitlement Grants	\$ 70,541,607	\$ -	\$157,806	\$ -	\$ 70,699,413
SHARS	6,884,759	-	-	-	6,884,759
ESSER II - Emergency Relief	-	20,785,128	-	-	20,785,128
ESSA Title I, Part A, D, and SIP	-	-	-	4,382,026	4,382,026
ESSA Title I, Part C, Migrant	-	-	-	48,182	48,182
Adult Education - Federal	-	-	-	215,877	215,877
IDEA - Part B Formula	-	-	-	2,297,193	2,297,193
National Breakfast & Lunch Prog.	-	-	-	1,082,610	1,082,610
Career and Technical - Basic	-	-	-	120,258	120,258
ESSA Title II A Supporting Eff Instr.	-	-	-	714,393	714,393
Title III, Part A English Lang. Acq.	-	-	-	66,266	66,266
Medicaid Admin. Claim	-	-	-	83,009	83,009
ESSER III - TCLAS ARP Act	-	-	-	87,498	87,498
ESSER III Emergency Relief - ARP	-	-	-	4,304,454	4,304,454
IDEA - Part B Formula ARP	-	-	-	466,508	466,508
Gateway to STEM Careers (DoDEA)	-	-	-	40,795	40,795
BJA STOP School Violence	-	-	-	76,000	76,000
Title IV, Part A, Student Support	-	-	-	818,839	818,839
World Language Advancement (DoDEA)	-	-	-	25,677	25,677
Raise the Bar (DoDEA)	-	-	-	56,976	56,976
SSA - IDEA - Part B Discretionary	-	-	-	28,747	28,747
Strong Foundation Grant	-	-	-	35,391	35,391
Army Youth Program	-	-	-	133,431	133,431
SSA - Regional Day School - Deaf	-	-	-	129,272	129,272
Other Federal Grants	-	-	-	80,389	80,389
Other State and Local Grants	-	-	-	10,824	10,824
Total	\$ 77,426,366	\$20,785,128	\$157,806	\$ 15,304,615	\$ 113,673,915

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Balances and Transfers

The interfund balances are the result of normal operations and are cleared out periodically. Management intends to pay out these balances within one year.

Interfund balances at June 30, 2023, consisted of the following amounts:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
ESSER II Emergency Relief	\$ 17,730,636	\$ -
2016 Capital Projects Fund	1,915	-
Nonmajor Governmental Funds	4,848,108	20,836,863
Internal Service Funds	124,504	4,020,077
Total General Fund	<u>22,705,163</u>	<u>24,856,940</u>
ESSER II Emergency Relief		
General Fund	<u>-</u>	<u>17,730,636</u>
2016 Capital Projects Fund:		
General Fund	<u>-</u>	<u>1,915</u>
Nonmajor Governmental Funds:		
General Fund	<u>20,836,863</u>	<u>4,848,108</u>
Internal Service Funds:		
General Fund	<u>4,020,077</u>	<u>124,504</u>
Total	<u><u>\$ 47,562,103</u></u>	<u><u>\$ 47,562,103</u></u>

Interfund transfers generally fall within two categories: (1) transfers to cover future debt service payments to comply with debt covenants, and (2) transfers to cover operating expenditures/deficits in accordance with District policy or legal requirements. Interfund transfers do not require repayment.

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 1,311,267
Total General Fund	<u>-</u>	<u>1,311,267</u>
Nonmajor Governmental Funds:		
General Fund	<u>1,311,267</u>	<u>-</u>
Total Nonmajor Governmental Funds	<u>1,311,267</u>	<u>-</u>
Total	<u><u>\$ 1,311,267</u></u>	<u><u>\$ 1,311,267</u></u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. Disaggregation of Other Receivables and Accrued Expenditures

Other Receivables are reported at gross value. Management has determined that an allowance for doubtful accounts is not necessary for fair presentation as any amounts would not be material. Other Receivables as of June 30, 2023, consisted of the following:

	General Fund	Debt Service	Nonmajor Governmental Funds	Total Governmental Activities
Due from other districts	\$ 119,058	\$ -	\$ -	\$ 119,058
City Tax office	80,198	16,687	-	96,885
Due from External Parties	503,182	-	190,854	694,036
Miscellaneous other receivables	75,345	-	11,370	86,715
Total	<u>\$ 777,783</u>	<u>\$ 16,687</u>	<u>\$ 202,224</u>	<u>\$ 996,694</u>

Accrued Expenditures as of June 30, 2023, consisted of the following:

	General Fund	2016 Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
Workers Compensation Claims	\$ -	\$ -	\$ -	\$ -	\$ 6,500,000	\$ 6,500,000
Health Insurance Claims	-	-	-	-	4,600,000	4,600,000
Professional and Contracted Services	624,300	1,114	770,335	1,395,749	152,940	1,548,689
Supplies and materials	227,542	480	2,218,450	2,446,472	950	2,447,422
Capital Outlay	1,857,671	18,831,690	4,474,010	25,163,371	-	25,163,371
Miscellaneous	162,977	-	156,378	319,355	-	319,355
Total	<u>\$ 2,872,490</u>	<u>\$ 18,833,284</u>	<u>\$ 7,619,173</u>	<u>\$ 29,324,947</u>	<u>\$ 11,253,890</u>	<u>\$ 40,578,837</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

G. Capital Asset Activity

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

	Restated Beginning Balance	Additions	Transfers	Retirements/ Adjustments	Ending Balance
Governmental Activities:					
Non-depreciable assets:					
Land	\$ 46,862,933	\$ -	\$ -	\$ -	\$ 46,862,933
Construction in progress	668,663,672	59,140,289	(4,378,055)	31,404	723,457,310
Technology in progress	2,912,826	2,133	-	-	2,914,959
Total non-depreciable assets	718,439,431	59,142,422	(4,378,055)	31,404	773,235,202
Depreciable assets:					
Land improvements	3,931,123	-	-	-	3,931,123
Buildings and improvements	837,344,453	37,676	4,264,865	(1,259,630)	840,387,364
Furniture and equipment	58,151,252	945,799	113,190	(2,651,827)	56,558,414
Vehicles	46,281,168	34,956	-	(3,122,315)	43,193,809
Total depreciable assets	945,707,996	1,018,431	4,378,055	(7,033,772)	944,070,710
Right-to-use lease assets:					
Buildings and improvements	640,065	-	-	-	640,065
Furniture and equipment	2,868,897	-	-	-	2,868,897
Total Right-to-use lease assets	3,508,962	-	-	-	3,508,962
Subscription-based IT arrangements (SBITAs)	2,370,467	4,506,269	-	-	6,876,736
Less accumulated depreciation for:					
Land improvements	(1,305,811)	(146,338)	-	-	(1,452,149)
Buildings and improvements	(383,951,234)	(14,717,039)	-	812,637	(397,855,636)
Furniture and equipment	(50,970,268)	(1,826,041)	-	2,643,235	(50,153,074)
Vehicles	(35,701,767)	(2,637,068)	-	3,122,315	(35,216,520)
Total accumulated depreciation	(471,929,080)	(19,326,486)	-	6,578,187	(484,677,379)
Less accumulated amortization for Right-to-use lease assets:					
Buildings and improvements	(189,552)	(189,555)	-	-	(379,107)
Furniture and equipment	(887,416)	(887,412)	-	-	(1,774,828)
Total accumulated amortization	(1,076,968)	(1,076,967)	-	-	(2,153,935)
Subscription-based IT arrangements (SBITAs)	-	(2,389,325)	-	-	(2,389,325)
Total governmental activities net capital assets	\$1,197,020,808	\$ 41,874,344	\$ -	\$ (424,181)	\$ 1,238,470,971

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

11 - Instruction	\$ 11,761,776
12 - Instructional resources and media services	255,747
13 - Curriculum development and instruction staff	799,230
21 - Instructional leadership	235,934
23 - School leadership	1,400,180
31 - Guidance, counseling and evaluation services	984,392
32 - Social work services	162,422
33 - Health services	254,330
34 - Student (pupil) transportation	448,303
35 - Food services	526,106
36 - Co-curricular/extracurricular activities	329,596
41 - General administration	417,490
51 - Plant maintenance and operations	1,222,402
52 - Security and monitoring services	268,670
53 - Data processing services	196,569
61 - Community services	<u>51,303</u>
Total depreciation and amortization expense without internal service funds	19,314,450
Depreciation and amortization on capital and Right-to-Use assets held by the District's internal service funds*	<u>3,478,328</u>
Total depreciation and amortization expense	<u><u>\$ 22,792,778</u></u>

* Depreciation and amortization of capital and Right-to-Use assets held by the District's internal service funds are charged to the various functions based on their usage of assets.

H. Deferred Charge For Refunding

Deferred charges on Refunded Bonds for the year ended June 30, 2023, were as follows:

Description	Beginning Balance	Deferred Charge New Issues	Amortization Recognized	Ending Balance
Series 2015	\$ 4,304,069	\$ -	\$ 424,473	\$ 3,879,596
Series 2015A	6,132,273	-	550,486	5,581,787
Series 2020A	<u>5,483,448</u>	-	554,428	<u>4,929,020</u>
Total Deferred Charge	<u>\$ 15,919,790</u>	<u>\$ -</u>	<u>\$ 1,529,387</u>	<u>\$ 14,390,403</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

I. Unearned Revenue

Unearned revenue as of June 30, 2023, consisted of the following:

	General Fund	Debt Service	Nonmajor Governmental Funds	Total
Foundation School Program	\$ 29,816,471	\$ -	\$ -	\$ 29,816,471
Advanced Placement Incentives	-	-	66,608	66,608
SSA Regional Day School Deaf Program	-	-	108,640	108,640
Army Youth Program	-	-	386,635	386,635
Local Networks of School Improvements	-	-	46,136	46,136
El Paso Community Foundation - Teacher Pipeline	-	-	73,033	73,033
Existing Debt Allotment	-	346,279	-	346,279
Other Miscellaneous	-	-	53,955	53,955
Total Unearned Revenue	<u>\$ 29,816,471</u>	<u>\$ 346,279</u>	<u>\$ 735,007</u>	<u>\$ 30,897,757</u>

J. Long-Term Liabilities

The District's long-term liabilities consist of bond indebtedness, loans, maintenance tax notes, lease revenue bonds, compensated absences, asset retirement obligation, right-to-use leases, SBITAs, net pension liability and net OPEB liability. The current requirements for bonds principal and interest expenditures are accounted for in debt service fund. Current funding requirements for loans, maintenance tax notes, and asset retirement obligation are accounted for in the general fund. Current funding requirements for right-to-use leases and SBITAs are accounted for in the internal service funds. Compensated absences are payable from the fund of the employee's assignment. Current funding requirements for lease revenue bonds is recorded in a capital projects fund. Pension and OPEB long-term liabilities are generally liquidated with resources of the general fund.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

	Funded by	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amortizable/ Payable Within One Year
Governmental Activities:						
Bonds Payable:						
Unlimited Tax Refunding Bonds	Debt Service	\$ 134,970,000	\$ -	\$ 14,980,000	\$ 119,990,000	\$ 17,395,000
Unlimited Tax School Building Bonds	Debt Service	620,285,000	-	-	620,285,000	-
Unlimited Tax Refunding Bonds Taxable	Debt Service	112,465,008	-	79,781	112,385,227	121,111
Total Bonds Payable		867,720,008	-	15,059,781	852,660,227	17,516,111
Accretion Payable - Capital Appreciation Bonds (CABS)						
	Debt Service	9,173,917	95,905	800,219	8,469,603	4,153,889
Unamortized Premiums on Bonds						
	Debt Service	77,050,816	-	5,676,889	71,373,927	5,574,056
Other Liabilities:						
Loans from Direct Borrowing	General	32,616,566	-	1,886,902	30,729,664	2,078,268
2009 QSC Maintenance Tax Notes	General	15,275,000	-	-	15,275,000	-
2017 Maintenance Tax Notes	General	4,650,000	-	240,000	4,410,000	250,000
Unamortized Premiums on 2017 Maintenance Tax Notes	General	205,748	-	14,053	191,695	14,052
2017 QSC Maintenance Tax Notes	General	15,300,000	-	-	15,300,000	-
2020 Maintenance Tax Notes	General	16,975,000	-	-	16,975,000	-
Unamortized Premiums on 2020 Maintenance Tax Notes	General	558,882	-	31,748	527,134	31,748
2018 APFC Lease Revenue Bond	Capital Projects	15,525,000	-	460,000	15,065,000	485,000
Unamortized Premiums on 2018 APFC Lease Revenue Bond	General	293,818	-	14,231	279,587	14,231
Accumulated Unpaid Leave Benefits	Various* Internal Service	10,646,460	3,185,027	2,816,198	11,015,289	2,100,000
Right-to-Use Leases		2,447,248	-	1,072,582	1,374,666	965,946
Subscription Based Information Technology Arrangements (SBITAs)	Internal Service	2,370,467	4,411,969	2,824,995	3,957,441	2,595,837
Total other liabilities		116,864,189	7,596,996	9,360,709	115,100,476	8,535,082
Total Long-term debt		\$ 1,070,808,930	\$ 7,692,901	\$ 30,897,598	\$ 1,047,604,233	\$ 35,779,138
Net Pension liability	General	\$ 74,746,455	\$ 113,817,735	\$ 13,741,138	\$ 174,823,052	\$ -
Net OPEB liability	General	162,029,167	-	63,379,288	98,649,879	-
Total Governmental Activities Long-term liabilities		\$ 1,307,584,552	\$ 121,510,636	\$ 108,018,024	\$ 1,321,077,164	\$ 35,779,138

* General Fund and Food and School Breakfast Program and National School Lunch Program

**General Fund, Capital Projects Funds, and Internal Service Funds

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A summary of changes in the Debt Service bonds payable for the year ended June 30, 2023, is as follows:

Description	Interest Rate Payable and Maturity Date	Original Issue Amount	Interest Current Year	Beginning Balance	Issued	Refunded/ Retired	Ending Balance	Due within One year
Unlimited Tax Refunding Bonds: Series 2013	5.00% 8/15/2022	56,075,000	77,750	3,110,000	-	3,110,000	-	-
Unlimited Tax Refunding Bonds: Series 2015	3.00%-5.00% 8/15/2032	78,740,000	1,118,125	25,045,000	-	4,565,000	20,480,000	4,750,000
Unlimited Tax Refunding Bonds: Series 2015A	2.50%-5.00% 8/15/2033	104,555,000	2,385,100	57,395,000	-	5,805,000	51,590,000	6,275,000
Unlimited Tax School Building Bonds: Series 2017 Serial Bonds	3.00%-5.00% 8/15/2038	98,000,000	8,438,738	98,000,000	-	-	98,000,000	-
Series 2017 Term Bonds	8/15/2042	83,835,000	-	83,835,000	-	-	83,835,000	-
Unlimited Tax Refunding Bonds: Taxable Series 2018	4.00%-5.00% 8/15/2033	16,570,000	664,775	15,900,000	-	505,000	15,395,000	560,000
Unlimited Tax School Building Bonds: Taxable Series 2019	3.00%-5.00% 8/15/2043	241,375,000	9,717,844	241,375,000	-	-	241,375,000	-
Unlimited Tax School Building Bonds: Series 2020 Serial Bonds	4.00% 8/15/2040	16,790,000	-	16,790,000	-	-	16,790,000	-
Series 2020 Term Bonds	8/15/2048	180,285,000	7,883,000	180,285,000	-	-	180,285,000	-
Unlimited Tax Refunding Bonds: Series 2020	5.00% 8/15/2029	37,850,000	1,651,125	33,520,000	-	995,000	32,525,000	5,810,000
Unlimited Tax Refunding Bonds, Taxable: Series 2020A Premium CABs	.73% - 5.00% 8/15/2024	2,829,970	800,219	240,008	-	79,781	160,227	121,111
Series 2020A Premium CIBs	8/15/2033	112,225,000	3,786,686	112,225,000	-	-	112,225,000	-
Total Debt Service Bonds Payable			\$ 36,523,362	867,720,008	-	15,059,781	852,660,227	17,516,111

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Unamortized Premiums on debt service bonds for the year ended June 30, 2023, were as follows:

Description	Beginning Balance	Premiums on New Issues	Amortization Recognized	Ending Balance	Amortizable Within One Year
Series 2013	\$ 102,832	\$ -	\$ 102,832	\$ -	\$ -
Series 2015	3,278,027	-	786,727	2,491,300	786,727
Series 2015A	6,154,199	-	753,575	5,400,624	753,575
Series 2017	15,447,186	-	766,894	14,680,292	766,894
Series 2018	1,136,870	-	102,080	1,034,790	102,080
Series 2019	9,173,849	-	433,905	8,739,944	433,905
Series 2020	24,868,574	-	951,172	23,917,402	951,172
Series 2020 Refunding	5,213,781	-	731,092	4,482,689	731,091
Series 2020A	11,675,498	-	1,048,612	10,626,886	1,048,612
Total Unamortized Premiums	<u>\$ 77,050,816</u>	<u>\$ -</u>	<u>\$ 5,676,889</u>	<u>\$ 71,373,927</u>	<u>\$ 5,574,056</u>

K. Debt Service Bonds Payable

On July 22, 2020, the District issued Unlimited Tax Refunding Bonds, Taxable Series 2020A in the amount of \$115,054,970. The bonds were issued at a premium, and refunded \$32,250,000 of the Unlimited Tax School Refunding Bonds, Series 2013; \$40,430,000 of the Unlimited Tax School Refunding Bonds, Series 2015; and \$42,375,000 of the Unlimited Tax School Refunding Bonds, Series 2015A. Bond payments are payable on February 15 and August 15 of each year, commencing on August 15, 2020. The Bonds final principal payment is on August 15, 2033. The refunding reduced future debt service costs (difference between cash flow to service old debt and that required for new debt) by \$12,558,954, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$11,132,338. As of June 30, 2023, \$82,805,000 of the refunded bonds remain outstanding with an estimated related escrow balance of \$84,142,319.

The District had one capital appreciation bond during the year ending June 30, 2023, that was issued at a deep discount. The discount is being accreted over the life of the bond. For the year ended June 30, 2023, \$95,095 was accreted.

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Debt service requirements for bonds payable are as follows:

Year Ending June 30,	Bonds Payable		Total Requirements
	Principal Payments	Interest Payments	
2024	\$ 17,516,111	\$ 39,087,657	\$ 56,603,768
2025	18,164,116	38,457,088	56,621,204
2026	20,605,000	33,138,393	53,743,393
2027	21,950,000	32,074,518	54,024,518
2028	23,930,000	30,927,518	54,857,518
2029 - 2033	138,970,000	137,480,967	276,450,967
2034 - 2038	175,195,000	110,422,211	285,617,211
2039 - 2043	225,470,000	67,178,475	292,648,475
2044 - 2048	176,215,000	23,146,900	199,361,900
2049	34,645,000	692,900	35,337,900
Total	<u>\$ 852,660,227</u>	<u>\$ 512,606,627</u>	<u>\$ 1,365,266,854</u>

L. Loans from Direct Borrowing

On July 1, 2020 the District refinanced the Equipment Lease Purchase Agreement for the first phase with the Banc of America Public Capital Corporation. The refinancing of \$10,832,688 was with U.S. Bancorp. The loan agreement had an interest rate of 2.22%. The first payment commenced on July 17, 2020, with the final payment due on January 17, 2034. On August 11, 2020, the District entered into an Equipment Lease Purchase Agreement with US Bancorp for \$9,562,055. The loan was to finance the second phase of an energy savings performance contract. The first loan payment was on July 17, 2021, with the final payment due on January 17, 2036, with an interest rate of 2.25%. On October 28, 2021, the District entered into an Equipment Lease Purchase Agreement with US Bancorp for \$13,766,438. The loan is to finance the third phase of an energy savings performance contract. The first payment was on October 26, 2021, with the final payment due on April 26, 2034, with an interest rate of 1.76%. As of June 30, 2023, the total principal outstanding for all agreements is \$30,729,664. Total interest paid during the fiscal year ending June 30, 2023, related to financed purchases was \$775,882.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Future payments for the loans are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total Requirements
2024	\$ 2,078,268	\$ 615,600	\$ 2,693,868
2025	2,204,449	573,592	2,778,041
2026	2,305,369	528,983	2,834,352
2027	2,388,577	482,301	2,870,878
2028	2,474,668	433,832	2,908,500
2029 - 2033	13,772,541	1,374,999	15,147,540
2034 - 2036	5,505,792	163,631	5,669,423
Total	<u>\$ 30,729,664</u>	<u>\$ 4,172,938</u>	<u>\$ 34,902,602</u>

M. Maintenance Tax Notes

2009 Qualified School Construction Maintenance Tax Notes

On October 21, 2009, the District issued Qualified School Construction Maintenance Tax Notes Series 2009 in the amount of \$15,275,000. In lieu of interest payments, the owners of the notes receive Federal Tax Credits under the American Recovery and Reinvestment Act of 2009. The District issued the notes with a supplemental interest rate of 1.55%. The supplemental interest is payable February 15 and August 15 of each year commencing February 15, 2010, and ending on August 15, 2025. Total interest paid by the District during the fiscal year ending June 30, 2023, was \$236,763. The notes are scheduled to mature on August 15, 2025, at which time the entire amount is due. The District has established a Sinking Fund and has entered into a Repurchase Investment Agreement to pay the notes. Sinking Fund payments are payable on February 15 of each year commencing on February 15, 2010, and ending on February 15, 2025. Since the notes will not be paid until they mature on August 15, 2025, the sinking fund deposits are recorded in debt service fund 575 and restricted for that purpose. The balance in the sinking fund as of June 30, 2023, totaled \$12,540,653.

The Remaining Sinking Fund Deposits required for the QSC Maintenance Tax Notes are as follows:

Year Ending June 30,	Sinking Fund Deposits	Interest Payments	Total Requirements
2024	\$ 684,059	\$ 236,763	\$ 920,822
2025	684,059	236,763	920,822
2026	-	118,381	118,381
Total	1,368,118	<u>\$ 591,907</u>	<u>\$ 1,960,025</u>
Balance in sinking fund	12,540,653		
Estimated future interest earnings	<u>1,366,229</u>		
Withdrawal at maturity	<u>\$ 15,275,000</u>		

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

2017 Maintenance Tax Notes

On July 24, 2017, the District closed on the issuance of the Maintenance Tax Notes, Series 2017 in the amount of \$5,845,000 with interest rates ranging from 2% to 4%. The Notes sold at a premium, and the District received proceeds of \$6,000,000. Note payments are payable on February 15 and August 15 of each year, commencing on February 15, 2018. The Notes were structured as serial notes maturing on February 15, 2033, and term notes maturing on February 15, 2037. Total interest paid by the District during the fiscal year ending June 30, 2023, was \$162,875.

Year Ending June 30,	Principal Payments	Interest Payments	Total Requirements
2024	\$ 250,000	\$ 155,675	\$ 405,675
2025	255,000	148,175	403,175
2026	265,000	140,525	405,525
2027	275,000	129,925	404,925
2028	285,000	118,925	403,925
2029 - 2033	1,595,000	424,125	2,019,125
2034 - 2037	1,485,000	130,950	1,615,950
Total	\$ 4,410,000	\$ 1,248,300	\$ 5,658,300

2017 Qualified School Construction Maintenance Tax Notes

On December 12, 2017, the District issued Qualified School Construction Maintenance Tax Notes, Series 2017 in the amount of \$15,300,000. The District will receive subsidy payments from the United States Treasury for 90% of the interest payments which are payable on February 15 and August 15 of each year, commencing on February 15, 2018. Total interest paid by the District during the fiscal year ending June 30, 2023, was \$619,650. The Notes are scheduled to mature on August 15, 2037, at which time the entire amount is due. The District has established a Sinking Fund and has entered into a Repurchase Investment Agreement to pay the notes. Sinking fund deposits are due in August of each year, through August 15, 2037. Due to the QSC tax subsidy and the interest earnings in the sinking fund, the net all-inclusive borrowing costs on the transaction is a negative .5362%. The balance in the sinking fund as of June 30, 2023, totaled \$3,299,695.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

QSC Maintenance Tax Notes:

Fiscal Year	Sinking Fund Deposits	Interest Payments	Projected Tax Subsidy	Net Interest Payments	Annual Total	Estimated Interest Earnings	Expected Withdrawal at Maturity
2024	\$ 627,208	\$ 619,650	\$ (576,274)	\$ 43,376	\$ 670,584	\$ -	\$ -
2025	627,208	619,650	(576,274)	43,376	670,584	-	-
2026	627,208	619,650	(576,274)	43,376	670,584	-	-
2027	627,208	619,650	(576,274)	43,376	670,584	-	-
2028	627,208	619,650	(576,274)	43,376	670,584	-	-
2029	627,208	619,650	(576,274)	43,376	670,584	-	-
2030	627,208	619,650	(576,274)	43,376	670,584	-	-
2031	627,208	619,650	(576,274)	43,376	670,584	-	-
2032	627,208	619,650	(576,274)	43,376	670,584	-	-
2033	627,208	619,650	(576,274)	43,376	670,584	-	-
2034	627,208	619,650	(576,274)	43,376	670,584	-	-
2035	627,208	619,650	(576,274)	43,376	670,584	-	-
2036	627,208	619,650	(576,274)	43,376	670,584	-	-
2037	627,208	619,650	(576,274)	43,376	670,584	-	-
2038	627,208	309,825	(288,137)	21,688	648,896	2,592,185	15,300,000
Total	\$ 9,408,120	\$ 8,984,925	\$ (8,355,973)	\$ 628,952	\$ 10,037,072	\$ 2,592,185	\$ 15,300,000

2020 Maintenance Tax Notes

On March 11, 2020, the District issued Variable Rate Maintenance Tax Notes, Series 2020 in the amount of \$17,390,000. The notes were issued at a premium, and the net proceeds from the issuance was \$17,500,000. On August 2, 2021, the District remarketed the Variable Rate Maintenance Tax Notes, Series 2020 in the amount of \$16,975,000. The Notes were remarketed after expiration of the initial rate period on July 31, 2021. The remarketing resulted in lower interest rate for the next two year term. The variable rate decreased from 2.38% to 1.74%. The Notes were issued at a premium, and \$415,000 in principal was redeemed. Tax Note payments are payable on February 1 and August 1 of each year, commencing on August 1, 2020. The final principal payment on the Notes is on February 1, 2040. Total interest paid by the District during the fiscal year ending June 30, 2023, was \$339,500.

Year Ending June 30,	Principal Payments	Interest Payments	Total Requirements
2024	\$ -	\$ 339,500	\$ 339,500
2025	-	339,500	339,500
2026	-	339,500	339,500
2027	-	339,500	339,500
2028	-	339,500	339,500
2029 - 2033	6,585,000	1,439,400	8,024,400
2034 - 2038	7,270,000	754,000	8,024,000
2039 - 2040	3,120,000	93,900	3,213,900
Total	\$ 16,975,000	\$ 3,984,800	\$ 20,959,800

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

N. Public Facility Corporation Bonds

2018 Administrative Public Facility Corporation Lease Revenue Bonds, Series 2018

On October 18, 2018, the District issued the EPISD Administrative Public Facility Corporation Lease Revenue Bonds, Series 2018 in the amount of \$16,385,000. Bonds payments are payable on February 15 and August 15 of each year, commencing on February 15, 2019 and ending on February 15, 2043. The bonds were sold at a premium with coupon payments of 4.00 - 5.00 percent. The Public Facility Corporation is a nonprofit corporation acting on behalf of the District to issue bonds for the construction of a new administration building. Total interest paid by the District during the fiscal year ending June 30, 2023, was \$652,400.

Year Ending June 30,	Principal Payments	Interest Payments	Total Requirements
2024	\$ 485,000	\$ 629,400	\$ 1,114,400
2025	510,000	605,150	1,115,150
2026	535,000	579,650	1,114,650
2027	560,000	552,900	1,112,900
2028	590,000	524,900	1,114,900
2029 - 2033	3,355,000	2,219,000	5,574,000
2034 - 2038	4,075,000	1,492,800	5,567,800
2039 - 2043	4,955,000	610,200	5,565,200
Total	<u>\$ 15,065,000</u>	<u>\$ 7,214,000</u>	<u>\$ 22,279,000</u>

O. Accumulated Unpaid Sick Leave Benefits

Upon retirement or death of certain employees, the District pays one-half of accrued sick leave in a lump sum cash payment to such employee or his/her estate. Eligibility is contingent on at least five years of service with the District and being hired prior to July 1, 2014. A summary of changes in the accumulated sick leave follows:

	<u>Sick Leave</u>
Balance June 30, 2022	\$ 10,646,460
Additions	3,185,027
Deductions	<u>(2,816,198)</u>
Balance June 30, 2023	<u>\$ 11,015,289</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

P. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. Arbitrage is evaluated and estimated on an annual basis by a third party arbitrage rebate service company. The company has estimated a liability of \$769,528 for the District as of June 30, 2023. However, no installment payments are due and the calculation will be adjusted going forward. If amounts are still due once final calculations are completed, the amounts will be due in April 2025 and October 2026.

Q. Deferred Inflow for Gain on Refundings

The deferred gains on refunded bonds for the year ended June 30, 2023, was as follows:

Description	Beginning Balance	Deferred Gain on New Issues	Amortization Recognized	Ending Balance
Series 2018	\$ 281,454	\$ -	\$ 25,273	\$ 256,181
Series 2020	1,270,923	-	178,211	1,092,712
Series 2020 MTN	293,156	-	16,655	276,501
Total Deferred Gain	\$ 1,845,533	\$ -	\$ 220,139	\$ 1,625,394

R. Right-to-Use Lease Liabilities

The right-to-use lease assets are being amortized over the remaining term of the leases using straight-line method. Commitments under right-to-use lease agreements for facilities, equipment, and copiers include lease terms from three to thirty five years. The District is required to make monthly, quarterly, or annual payments during the lease term. During the fiscal year ending June 30, 2023, total principal paid by the District was \$1,072,582 and total interest paid by the District was \$34,595. Future payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Requirements</u>
2024	\$ 965,946	\$ 16,482	\$ 982,428
2025	169,572	5,984	175,556
2026	154,642	2,991	157,633
2027	28,005	1,343	29,348
2028	18,506	994	19,500
2029 - 2030	37,995	1,006	39,001
Total	\$ 1,374,666	\$ 28,800	\$ 1,403,466

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

S. Subscription Based Information Technology Arrangements (SBITA)

The District has executed various agreements for software, licenses, educational instruction, and data management to be used throughout the District for terms of two to five years. A liability of \$2,370,467 for existing arrangements at July 1, 2022 has been established and an initial liability of \$4,411,969 for new arrangements entered into during fiscal year 2023 has been recorded based on present value calculations of future minimum SBITA payments and interest rates ranging from 1.58% to 3.074%. The District is required to make annual payments during the subscription term. During fiscal year ending June 30, 2023, the District made principal payments of \$2,824,995 and interest payment of \$678.

Debt service requirements for SBITAs are as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest payments</u>	<u>Total Requirements</u>
2024	\$ 2,595,837	\$ 76,685	\$ 2,672,522
2025	642,612	28,870	671,482
2026	383,049	16,086	399,135
2027	335,943	7,664	343,607
Total	<u>\$ 3,957,441</u>	<u>\$ 129,305</u>	<u>\$ 4,086,746</u>

T. Defined Benefit Pension Plan

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

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

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered 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 above.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2019 through 2024.

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. 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 this manner are determined by the System's actuary.

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

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2022</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Contributions Required and Made

2023 Employer Contributions	\$ 15,122,997
2023 Member Contributions	31,967,595
2022 Plan Year NECE On-Behalf Contributions (State)	21,090,222

Contributors to the plan include active 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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

Included in the employer contributions amount listed above for fiscal year 2023, the District paid \$177,936 in retiree surcharges and \$5,624,816 for the Public Education Employer Contribution. These two additional surcharges an employer is subject to are summarized as follows:

- 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.
- All public schools, charter schools and regional education service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Mortality Assumption	The active mortality rates were based on the PUB (2010), Amount-Weighted, Below- Median Income, Teacher, Male and Female tables, with a 2-year set forward for male. The rates are projected on a fully generational basis by the long-term rates of scale UMP 2021 to account for future mortality improvements. The post-retirement mortality rates were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates are projected on a fully generational basis by Scale UMP 2021, but with immediate convergence, to account for future mortality improvements.
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91%. - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

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

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

The long-term expected rate of return on pension plan investments is 7.00 percent and 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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity*	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return*	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
Total	100.00%		8.19%

*Absolute Return includes Credit Sensitive Investments

**Target allocations are based on the FY2022 policy model

***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022)

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Discount Rate Sensitivity Analysis: The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 271,958,384	\$ 174,823,052	\$ 96,090,307

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the District reported a liability of \$174,823,052 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:

The District's proportionate share of the collective net pension liability	\$ 174,823,052
State's proportionate share that is associated with the District	<u>268,322,532</u>
Total	<u><u>\$ 443,145,584</u></u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.2944763779% which was an increase of 0.0009669883% from its proportion measured as of August 31, 2021.

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

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$25,648,592 and revenue of \$25,648,592 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$42,234,568.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,534,920	\$ 3,811,474
Changes in actuarial assumptions	32,575,224	8,118,656
Net difference between projected and actual investment earnings	17,271,958	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	1,093,608	10,897,610
District contributions to TRS subsequent to the measurement date	12,781,035	-
Total	<u>\$ 66,256,745</u>	<u>\$ 22,827,740</u>

The \$12,781,035 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

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

Year Ended June 30,	Pension Expense
2024	\$ 7,352,491
2025	2,635,934
2026	(731,608)
2027	18,910,402
2028	2,480,752
Thereafter	(1)
	<u>\$ 30,647,970</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Changes in Net Pension Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 74,746,455	\$ 113,817,735	\$ 13,741,138	\$ 174,823,052

Payable to the Pension Plan: At June 30, 2023, the District reported a payable of \$3,946,834 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$2,655,952.

U. Defined Other Post-Employment Benefit Plan

Plan Description: The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. The TRS-Care program was established in 1986 by the Texas Legislature.

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

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

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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

TRS-Care Monthly Plan 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

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 on active employee compensation. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contributions Rates</u>		
	2022	2023
Active Employee	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%
2023 Employer Contributions	\$ 3,483,528	
2023 Member Contributions	2,597,322	
2022 Plan Year NECE On-behalf Contributions (State)	4,127,880	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS-Care OPEB program. When employers hire a TRS retiree, employers are required to pay to TRS Care a monthly surcharge of \$535 per retiree. During the year ended June 30, 2023, the District paid \$47,348 in retiree surcharges.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health costs during fiscal year 2022.

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Salary Increases	3.05% to 9.05%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of TRS. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Mortality Assumption	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. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.
Health Care Trend Rates	Initial medical trend rates of 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. Initial prescription drug trend rate of 8.25% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.25 over a period of 13 years.
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65; 30% of pre-65 retirees are assumed to discontinue coverage at age 65
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
Other Information:	
Notes	Assumption changes include a discount rate change from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lower participation rates, and updates to the health care trend assumptions.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Discount Rate: A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. There was an increase of 1.96 percent in the discount rate since the previous year. 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.

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate 2.91%	Current Single Discount Rate 3.91%	1% Increase in Discount Rate 4.91%
District’s proportionate share of the Net OPEB Liability:	\$ 116,316,030	\$ 98,649,879	\$ 84,338,029

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District’s proportionate share of the Net OPEB Liability:	\$ 81,287,945	\$ 98,649,879	\$ 121,157,393

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At June 30, 2023, the District reported a liability of \$98,649,879 for its proportionate share of the TRS-Care’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District's proportionate share of the collective Net OPEB Liability	\$ 98,649,879
State's proportionate share that is associated with the District	<u>120,337,353</u>
Total	<u><u>\$ 218,987,232</u></u>

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

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.4120024103%, which was a decrease of 0.0080401025% from its proportion measured as of August 31, 2021.

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 since the prior measurement period:

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

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$17,076,842 and revenue of \$17,076,842 for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was \$(34,542,152).

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,484,584	\$ 82,184,204
Changes in actuarial assumptions	15,026,331	68,536,067
Difference between projected and actual investment earnings	293,852	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	11,923	29,082,948
Contributions paid to TRS-Care subsequent to the measurement date	2,855,051	-
Total	<u>\$ 23,671,741</u>	<u>\$ 179,803,219</u>

The \$2,855,051 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

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

Year Ended June 30:	OPEB Expense Amount
2024	\$ (28,730,847)
2025	(28,729,782)
2026	(24,546,387)
2027	(18,882,808)
2028	(20,643,864)
Thereafter	(37,452,841)
	<u><u>\$(158,986,529)</u></u>

Changes in Net OPEB Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	\$ 162,029,167	\$ -	\$ 63,379,288	\$ 98,649,879

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Payable to the OPEB Plan: At June 30, 2023, the District reported a payable of \$502,213 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$215,795.

Medicare Prescription Drug Program: The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District's employees for the year ended June 30, 2023, 2021, and 2020 were \$2,153,406, \$1,615,147, and \$1,728,387, respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

V. Health Care Coverage

Beginning September 1, 2019, the District established a Self-Funded Medical Plan managed by a third party, Cigna Health and Life Insurance Company (CHLIC). The District contributes up to \$511 per month per full-time employee, at their option. The Self-Funded Medical Plan provides two Preferred Provider Organization (PPO) plan options to choose from and both plans meet the guidelines of the Affordable Health Care Act. Individual employee health claims incurred are self-insured by the District up to \$500,000 per participant annually and CHLIC provides a Stop Loss Insurance Plan of \$500,000 for the plan year.

The accrued liability for the self-insurance health claims of \$4,600,000 includes an estimate of claims incurred but not paid. This liability reported in the fund at June 30, 2023, is in accordance with the requirements of Governmental Accounting Standards Board. Because actual claim liabilities depend on such complex factors, actual results may differ from the estimated liability.

Below is the claims activity and liability as of June 30:

	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning of year	\$ 4,600,000	\$ 4,600,000
Incurred claims	49,190,562	42,770,131
Claim payments	<u>(49,190,562)</u>	<u>(42,770,131)</u>
Unpaid claims, end of fiscal year	<u><u>\$ 4,600,000</u></u>	<u><u>\$ 4,600,000</u></u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District also participates in TRS ActiveCare, sponsored by the Teacher Retirement System of Texas administered by Blue Cross Blue Shield of Texas. TRS ActiveCare provides health care coverage to employees of participating public education entities and their eligible dependents. Authority for the plan can be found in the Texas Insurance Code, Title 8, Subtitle H, Chapter 1579, and in the Texas Administrative Code, Title 34, Part 3, Chapter 41. The plan began operations on September 1, 2002. This is a premium based plan consisting of employee and employer amounts. Payments are made on a monthly basis for all covered employees. Employees have four PPO plan options to choose from for the 2022-2023 plan year. All four meet the guidelines of the Affordable Health Care Act.

W. Self-Insured Workers' Compensation

The District self-insures its workers' compensation claims which are administered by a third party, Athens Administration. Estimated incurred but not reported claims are accrued as liabilities of the Workers' Compensation Fund. The District maintains self-insured retention per occurrence of \$2,000,000 and employers' liability insurance of \$1,000,000 to limit its claim liability.

The accrued liability for Workers' Compensation self-insurance of \$6,500,000 includes an undiscounted estimate of claims incurred but not reported. This liability reported in the fund at June 30, 2023, is in accordance with the requirements of Governmental Accounting Standards Board.

Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, actual results may differ from the estimated liability. Changes in the balances of claim liabilities for June 30 are as follows:

	2023	2022	2021
Unpaid claims, beginning of year	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000
Incurred claims	3,083,923	2,187,459	2,016,644
Claim payments	(3,083,923)	(2,187,459)	(2,016,644)
Unpaid claims, end of fiscal year	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

X. Revenue from Local and Intermediate Sources

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

	General Fund	Debt Service	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds
Property taxes	\$ 188,586,887	\$ 57,595,906	\$ -	\$ -	\$ 246,182,793	\$ -
Penalty and interest on taxes	1,234,931	305,941	-	-	1,540,872	-
Investment income	7,339,191	1,268,994	2,969,418	1,167,431	12,745,034	-
Extracurricular/co-curricular activities	-	-	-	733,137	733,137	-
IRS Subsidy	584,330	-	-	-	584,330	-
Athletics	435,353	-	-	-	435,353	-
Purchasing Rebates	189,357	-	-	-	189,357	-
Rent	111,976	-	-	-	111,976	-
Vehicle inventory tax	107,409	-	-	-	107,409	-
Surplus sales	106,443	-	-	-	106,443	-
Tuition and fees	81,530	-	-	-	81,530	-
City of El Paso Refunds	64,752	-	-	-	64,752	-
Services to other districts	68,000	-	-	-	68,000	-
Transportation revenue	14,797	-	-	-	14,797	-
Foundation, Gifts and Bequests	23,311	-	-	35,370	58,681	-
Food Service activity	-	-	-	1,740,053	1,740,053	-
Shared service arrangements	-	-	-	295,697	295,697	-
Army Youth Program	-	-	-	143,248	143,248	-
Local Networks of School Improvements	-	-	-	19,863	19,863	-
Region 19 Stipends	-	-	-	13,246	13,246	-
Snapdragon Book Foundation Grant	-	-	-	9,500	9,500	-
Print Shop	-	-	-	-	-	843,333
Workers Compensation	-	-	-	-	-	3,213,504
Self-insurance - health	-	-	-	-	-	53,390,577
Health Clinic	-	-	-	-	-	674,705
Lease/SBITA Services	-	-	-	-	-	4,011,896
Other local revenue	125,062	-	-	17,910	142,972	-
Total	\$ 199,073,329	\$ 59,170,841	\$ 2,969,418	\$ 4,175,455	\$ 265,389,043	\$ 62,134,015

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Y. Fund Balances

As of June 30, 2023, fund balances were composed of the following:

	General Fund	Debt Service	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventories	\$ 1,729,160	\$ -	\$ -	\$ -	\$ 1,729,160
Restricted:					
Medicaid Administrative					
Claiming Program	-	-	-	655,112	655,112
Retirement of Long-term debt	-	45,878,331	-	-	45,878,331
2009 QSC-MTN Sinking Fund	-	-	-	12,728,763	12,728,763
2017 QSC-MTN Sinking Fund	-	-	-	3,325,000	3,325,000
Bray Trust	-	-	-	59,283	59,283
Food Service Program	-	-	-	16,621,844	16,621,844
Campus Activities	-	-	-	1,891,005	1,891,005
Capital projects	16,867,883	-	42,173,797	67,118	59,108,798
Escrow - Planetarium	951,172	-	-	-	951,172
Restricted for State Programs	2,180,012	-	-	-	2,180,012
Assigned:					
Construction	1,742,776	-	-	-	1,742,776
Capital expenditures	2,103,440	-	-	-	2,103,440
Health Insurance	5,000,000	-	-	-	5,000,000
Other Assigned	807,234	-	-	-	807,234
Unassigned	127,953,604	-	-	-	127,953,604
Total fund balances	\$159,335,281	\$ 45,878,331	\$ 42,173,797	\$ 35,348,125	\$282,735,534

The Net Position for the Health Insurance Fund had a deficit of (\$1,485,762) as of June 30, 2023. The District has set-aside \$5 million from the general fund balance to cover future shortfalls, if necessary. The District has completed the procurement process for a new health care plan to reflect the current and future medical requirements for the local climate affecting EPISD employees. The new plan is effective January 1, 2024. Management will continue to evaluate the plan and make any necessary changes to benefit coverage as well as employer contribution amounts.

As discussed in Note Z, as of June 30, 2023, the District has a total of \$45,457,622 of encumbrances of operating funds shown as restricted or assigned in the general fund and capital projects funds that rolled over into the next fiscal year. Other assigned fund balance in the General Fund includes an assignment for self-insurance activities of \$187,750. The remaining balance of \$619,484 in other assigned is for future District expenditures.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Z. Encumbrances

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed and are used to control expenditures for the year and to enhance cash management. The encumbrance account does not represent an expenditure for the period, only a commitment to expend resources. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year end, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrance accounting is employed as an extension of formal budgetary integration for the District's funds. At June 30, 2023, certain amounts which were previously restricted or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<u>Encumbrances included in:</u>		
	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>	<u>Total</u>
General Fund	\$ 15,793,280	\$ 1,970,308	\$ 17,763,588
2008 Capital Projects Fund	39,243	-	39,243
2016 Capital Projects Fund	27,638,832	-	27,638,832
PFC Capital Projects Fund	15,959	-	15,959
Total	<u>\$ 43,487,314</u>	<u>\$ 1,970,308</u>	<u>\$ 45,457,622</u>

AA. Litigation

The District is the defendant in a number of lawsuits arising principally in the normal course of operations. The District maintains insurance with deductibles up to \$50,000 per claim to cover the various lawsuits. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and accordingly, no provision has been accrued.

BB. Construction and Other Significant Commitments and Contingencies

Construction Commitments

The District has active construction projects as of June 30, 2023, including renovations and site improvements. All accumulated resources for capital projects are restricted or assigned for construction commitments. As of June 30, 2023, the construction work in progress and estimated commitments with contractors on various projects are as follows:

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

	Spent To Date	Remaining Commitment
Athletic Improvements	\$ 14,734,676	\$ 14,671,447
Land/Building improvements and consolidations	599,118,084	34,484,092
New Northeast Middle School	44,407,749	3,582,427
New Central Administrative Building 1014 N. Stanton	16,654,146	24,319
New Central Administrative Building 1100 N. Stanton	26,777,642	181,350
El Paso High Historical Renovation	1,552,725	15,162,468
New Delta Operations Center (DOC)*	12,851,385	-
ESSER HVAC	7,360,903	52,130,465
	<u>\$ 723,457,310</u>	<u>\$ 120,236,568</u>

*As of June 30th, Delta Operations Center had a remaining balance of \$400,000 and will be paid out contingent upon the vendor finishing punch list items and submitting close out documents. Once the vendor has completed all necessary tasks, the District will submit final payment for approval to the Board of Trustees and send payment to Lloyd Hamilton within 30 days of Board approval.

Technology Commitments

The District has a technology project in process as of June 30, 2023. The work in process and estimated commitments with vendors on these projects are as follows:

	Spent To Date	Remaining Commitment
Network Electronics Project	\$ 2,914,959	\$ 9,187

Federal and State Funding

The District participates in numerous state and federal grant programs that are subject to audit by the Texas Education Agency and various Federal and/or State audit agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund, if so determined by administrative audit review.

In the opinion of administration, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

CC. Shared Service Arrangements

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides a Regional Day School Program for the deaf. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Funds 315, 340, 435, and 446, Shared Services Arrangements - Deaf Education.

Expenditures of the SSA are summarized below:

El Paso I.S.D.	\$ 651,956
Ysleta I.S.D.	116,339
Socorro I.S.D.	95,714
Clint I.S.D.	46,628
Canutillo I.S.D.	44,733
Fabens I.S.D.	11,580
San Elizario I.S.D.	9,621
Anthony I.S.D.	<u>2,125</u>
Total	<u><u>\$ 978,696</u></u>

DD. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains insurance policies acquired from independent insurance carriers covering the following: property insurance, automobile liability insurance (effective 9/1/13 the district was self-insured for auto physical damage to District vehicles), educators legal liability insurance, general liability insurance, law enforcement liability insurance, commercial crime insurance, storage tank system third party liability and cleanup insurance, excess workers' compensation and employers' liability insurance and student accident insurance. For the year ended June 30, 2023, the District carried Property Insurance Policy for the insured value of \$2,599,915,870 with deductibles ranging from \$10,000 to \$500,000 per occurrence. There is a loss limit of \$400,000,000 per any one occurrence. There have been no significant reductions in insurance coverage from prior years and settlements have not exceeded insurance coverage in each of the past three years.

EE. Related Party Transactions

From time to time, the District may enter into transactions with related parties through the normal course of business. If a Board member has a conflict of interest, proper documentation is completed and he/she is required to abstain from any discussion or voting regarding the matter. Management is not aware of any material related party transactions that occurred during the year ending June 30, 2023.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

FF. Other Post Employment Benefits

The District pays the premiums for group life insurance for retired employees. The policies provide for a \$1,000 benefit. During the year ending June 30, 2023, the District paid a total of \$2,310 in premiums for retired employees which is approximately four cents per employee per month. Management does not anticipate that the estimated liability related to this obligation would be material to the government-wide financial statements and as such, an accrual has not been made.

GG. Top Ten Taxpayers

The following businesses represent the top ten taxpayers for the District:

Name	Market Value	Taxable Value
Western Refining Co. LP	\$ 438,962,940	\$ 482,614,797
El Paso Electric Co.	247,971,312	227,742,631
Texas Gas Service	114,482,230	114,482,230
Simon Property Group	107,312,085	107,312,085
Wal-Mart Stores Inc	105,894,055	105,894,055
Hawkins & I-10 Acquisition Co. LP	82,029,512	82,029,512
Union Pacific Railroad Co.	73,735,648	73,735,648
Sierra Providence Physical Rehabilitation Hospital	67,500,000	67,500,000
Enterprise Rent A Car	64,154,061	64,154,061
Spectrum Gulf Coast LLC	58,673,280	58,673,280
	<u>\$ 1,360,715,123</u>	<u>\$ 1,384,138,299</u>

HH. Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020

As part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020, the following financial aid packages were utilized in fiscal year ending June 30, 2023:

- ESSER II, Coronavirus Response and Relief Supplemental Appropriations (CRRSA), was published in June 2021 with a District allocation of \$84.9 million. ESSER II has a pre-award period starting in March 2020 with the grant period ending in September 2023. In fiscal year ending June 30, 2023, the District utilized \$46.1 million to maintain the continuity of services.
- The American Rescue Plan (ARP) Act, also known as ESSER III, was released in April 2021. The District was allocated \$190.7 million to be spent over the course of three years ending September 30, 2024. In fiscal year ending June 30, 2023, the District spent \$41.6 million in ESSER III funds to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on students.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District continues to closely monitor its budget and cash flows to address the needs of its students and personnel. Although future developments and mitigation strategies are out of the control of the District, EPISD is committed to fulfilling its mission to graduate every student prepared for higher learning.

II. Subsequent Events

On August 1, 2023, the District remarketed the Variable Rate Maintenance Tax Notes, Series 2020 in the amount of \$16,575,000. The Notes were remarketed after expiration of the term rate period on July 31, 2023. The remarketing resulted in a higher interest rate for the next two-year term. The variable rate increased from 2.00% to 5.00%. Because the Notes were issued at a premium, \$400,000 in principal was redeemed from the outstanding balance of \$16,975,000.

JJ. Restatement

As part of the District's implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), a restatement was necessary to establish the opening balances as of July 1, 2022 for the SBITA assets and the SBITA liability in the amount of \$2,370,467. The restatement had no impact on net position.

KK. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting the following Governmental Accounting Standards Board (GASB) Statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for fiscal years beginning after June 15, 2023. GASBS No. 100 enhances comparability and consistency in accounting and financial reporting for accounting changes and error corrections.
- GASB Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. GASBS No. 101 enhances consistency in recognition and measurement of the liability for compensated absences and comparability between governments that offer different types of leave.

REQUIRED SUPPLEMENTARY INFORMATION

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Local and Intermediate Sources	\$ 194,519,873	\$ 202,019,873	\$ 199,073,329	\$ (2,946,544)
5800 State Program Revenues	310,938,829	303,438,829	298,280,164	(5,158,665)
5900 Federal Program Revenues	21,310,659	20,475,659	23,115,301	2,639,642
5020 Total Revenues	526,769,361	525,934,361	520,468,794	(5,465,567)
EXPENDITURES:				
Current:				
0011 Instruction	293,350,220	294,865,058	295,643,966	(778,908)
0012 Instructional Resources and Media Services	7,459,445	7,543,501	6,964,919	578,582
0013 Curriculum and Instructional Staff Development	17,501,363	17,370,617	15,411,832	1,958,785
0021 Instructional Leadership	6,399,635	6,453,195	6,353,110	100,085
0023 School Leadership	39,035,874	38,653,283	38,500,401	152,882
0031 Guidance, Counseling, and Evaluation Services	21,054,534	21,993,003	21,751,983	241,020
0032 Social Work Services	4,308,973	4,390,061	4,364,309	25,752
0033 Health Services	7,009,091	7,378,679	6,923,829	454,850
0034 Student (Pupil) Transportation	14,096,552	13,099,814	12,008,031	1,091,783
0036 Extracurricular Activities	14,498,755	14,901,433	14,364,939	536,494
0041 General Administration	15,737,127	15,417,864	14,451,158	966,706
0051 Facilities Maintenance and Operations	54,121,617	56,866,554	55,868,091	998,463
0052 Security and Monitoring Services	8,518,901	8,547,720	7,241,745	1,305,975
0053 Data Processing Services	12,628,620	11,784,211	8,674,122	3,110,089
0061 Community Services	59,916	61,216	43,624	17,592
Debt Service:				
0071 Principal on Long-Term Liabilities	2,586,902	2,586,902	2,586,902	-
0072 Interest on Long-Term Liabilities	2,787,069	2,787,069	2,787,069	-
0073 Bond Issuance Cost and Fees	20,500	20,500	18,665	1,835
Capital Outlay:				
0081 Facilities Acquisition and Construction	1,250,000	29,187,274	10,887,476	18,299,798
Intergovernmental:				
0099 Other Intergovernmental Charges	3,033,000	3,183,000	3,162,457	20,543
6030 Total Expenditures	525,458,094	557,090,954	528,008,628	29,082,326
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,311,267	(31,156,593)	(7,539,834)	23,616,759
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	1,523,500	1,523,500	-
8911 Transfers Out (Use)	(1,311,267)	(1,311,267)	(1,311,267)	-
7080 Total Other Financing Sources (Uses)	(1,311,267)	212,233	212,233	-
1200 Net Change in Fund Balances	-	(30,944,360)	(7,327,601)	23,616,759
0100 Fund Balance - July 1 (Beginning)	166,662,882	166,662,882	166,662,882	-
3000 Fund Balance - June 30 (Ending)	\$ 166,662,882	\$ 135,718,522	\$ 159,335,281	\$ 23,616,759

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General fund before the beginning of the fiscal year. The District's administration determines budgetary funding priorities and the budgets are prepared in the same basis of accounting that is used for reporting in accordance with generally accepted accounting principles. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board must approve amendments to the budget at the fund and functional expenditure categories or revenue object accounts as defined by TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

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

1. Prior to June 19, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. On June 23, 2022, the budget was legally enacted through the approval of a motion by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Each budget is controlled by the budget director at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end, and outstanding encumbrances at year-end are re-appropriated in the next year.
5. A negative variance was identified in the General Fund, Function 11 – Instruction, in the amount of \$779 thousand. The variance was primarily attributed to insufficient allocation in personnel costs.

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.294476378%	0.29350939%	0.303640743%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 174,823,052	\$ 74,746,455	\$ 162,623,787
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	268,322,532	129,108,496	283,221,909
Total	<u>\$ 443,145,584</u>	<u>\$ 203,854,951</u>	<u>\$ 445,845,696</u>
District's Covered Payroll	\$ 388,890,887	\$ 387,719,100	\$ 392,481,345
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.95%	19.28%	41.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.317955888%	0.344247074%	0.335715288%	0.353813322%	0.36209999%	\$ -
\$ 165,283,406	\$ 189,481,944	\$ 107,343,663	\$ 133,700,793	127,997,495	\$ 64,148,427
275,084,593	310,719,469	191,585,514	234,758,266	234,729,990	\$ 207,838,673
<u>\$ 440,367,999</u>	<u>\$ 500,201,413</u>	<u>\$ 298,929,177</u>	<u>\$ 368,459,059</u>	<u>\$ 362,727,485</u>	<u>\$ 271,987,100</u>
\$ 374,416,393	\$ 384,687,132	\$ 377,281,655	\$ 377,316,904	373,930,999	\$ 374,880,694
41.14%	49.26%	28.45%	35.43%	34.23%	\$ 17
75.24%	73.74%	82.17%	78.00%	78.43%	\$ 83

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 15,122,997	\$ 13,512,994	\$ 12,459,780
Contribution in Relation to the Contractually Required Contribution	(15,122,997)	(13,512,994)	(12,459,780)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 403,604,038	\$ 382,596,911	\$ 388,133,225
Contributions as a Percentage of Covered Payroll	3.75%	3.53%	3.21%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

2020	2019	2018	2017	2016	2015	2014
\$ 12,285,012	\$ 11,154,052	\$ 11,459,304	\$ 11,052,123	\$ 10,962,083	\$ 10,210,794	\$ 6,104,979
(12,285,012)	(11,154,052)	(11,357,520)	(11,052,123)	(10,962,083)	(10,210,794)	(6,104,979)
\$ -	\$ -	\$ 101,784	\$ -	\$ -	\$ -	\$ -
\$ 389,298,717	\$ 375,049,174	\$ 385,429,416	\$ 377,714,149	\$ 377,287,614	\$ 371,221,286	\$ 374,598,981
3.16%	2.97%	2.97%	2.93%	2.91%	2.75%	1.63%

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EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED JUNE 30, 2023

Changes of Benefit Terms

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

Changes of Assumptions

The Board adopted new assumptions on July 15, 2022 based on recommendations from the experience study for the period ending August 31, 2021. The primary assumption change was lowering of the discount rate from 7.25 percent to 7.00 percent. Please see the experience study report for a detailed list of changes with the rationale for each. The report is available at:

https://www.trs.texas.gov/TRS%20Documents/actuarial_experience_study_2022.pdf.pdf

EL PASO 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, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.41200241%	0.420042513%	0.445880193%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 98,649,879	\$ 162,029,167	\$ 169,499,197
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	120,337,353	217,082,975	227,766,290
Total	<u>\$ 218,987,232</u>	<u>\$ 379,112,142</u>	<u>\$ 397,265,487</u>
District's Covered Payroll	\$ 388,890,887	\$ 387,719,100	\$ 392,481,345
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	25.37%	41.79%	43.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2019 Plan Year 2018		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.453932891%		0.479890278%		\$ 0.479833937%	
\$	214,670,423	\$	239,613,609	\$	208,661,779
285,248,977		320,698,545		\$ 284,864,539	
<u>\$ 499,919,400</u>		<u>\$ 560,312,154</u>		<u>\$ 493,526,318</u>	
\$	374,416,393	\$	384,687,132	\$	377,281,655
57.33%		62.29%		\$ 55.31%	
2.66%		1.57%		\$ 0.91%	

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 3,483,528	\$ 3,343,019	\$ 3,293,771
Contribution in Relation to the Contractually Required Contribution	(3,483,528)	(3,343,019)	(3,293,771)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 403,604,038	\$ 382,596,911	\$ 388,133,225
Contributions as a Percentage of Covered Payroll	0.86%	0.87%	0.85%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2020	2019	2018	2017	2016
\$ 3,360,668	\$ 3,225,210	\$ 3,190,301	\$ 2,502,519	\$ 2,571,017
(3,360,668)	(3,225,210)	(3,151,204)	(2,502,519)	(2,571,017)
\$ -	\$ -	\$ 39,097	\$ -	\$ -
\$ 389,298,717	\$ 375,049,174	\$ 385,429,416	\$ 377,714,149	\$ 377,287,614
0.86%	0.86%	0.83%	0.66%	0.68%

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Benefit Terms Since the Prior Measurement Period

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

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 since the prior measurement period:

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 65% to 62%, and the participation rate for post-65 retirees was lowered from 40% to 25%. The rate of pre-65 retirees who are assumed to discontinue their coverage at age 65 was increased from 25% to 30%. These changes lowered the total OPEB liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.

Difference Between Expected and Actual Experience

The primary driver of the \$4.5 billion experience gain was favorable claims experience, which resulted in lower overall 2023 retiree claims estimates than previously assumed.

COMBINING AND OTHER STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

The Nonmajor Governmental Funds, which are made up of Special Revenue Funds and Debt Service Funds, are used to account for funds that are legally restricted for specified purposes excluding capital projects.

Special Revenue Funds

Texas Education for Homeless Children & Youth (Fund 206) - This fund is used to account for funds granted for activities such as coordination and collaboration with local agencies to provide comprehensive services to homeless children and youths, and a variety of staff-development and supplemental services, including in-service training, counseling, psychological services, and tutoring.

ESSA Title I, Part A, D, School Improvement Program (SIP), 1003 ESF – Focused Support Grant (Fund 211) - This fund is used to account for funds to help districts improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards, and to provide opportunities for children to acquire the knowledge and skills to meet the state's student performance standards.

ESSA Title I, Part C, Education of Migratory Children (Fund 212) - This fund is used to account for funds granted for programs benefitting children of migrant agriculture or agriculture-related workers.

Adult Education Federal (Fund 220) - This fund is used to account for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Educational services include basic skills (reading, writing, speaking and mathematics), English as a Second Language and secondary level competencies for acquisition of a high school diploma or equivalent.

TANF Family Assistance (Fund 223) - This fund is used to account for funds granted to provide educational services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills (reading, writing, speaking, and mathematics), English as a Second Language, and secondary level competencies for acquisition of a high school diploma or its equivalent.

IDEA – Part B, Formula (Fund 224) - This fund is used to account for funds granted to operate educational programs for children with disabilities. This funding also includes capacity building and improvement (silver) sub-grants.

IDEA – Part B, Preschool (Fund 225) - This fund is used to account for funds granted for preschool children with disabilities.

National Breakfast and Lunch Program (Fund 240) - This fund is used to account for programs using federal reimbursement revenues originating from the United States Department of Agriculture and includes allowable expenditures, as determined under the National School Lunch Program, for the operation and improvement of the National Breakfast and Lunch Programs.

Career & Technical Basic Grant (Fund 244) - This fund is used to account for funds granted to provide career and technical education and to develop new and/or improve existing 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 a limited number of campuses (sites) or in a limited number of program areas.

NONMAJOR GOVERNMENTAL FUNDS

ESSA, Title II, Part A, Supporting Effective Instruction (Fund 255) - This fund is used to provide financial assistance to districts to improve student academic achievement through improving teacher and principal quality and increasing the number highly qualified teachers in classrooms and highly qualified principals in schools, and hold districts accountable for improving student academic achievement.

Title III, Part A – English Language Acquisition (Fund 263) - This fund is used to account for funds granted to improve the education of children with limited English proficiency, by helping the children learn English and meet challenging academic achievement standards.

ESSER - School Emergency Relief (Fund 266) - This fund is part of the Coronavirus Aid Relief, and Economic Security (CARES) Act. It provides funds to help Local Education Agencies prevent, prepare for and respond to the COVID-19 pandemic and to the greatest extent practicable, continue to pay employees during the period of any disruptions or closures related to Coronavirus (CARES Act, Section 18003)(Assistance Listing No. 84.425D).

Medicaid Administrative Claiming Program – MAC (Fund 272) - This fund is used to account for funds allocated to districts to reimburse eligible administrative costs for activities that implement the Medicaid state plan.

ESSER III - TCLAS ARP Act (Fund 279) - This fund is part of the Coronavirus Aid Relief, and Economic Security (CARES) Act and American Rescue Plan (ARP). Texas COVID Learning Acceleration Supports (TCLAS) is funding available to Local Education Agencies to accelerate student learning in the wake of COVID-19.

ESSER III - Emergency Relief ARP (Fund 282) - This fund is part of the American Rescue Plan. It provides funds to Local Education Agencies to help schools return safely to in-person instruction, maximize in-person instructional time, sustain the safe operation of schools, and address the academic, social, emotional, and mental health impacts of the COVID-19 pandemic on students.

IDEA - Part B, Formula-ARP (Fund 284) - This fund is part of the American Rescue Plan (ARP). It provides supplemental resources to help Local Education Agencies ensure that eligible children with disabilities are provided appropriate educational programs.

IDEA - Part B, Preschool-ARP (Fund 285) - This fund is part of the American Rescue Plan (ARP). It provides supplemental resources to help Local Education Agencies ensure that eligible preschool children with disabilities are provided appropriate educational programs.

Other Federal Special Revenue Funds (Fund 289) - This fund is to be used to account, on a project basis, for federally funded special revenue funds that have not been previously mentioned. This fund includes 2021-2023 P-Tech Planning and Implementation; Department of Defense Education Activity (DoDEA) - Gateway to STEM Careers for Military Connected Communities, Raise the Bar, and World Language Advancement and Readiness Program; Title IV Part-A Student Support and Academic Enrichment; LEP Summer School; Department of Justice (DOJ) - School Violence Prevention Program; STOP School Violence, Securing School Zones; National Science Foundation (NSF): Computer Science for All; Texas Department of Transportation Selective Traffic Enforcement Program (STEP); Office of the Governor (OOG) - K-9 Unit Support. These programs are designed to address the unique and culturally related needs of students.

SSA IDEA, Part B – Discretionary Deaf (Fund 315) - This fund is used to account for a shared service arrangement for funds used to support an education service center basic special education component. These funds are used for support of students in care and treatment or hospital facilities, enhance Braille production, and other emerging needs.

NONMAJOR GOVERNMENTAL FUNDS

SSA IDEA, Part C – Deaf - Early Intervention (Fund 340) - This fund is used to account 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, age's birth through two years of age. This program provides supplemental and appropriate series to eligible students that are provided by a certified and trained teacher.

Adult Basic Education State (Fund 381) - This fund is used to account for funds granted to provide or support programs for adult education and literacy services to adults 16 and above, who do not have a high school diploma and are out of school. Funds can be used for same purposes as federal adult education funds.

Advanced Placement Incentives (Fund 397) - This fund classification is used to account for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program.

State Instructional Materials (Fund 410) - This fund is used to account for funds awarded to school districts under the instructional material allotment. Instructional materials include textbooks, software, supplemental materials, DVDs and CD-ROMs, online services, open-source materials, and other means of conveying information electronically.

Other State Special Revenue Funds (Fund 429) - These are state funded special revenue funds not otherwise listed. This fund includes Ready to Read License Plates; Law Enforcement Officer Standard (LEOSE); Literacy, Academic, and Mathematics Achievement Academies; School Safety and Security Grant; TX Parks and Wildlife Dept.- Bike-On; 2021-2023 P-Tech Planning and Implementation Grant; and Strong Foundations Math & Literacy Framework Grant. The programs are designed to improve student performance by fostering open, supportive, and collaborative campus cultures that allow teachers to seek and attain growth within their field.

SSA Regional Day School - Deaf (Fund 435) - This fund is used by the fiscal agent of a shared services arrangement to account for funds allocated for staff and activities of the Regional Day School Program for the Deaf.

SSA-RDSPD Tuition Funds (Fund 446) - This fund is used to account for student services provided by the Regional Day School Program for the deaf. The District is the fiscal agent for a Shared Service Arrangement with other member districts in the area.

Campus Activity Funds (Fund 461) - This fund is used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall into the general fund by the district's Board of Trustees.

Other Local Special Revenue Funds (Fund 499) - These are locally funded special revenue funds not otherwise listed. This fund includes Army Youth Program in Your Neighborhood; Dollar General Literacy Foundation; El Paso Community Foundation; Teacher Pipeline; New Tech - Networks for School Improvement Program; SnapDragon Book Foundation; Paso del Norte Education Foundation; EPISD Walking Challenge. These programs are designed to increase and strengthen community capacity in support of military families, increase professional development and workforce development opportunities and enhance college readiness by providing leadership and resources in addressing local challenges and opportunities in El Paso.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

2009 QSC-MTN Sinking (Fund 575) - This fund is used to account for resources accumulated to pay for principal and interest on the Qualified School Construction Maintenance Tax Notes, Series 2009.

2017 QSC-MTN Sinking (Fund 577) - This fund is used to account for resources accumulated to pay for principal and interest on the Qualified School Construction Maintenance Tax Notes, Series 2017.

Capital Projects Fund

2008 Capital Projects Fund (Fund 688) - This fund accounts for the construction activity related to the 2008 bonds to construct, renovate, acquire and equip school buildings in the District.

Public Facilities Corporation Capital Projects Fund (Fund 690) - This fund is used to account for the El Paso Independent School District Administrative Public Facility Corporation (Corporation), a component unit that was organized exclusively to act on behalf of the District to finance, refinance, or provide the costs of certain public facilities. The Corporation accounts for construction costs related to the central administration project.

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

Data Control Codes		206 Texas Ed. for Homeless Children	211 ESEA Title I Part A, D, and SIP	212 ESEA Title I Part C Migrant	220 Adult Education Federal
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from Other Governments	13,690	4,382,026	48,182	215,877
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1800	Restricted Assets	-	-	-	-
1900	Long-Term Investments	-	-	-	-
1000	Total Assets	<u>\$ 13,690</u>	<u>\$ 4,382,026</u>	<u>\$ 48,182</u>	<u>\$ 215,877</u>
LIABILITIES					
2110	Accounts Payable	\$ 1,724	\$ 188,782	\$ -	\$ 28,982
2160	Accrued Wages Payable	90	1,764,020	191	50,312
2170	Due to Other Funds	11,677	2,283,688	61	133,356
2200	Accrued Expenditures	199	145,536	47,930	3,227
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>13,690</u>	<u>4,382,026</u>	<u>48,182</u>	<u>215,877</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 13,690</u>	<u>\$ 4,382,026</u>	<u>\$ 48,182</u>	<u>\$ 215,877</u>

223 TANF Family Assistance	224 IDEA Part B Formula	225 IDEA Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA Title II A, Supporting Eff. Instr.	263 Title III, A English Lang. Acquisition	266 ESSER School Emergency Relief
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,896	2,297,193	18,403	1,082,610	120,258	714,393	66,266	-
-	-	-	-	-	-	-	-
-	-	-	16,893,687	-	-	-	-
-	-	-	5,966	-	-	-	-
-	-	-	59,283	-	-	-	-
-	-	-	-	-	-	-	-
\$ 14,896	\$ 2,297,193	\$ 18,403	\$ 18,041,546	\$ 120,258	\$ 714,393	\$ 66,266	\$ -
\$ -	\$ 13,201	\$ 213	\$ 162,650	\$ 19,960	\$ 44,523	\$ -	\$ -
3,014	1,422,541	-	772,857	-	185,478	1,319	-
11,882	854,123	17,652	-	100,298	421,375	40,779	-
-	7,328	538	424,912	-	63,017	24,168	-
-	-	-	-	-	-	-	-
14,896	2,297,193	18,403	1,360,419	120,258	714,393	66,266	-
-	-	-	16,621,844	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	59,283	-	-	-	-
-	-	-	16,681,127	-	-	-	-
\$ 14,896	\$ 2,297,193	\$ 18,403	\$ 18,041,546	\$ 120,258	\$ 714,393	\$ 66,266	\$ -

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

Data Control Codes		272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	282 ESSER III Emergency Relief - ARP	284 IDEA, Part B Formula ARP
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from Other Governments	83,009	87,498	4,304,454	466,508
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	585,726	-	2,517,989	-
1290	Other Receivables	-	-	-	-
1800	Restricted Assets	-	-	-	-
1900	Long-Term Investments	-	-	-	-
1000	Total Assets	<u>\$ 668,735</u>	<u>\$ 87,498</u>	<u>\$ 6,822,443</u>	<u>\$ 466,508</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 304,897	\$ 10,360
2160	Accrued Wages Payable	13,623	11,284	305,858	183,500
2170	Due to Other Funds	-	76,214	-	171,942
2200	Accrued Expenditures	-	-	6,211,688	100,706
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>13,623</u>	<u>87,498</u>	<u>6,822,443</u>	<u>466,508</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	655,112	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>655,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 668,735</u>	<u>\$ 87,498</u>	<u>\$ 6,822,443</u>	<u>\$ 466,508</u>

285 IDEA, Part B Preschool ARP	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	381 Adult Basic Education State	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,375	1,046,300	28,747	12	5,469	-	-	36,831
-	-	-	-	-	-	-	-
-	-	-	-	-	100,893	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 5,375	\$ 1,046,300	\$ 28,747	\$ 12	\$ 5,469	\$ 100,893	\$ -	\$ 36,831
\$ 307	\$ 115,793	\$ -	\$ -	\$ -	\$ 610	\$ -	\$ -
-	482,125	18,935	-	60	-	-	1,973
3,834	315,985	9,812	12	2,366	-	-	10,643
1,234	132,397	-	-	3,043	33,675	-	20,391
-	-	-	-	-	66,608	-	3,824
5,375	1,046,300	28,747	12	5,469	100,893	-	36,831
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 5,375	\$ 1,046,300	\$ 28,747	\$ 12	\$ 5,469	\$ 100,893	\$ -	\$ 36,831

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

Data Control Codes		435 SSA Regional Day School - Deaf	446 SSA - RDSPD Tuition Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 1,863,330	\$ -
1240	Due from Other Governments	129,272	-	-	137,346
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	146,649	-	591,919
1290	Other Receivables	-	-	190,854	5,404
1800	Restricted Assets	-	-	-	-
1900	Long-Term Investments	-	-	-	-
1000	Total Assets	<u>\$ 129,272</u>	<u>\$ 146,649</u>	<u>\$ 2,054,184</u>	<u>\$ 734,669</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 849	\$ 8,307	\$ 8,230
2160	Accrued Wages Payable	67,936	37,113	-	217
2170	Due to Other Funds	61,336	-	154,872	166,201
2200	Accrued Expenditures	-	47	-	4,086
2300	Unearned Revenue	-	108,640	-	555,935
2000	Total Liabilities	<u>129,272</u>	<u>146,649</u>	<u>163,179</u>	<u>734,669</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	1,891,005	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,891,005</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 129,272</u>	<u>\$ 146,649</u>	<u>\$ 2,054,184</u>	<u>\$ 734,669</u>

Total Nonmajor Special Revenue Funds	575 2009 QSC - MTN Sinking Fund	577 2017 QSC - MTN Sinking Fund	Total Nonmajor Debt Service Funds	688 2008 Capital Projects	690 PFC Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 1,863,330	\$ -	\$ -	\$ -	\$ 437,850	\$ 24,319	\$ 462,169	\$ 2,325,499
15,304,615	-	-	-	-	-	-	15,304,615
-	188,110	25,305	213,415	-	-	-	213,415
20,836,863	-	-	-	-	-	-	20,836,863
202,224	-	-	-	-	-	-	202,224
59,283	-	-	-	-	-	-	59,283
-	12,540,653	3,299,695	15,840,348	-	-	-	15,840,348
<u>\$ 38,266,315</u>	<u>\$ 12,728,763</u>	<u>\$ 3,325,000</u>	<u>\$ 16,053,763</u>	<u>\$ 437,850</u>	<u>\$ 24,319</u>	<u>\$ 462,169</u>	<u>\$ 54,782,247</u>
\$ 909,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 909,388
5,322,446	-	-	-	-	-	-	5,322,446
4,848,108	-	-	-	-	-	-	4,848,108
7,224,122	-	-	-	395,051	-	395,051	7,619,173
735,007	-	-	-	-	-	-	735,007
<u>19,039,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,051</u>	<u>-</u>	<u>395,051</u>	<u>19,434,122</u>
17,276,956	-	-	-	-	-	-	17,276,956
-	-	-	-	42,799	24,319	67,118	67,118
-	12,728,763	3,325,000	16,053,763	-	-	-	16,053,763
1,950,288	-	-	-	-	-	-	1,950,288
<u>19,227,244</u>	<u>12,728,763</u>	<u>3,325,000</u>	<u>16,053,763</u>	<u>42,799</u>	<u>24,319</u>	<u>67,118</u>	<u>35,348,125</u>
<u>\$ 38,266,315</u>	<u>\$ 12,728,763</u>	<u>\$ 3,325,000</u>	<u>\$ 16,053,763</u>	<u>\$ 437,850</u>	<u>\$ 24,319</u>	<u>\$ 462,169</u>	<u>\$ 54,782,247</u>

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

Data Control Codes	206 Texas Ed. for Homeless Children	211 ESEA Title I Part A, D, and SIP	212 ESEA Title I Part C Migrant	220 Adult Education Federal
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	74,734	19,363,077	206,508	783,389
5020 Total Revenues	74,734	19,363,077	206,508	783,389
EXPENDITURES:				
Current:				
0011 Instruction	15,849	11,194,564	61,258	307,759
0012 Instructional Resources and Media Services	-	214,364	-	-
0013 Curriculum and Instructional Staff Development	-	2,806,102	-	167,407
0021 Instructional Leadership	10,035	666,804	145,250	169,140
0023 School Leadership	-	143,676	-	-
0031 Guidance, Counseling, and Evaluation Services	15,040	433,054	-	68,627
0032 Social Work Services	19,889	86,209	-	70,225
0033 Health Services	-	242,250	-	-
0034 Student (Pupil) Transportation	-	1,554,977	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	11,137	-	-	-
0041 General Administration	2,784	-	-	-
0051 Facilities Maintenance and Operations	-	431,450	-	231
0052 Security and Monitoring Services	-	67,639	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	1,521,988	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	74,734	19,363,077	206,508	783,389
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

223 TANF Family Assistance	224 IDEA Part B Formula	225 IDEA Part B Preschool	240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA Title II A, Supporting Eff. Instr.	263 Title III, A English Lang. Acquisition	266 ESSER School Emergency Relief
\$ -	\$ -	\$ -	\$ 2,351,383	\$ -	\$ -	\$ -	\$ -
-	-	-	134,925	-	-	-	-
56,724	10,025,929	162,695	31,886,938	925,783	1,966,881	903,090	721
56,724	10,025,929	162,695	34,373,246	925,783	1,966,881	903,090	721
32,609	970,292	59,287	-	518,360	416,500	97,482	721
-	69,487	-	-	-	24,728	-	-
9,375	2,573,087	103,408	-	126,975	1,476,129	771,655	-
5,708	-	-	-	10,498	7,923	375	-
-	209,088	-	-	768	40,357	8,605	-
4,456	6,203,975	-	-	-	1,244	17,303	-
4,576	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	33,326,525	-	-	-	-
-	-	-	-	269,182	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,996,506	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,670	-
-	-	-	-	-	-	-	-
56,724	10,025,929	162,695	35,323,031	925,783	1,966,881	903,090	721
-	-	-	(949,785)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(949,785)	-	-	-	-
-	-	-	17,630,912	-	-	-	-
\$ -	\$ -	\$ -	\$ 16,681,127	\$ -	\$ -	\$ -	\$ -

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

Data Control Codes	272 Medicaid Admin. Claim MAC	279 ESSER III TCLAS ARP Act	282 ESSER III Emergency Relief - ARP	284 IDEA, Part B Formula ARP
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	299,326	476,253	38,993,049	1,331,902
5020 Total Revenues	299,326	476,253	38,993,049	1,331,902
EXPENDITURES:				
Current:				
0011 Instruction	-	-	27,780,068	1,317,128
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	476,253	361,254	12,012
0021 Instructional Leadership	-	-	448,677	-
0023 School Leadership	-	-	466,593	-
0031 Guidance, Counseling, and Evaluation Services	-	-	740,243	-
0032 Social Work Services	-	-	22,800	-
0033 Health Services	175,516	-	78,852	-
0034 Student (Pupil) Transportation	-	-	14,202	-
0035 Food Services	-	-	10,144	-
0036 Extracurricular Activities	-	-	18,420	2,762
0041 General Administration	-	-	387,082	-
0051 Facilities Maintenance and Operations	-	-	1,536,701	-
0052 Security and Monitoring Services	-	-	5,943	-
0053 Data Processing Services	-	-	3,230	-
0061 Community Services	-	-	1,280	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	7,117,560	-
6030 Total Expenditures	175,516	476,253	38,993,049	1,331,902
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	123,810	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	123,810	-	-	-
0100 Fund Balance - July 1 (Beginning)	531,302	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ 655,112	\$ -	\$ -	\$ -

285 IDEA, Part B Preschool ARP	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	381 Adult Basic Education State	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	74,486	34,285	7,636	275,639
65,821	2,198,336	138,070	1,430	-	-	-	-
65,821	2,198,336	138,070	1,430	74,486	34,285	7,636	275,639
65,821	1,399,833	133,350	1,430	68,700	-	7,636	73,882
-	-	-	-	-	-	-	60
-	327,511	3,351	-	1,901	34,285	-	148,870
-	5,520	130	-	1,761	-	-	-
-	3,037	-	-	-	-	-	18,162
-	83,867	-	-	894	-	-	924
-	153,714	-	-	1,003	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	119,967	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	227	-	-	-
-	34,519	-	-	-	-	-	2,697
-	70,368	-	-	-	-	-	31,044
-	-	1,239	-	-	-	-	-
-	-	-	-	-	-	-	-
65,821	2,198,336	138,070	1,430	74,486	34,285	7,636	275,639
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

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

Data Control Codes	435 SSA Regional Day School - Deaf	446 SSA - RDSPD Tuition Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ -	\$ 295,697	\$ 733,137	\$ 233,379
5800 State Program Revenues	543,499	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	543,499	295,697	733,137	233,379
EXPENDITURES:				
Current:				
0011 Instruction	543,499	293,895	-	158,920
0012 Instructional Resources and Media Services	-	-	-	11,565
0013 Curriculum and Instructional Staff Development	-	1,563	-	16,032
0021 Instructional Leadership	-	18	-	-
0023 School Leadership	-	-	-	8,896
0031 Guidance, Counseling, and Evaluation Services	-	221	-	353
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	455,595	4,613
0041 General Administration	-	-	-	33,000
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	543,499	295,697	455,595	233,379
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	277,542	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	277,542	-
0100 Fund Balance - July 1 (Beginning)	-	-	1,613,463	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 1,891,005	\$ -

Total Nonmajor Special Revenue Funds	575 2009 QSC - MTN Sinking Fund	577 2017 QSC - MTN Sinking Fund	Total Nonmajor Debt Service Funds	688 2008 Capital Projects	690 PFC Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 3,613,596	\$ 476,308	\$ 64,943	\$ 541,251	\$ 17,761	\$ 2,847	\$ 20,608	\$ 4,175,455
1,070,470	-	-	-	-	-	-	1,070,470
109,860,656	-	-	-	-	-	-	109,860,656
114,544,722	476,308	64,943	541,251	17,761	2,847	20,608	115,106,581
45,518,843	-	-	-	-	-	-	45,518,843
320,204	-	-	-	-	-	-	320,204
9,417,170	-	-	-	-	-	-	9,417,170
1,471,839	-	-	-	-	-	-	1,471,839
899,182	-	-	-	-	-	-	899,182
7,570,201	-	-	-	-	-	-	7,570,201
358,416	-	-	-	-	-	-	358,416
496,618	-	-	-	-	-	-	496,618
1,569,179	-	-	-	-	-	-	1,569,179
33,336,669	-	-	-	-	-	-	33,336,669
881,676	-	-	-	-	-	-	881,676
422,866	-	-	-	-	-	-	422,866
3,965,115	-	-	-	-	-	-	3,965,115
110,798	-	-	-	-	-	-	110,798
104,642	-	-	-	-	-	-	104,642
1,532,177	-	-	-	-	-	-	1,532,177
7,117,560	-	-	-	429,052	65,356	494,408	7,611,968
115,093,155	-	-	-	429,052	65,356	494,408	115,587,563
(548,433)	476,308	64,943	541,251	(411,291)	(62,509)	(473,800)	(480,982)
-	684,059	627,208	1,311,267	-	-	-	1,311,267
(548,433)	1,160,367	692,151	1,852,518	(411,291)	(62,509)	(473,800)	830,285
19,775,677	11,568,396	2,632,849	14,201,245	454,090	86,828	540,918	34,517,840
\$ 19,227,244	\$ 12,728,763	\$ 3,325,000	\$ 16,053,763	\$ 42,799	\$ 24,319	\$ 67,118	\$ 35,348,125

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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis.

Print Shop (Fund 752) - This fund accounts for transactions related to print shop services provided to other departments of the District.

Workers' Compensation Insurance (Fund 753) - This fund accounts for all financial activity associated with the District's self-insured workers' compensation plan.

Health Insurance (Fund 772) - This fund accounts for all financial activity associated with the employee's health insurance plan, which is supported principally by employer and employee contributions. Payments are made to a third-party vendor. Services are available to all full-time and part-time employees.

Right-to-Use Leases (Fund 773) - This fund accounts for all financial reporting for lease contracts under GASB Statement No. 87, which requires the lessee to recognize the lease liability and the right to use the leased asset.

Subscription-Based IT Arrangements (Fund 774) - This fund accounts for all financial reporting for subscription-based information technology arrangements (SBITAs) in compliance with GASB Statement No. 96, which requires governments to record the right-to-use subscription asset and a corresponding subscription liability.

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

	752 Print Shop	753 Workers' Compensation Insurance
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ 8,028,751
Due from Other Funds	306,895	-
Total Current Assets	<u>306,895</u>	<u>8,028,751</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment, Net	23,308	-
Right-to-Use Lease Assets, Net	-	-
SBITA Assets, Net	-	-
Total Noncurrent Assets	<u>23,308</u>	<u>-</u>
Total Assets	<u>330,203</u>	<u>8,028,751</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	17,350	14,038
Interest Payable	-	-
Accrued Wages Payable	4,578	-
Due to Other Funds	-	124,504
Accrued Expenses	-	6,500,000
Total Current Liabilities	<u>21,928</u>	<u>6,638,542</u>
Noncurrent Liabilities:		
SBITA Payable - One-Year	-	-
Lease Payable - One-Year	-	-
Right-to-Use Lease Liability - Long Term	-	-
SBITA Liability - Long Term	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>21,928</u>	<u>6,638,542</u>
NET POSITION		
Net Investment in Capital Assets	23,308	-
Unrestricted Net Position	284,967	1,390,209
Total Net Position	<u>\$ 308,275</u>	<u>\$ 1,390,209</u>

772	773	774	Total
Health Insurance	Right-to-Use Leases	Subscription Based IT Arrangements	Internal Service Funds
\$ -	\$ -	\$ -	\$ 8,028,751
3,713,182	-	-	4,020,077
<u>3,713,182</u>	<u>-</u>	<u>-</u>	<u>12,048,828</u>
-	-	-	23,308
-	1,355,027	-	1,355,027
-	-	4,487,411	4,487,411
<u>-</u>	<u>1,355,027</u>	<u>4,487,411</u>	<u>5,865,746</u>
<u>3,713,182</u>	<u>1,355,027</u>	<u>4,487,411</u>	<u>17,914,574</u>
445,054	-	-	476,442
-	4,110	56,924	61,034
-	-	-	4,578
-	-	-	124,504
<u>4,753,890</u>	<u>-</u>	<u>-</u>	<u>11,253,890</u>
<u>5,198,944</u>	<u>4,110</u>	<u>56,924</u>	<u>11,920,448</u>
-	-	2,595,837	2,595,837
-	965,946	-	965,946
-	408,720	-	408,720
<u>-</u>	<u>-</u>	<u>1,361,604</u>	<u>1,361,604</u>
<u>-</u>	<u>1,374,666</u>	<u>3,957,441</u>	<u>5,332,107</u>
<u>5,198,944</u>	<u>1,378,776</u>	<u>4,014,365</u>	<u>17,252,555</u>
-	(23,749)	473,046	472,605
<u>(1,485,762)</u>	<u>-</u>	<u>-</u>	<u>189,414</u>
<u>\$ (1,485,762)</u>	<u>\$ (23,749)</u>	<u>\$ 473,046</u>	<u>\$ 662,019</u>

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

	752	753
	Print Shop	Workers' Compensation Insurance
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 843,333	\$ 3,213,504
Total Operating Revenues	<u>843,333</u>	<u>3,213,504</u>
OPERATING EXPENSES:		
Payroll Costs	459,451	501,969
Claims Expense	-	3,083,923
Professional and Contracted Services	107,735	177,231
Supplies and Materials	172,458	14,245
Other Operating Costs	-	129,448
Depreciation/Amortization Expense	<u>12,036</u>	<u>-</u>
Total Operating Expenses	<u>751,680</u>	<u>3,906,816</u>
Operating Income (Loss)	<u>91,653</u>	<u>(693,312)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	328,354
Non-operating Interest Expense	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>328,354</u>
Change in Net Position	91,653	(364,958)
Total Net Position - July 1 (Beginning)	<u>216,622</u>	<u>1,755,167</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 308,275</u></u>	<u><u>\$ 1,390,209</u></u>

772	773	774	
Health Insurance	Right-to-Use Leases	Subscription Based IT Arrangements	Total Internal Service Funds
\$ 54,065,282	\$ 1,091,923	\$ 2,919,973	\$ 62,134,015
54,065,282	1,091,923	2,919,973	62,134,015
173,929	-	-	1,135,349
49,190,562	-	-	52,274,485
5,237,292	-	-	5,522,258
13,500	-	-	200,203
35,450	-	-	164,898
-	1,076,967	2,389,325	3,478,328
54,650,733	1,076,967	2,389,325	62,775,521
(585,451)	14,956	530,648	(641,506)
-	-	-	328,354
-	(38,705)	(57,602)	(96,307)
-	(38,705)	(57,602)	232,047
(585,451)	(23,749)	473,046	(409,459)
(900,311)	-	-	1,071,478
\$ (1,485,762)	\$ (23,749)	\$ 473,046	\$ 662,019

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

	752	753
	Print Shop	Workers' Compensation Insurance
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 95,565	\$ -
Cash Received from Assessments - Other Funds	625,447	3,213,504
Cash Payments to Employees for Services	(455,970)	(501,969)
Cash Payments for Insurance Claims	-	(3,083,923)
Cash Payments for Suppliers	(265,042)	(79,135)
Cash Payments for Other Operating Expenses	-	(129,448)
Net Cash Provided by (Used for) Operating Activities	-	(580,971)
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Principal on Right-to-Use assets	-	-
Interest on Right-to-Use Assets	-	-
Net Cash Used for Capital and Related Financing	-	-
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	328,354
Right-to-Use Assets	-	-
Implementation Costs	-	-
Net Cash Provided by (Used for) Investing Activities	-	328,354
Net Decrease in Cash and Cash Equivalents	-	(252,617)
Cash and Cash Equivalents at Beginning of Year	-	8,281,368
Cash and Cash Equivalents at End of Year	\$ -	\$ 8,028,751
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ 91,653	\$ (693,312)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation/Amortization	12,036	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Due from Other Funds	(122,321)	-
Increase (decrease) in Accounts Payable	16,584	970
Increase (decrease) in Accrued Wages Payable	3,481	-
Increase (decrease) in Due to Other Funds	-	111,371
Increase (decrease) in Accrued Expenses	(1,433)	-
Net Cash Provided by (Used for) Operating Activities	\$ -	\$ (580,971)
<u>Reconciliation of Total Cash and Cash Equivalents:</u>		
Cash and Cash Equivalents on Balance Sheet	\$ -	\$ 8,028,751
<u>Noncash Investing, Capital and Financing Activities:</u>		
Borrowing Under Right-to- Use Assets	-	-

772	773	774	
Health Insurance	Right-to-Use Leases	Subscription Based IT Arrangements	Total Internal Service Funds
\$ 6,709,970	\$ -	\$ -	\$ 6,805,535
48,261,495	1,091,923	2,919,973	56,112,342
(173,929)	-	-	(1,131,868)
(49,672,437)	-	-	(52,756,360)
(5,089,649)	-	-	(5,433,826)
(35,450)	-	-	(164,898)
-	1,091,923	2,919,973	3,430,925
-	(1,072,582)	(2,824,995)	(3,897,577)
-	(34,595)	(678)	(35,273)
-	(1,107,177)	(2,825,673)	(3,932,850)
-	-	-	328,354
-	15,254	-	15,254
-	-	(94,300)	(94,300)
-	15,254	(94,300)	249,308
-	-	-	(252,617)
-	-	-	8,281,368
\$ -	\$ -	\$ -	\$ 8,028,751
\$ (585,451)	\$ 14,956	\$ 530,648	\$ (641,506)
-	1,076,967	2,389,325	3,478,328
906,183	-	-	783,862
(909,464)	-	-	(891,910)
-	-	-	3,481
-	-	-	111,371
588,732	-	-	587,299
\$ -	\$ 1,091,923	\$ 2,919,973	\$ 3,430,925
\$ -	\$ -	\$ -	\$ 8,028,751
-	-	4,411,969	4,411,969

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PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds - The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has two private purpose trust funds to account for scholarships and other restricted donations.

Scholarship Trust Fund (Fund 810) - accounts for all financial activity and donations related to scholarships to high school students, as stipulated by the donor.

Aoy Elementary School Fager Trust Fund (Fund 829) - accounts for all financial activity related to a restricted donation for various needs of the students at Aoy Elementary School.

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2023

	810 Scholarship Trust Fund	829 Aoy Elem. Fager Trust Fund	Total Private Purpose Trust Funds
ASSETS			
Restricted Assets	\$ 210,624	\$ 154,421	\$ 365,045
Total Assets	<u>210,624</u>	<u>154,421</u>	<u>365,045</u>
NET POSITION			
Restricted for Other Purposes	210,624	154,421	365,045
Total Net Position	<u>\$ 210,624</u>	<u>\$ 154,421</u>	<u>\$ 365,045</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	810 Scholarship Trust Fund	829 Aoy Elem. Fager Trust Fund	Total Private Purpose Trust Funds
ADDITIONS:			
Earnings from Temporary Deposits	\$ 8,275	\$ 5,520	\$ 13,795
Contributions, Gifts and Donations	3,000	-	3,000
Total Additions	11,275	5,520	16,795
DEDUCTIONS:			
Supplies and Materials	-	51,718	51,718
Other Deductions	5,000	-	5,000
Total Deductions	5,000	51,718	56,718
Change in Net Position	6,275	(46,198)	(39,923)
Net Position - July 1 (Beginning)	204,349	200,619	404,968
Net Position - June 30 (Ending)	\$ 210,624	\$ 154,421	\$ 365,045

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**TEXAS EDUCATION AGENCY
REQUIRED SCHEDULES
(UNAUDITED)**

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2023

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ Various
2015	1.040000	0.195000	15,783,486,372
2016	1.070000	0.165000	15,670,771,018
2017	1.070000	0.165000	15,839,247,975
2018	1.070000	0.240000	15,814,914,308
2019	1.170000	0.140000	16,303,119,360
2020	1.068350	0.200000	16,780,751,661
2021	1.054750	0.263600	17,381,821,140
2022	1.051700	0.302500	17,606,402,747
2023 (School year under audit)	1.006100	0.307600	19,071,634,577
1000 TOTALS			

(10) Beginning Balance 7/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$ 4,325,366	\$ -	\$ 123,581	\$ 20,713	\$ (185,758)	\$ 3,995,314
592,606	-	26,095	4,893	(237)	561,381
672,694	-	34,502	5,320	(1,489)	631,383
738,542	-	45,412	7,002	(142)	685,986
941,186	-	76,495	17,158	(28,550)	818,983
1,130,794	-	138,270	16,545	(49,757)	926,222
1,359,493	-	29,798	5,578	(238,626)	1,085,491
1,955,134	-	(363,642)	(90,881)	(1,023,671)	1,385,986
4,577,613	-	1,189,001	341,995	(1,100,152)	1,946,465
-	250,544,063	187,591,465	57,353,275	-	5,599,323
<u>\$ 16,293,428</u>	<u>\$ 250,544,063</u>	<u>\$ 188,890,977</u>	<u>\$ 57,681,598</u>	<u>\$ (2,628,382)</u>	<u>\$ 17,636,534</u>

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Local and Intermediate Sources	\$ 2,500,000	\$ 2,500,000	\$ 2,351,383	\$ (148,617)
5800	State Program Revenues	187,000	187,000	134,925	(52,075)
5900	Federal Program Revenues	31,354,782	31,354,782	31,886,938	532,156
5020	Total Revenues	34,041,782	34,041,782	34,373,246	331,464
EXPENDITURES:					
Current:					
0035	Food Services	33,219,696	37,332,572	33,326,525	4,006,047
0051	Facilities Maintenance and Operations	822,086	2,176,244	1,996,506	179,738
6030	Total Expenditures	34,041,782	39,508,816	35,323,031	4,185,785
1200	Net Change in Fund Balances	-	(5,467,034)	(949,785)	4,517,249
0100	Fund Balance - July 1 (Beginning)	17,630,912	17,630,912	17,630,912	-
3000	Fund Balance - June 30 (Ending)	\$ 17,630,912	\$ 12,163,878	\$ 16,681,127	\$ 4,517,249

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Local and Intermediate Sources	\$ 57,138,643	\$ 59,738,643	\$ 59,712,092	\$ (26,551)
5800 State Program Revenues	-	1,500,000	3,146,382	1,646,382
5020 Total Revenues	57,138,643	61,238,643	62,858,474	1,619,831
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	57,138,643	15,059,781	15,059,781	-
0072 Interest on Long-Term Liabilities	-	36,523,363	36,523,362	1
0073 Bond Issuance Cost and Fees	-	100,000	38,578	61,422
6030 Total Expenditures	57,138,643	51,683,144	51,621,721	61,423
1100 Excess of Revenues Over Expenditures	-	9,555,499	11,236,753	1,681,254
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,311,267	1,311,267	1,311,267	-
1200 Net Change in Fund Balances	1,311,267	10,866,766	12,548,020	1,681,254
0100 Fund Balance - July 1 (Beginning)	49,384,074	49,384,074	49,384,074	-
3000 Fund Balance - June 30 (Ending)	\$ 50,695,341	\$ 60,250,840	\$ 61,932,094	\$ 1,681,254

EL PASO INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2023

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.	\$59,459,079
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$32,352,019

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$11,638,159
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$6,414,199

EL PASO INDEPENDENT SCHOOL DISTRICT
Index for Statistical Section (Unaudited)

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the El Paso Independent School District's overall financial health.

Contents	Page
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Financial Trends Information - These schedules contain trend information intended to help the reader understand how the District's financial position has changed over time.

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S-2	Expenses, Program Revenues, and Net (Expense) Revenue	176
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S-7	Other Financing Sources and Uses and Net Change in Fund Balance	186

Revenue Capacity Information - These schedules contain information intended to help the reader assess the District's most significant revenue source, tax collections.

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S-9	Direct and Overlapping Property Tax Rates	189
S-10	Principal Property Taxpayers	191
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Debt Capacity Information - These schedules contain information intended to assist users in understanding and assessing the District's current levels of outstanding debt and the ability to issue additional debt.

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S-14	Legal Debt Margin Information	197

Demographic and Economic Information - These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the District's financial activities take place.

S-15	Demographic and Economic Statistics	198
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Operating Information - These schedules provide contextual information about the District's operations and resources intended to assist readers in using financial statement information to understand and assess the District's economic condition.

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El Paso Independent School District
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-1

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental activities					
Net Investment in Capital Assets	\$ 282,636,528	\$ 258,569,070	\$ 250,422,065	\$ 226,302,538	\$ 234,309,458
Restricted	62,213,181	46,565,422	36,666,807	44,853,880	28,941,600
Unrestricted	(249,941,775)	(258,713,817)	(300,744,126)	(291,553,437)	(287,211,126)
Total Primary Government Net Position	\$ 94,907,934	\$ 46,420,675	\$ (13,655,254)	\$ (20,397,019)	\$ (23,960,068)

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities					
Net Investment in Capital Assets	\$ 226,698,179	\$ 222,693,712	\$ 214,574,394	\$ 204,394,860	\$ 188,730,456
Restricted	40,592,232	37,613,626	37,543,118	36,972,304	48,628,723
Unrestricted	(293,889,406)	19,205,300	36,514,119	33,791,824	92,583,627
Total Primary Government Net Position	\$ (26,598,995)	\$ 279,512,638	\$ 288,631,631	\$ 275,158,988	\$ 329,942,806

Source: EPISD ACFR - Exhibit A-1

El Paso Independent School District
Expenses, Program Revenues, and Net (Expense) Revenues
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-2

	Fiscal Year			
	2023	2022	2021	2020
Expenses				
Governmental activities				
Instruction	\$ 363,358,261	\$ 338,781,444	\$ 374,327,822	\$ 388,245,164
Instructional Resources and Media Services	7,338,511	7,389,565	8,733,280	9,319,675
Curriculum and Staff Development	24,470,707	21,319,102	30,213,422	29,732,085
Instructional Leadership	7,500,116	7,089,015	7,883,373	7,277,689
School Leadership	39,736,934	38,732,444	42,436,145	44,807,286
Guidance, Counseling and Evaluation Services	28,458,346	25,594,829	29,496,767	29,929,444
Social Work Services	4,850,361	4,759,510	5,228,420	5,380,943
Health Services	7,320,869	6,737,334	7,614,447	8,088,656
Student (Pupil) Transportation	14,127,975	13,453,271	10,802,276	13,735,500
Food Services	33,797,454	29,481,304	24,673,537	31,384,843
Extracurricular Activities	14,786,550	13,288,319	13,212,053	14,230,020
General Administration	15,267,874	13,912,200	15,804,598	16,551,220
Facilities Maintenance and Operations	61,258,580	59,975,685	56,440,323	56,652,493
Security and Monitoring Services	7,789,686	6,917,405	7,594,621	7,656,982
Data Processing Services	8,926,215	8,670,185	9,403,153	9,208,439
Community Services	1,607,820	1,513,304	1,524,851	1,713,658
Debt Service - Interest on Long Term Debt	33,769,266	33,721,129	35,538,566	30,395,327
Debt Service - Bond Issuance Cost and Fees	57,243	211,841	1,443,091	2,515,677
Facilities, Planning & Innovative Construction	783,577	1,966,571	720,169	369,850
Payments related to Shared Services Arrangements	-	-	-	-
Payments to Tax Appraisal District	3,162,457	2,952,060	2,520,719	2,388,693
Total Primary Government Expenses	678,368,802	636,466,517	685,611,633	709,583,644
Program Revenues				
Charges for services				
Instruction	186,691	661,997	538,781	627,777
Instructional Resources and Media Services	-	-	-	-
Curriculum and Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance, Counseling and Evaluation Services	-	-	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student (Pupil) Transportation	14,797	8,669	4,826	40,169
Food Services	1,938,832	554,397	74,084	2,419,077
Extracurricular Activities	1,168,490	884,119	205,751	1,039,129
General Administration	941,413	1,107,321	699,176	470,971
Facilities Maintenance and Operations	111,976	80,388	5,541	85,386
Security and Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	-	-	-	-
Facilities, Planning & Innovative Construction	-	-	-	-
Operating Grants and Contributions	190,929,643	166,317,457	155,455,669	169,440,796
Capital Grants and Contributions	-	995,720	245,869	-
Total Primary Government Program Revenues	195,291,842	170,610,068	157,229,697	174,123,305
Total Primary Government Net Expense	\$ (483,076,960)	\$ (465,856,449)	\$ (528,381,936)	\$ (535,460,339)

Source: EPISD ACFR - Exhibit B-1

El Paso Independent School District
Expenses, Program Revenues, and Net (Expense) Revenues
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-2

Fiscal Year											
2019		2018		2017		2016		2015		2014	
\$	363,825,518	\$	232,862,822	\$	348,289,505	\$	367,253,806	\$	342,470,623	\$	339,970,098
	9,407,670		7,440,947		11,246,599		11,508,272		11,273,339		10,190,539
	27,111,134		20,907,785		28,644,232		27,621,093		18,654,734		19,141,051
	6,368,683		4,434,210		5,902,023		5,806,579		4,396,206		4,666,022
	42,144,047		27,939,400		41,235,138		41,552,398		38,471,312		37,604,011
	28,419,123		15,598,378		27,467,581		25,763,211		22,380,233		22,547,573
	5,042,085		3,877,159		4,375,007		4,560,677		4,182,973		4,400,642
	7,511,503		4,731,374		7,288,278		7,519,152		7,076,101		7,119,296
	13,310,497		10,938,844		14,316,954		14,378,675		13,086,695		12,914,355
	31,481,341		23,304,636		33,665,104		36,538,545		34,571,954		29,934,960
	14,906,284		10,986,825		12,999,491		12,323,388		11,989,018		11,354,886
	15,408,109		10,045,859		12,693,037		11,305,588		10,801,379		10,518,734
	55,576,990		48,616,708		55,262,112		54,547,930		49,610,698		51,250,395
	7,545,864		5,109,619		6,729,765		6,459,008		5,720,221		5,351,433
	7,697,596		3,886,949		5,225,911		6,041,075		5,250,456		5,026,288
	1,589,284		1,089,462		1,585,832		1,520,291		1,462,588		1,406,980
	22,910,046		23,247,110		13,386,878		13,785,646		15,832,910		16,111,164
	2,738,166		902,883		1,659,010		181,484		1,872,908		240,952
	1,167,761		582,352		573,493		593,045		462,639		724,549
	-		-		-		-		-		-
	2,540,161		2,558,238		2,589,237		2,416,260		2,348,227		2,409,511
	666,701,862		459,061,560		635,135,187		651,676,123		601,915,214		592,883,439
	772,152		812,724		1,020,502		967,089		838,748		1,258,640
	-		-		-		-		-		21,926
	-		-		-		33,087		89,726		10,963
	-		-		-		6,617		22,432		10,963
	-		-		-		13,235		33,647		87,703
	-		-		-		-		56,079		21,926
	-		-		-		-		-		10,963
	-		-		-		-		-		10,963
	73,257		97,483		82,352		67,892		149,746		316,388
	3,136,086		3,079,961		3,238,839		3,261,490		3,437,243		4,647,237
	1,259,309		1,161,317		1,301,710		1,290,519		1,374,738		1,410,550
	788,598		372,747		680,096		152,199		549,572		32,889
	91,881		112,089		121,831		122,606		91,498		352,001
	-		-		-		6,617		-		10,963
	-		-		-		6,617		-		10,963
	-		-		-		-		-		10,963
	12,132		-		-		6,617		-		21,926
	152,032,213		20,999,403		138,054,929		168,836,505		148,411,413		134,962,443
	-		-		-		-		1,813,028		5,444,818
	158,165,628		26,635,724		144,500,259		174,771,090		156,867,870		148,655,188
\$	(508,536,234)	\$	(432,425,836)	\$	(490,634,928)	\$	(476,905,033)	\$	(445,047,344)	\$	(444,228,251)

El Paso Independent School District
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-3

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue				
Total primary government net expense	\$ (483,076,960)	\$ (465,856,449)	\$ (528,381,936)	\$ (535,460,339)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property Taxes, Levied for General Purposes	189,206,863	180,320,674	182,382,183	177,616,119
Property Taxes, Levied for Debt Service	58,332,044	53,068,649	45,490,730	33,496,929
State Aid - Formula Grants	269,216,592	287,885,405	303,409,942	316,739,977
Investment Earnings	12,139,462	1,442,245	1,408,848	10,170,641
Miscellaneous Local and Intermediate Revenue	1,145,758	1,637,051	2,431,998	1,552,514
Special Item - Gain/(Loss) on Sale of Capital Assets	1,523,500	-	-	(552,792)
Special Item - Tax Refunds	-	-	-	-
Total Primary Government	<u>531,564,219</u>	<u>524,354,024</u>	<u>535,123,701</u>	<u>539,023,388</u>
Change in Net Position				
Total Primary Government	<u>\$ 48,487,259</u>	<u>\$ 58,497,575</u>	<u>\$ 6,741,765</u>	<u>\$ 3,563,049</u>

Source: EPISD ACFR - Exhibit B-1

El Paso Independent School District
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

Exhibit S-3

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ (508,536,234)	\$ (432,425,836)	\$ (490,634,937)	\$ (476,905,033)	\$ (445,047,344)	\$ (444,228,251)
188,483,717	165,234,610	166,608,995	166,057,072	161,542,945	160,651,112
22,703,958	37,843,244	26,151,675	25,552,979	30,733,241	30,598,437
285,532,642	282,665,023	284,558,292	296,320,100	270,032,641	266,907,606
11,039,498	6,117,955	2,691,629	914,170	462,759	482,745
1,632,754	1,377,256	1,426,968	1,643,615	1,581,098	1,760,303
1,782,592	461,350	78,385	(110,260)	(476,580)	-
-	(1,082,970)	-	-	-	-
511,175,161	492,616,468	481,515,944	490,377,676	463,876,104	460,400,203
\$ 2,638,927	\$ 60,190,632	\$ (9,118,993)	\$ 13,472,643	\$ 18,828,760	\$ 16,171,952

El Paso Independent School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-4

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nondisposable	\$ 1,729,160	\$ 2,030,758	\$ 2,804,428	\$ 2,003,184
Restricted	19,999,067	19,455,634	23,141,025	30,409,384
Assigned	9,653,450	20,020,557	38,353,399	26,796,519
Unassigned	127,953,604	125,155,933	98,120,993	103,904,121
Total General Fund	\$ 159,335,281	\$ 166,662,882	\$ 162,419,845	\$ 163,113,208
All Other Governmental Funds				
Restricted	123,400,253	151,314,720	240,046,711	452,703,776
Total All Other Governmental Funds	\$ 123,400,253	\$ 151,314,720	\$ 240,046,711	\$ 452,703,776
Total Governmental Funds	\$ 282,735,534	\$ 317,977,602	\$ 402,466,556	\$ 615,816,984

Note: The District adopted the provisions of GASB 54 in 2011. Therefore, the fund balances beginning in 2011 conform with GASB 54.

Source: EPISD ACFR - Exhibit C-1

El Paso Independent School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-4

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,810,791	\$ 1,903,861	\$ 1,775,606	\$ 2,193,466	\$ 1,475,114	\$ 1,493,992
22,108,554	22,677,168	3,934,393	4,972,470	3,416,819	2,040,637
14,662,966	12,031,508	9,295,747	9,106,374	8,079,917	45,276,752
104,979,723	83,378,812	100,512,255	105,565,531	94,564,880	52,891,143
\$ 143,562,034	\$ 119,991,349	\$ 115,518,001	\$ 121,837,841	\$ 107,536,730	\$ 101,702,524
428,195,059	255,442,489	294,834,387	99,898,064	111,640,510	131,213,977
\$ 428,195,059	\$ 255,442,489	\$ 294,834,387	\$ 99,898,064	\$ 111,640,510	\$ 131,213,977
\$ 571,757,093	\$ 375,433,838	\$ 410,352,388	\$ 221,735,905	\$ 219,177,240	\$ 232,916,501

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal Revenues	\$ 175,337,807	\$ 165,043,816	\$ 112,375,086	\$ 105,498,445
State Revenues	\$ 302,497,016	\$ 322,455,783	\$ 340,337,374	\$ 356,091,575
Local Revenues:				
Property Taxes	\$ 247,723,665	\$ 235,510,436	\$ 228,342,382	\$ 211,857,048
Investment Income	12,745,034	1,472,967	1,417,495	10,298,493
Extracurricular/Cocurricular Activities	733,137	454,145	153,086	679,352
Legal settlements/restitution	-	19,337	596,826	28,657
Foundations, Gifts, & Bequests	58,681	230,368	643,278	-
IRS Subsidy	584,330	584,498	-	-
Purchasing Rebates	189,357	309,715	120,724	82,093
Surplus Sales	106,443	188,477	97,040	85,654
Tuition and Fees	81,530	78,337	85,623	244,849
Athletics	435,353	429,974	52,665	359,977
Refunds and Credits	64,752	163,587	44,473	88,847
Vehicle Inventory Tax	107,409	78,956	30,542	59,493
Services to Other Districts	68,000	30,000	22,000	50,000
Rent	111,976	80,388	5,541	85,386
Transportation Revenue	14,797	8,669	4,826	40,169
Shared Services Arrangements	295,697	298,566	227,219	264,137
Local Network of School Improvements	19,863	106,043	43,957	-
Food Service Activity	1,740,053	551,475	39,125	2,410,757
Army Youth Grant	143,248	98,768	24,376	90,182
El Paso Community Foundation	-	82,967	-	-
New York Life Foundation	-	31,718	-	-
CREED Grant	-	-	11,255	85,640
Local Teacher Stipend Region XIX	13,246	-	7,137	20,795
Other Local Revenue	142,972	347,007	479,832	371,735
Insurance Recovery	-	-	-	126,221
Digital Promise Grant	-	-	-	47,205
Teens Against Tobacco Use	-	-	-	-
Snapdragon Book Foundation Grant	9,500	-	-	-
Power Up Sales	-	-	-	-
Arrest Fees	-	-	-	-
Dollar General Adult Literacy Grant	-	-	-	-
Total Local Revenues	\$ 265,389,043	\$ 241,156,398	\$ 232,449,402	\$ 227,376,690
Total Governmental Fund Revenues	\$ 743,223,866	\$ 728,655,997	\$ 685,161,862	\$ 688,966,710

Source: EPISD ACFR - Exhibit C-3 & Notes to the Financial Statements X - Revenues from Local and Intermediate Sources.

El Paso Independent School District
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-5

Fiscal Year											
<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
\$	87,897,131	\$	89,663,491	\$	95,734,334	\$	113,925,693	\$	109,093,030	\$	102,769,714
\$	330,022,793	\$	318,439,273	\$	321,294,091	\$	337,778,392	\$	309,434,712	\$	303,709,371
\$	212,858,581	\$	204,685,528	\$	194,652,001	\$	192,558,854	\$	194,253,019	\$	195,194,480
	11,204,087		6,183,575		2,711,541		925,921		466,468		487,493
	906,334		799,803		794,659		848,591		862,725		869,750
	242,360		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	188,072		120,985		157,877		-		-		-
	79,231		200,500		134,158		118,982		-		-
	338,316		318,323		490,432		418,519		592,002		666,642
	417,781		429,238		507,051		435,311		489,581		507,911
	52,715		41,768		273,874		87,034		197,245		426,985
	83,842		128,543		77,271		179,108		-		-
	82,000		82,000		151,000		178,000		-		-
	91,881		112,089		121,830		115,989		91,498		231,409
	73,257		97,483		82,352		61,275		138,531		283,499
	465,066		488,461		426,506		445,879		566,069		634,057
	-		-		-		-		-		-
	3,010,618		3,004,306		3,260,640		3,264,489		3,440,150		4,645,907
	142,691		172,078		161,651		152,617		166,441		188,562
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	23,973		-		-		-		-		-
	651,432		470,359		448,213		295,580		968,799		624,238
	-		-		-		-		-		-
	51,472		126,697		-		-		-		-
	-		-		132,650		-		-		-
	-		-		-		-		-		-
	-		-		87,216		83,217		-		-
	-		66,088		-		-		-		-
	10,017		-		-		-		-		-
\$	230,973,726	\$	217,527,824	\$	204,670,922	\$	200,169,366	\$	202,232,528	\$	204,760,933
\$	648,893,650	\$	625,630,588	\$	621,699,347	\$	651,873,451	\$	620,760,270	\$	611,240,018

El Paso Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-6

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures				
Instruction & Instructional-Related Services	\$ 408,066,735	\$ 390,879,899	\$ 382,428,208	\$ 382,309,249
Instructional & School Leadership	48,865,680	48,672,236	46,177,610	46,079,876
Support Services - Student	106,671,156	101,241,402	84,955,822	94,331,265
Administrative Support Services	15,702,954	14,374,419	14,727,661	15,038,228
Support Services - Non-Student	78,867,119	80,159,386	70,414,266	68,721,010
Ancillary Services	1,702,598	1,640,171	1,407,851	1,503,156
Debt Service - Principal on Long Term Debt	17,646,683	19,913,379	17,639,096	11,327,955
Debt Service - Interest on Long Term Debt	39,310,431	39,710,302	42,520,771	32,894,082
Debt Service - Bond Issuance Cost & Fees	57,243	211,841	1,443,091	2,515,677
Facilities Acquisition and Construction	59,936,378	112,329,138	240,496,907	235,702,930
Tax Appraisal Charges	3,162,457	2,952,060	2,520,719	2,388,693
Total Expenditures	\$ 779,989,434	\$ 812,084,233	\$ 904,732,002	\$ 892,812,121
Capital Expenditures^a	60,160,853	116,351,158	240,901,963	238,717,627
Debt Service as a Percentage of Noncapital Expenditures ^b	7.91%	8.57%	9.06%	6.76%

Notes:

^aCapital Expenditures is the sum of Total Depreciable & Non-Depreciable Assets - "Additions Column" from Notes to the Financial Statements G - Capital Asset Activity.

^bTo calculate the ratio, divide total debt service expenditures (principal and interest, excludes amount for Bond Issuance & Fees) by total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Source: EPISD ACFR - Exhibit C-3 & Notes to the Financial Statements G - Capital Asset Activity

El Paso Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-6

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 364,058,010	\$ 370,724,075	\$ 365,077,948	\$ 378,773,258	\$ 359,566,953	\$ 355,204,593
43,785,191	44,187,373	43,809,911	43,562,134	41,118,673	40,403,070
94,184,459	96,344,669	97,400,331	95,945,911	98,339,042	88,544,338
14,190,644	12,554,541	12,058,499	10,558,626	9,872,121	10,052,278
69,825,796	69,757,514	67,878,509	65,551,410	60,581,113	61,072,541
1,413,859	1,533,838	1,511,179	1,452,006	1,481,398	1,393,226
18,673,931	17,567,932	16,607,552	17,928,549	25,619,992	20,449,806
22,729,293	23,785,655	15,839,666	15,904,829	15,903,108	23,589,104
2,738,166	902,883	231,636	181,484	1,872,908	240,952
101,367,841	42,983,219	10,078,638	13,319,682	14,509,520	28,122,514
2,540,161	2,558,238	2,589,237	2,416,260	2,348,227	2,409,511
\$ 735,507,351	\$ 682,899,937	\$ 633,083,106	\$ 645,594,149	\$ 631,213,055	\$ 631,481,933
108,091,534	52,685,722	17,831,276	16,020,071	23,317,072	32,225,424
6.60%	6.56%	5.27%	5.37%	6.83%	7.35%

El Paso Independent School District
Other Financing Sources, Governmental Funds Uses, and Net Change in Fund Balances
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-7

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess of Revenues Over / (Under) Expenditures	\$ (36,765,568)	\$ (83,428,236)	\$ (219,570,140)	\$ (203,845,411)
Other Financing Sources (Uses)				
General Long-term Debt Issued	-	16,975,000	115,054,970	252,315,000
Sale of Real or Personal Property	1,523,500	-	-	5,890,191
Capital Leases	-	-	20,394,743	-
Non-Current Loans	-	13,766,438	-	-
Transfers In	1,311,267	4,062,921	11,811,267	16,811,267
Premium or Discount on Issuance of Bonds	-	587,844	23,539,885	34,196,258
Transfers Out	(1,311,267)	(19,062,921)	(16,121,672)	(16,811,267)
Payment to Bond Refunding Escrow Agent	-	-	-	-
Other (Uses)	-	(17,390,000)	(148,459,481)	(44,496,147)
Total Other Financing Sources (Uses)	\$ 1,523,500	\$ (1,060,718)	\$ 6,219,712	\$ 247,905,302
Net Change in Fund Balances	\$ (35,242,068)	\$ (84,488,954)	\$ (213,350,428)	\$ 44,059,891

Source: EPISD ACFR - Exhibit C-3

El Paso Independent School District
Other Financing Sources, Governmental Funds Uses, and Net Change in Fund Balances
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

Exhibit S-7

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ (86,613,701) \$	(57,269,349) \$	(11,383,759) \$	6,279,302 \$	(10,452,785) \$	(20,241,915)
257,760,000	37,715,000	181,835,000	-	183,295,000	4,390,000
3,716,282	1,003,844	-	-	-	-
10,847,034	-	-	-	-	-
-	-	-	-	-	-
2,361,267	2,100,457	2,184,301	684,059	684,059	11,008,452
10,974,630	1,824,673	19,592,616	-	33,808,270	-
(2,361,267)	(2,100,457)	(2,184,301)	(684,059)	(684,059)	(11,068,547)
-	(17,831,729)	-	-	-	-
(360,990)	(360,990)	(1,427,374)	(3,720,637)	(220,389,746)	(4,390,000)
\$ 282,936,956 \$	\$ 22,350,798	\$ 200,000,242	\$ (3,720,637)	\$ (3,286,476)	\$ (60,095)
\$ 196,323,255 \$	\$ (34,918,551)	\$ 188,616,483	\$ 2,558,665	\$ (13,739,261)	\$ (20,302,010)

El Paso Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Exhibit S-8

Tax Year	Fiscal Year	Assessed Value		Less: Tax-Exempt Property	Total Taxable Assessed Value ^a	Direct Tax Rate ^b	Actual Taxable Value	As a Percentage of Actual Taxable Value
		Real Property	Personal Property					
2022	2023	25,861,149,281	2,917,825,268	9,017,911,590	19,761,062,959	1.3137	28,778,974,549	68.66%
2021	2022	22,469,107,054	2,613,101,286	6,602,286,239	18,479,922,101	1.3542	25,082,208,340	73.68%
2020	2021	21,370,574,459	2,756,590,146	6,079,836,250	18,047,328,355	1.3184	24,127,164,605	74.80%
2019	2020	15,627,016,022	2,647,923,545	5,769,422,931	12,505,516,636	1.2684	18,274,939,567	68.43%
2018	2019	19,983,550,324	2,583,824,629	5,571,729,212	16,995,645,741	1.3100	22,567,374,953	75.31%
2017	2018	19,256,491,018	2,506,382,762	5,307,070,200	16,455,803,580	1.3100	21,762,873,780	75.61%
2016	2017	18,716,432,036	2,456,734,712	4,780,575,845	16,392,590,903	1.2350	21,173,166,748	77.42%
2015	2016	18,355,869,174	2,511,910,285	4,626,513,678	16,241,265,781	1.2350	20,867,779,459	77.83%
2014	2015	17,960,450,295	2,347,203,306	3,915,797,057	16,391,856,544	1.2350	20,307,653,601	80.72%
2013	2014	17,930,117,757	2,291,380,456	3,809,548,896	16,411,949,317	1.2350	20,221,498,213	81.16%

Notes:

^a Assessed value less exemptions

^b Per \$100 of assessed valuation

Source: El Paso Central Appraisal District Certified Values

El Paso Independent School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 Assessed Value)
(Unaudited)

Exhibit S-9

Tax Year	Fiscal Year	District Direct Rates			Overlapping Rates ^a			
		General Fund	Debt Service	Total	City of El Paso	County of El Paso	Community College	UMC Hospital
2022	2023	1.00610	0.3076	1.31370	0.862398	0.426289	0.122611	0.235153
2021	2022	1.05170	0.3025	1.35420	0.907301	0.470181	0.134760	0.258145
2020	2021	1.05475	0.2636	1.31835	0.907301	0.488997	0.139859	0.267747
2019	2020	1.06835	0.2000	1.26835	0.907301	0.488997	0.141167	0.267747
2018	2019	1.17000	0.1400	1.31000	0.843332	0.447819	0.140273	0.251943
2017	2018	1.07000	0.2400	1.31000	0.803433	0.452694	0.141638	0.251943
2016	2017	1.07000	0.1650	1.23500	0.759656	0.452694	0.134909	0.234456
2015	2016	1.07000	0.1650	1.23500	0.729725	0.452694	0.133811	0.220682
2014	2015	1.04000	0.1950	1.23500	0.699784	0.452694	0.128122	0.220682
2013	2014	1.04000	0.1950	1.23500	0.678378	0.433125	0.124359	0.214393

Note:

^aIncludes levies for operating and debt service costs

Source: City of El Paso Consolidated Tax Office

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	Fiscal Year Ending 2023			Fiscal Year Ending 2014		
	Taxable	Percentage of	Taxable	Taxable	Percentage of	Taxable
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Value</u>
Western Refining Co. LP	\$ 482,614,797	1	2.44%	\$ 474,076,595	1	2.89%
El Paso Electric Co.	227,742,631	2	1.15%	183,437,464	3	1.12%
Texas Gas Service	114,482,230	3	0.58%	47,156,568	7	0.29%
Simon Property Group	107,312,085	4	0.54%	195,509,924	2	1.19%
Wal-Mart Stores Inc.	105,894,055	5	0.54%	41,158,602	10	0.25%
Hawkins & I-10 Acquisition Co. LP	82,029,512	6	0.42%			
Union Pacific Railroad	73,735,648	7	0.37%	48,200,658	6	0.29%
Sierra Providence Physical Rehab Hospital	67,500,000	8	0.34%	126,195,891	4	0.77%
Enterprise Rent a Car	64,154,061	9	0.32%			
Spectrum Gulf Coast LLC	58,673,280	10	0.30%			
El Du Pont De Nemours & Co.				53,547,000	5	0.33%
AT&T				41,554,466	9	0.25%
JRK Colinas Del Sol LLC				45,281,852	8	0.28%
Subtotal	\$ 1,384,138,299		7.00%	\$ 1,256,119,020		7.65%
All other taxpayers	18,376,924,660		93.00%	15,155,830,297		92.35%
Total Taxable	\$ 19,761,062,959		100.00%	\$ 16,411,949,317		100.00%

Source: El Paso Central Appraisal District

El Paso Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Exhibit S-11

Tax Year	Fiscal Year				Collected in First Period		
					Collected Amount ^b	Percentage of Original Levy	
		Original Levy	Adjustments	Adjusted Levy ^a			
2022	2023	\$ 256,356,521	\$ (5,812,458)	\$ 250,544,063	\$ 244,944,740	95.55%	
2021	2022	\$ 241,310,633	\$ (2,884,727)	\$ 238,425,906	\$ 233,848,293	96.91%	
2020	2021	\$ 231,387,390	\$ (2,234,151)	\$ 229,153,239	\$ 224,283,110	96.93%	
2019	2020	\$ 214,336,577	\$ (1,497,913)	\$ 212,838,664	\$ 207,724,333	96.92%	
2018	2019	\$ 215,270,550	\$ (1,699,686)	\$ 213,570,864	\$ 208,838,098	97.01%	
2017	2018	\$ 208,794,854	\$ (1,619,477)	\$ 207,175,377	\$ 202,764,161	97.11%	
2016	2017	\$ 197,493,543	\$ (1,878,831)	\$ 195,614,712	\$ 191,272,870	96.85%	
2015	2016	\$ 194,791,582	\$ (1,257,559)	\$ 193,534,022	\$ 189,149,737	97.10%	
2014	2015	\$ 196,149,777	\$ (1,223,720)	\$ 194,926,057	\$ 190,608,330	97.17%	
2013	2014	\$ 194,977,459	\$ (974,442)	\$ 194,003,017	\$ 189,389,835	97.13%	

Note:

This schedule includes operating and debt service tax revenues.

Source:

^a City of El Paso Consolidated Tax Office

^b EPISD ACFR - Exhibit J-1

^c Tax Collections include the annual 60 day accrual of prior year collections

El Paso Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Exhibit S-11

Collected in Subsequent Periods	Total Collections		Percentage of Adjusted Levy
		Amount ^c	
\$ -	\$	244,944,740	97.77%
\$ 1,250,825	\$	235,099,118	98.60%
\$ 11,319	\$	224,294,429	97.88%
\$ 2,363,850	\$	210,088,183	98.71%
\$ 2,510,126	\$	211,348,224	98.96%
\$ 2,401,290	\$	205,165,451	99.03%
\$ 434,376	\$	191,707,246	98.00%
\$ 1,963,923	\$	191,113,660	98.75%
\$ 2,582,032	\$	193,190,362	99.11%
\$ 2,536,142	\$	191,925,977	98.93%

Governmental Activities

Fiscal Year	Unlimited Tax Bonds^a	Loans Payable & Other Long-Term Debt^b	Loans for Capital Purchases	M&O: MTNs QSC MTNs, Lease Revenue Bonds	Total Primary Government^c
2023	932,503,759	-	30,729,664	68,023,416	1,031,256,839
2022	953,944,742	-	32,616,566	68,783,448	1,055,344,756
2021	978,148,025	-	19,651,882	68,815,000	1,066,614,907
2020	999,327,407	-	10,832,688	69,460,000	1,079,620,095
2019	792,219,866	360,990	11,212,050	52,290,000	856,082,906
2018	562,855,940	721,980	724,793	36,386,960	600,689,673
2017	584,285,888	-	1,079,407	15,275,000	600,640,295
2016	402,476,988	-	1,428,932	15,275,000	419,180,920
2015	421,811,436	-	3,472,510	18,855,000	444,138,946
2014	427,301,519	3,603,364	4,744,161	19,665,000	455,314,044

Notes:

^a Unlimited Tax Bonds = GO Bonds Payable + CABs Accretion + Unamortized Premiums on Bonds - Unamortized Loss on Refunded Bonds

^b The Asset Retirement Obligation was removed from 2021, 2020, and 2019. Other long-term debt in prior years were tax refunds and a State energy savings loan.

^c Does not include accumulated unpaid sick benefits, right-to-use leases, and SBITAs.

^d From Exhibit A-1 control code 3850 Restricted for Debt Service. In prior years sinking fund deposits were not included in the restricted for debt service total.

Source:

EPISD ACFR - Note J - Long Term Liabilities, Exhibit S-8 for Assessed Property Values, Exhibit S-15 for Per Capita Income Information and Exhibit H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

El Paso Independent School District
Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Exhibit S-12

Resources Restricted for Debt Service ^d	Net Bonded Debt Outstanding	Gross Bonded Debt as % of Personal Income	Gross Bonded Per Capita	Net Debt as % of Assessed Value	Net Debt Per Capita
40,805,925	990,450,914	2.44%	3,015	5.01%	3,202
26,789,745	1,028,555,011	2.63%	3,058	5.57%	3,298
11,021,824	1,055,593,083	3.00%	3,026	5.85%	3,156
20,080,292	1,059,539,803	3.32%	3,160	6.07%	3,351
7,189,791	848,893,115	2.71%	2,635	4.99%	2,824
22,807,940	577,881,733	2.03%	1,918	3.51%	1,969
23,531,901	577,108,394	2.13%	1,948	3.52%	1,924
23,059,889	396,121,031	1.47%	1,315	2.44%	1,294
21,778,229	422,360,717	1.55%	1,360	2.58%	1,361
30,647,242	424,666,802	1.65%	1,360	2.59%	1,352

El Paso Independent School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
(Unaudited)

Exhibit S-13

Governmental Unit	Total Tax Supported Debt as of 06/30/23	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
El Paso County	\$ 247,590,199	40.09%	\$ 99,258,911
El Paso County Hospital District	309,920,000	40.10%	124,277,920
City of El Paso	1,584,635,000	47.95%	759,832,483
Subtotal, Overlapping Debt			<u>\$ 983,369,314</u>
District Direct Debt ^a			<u>1,031,256,839</u>
Total Direct and Overlapping Debt			<u>\$ 2,014,626,153</u>
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			<u>10.19%</u>
Per Capita Overlapping Debt			<u>\$ 5,808</u>

Note:

^aRefer to Exhibit S-12 for District Direct Debt

Source:

Municipal Advisory Council of Texas

Method of calculation:

The percentage of each of the governmental units listed above that falls within the borders of the school district is applied to the total tax-supported debt of that entity to determine the overlapping debt of the El Paso Independent School District.

Legal Debt Margin

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2023	\$ 1,976,106,296	\$ 806,781,896	\$ 1,169,324,400	40.83
2022	1,847,992,210	832,537,179	1,015,455,031	45.05
2021	1,804,732,836	850,414,637	954,318,199	47.12
2020	1,744,581,180	868,635,969	875,945,211	49.79
2019	1,699,564,574	702,714,813	996,849,761	41.35
2018	1,645,580,358	532,696,721	1,112,883,637	32.37
2017	1,639,259,090	556,156,553	1,083,102,537	33.93
2016	1,624,126,578	374,627,125	1,249,499,453	23.07
2015	1,639,185,654	395,167,159	1,244,018,495	24.11
2014	1,641,194,932	396,654,277	1,244,540,655	24.17

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value		\$ 19,761,062,959
Debt limit (10% of assessed value)		1,976,106,296
Total bonded debt	\$ 852,660,227	
Less reserve for retirement of debt	<u>45,878,331</u>	
Debt applicable to limit		<u>806,781,896</u>
Legal debt margin		\$ 1,169,324,400

Source: Refer to Exhibit S-8 for Assessed Property Values

El Paso Independent School District
Demographic and Economic Statistics
El Paso County
Last Ten Fiscal Years
(Unaudited)

Exhibit S-15

Calendar Year	District Population ^a	Population ^b	Personal Income	Per Capita Personal ^c	Average Unemployment Rate ^d
2023	309,336	868,763	38,281,172,832	44,064	4.50%
2022	311,906	867,947	36,295,807,646	41,818	4.80%
2021	323,248	865,657	32,648,253,755	37,715	6.50%
2020	316,206	839,238	29,209,200,000	35,856	9.50%
2019	300,607	840,758	27,744,310,000	34,575	4.00%
2018	293,488	840,410	27,178,018,990	32,339	4.40%
2017	299,967	841,971	27,460,042,194	32,614	5.00%
2016	306,117	837,918	27,327,857,652	32,614	4.90%
2015	310,256	835,593	27,252,030,102	32,614	5.20%
2014	314,154	835,454	25,975,100,314	31,091	6.40%

Sources:

^a U.S. Census Bureau, ACS Table DP05 2022 ACS 1-Year Estimates (El Paso Independent School District, TX)

^b U.S. Census Bureau, ACS Table DP05 2022 ACS 1-Year Estimates (El Paso County, TX)

^c Bureau of Economic Analysis

^d Bureau of Labor Statistics - 2023 rate as of June

<u>Employer</u>	Fiscal Year Ending 2023 ^b			Fiscal Year Ending 2014 ^c		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Fort Bliss (Civilian & Military)	47,628	1	13.23%	40,000	1	12.37%
El Paso Independent School District	7,875	2	2.19%	9,000	2	2.78%
Socorro Independent School District	7,144	3	1.98%	6,000	5	1.86%
T&T Staff Management	6,387	4	1.77%	4,000	6	1.24%
Ysleta Independent School District	6,022	5	1.67%	7,155	3	2.21%
City of El Paso	5,556	6	1.54%	6,570	4	2.03%
The Hospitals of Providence	5,300	7	1.47%	N/A	Unranked	
University of Texas at El Paso	3,400	8	0.94%	3,700	7	1.14%
El Paso Community College	3,102	9	0.86%	2,499	9	0.77%
WBAMC Internal Medicine Clinic	3,000	10	0.83%	N/A	Unranked	
County of El Paso	N/A	Unranked		2,771	8	0.86%
University Medical Center of El Paso	N/A	Unranked		2,455	10	0.76%
	<u>95,414</u>		<u>27%</u>	<u>84,150</u>		<u>26%</u>

Notes:

Total employment for 2023 ^a : 359,989
Total employment for 2014 ^a : 323,248

Sources:

^a Bureau of Labor Statistics (Data tables 2014 December & 2023 June)
^b 2022 City of El Paso ACFR (2023 Data not available)
^c City of El Paso ACFR 2014

El Paso Independent School District
Full Time Equivalent District Employees by Type
Last Ten Fiscal Years
(Unaudited)

Exhibit S-17

	Fiscal Year					Percent Change 2014-2023
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	
Professional Staff						
Teacher	3,506	3,512	3,730	3,840	3,900	-15%
Professional Support Staff	959	1,022	1,059	1,011	1,038	-12%
Campus Administration (School Leadership)	197	205	214	212	219	-14%
Central Administration	58	59	59	59	60	9%
Professional Staff Total	4,720	4,798	5,062	5,122	5,217	-14%
Educational Aides	471	456	499	493	458	14%
Auxiliary Staff	2,024	2,020	2,191	2,174	2,176	-11%
Total Staff	7,215	7,274	7,752	7,789	7,851	-12%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Professional Staff					
Teacher	4,046	3,977	3,993	4,046	4,121
Professional Support Staff	1,039	1,054	1,050	1,056	1,088
Campus Administration (School Leadership)	232	229	226	226	230
Central Administration	50	28	37	34	53
Professional Staff Total	5,367	5,288	5,306	5,362	5,492
Educational Aides	476	483	443	449	412
Auxiliary Staff	2,223	2,265	2,277	2,247	2,267
Total Staff	8,066	8,036	8,026	8,058	8,171

Source: TEA - Texas Academic Performance Report (TAPR)

El Paso Independent School District
Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Exhibit S-18

Fiscal Year	Peak Enrollment	Operating Expenditures	Cost per Pupil	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2023	50,031	666,012,746	13,312	3,506	14.3	75.9%
2022	50,769	633,779,000	12,484	3,512	14.5	73.4%
2021	50,837	573,293,015	11,277	3,730	13.6	74.5%
2020	55,454	585,681,188	10,562	3,840	14.4	73.3%
2019	57,477	580,122,308	10,093	3,900	14.7	77.3%
2018	58,549	581,697,183	9,935	4,046	14.5	76.1%
2017	59,688	586,932,449	9,833	3,977	15.0	76.5%
2016	60,257	576,316,318	9,564	3,993	15.1	77.0%
2015	61,151	569,670,146	9,316	4,046	15.1	78.2%
2014	61,864	555,623,580	8,981	4,121	15.0	72.4%

Note:

Expenditures for computing per pupil cost are a total of actual expenditures as prescribed by the Texas Education Agency's Financial Accountability System Resource Guide. These include the General and Special Revenue Funds, excluding objects of Debt Service, Capital Outlay and Intergovernmental Charges.

Source:

Nonfinancial information from State TAPR and AEIS Reports. Free and reduced from the annual State Summary of Finance.

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Schools</u>				
<u>Elementary</u>				
Buildings	43	47	53	53
Square feet	3,582,576	3,785,264	4,096,644	4,096,644
Capacity	26,836	28,912	37,008	37,008
Enrollment	18,930	19,632	25,940	25,940
<u>Middle / PK-8</u>				
Buildings	15	16	16	16
Square feet	2,432,347	2,432,347	2,432,347	2,432,347
Capacity	18,266	18,266	18,082	18,082
Enrollment	12,884	11,979	12,288	12,288
<u>High</u>				
Buildings	12	12	12	12
Square feet	3,048,335	3,048,335	2,929,835	2,929,835
Capacity	23,468	23,468	19,798	19,798
Enrollment	17,355	16,885	18,596	18,596
<u>District-Wide</u>				
Buildings	11	11	11	11
Square feet	358,041	358,041	358,041	358,041
Capacity	3,644	3,644	3,644	3,644
Enrollment	49,169	48,496	56,824	56,824
<u>Administrative</u>				
Buildings	6	6	6	6
Square feet	352,747	352,747	352,747	352,747
<u>Misc. Support Facilities</u>				
Buildings	5	5	5	5
Square feet	123,620	123,620	123,620	123,620
<u>Portable Classrooms</u>				
Buildings	448	448	448	448
Square feet	335,104	335,104	335,104	335,104
<u>Custodial Residences^a</u>				
Buildings	-	-	77	77
Square feet	-	-	84,762	84,762
<u>Athletics</u>				
Stadiums	10	10	10	10
Football/soccer/play fields	115	115	115	115
Running tracks	11	11	11	11
Baseball/softball	22	22	22	22

Note:

^a Last of standalone custodial residences were sold in FY23. Number should have been reduced in previous years as campuses no longer had/designated custodial residences within the campus.

Sources: EPISD Facilities & Construction Department & Tableau Enrollment Dashboard

El Paso Independent School District
Building Information
Last Ten Fiscal Years
(Unaudited)

Exhibit S-19

Fiscal Year					
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
57	57	57	57	57	57
4,339,769	4,339,769	4,339,769	4,334,649	4,309,049	4,273,832
39,151	39,151	39,151	39,134	39,049	38,692
27,442	27,442	28,446	28,601	29,276	29,728
16	16	16	16	16	16
2,432,347	2,432,347	2,432,347	2,432,347	2,432,347	2,432,347
18,082	18,082	18,082	18,082	18,082	18,082
12,288	12,288	12,335	12,508	12,867	13,038
12	12	12	12	12	12
2,929,835	2,929,835	2,929,835	2,927,943	2,927,943	2,890,621
19,798	19,798	19,798	19,798	19,798	19,570
18,596	18,596	18,969	18,663	18,413	18,524
11	11	11	11	11	11
358,041	358,041	358,041	358,041	358,041	358,041
3,644	3,644	3,644	3,644	3,644	3,644
58,326	58,326	59,750	59,772	60,556	61,290
6	6	6	6	6	6
352,747	352,747	352,747	352,747	352,747	352,747
5	5	5	5	5	5
123,620	123,620	123,620	123,620	123,620	123,620
448	448	448	448	448	448
335,104	335,104	335,104	335,104	335,104	335,104
77	77	77	77	77	77
84,762	84,762	84,762	84,762	84,762	84,762
10	10	10	9	9	8
115	115	115	115	114	112
11	11	11	11	11	11
22	22	22	22	22	22

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REPORTS ON COMPLIANCE, INTERNAL CONTROL, AND FEDERAL AWARDS

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

To the Board of Trustees
El Paso Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Paso Independent School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise El Paso Independent School District's basic financial statements, and have issued our report thereon dated November 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Paso Independent School 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 El Paso Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of El Paso Independent School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Paso Independent School 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*.

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.

A handwritten signature in black ink, appearing to read "Gibson Ruddock Patterson LLC", with a stylized flourish at the end.

Gibson Ruddock Patterson, LLC
El Paso, Texas
November 6, 2023

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
El Paso Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of El Paso Independent School 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 El Paso Independent School 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 El Paso Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on El Paso Independent School 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 El Paso Independent School 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 El Paso Independent School 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 El Paso Independent School 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 El Paso Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

A handwritten signature in black ink, appearing to read "Gibson Ruddock Patterson LLC", written in a cursive, flowing style.

Gibson Ruddock Patterson, LLC
El Paso, Texas
November 6, 2023

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Were significant deficiencies in internal control disclosed?

None reported

Were material weaknesses in internal control disclosed?

No

Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?

No

Federal Awards

Internal control over major federal award programs:

Were significant deficiencies in internal control over major programs disclosed?

None reported

Were material weaknesses in internal control over major programs disclosed?

No

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Were there any audit findings that the auditor is required to report under Title 2 CFR 200.516 Audit findings paragraph (a)?

No

Major Federal Programs:

Special Education - IDEA B:

Assistance Listing No. 84.027A, 84.173A, 84.027X, 84.173X

Impact Aid:

Assistance Listing No. 84.041

English Language Acquisition:

Assistance Listing No. 84.365A

COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund and American Rescue Plan(ARP) :

Assistance Listing No. 84.425D, 84.425U

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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

**Did auditee qualify as a low-risk auditee under 2 CFR
200.520 Criteria for a low-risk auditee?** Yes

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

There are no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no current year findings or questioned costs.

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDINGS & QUESTIONED COSTS

There were no prior year findings or questioned costs.

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<u>Passed Through Texas Department of Transportation</u>			
Selective Traffic Enforcement Program (STEP)	20.600	ElPasoIISDSIYG00049	\$ 2,996
Total Passed Through Texas Department of Transportation			2,996
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			2,996
NATIONAL SCIENCE FOUNDATION			
<u>Direct Programs</u>			
NSF - Computer Science for All	47.076	1923586	26,106
Total Direct Programs			26,106
TOTAL NATIONAL SCIENCE FOUNDATION			26,106
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
JROTC	12.357	N/A	638,938
World Language Advancement and Readiness Program	12.556	HE 1254-22-1-2004	42,610
Gateway to STEM Careers for Military Connected Communities	12.556	HE 1254-19-1-0031	153,082
Raise the Bar (DoDEA 2021)	12.556	HE-1254-21-1-0012	223,544
Total Assistance Listing Number 12.556			419,236
Total Direct Programs			1,058,174
TOTAL U.S. DEPARTMENT OF DEFENSE			1,058,174
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L.	84.041	S041B20234905	6,675,681
Total Direct Programs			6,675,681
<u>Passed Through Ysleta Independent School District</u>			
SSA - English Literacy and Civics Education Grant	84.002A	1018ALA000-4	3,059
SSA - Adult Education (AEL) - Federal	84.002A	1018ALA000-4	41,338
SSA - English Literacy and Civics Education Grant	84.002A	1018ALA000-5	78,028
SSA - Adult Education (AEL) - Federal	84.002A	1018ALA000-5	645,549
SSA - Adult Education (AEL) - Federal Professional	84.002A	1018ALA000-5	15,415
Total Assistance Listing Number 84.002			783,389
Total Passed Through Ysleta Independent School District			783,389
<u>Passed Through Texas Education Agency</u>			
ESSA, Title I, Part A - Improving Basic Programs	84.010A	22610101071902	607,922
ESSA, Title I, Part D - Subpart 2-Delinquent Programs	84.010A	22610103071902	2,381
ESSA, Title I, School Improvement	84.010A	22610141071902	2,358
ESSA, Title I, 1003 ESF - Focused Support Grant	84.010A	226101577110051	221,232
ESSA, Title I, Part A - Improving Basic Programs	84.010A	23610101071902	19,208,234
ESSA, Title I, Part D, Subpart 2-Delinquent Programs	84.010A	23610103071902	110,292
ESSA, Title I, School Improvement	84.010A	23610141071902	59,577
Total Assistance Listing Number 84.010			20,211,996

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

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

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
ESSA, Title I, Part C - Migrant	84.011	22615001071902	17,359
ESSA, Title I, Part C - Migrant	84.011	23615001071902	195,517
Total Assistance Listing Number 84.011			212,876
*IDEA - Part B, Formula	84.027 A	226600010719026600	170,784
*IDEA - Part B, Formula	84.027 A	236600010719026600	10,270,408
*SSA - IDEA - Part B, Discretionary Deaf	84.027 A	226600110719026673	13,885
*SSA - IDEA - Part B, Discretionary Deaf	84.027 A	236600110719026673	130,755
*COVID-19 IDEA, Part B, Formula - American Rescue Act	84.027 X	225350010719025350	213,065
*COVID-19 IDEA, Part B, Formula - American Rescue Act	84.027 X	225350020719025350	1,118,837
Total Assistance Listing Number 84.027			11,917,734
*IDEA - Part B, Preschool	84.173 A	226610010719026610	14,180
*IDEA - Part B, Preschool	84.173 A	236610010719026610	155,354
*COVID-19 IDEA, Part B, Preschool - American Rescue Act	84.173 X	225360010719025360	17,172
*COVID-19 IDEA, Part B, Preschool - American Rescue Act	84.173 X	225360020719025360	48,649
Total Assistance Listing Number 84.173			235,355
Total Special Education Cluster (IDEA)			12,153,089
2021-2023 P-Tech Planning & Implementation	84.048 A	213922027110001	4,174
Carl D. Perkins - Career & Technical - Basic Grant	84.048 A	22420006071902	60,036
Carl D. Perkins - Career & Technical - Basic Grant	84.048 A	23420006071902	889,044
Total Assistance Listing Number 84.048			953,254
SSA - IDEA, Part C - Early Intervention	84.181 A	233911010719023911	1,430
Texas Education for Homeless Children and Youth	84.196 A	224600057110046	12,373
Texas Education for Homeless Children and Youth	84.196 A	234600057110026	65,481
Total Assistance Listing Number 84.196			77,854
ESSA, Title III, Part A - English Language Acquisition	84.365 A	22671001071902	37,131
ESSA, Title III, Part A - English Language Acquisition	84.365 A	23671001071902	906,624
Total Assistance Listing Number 84.365			943,755
ESSA, Title II, Part A, Supporting Effective Instruction	84.367 A	22694501071902	14,738
ESSA, Title II, Part A, Supporting Effective Instruction	84.367 A	23694501071902	2,028,344
edTPA Pilot Reimbursement and Stipends	84.367 A	69452171	1,062
Total Assistance Listing Number 84.367			2,044,144
LEP Summer School	84.369 A	S369A210045	31,064
LEP Summer School	84.369 A	S369A200045	17,265
Total Assistance Listing Number 84.369			48,329
Title IV Part A - Subpart I, Student Support & Academic Enrich.	84.424 A	22680101071902	24,501
Title IV Part A - Subpart I, Student Support & Academic Enrich.	84.424 A	23680101071902	1,528,350
Total Assistance Listing Number 84.424			1,552,851
COVID-19 ESSER - School Emergency Relief	84.425 D	20521001071902	721
COVID-19 ESSER II - CRRSA	84.425 D	21521001071902	46,062,062
COVID-19 ESSER III - ARP	84.425 U	21528001071902	41,599,114
COVID-19 ESSER III - Texas Covid Learning Acceleration	84.425 U	21528042071902	516,801
Total Assistance Listing Number 84.425			88,178,698
Total Passed Through Texas Education Agency			126,378,276
TOTAL U.S. DEPARTMENT OF EDUCATION			133,837,346

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF LABOR			
<u>Passed Through Texas Education Agency</u>			
2021-2023 P-Tech Planning & Implementation	17.258	213933017110001	28,558
Total Passed Through Texas Education Agency			28,558
TOTAL U.S. DEPARTMENT OF LABOR			28,558
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900200	299,326
Total Passed Through Texas Health and Human Services Commission			299,326
<u>Passed Through Ysleta Independent School District</u>			
SSA - Temporary Assistance for Needy Families (TANF)	93.558	1018ALA000-4	937
SSA - Temporary Assistance for Needy Families (TANF)	93.558	1018ALA000-5	55,787
Total Assistance Listing Number 93.558			56,724
Total Passed Through Ysleta Independent School District			56,724
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			356,050
U.S. DEPARTMENT OF JUSTICE			
<u>Direct Programs</u>			
COPS Office School Violence Prevention Program	16.710	2019SVWX0027	70,368
STOP School Violence	16.839	15PBJA-21-GG-04642-S	96,510
Total Direct Programs			166,878
<u>Passed Through Texas Office of Governor - CJD</u>			
Securing School Zones	16.738	2018-DJ-BX-0485	23,078
OOG JAG K9 Unit Support	16.738	2020-DJ-BX-0034	8,776
Total Assistance Listing Number 16.738			31,854
Total Passed Through Texas Office of Governor - CJD			31,854
TOTAL U.S. DEPARTMENT OF JUSTICE			198,732
U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Programs</u>			
Child and Adult Care Food Program	10.558	202323N109946	1,882,968
Total Direct Programs			1,882,968
<u>Passed Through the Texas Department of Agriculture</u>			
**National School Breakfast Program	10.553	202323N109946	7,545,611
**National School Lunch Program - Cash Assistance	10.555	202323N109946	20,032,621
**National School Lunch Program - Non-Cash Assistance	10.555	202322N109946	2,425,738
Total Assistance Listing Number 10.555			22,458,359
Total Child Nutrition Cluster			30,003,970

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

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

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Passed Through the Texas Department of Agriculture			30,003,970
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>31,886,938</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 167,394,900</u></u>

*, ** - Clustered Programs

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

1. GENERAL

For all federal programs, the District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*.

Special Revenue Funds are used to account for resources restricted to, or committed for specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. BASIS OF ACCOUNTING

Accounting and Financial Reporting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All Federal grant funds are accounted for either in the General Fund or a Special Revenue Fund which are governmental fund types. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When grant funds are received before expenditures are made, they are recorded as unearned revenues until earned. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Due to the nature of the reporting process for the SHARS program, the District recognizes SHARS revenue upon receipt of the reimbursement notice from the federal government.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

2. BASIS OF ACCOUNTING (Continued)

Period of Performance

The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, OMB Compliance Supplement - May 2023.

3. INDIRECT COST RATE

The District did not elect to use the 10% de minimis indirect cost rate, but used the indirect cost rate assigned by the Texas Education Agency.

The District accounted for federally funded indirect costs in the General Fund as follows:

Program Title	Assistance Listing Number	Amount
COVID-19 ESSER III - ARP	84.425U	\$ 2,606,065
COVID-19 ESSER II - Emergency Relief	84.425D	3,700,212
ESSA Title I, Part A, D, and SIP	84.010A	848,919
IDEA - Part B, Formula	84.027A	415,263
ESSA, Title II, Part A, Supporting Effective Instruction	84.367A	77,263
Title IV, Part A, Student Support & Academic Enrich.	84.424A	65,869
ESSA Title III, Part A - English Lang. Acquisition	84.365A	40,665
COVID-19 ESSER III - Texas Covid Learning Acceleration Support	84.425U	40,548
Carl D. Perkins Career & Technical Basic Grant	84.048A	27,471
Raise the Bar (DoDEA 2021)	12.556	8,731
IDEA - Part B, Preschool	84.173A	6,839
SSA - IDEA - Part B, Discretionary Deaf	84.027A	6,570
ESSA Title I, Part C, Migrant	84.011	6,368
Texas Education for Homeless Children & Youth	84.196A	3,120
STOP School Violence	16.839	1,864
World Language Advancement and Readiness	12.556	1,118
National Science Foundation - Computer Science for All	47.076	558
2021-2023 P-Tech Planning and Implementation	17.258	332
Total Indirect Costs		<u>\$ 7,857,775</u>

4. MATCHING

The District reported matching funds of \$2,608 for the Texas Department of Transportation Selective Traffic Enforcement Program (STEP).

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

5. PROGRAM INCOME

The Child Nutrition Cluster generated program income in the amount of \$2,351,383 for the year ended June 30, 2023.

6. RECONCILIATION

Of the federal expenditures presented in the Exhibit K-1, the District accounted for certain funds in the General Fund as follows:

Program Title	Assistance Listing Number	Amount
JROTC	12.357	\$ 638,938
Impact Aid	84.041	6,675,681
Indirect Costs (See Note 3 for detail)	various	<u>7,857,775</u>
		15,172,394
SHARS (not included on Exhibit K-1)		<u>7,942,907</u>
Total General Fund		<u>\$ 23,115,301</u>

The total federal revenue presented in Exhibit K-1 can be reconciled to Exhibit C-3 as follows:

Expenditures of federal awards per Exhibit K-1	\$ 167,394,900
School Health and Related Services (SHARS) reimbursements	<u>7,942,907</u>
Total federal revenue per Exhibit C-3	<u>\$ 175,337,807</u>