

EL PASO INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report

 **ACFR FY 2021**

for the fiscal year ended June 30, 2021

El Paso, Texas



**EL PASO INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EL PASO, TEXAS

**PREPARED BY
FINANCIAL SERVICES DEPARTMENT**

EL PASO INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

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**INTRODUCTORY SECTION
(UNAUDITED)**



EL PASO INDEPENDENT SCHOOL DISTRICT

Financial Services

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November 9, 2021

To the Board of Trustees and Taxpayers of the 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 ended June 30, 2021.

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. To provide a reasonable basis for making these representations, District management has established relevant financial policies. These policies include a comprehensive internal control framework that is designed to protect its assets from loss, theft, or misuse. Additionally, the internal control framework is designed to compile sufficient reliable information for the preparation of 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 framework of internal controls has been designed to provide reasonable assurance rather than 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.

The firm Gibson Ruddock Patterson, LLC, audited the financial statements of the District. They are a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2021, 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, 2021, 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 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 require that management provide a narrative introduction, overview, and analysis to 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 report of the independent auditors.

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 funds, which are included in the District's budget. Budgets for Special Revenue funds (other than the Child Nutrition Fund) and Capital Project 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 253 square miles in the western part of the state of Texas in El Paso County and serves a student population of approximately 50,000 on campuses. EPISD is the 70th largest District in the United States, the 13th largest District in Texas, and it is the largest school district in the El Paso County area. The District is the largest civilian employer in El Paso, with more than 8,000 employees. The District has experienced a decline in student enrollment in the past nine years. It has a projected enrollment of 49,745 for the 2021-2022 school year. The 2020-2021 adopted general fund budget was \$549,805,177. EPISD is authorized to levy a property tax on taxable property located within its boundaries.

EPISD is not only a large district but also one rich in history. EPISD celebrated its 138th anniversary in 2021. In late 1882, a newspaper headline read: "\$700 has been subscribed by the citizens of El Paso in lands, money and all material for the purpose of erecting 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 school in El Paso public school was officially opened. There were 200 students in an old wooden structure. The principal, John Merrill, received \$150 a month 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 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.

Through the years, EPISD has grown to encompass more than 253 square miles. It is bordered by the Texas-New Mexico state line, the US Mexico border, and Ysleta ISD.



District Snapshot

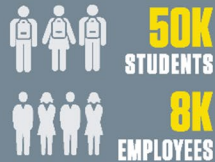
We leverage a strong foundation and continuous improvement processes to ensure quality learning in every classroom every day. To achieve this, we have three focus areas:

- Providing Engaging & Challenging Learning
- Building Strong Supports
- Modernizing Environments

The District is an ethnically, culturally and linguistically diverse community. Figures from the 2019-2020 school year provide a snapshot of student demographics:

Demographics

Hispanic	84.5%	42,824
White	8.5%	4,313
Black/African American	3.3%	1,657
Other	4%	1,867
Economically Disadvantaged	74%	37,722
Special Needs	11.7%	5,938
Bilingual	21%	10,886



2020-21 **2021-22**
Proposed

High Schools	10	10
Middle Schools	15	14
Elementary Schools	51	46
Pre-K-8	1	2
Specialty Schools	4	4
(Magnet, Career & Technology)		
Alternative Schools	4	4
TOTAL	85	80

EPISD has 51 elementary schools, 15 middle schools and 10 traditional high schools. Specialty campuses include a Medical Magnet High School, an Early College High School, a Career & Technical Center, 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 school 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 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, is undergoing a major renovation as part of the 2016 Bond Program. The existing main building will be replaced by a new 3-story classroom building. The project scope also includes a new weight room, softball field and renovations to the Gym. Construction is scheduled for completion by May 2022.



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 quality learning in every classroom every day. 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 that students in EPISD have access to. Moreover, with our 5-year Plan to train and coach every teacher in active learning, we are on a trajectory to create great seats in every classroom. We are guided by our five student learning goals: a) to have knowledgeable and creative thinkers, b) informed problem solvers, c) effective bilingual communicators, d) responsible leaders and productive citizens, and e) socially and emotionally intelligent individuals.

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 second 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 will of the people 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 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 and canvassing the results, organizing the Board, and electing its officers. The Board also is responsible for




setting the tax rate, setting salary schedules, and 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 EPISD 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 EPISD prepare El Paso's children for a successful future.




Al Velarde
President




Daniel E. Call
Vice President



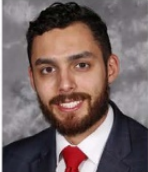
Leah Hanany
Secretary




Josh Acevedo
Trustee



Isabel Hernandez
Trustee



Israel Irroball
Trustee



Freddy Khileyel-Avaio
Trustee

Vision The El Paso Independent School District will be a premier educational institution, source of pride and innovation, and the cornerstone of emerging economic opportunities producing a 21st century workforce.

Mission The El Paso Independent School District graduates every student prepared for higher learning and careers to empower them as knowledgeable and engaged citizens, innovators, and drivers of a robust, bicultural economy..

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 within the perspective of the environment in which the District operates.



Economic Conditions and Outlook

The city of El Paso sits astride the Franklin Mountains on the westernmost tip of the US 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 Paseo 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. The University of Texas at El Paso is the city's primary university and home to the UTEP Miners. 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).

El Paso is ranked in the top 10 safest large cities to live 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 July 1, 2019, the population estimate for the city from the most recent US Census data was 678,815. Its US metropolitan area covers all of El Paso and Hudspeth counties in Texas and has a population of 865,657.

El Paso has a diversified economy focused 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. Agriculture such as cotton, fruit, vegetables, and livestock are produced locally or in surrounding areas. El Paso has added a significant manufacturing sector with items and goods provided that include petroleum, metals, medical devices, plastics, machinery, defense-related products, and automotive parts. The city is the second busiest international crossing point in the US behind Diego, California.

Tourism is another primary industry in El Paso, bringing in \$1.5 billion a year and over 2.3 million visitors annually due to the city's sunny weather, natural beauty, rich cultural history, and many outdoor attractions.

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 the year 2019-2020 due to the effects of the Global COVID-19 Pandemic that hit the United States in March of 2020, as of June 2021 the unemployment has decreased 8% to a rate of 6.9%. This indicates the city's population is returning to work and beginning to recover from the economic impact of the pandemic.

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 that are yet to come.

Major Initiatives

The Board of Trustees adopted the EPISD 2020 Strategic Plan in May 2015. It builds on the theme of “I am EPISD,” where all staff understand and own their role in the larger picture. Outlined in this plan are initiatives that combine the collective efforts of constituents to build the future through both an “I am” and a “We Are” approach. In this plan, the vision and mission for the District were outlined as follows:

Vision

El Paso Independent School District will be a premier educational institution, a source of pride and innovation, and the cornerstone of emerging economic opportunities by producing a twenty-first-century workforce.

Mission

The El Paso Independent School District will graduate every student prepared for higher learning and careers to empower them as knowledgeable and engaged citizens, innovators, and drivers of a robust, bicultural economy.

The Board established a vision, mission, and the following goals for EPISD:

1. Implement a 5-year (FY2016-17 to FY2020-21) student performance improvement plan.
2. Implement an accountability system for major district programs and initiatives.
3. Improve employee satisfaction.
4. Improve community and stakeholder engagement and satisfaction.
5. Implement a 10 to 15-year facilities plan.
6. Reduce losses in declining enrollment to less than 1% per year.
7. Establish a 5-year Budget Plan.
8. Oversee the creation, development, and implementation of a long-term plan to achieve established goals.



For long-term planning, EPISD has established four strategic priorities to guide EPISD work: Active Learning, Great Community Schools, Community Partnerships, and Lead with Character and Ethics. EPISD builds on a commitment to these strategic priorities, outlines action-oriented focus areas, and leverages existing continuous improvement processes which work together toward community-identified student learning goals.

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.

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 was the result of 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 ages, they are exhibiting rapid deterioration. EPISD has done a noble job maintaining these buildings with limited resources. Significant capital renewal is required to maintain safe, cool, dry school operations in facilities of this age profile. The underlining costs of maintaining and renovating the older EPISD buildings were included in the assessment results.

The 2016 Bond Program will help EPISD create 21st Century Learning Environments throughout the District to help facilitate the modern, future-ready teaching and learning techniques of a District of Innovation. Crockett Elementary School, is the 1st major renovation completed for the 2016 Bond Programs, and is the first to feature the 21st century learning classrooms. Pictured to the bottom right of this page, all 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 will also consolidate schools into modern facilities that will help create a more sustainable inventory of campuses in EPISD. Other focus areas for the 2016 Bond include investments in athletic facilities, school buses, and instructional technology, and safety and security measures.

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

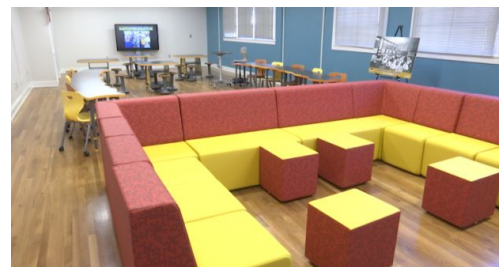
While the 2016 Bond continued to be an important and critical event of the District for 2020-2021, student academic progress and initiatives were a top priority. Programs and activities were focused on student progress, initiatives, and plans for specific interventions based on data.

Additionally, the Texas Education Agency (TEA) selected EPISD to be part of the pilot year for the System of Great Schools Technical Assistance Network, or SGS. School districts in the SGS network will receive intensive, system-level resources meant to support educators to design and lead high-quality schools, empower families with high-quality options and informed choices, and focus central office on high leverage oversight, innovation, and support.

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 for the construction of a new administration building at 1014 N. Stanton, El Paso, Texas. The existing building 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 of 2021.

In December 2018, the District received \$10,847,034 in capital lease proceeds to provide financing of energy upgrades to be installed under a guaranteed energy performance contract (EPC). The EPC program will provide updates to District schools that are not covered in the 2016 Bond Program.

In December 2019, the District's bond ratings were affirmed at "AA stable" by Fitch Ratings and "Aa2 stable" by Moody's. The District's bonds presently carry an "AAA" rating with both Fitch and Moody's. 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 to State funding in the following fiscal year—the Treasury Office updates and posts the required annual Debt Transparency Report on the District's web site.

District investment earnings in all funds decreased from \$10.5 million in 2019-2020 to \$1.4 million in 2020-2021, primarily due to market fluctuations attributed to the uncertainties of the COVID-19 Pandemic. This total includes \$287 thousand of interest revenue in the General Fund.

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 the development of the budget and presents it at an annual meeting to the Board of Trustees. The Budget & External Financial Management Office allocates resources to EPISD's prioritized needs that are developed during a review process.

Financial Management

The Financial Services Department is a critical player in the District's current and long-term financial management strategy. The Financial Services Department includes five divisions: payroll, accounts payable, accounting, travel, and campus accounting. The Financial Services Department provides financial transparency and accountability and assists in maximizing academic achievement for students by establishing accurate and timely payment guidelines for employees and vendors. 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 moves forward to deliver 21st-century academic strategies at all of its campuses and departments.

Awards and Acknowledgements

A significant accomplishment was the preparation, completion, and issuance of the Annual Comprehensive Financial Report (ACFR). For the fourth consecutive year, the District submitted an application for a CAFR review and proudly received two prestigious recognitions to include 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 2021 Financial Integrity Rating System of Texas (FIRST), which relates to data for the fiscal year 2019-2020. EPISD has received the highest rating of “Superior Achievement” for 18 years and an “Above Standard” rating for 2018, which is related to data for the fiscal year 2016-2017. The FIRST rating is designed to measure the financial solvency of Texas school districts.

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.

EPISD’s Procurement and School Resources Department has earned the Award of Merit with Recognized Status from the Texas Association of School Business Officials (TASBO) for five consecutive fiscal years. TASBO’s Purchasing Award of Merit is presented to school districts committed to professional standards in the acquisition of goods and services.

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).

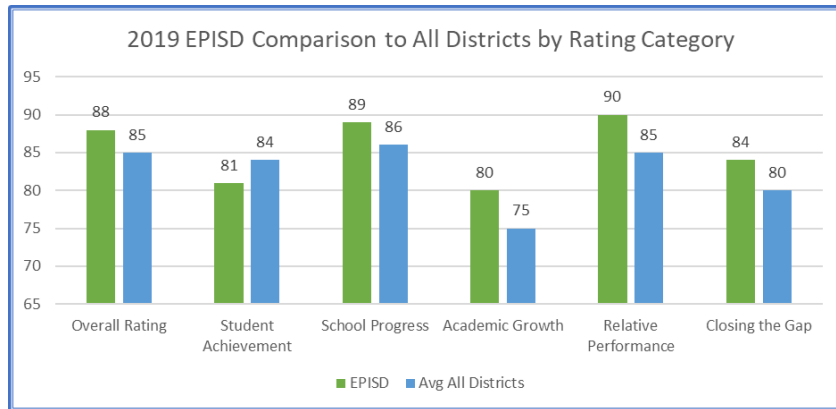
Academic Highlights

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 in the TEA Accountability Rating System. The 2019 accountability rating reports will be applied to the 2021 fiscal year. *

In 2019 El Paso Independent School District (EPISD) received an overall grade of 88, with an overall rating of a B. 1,189 school districts received a TEA accountability rating for 2019. The total statewide grade distribution is as follows: A: 301 Districts; B: 677 Districts; C: 154 Districts; D: 43 Districts; F: 14 Districts.

*The following graph indicates the District's standing in relation to all districts in the state in 2019.



There are 59 (63%) EPISD campuses that received one or more distinctions. Distinctions were given on the performance of Reading/ELA, Mathematics, Science, Social Studies, along with the accountability domains for Academic Growth, Gap, and Post-Secondary Readiness.

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 express gratitude to 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,



Maria D. Pineda
Executive Director Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**El Paso Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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 Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

The report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

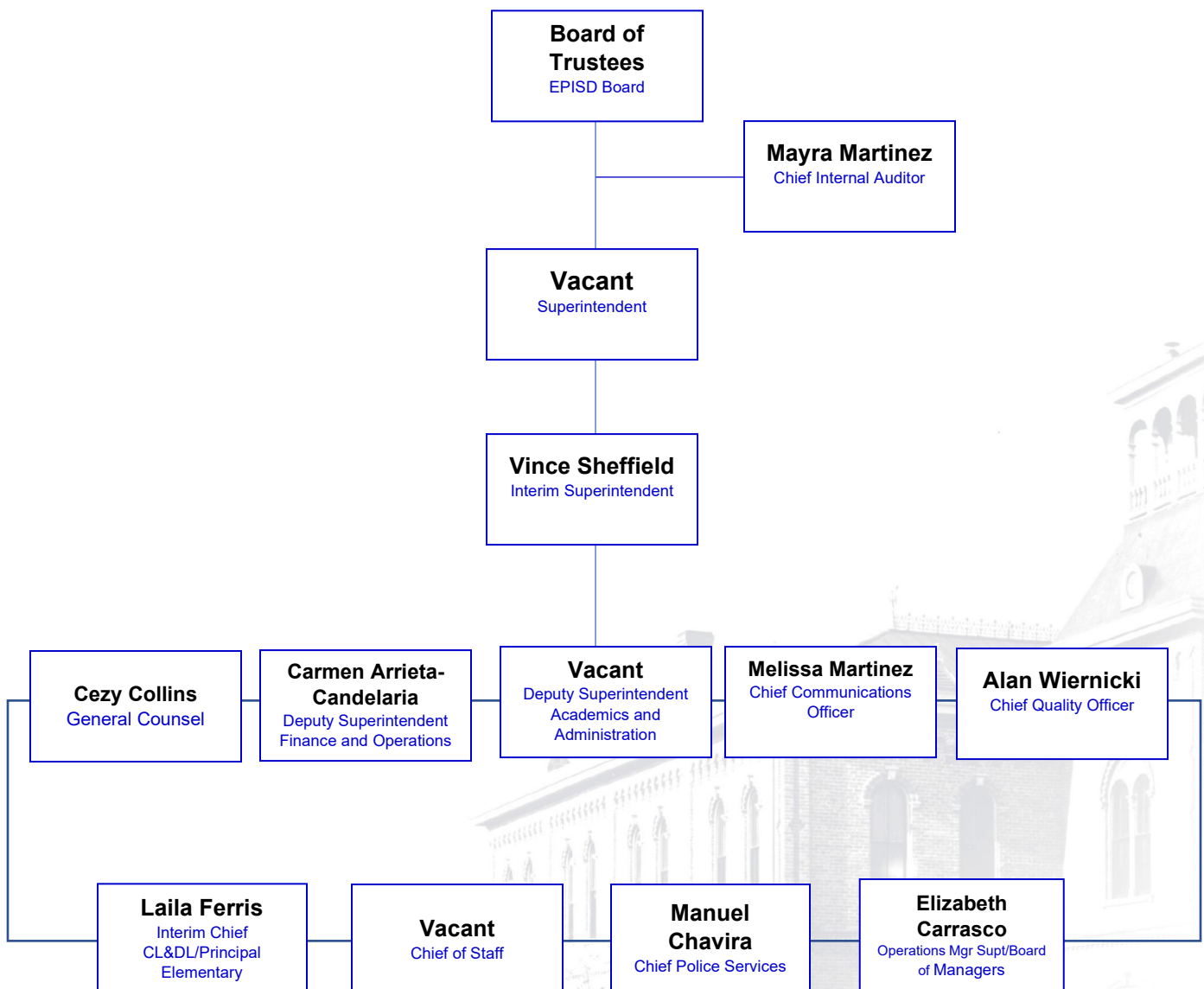
W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



El Paso Independent School District 2020-2021 Organizational Chart



EL PASO INDEPENDENT SCHOOL DISTRICT

PRINCIPAL OFFICIALS

BOARD OF TRUSTEES

Al Velarde
President

Daniel E. Call
Vice-President

Leah Hanany
Secretary

Joshua Acevedo
Member

Isabel Hernandez
Member

Israel Irrobali
Member

Freddy Khlayel-Avalos
Member

ADMINISTRATION

Vince Sheffield
Interim 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, 2021, at a meeting of the Board of Trustees of such school district on the 16th day of November 2021.

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 Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of El Paso Independent School District, as of June 30, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note I to the financial statements, El Paso Independent School District adopted new accounting guidance, GASB Statement No. 84, Fiduciary Activities. Refer to Note MM for discussion of the impact on the fund categories and net position related to the adoption of this statement. Our opinion is not modified with respect to this matter

Other Matters

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 125 through 136 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other 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 introductory section, combining and individual nonmajor fund financial statements, required TEA schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Audit Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, 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.



Gibson Ruddock Patterson, LLC
El Paso, Texas
November 8, 2021

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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, 2021. 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 \$6.7 million. The total net position of the District increased from \$(20.4) million in fiscal year 2020 to a deficit of \$(13.7) million at year-end 2021. Of this total amount, unrestricted net position decreased by \$9.1 million from \$(291.6) million to a deficit of \$(300.7) million. Total revenues decreased \$21.4 million from \$713.7 million in fiscal year 2020 to \$692.3 million in fiscal year 2021. Total expenses decreased \$24.0 million from \$709.6 million to \$685.6 million.

The District's governmental fund financial statements reported a combined ending fund balance in fiscal year 2021 of \$402.5 million. The combined ending fund balance of the District decreased \$213.3 million from \$615.8 million in fiscal year 2020. Of this total amount, \$2.8 million is Non-spendable, \$263.2 million is Restricted, \$38.4 million is Assigned, and \$98.1 million is Unassigned in the General Fund and is available for spending at the District's discretion.

In December of 2016, the Board of Trustees approved a reallocation project listing for the 2008 Bond Capital Projects fund. Currently, the 2008 Bond Capital Projects fund is nearing its final stages. There are only three remaining projects: ADA Compliance transition plan, Central Office move to downtown and Delta Operations Center. The Central Office move to downtown, and the Delta Operations Center are pending minimal work. As of June 30, 2021, the ending fund balance was \$769 thousand with expenditures totaling \$7.7 million.

On November 8, 2016, the voters approved a bond proposal totaling \$668.7 million. Bond funds are also being utilized for consolidations and modernizing existing school facilities. The Crockett Elementary Renovation was completed in fiscal year 2021; this was a complete renovation of the existing school facilities. Shading and athletic court renovations to 18 school playgrounds were also completed during the fiscal year. The Board of Trustees committed that all 2016 Bond projects be completed by 2024.

The fund balance for the 2016 Bond Projects is \$179.6 million as of June 30, 2021, with expenditures of \$204.2 million for the year ended June 30, 2021. The District website features a dashboard showing the progress of all projects.

Other significant projects completed during fiscal year 2021 include school improvements at Zavala Elementary, wood floor replacement at Austin High School, and office renovation at Wiggs Middle School. Renovations for fiscal year 2021 include the piano room at Franklin High School and special education rooms at Richardson Middle School. Athletic Improvements for fiscal year 2021 include stadium upgrades at Austin High School, replacement of gym flooring at Armendariz Middle School, installation of a driveway for the Coronado High School softball field, and installation of a weight room at Burges High School. Energy efficient upgrades were installed at multiple schools throughout the district, these upgrades included 4 high schools, 9 middle schools and 34 elementary schools.

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.

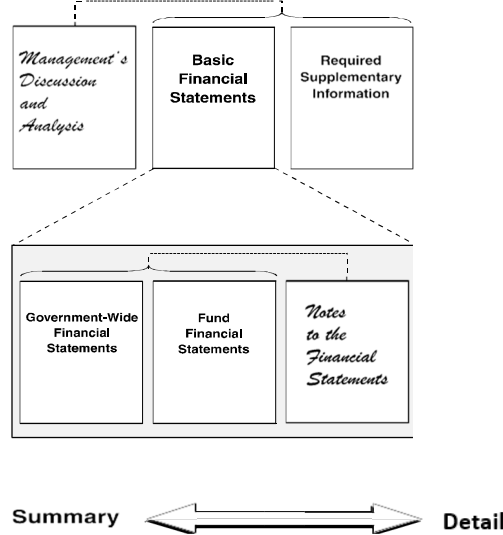


Figure A-2 below summarizes the major features of the District's financial statements and the types of information they contain.

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 booth 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	Agency 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 if 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, and Print Shop programs. 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 are the required supplementary information, 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 \$(13.7) million for the year ended June 30, 2021. The District's governmental activities net position increased by \$6.7 million.

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

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>	<u>Variance</u>	<u>% Change</u>
Current and other assets	\$522.5	\$750.1	\$(227.6)	(30.3)%
Capital Assets	1,096.0	875.9	220.3	25.2%
Non-Current Assets	21.4	19.1	2.3	12.0%
Total Assets	1,640.1	1,645.1	(5.0)	(0.3)%
Deferred Charge for Refunding	17.5	14.8	2.7	18.2%
Deferred Outflow for Asset Retirement Obligation	0.6	1.3	(0.7)	(53.8)%
Deferred Outflow Related to TRS Pension	58.3	76.2	(17.9)	(23.5)%
Deferred Outflow Related to TRS OPEB	22.1	25.3	(3.2)	(12.6)%
Total Deferred Outflows of Resources	98.5	117.7	(19.2)	(16.3)%
Current Liabilities	163.9	162.4	1.5	0.9%
Non-Current Liabilities	1,410.1	1,472.7	(62.6)	(4.3)%
Total Liabilities	1,574.0	1,635.1	(61.1)	(3.7)%
Deferred Inflow Gain on Refunding	1.8	2.0	(0.2)	(10.0)%
Deferred Inflow Related to TRS Pension	35.2	38.9	(3.7)	(9.5)%
Deferred Inflow Related to TRS OPEB	141.2	107.2	34	31.7%
Total Deferred Inflows of Resources	178.2	148.1	30.1	20.3%
Net Position:				
Net Investment in Capital Assets	250.4	226.3	24.1	10.6%
Restricted	36.6	44.9	(8.3)	(18.5)%
Unrestricted	(300.7)	(291.6)	(9.1)	3.1%
Total Net Position	(\$13.7)	(\$20.4)	\$6.7	(32.8)%

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 \$250.4 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 \$36.6 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 the fiscal year 2021 the unrestricted net position of the District resulted in a negative amount of (\$300.7) million; as a result of a prior year's implementation of the GASB No. 75 Accounting and Financial Reporting for post-employment benefits.

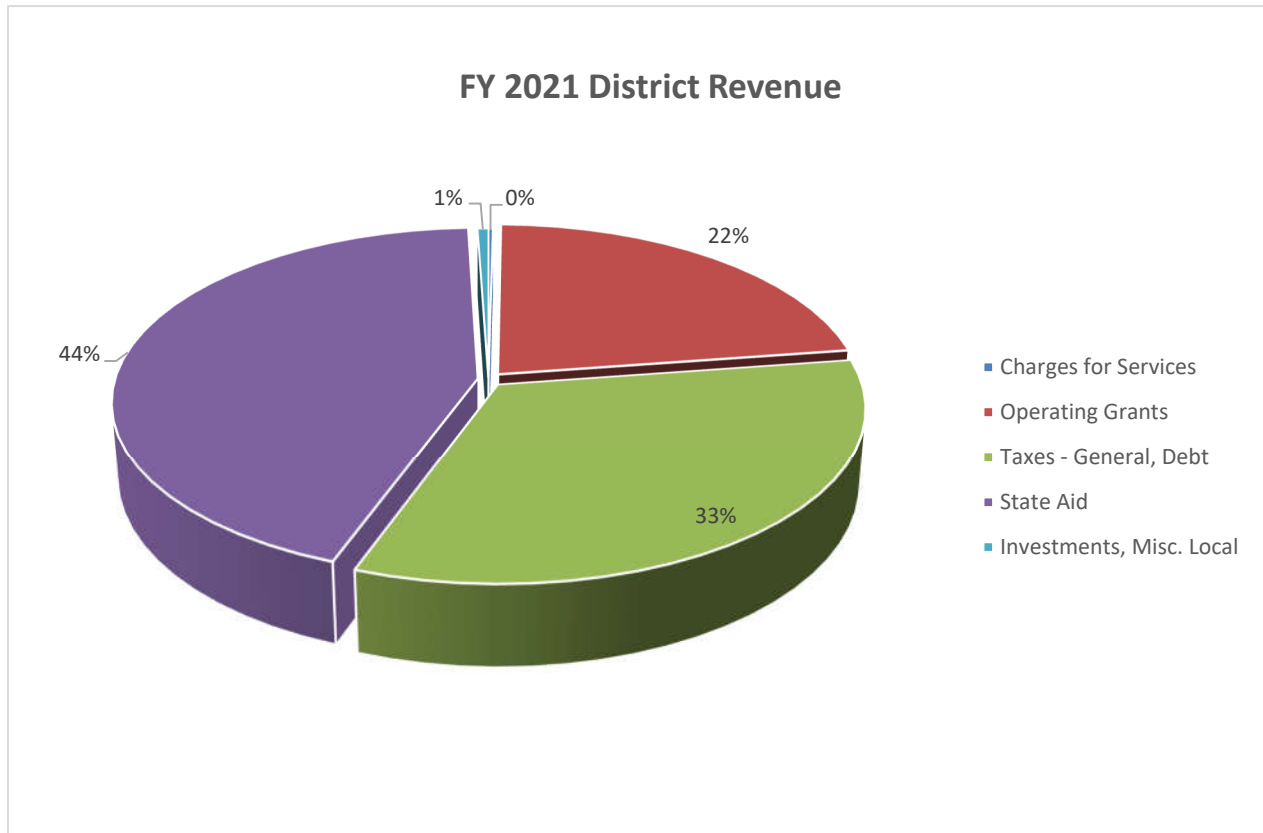
Statement of Activities

Revenues

The District's total revenues were \$692.3 million. A significant portion, approximately 44%, of the District's revenue comes from state aid-formula grants. Operating and capital grants and contributions provided 22% of revenue, 33% comes from property taxes, while only 1% relates to charges for services, investment income, and local miscellaneous sources.

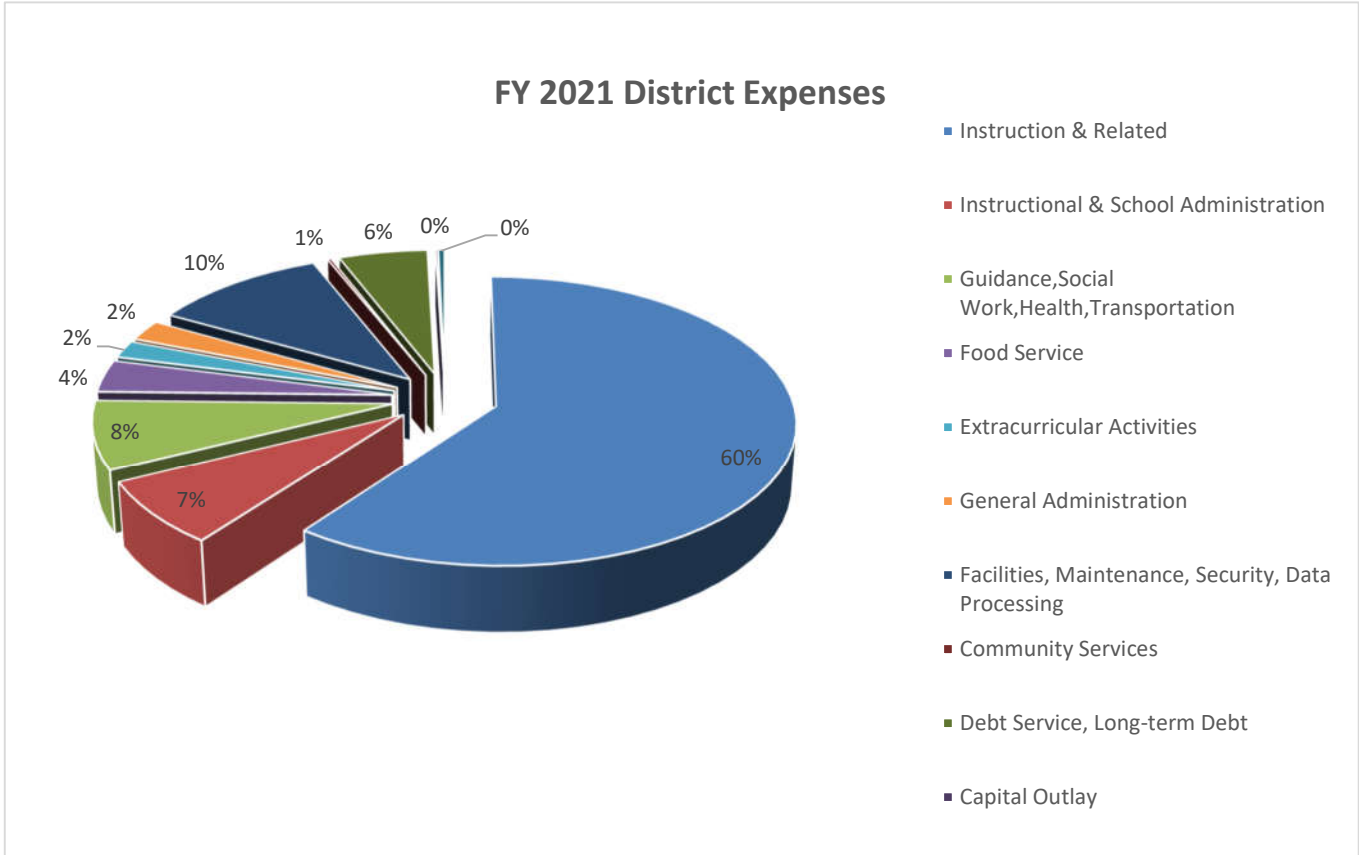
Funding for governmental activities is by specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental activities:

- The cost of all *governmental activities* this year was \$685.6 million.
- Program revenues directly attributable to specific activities funded some of the governmental activities. These program revenues amounted to \$157.2 million.
- The remaining cost of *governmental activities*, not directly funded by program revenues, was \$528.4 million of which \$227.9 million was funded by property taxes, and \$303.4 million was funded by state aid – not restricted to specific programs.



Expenses

The District's total expenses were \$685.6 million. The largest portion, \$413.3 million or approximately 60%, 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, 10% for facilities, maintenance, security and data processing, while only 2% is related to general administration.



Changes in Net Position

The change in net position for fiscal year 2021 totaled \$6.7 million. The District's governmental activities net position had an overall increase of \$6.7 million or 32.8%. The following activities impacted the total net position of the District:

- Property tax revenue increased by \$4.8 million in the General Purposes, and increased by \$12 million in the Debt Service, for a net increase of \$16.8 million. The increase was due to a 3.6% increase in property values and an increase in the total tax rate of 5 cents. The decrease of 1.4 cents in the General Fund was part of House Bill 3 (HB3) tax compression. The 6.4 cent increase in the I&S rate was due to increased bond payments.
- Investment earnings decreased by \$8.8 million from the prior year due to lower interest yield and lower balances in Capital Project Funds.
- State Aid-Formula Grants decreased by \$13.3 million due to lower State Foundation funding. State revenue decreased due to lower enrollment and lower average daily attendance (ADA). 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.

- Operating grants and contributions decreased \$13.9 million from the prior year. During fiscal year 2021, the Child Nutrition Program experienced a decrease of \$8.6 million due to lower meal participation, primarily attributed to the effects of the COVID-19 pandemic and District school building closures. The program operated through the Seamless Summer Option (SSO). The Instructional Materials Allotment (IMA) decreased by \$2.8 million as it operated under the second year of the biennium allocation with the adoption cycle primarily focused on English Language Arts and Reading I, II, and III.
- The District received \$3.1 million at a 75% federal reimbursement rate for COVID-19 related expenditures through the Corona Relief Fund (CRF) under the Coronavirus Aid, Relief, and Economic Security Act (CARES).
- Furthermore, the District spent an additional \$100 thousand of Elementary and Secondary School Emergency Relief (ESSER I) funds and \$16.4 million of ESSER II funds through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District utilized the funding to maintain continuity of services for elementary teacher salary expenses.
- The Operation Connectivity Prior Purchase Reimbursement Program (PPRP) provided a reimbursement of \$9.8 million to the District at a reimbursement rate of 84.6% for technology-related purchases to serve students during the COVID-19 pandemic.
- Capital Grants and Contributions in the amount of \$246 thousand represent costs incurred during the fiscal year for the relocation and capital improvements of the EPISD Gene Roddenberry Planetarium through a Community Development Block Grant (CDBG) awarded from the City of El Paso.
- The District experienced a decrease of \$24.0 million in expenses. Operating Grants and Contributions accounted for \$13.7 million primarily attributed to the effects of the global pandemic of COVID-19. Another contributing factor is related to the actuarial valuation changes of the state's pension plan. According to Governmental Accounting Standards Board Statement (GASB) No. 75 and No. 68, member districts must recognize a proportionate share of the expense annually.
- During fiscal year 2021, the District continued to be affected by the global pandemic of COVID-19. To maintain continuity of services, the District reallocated resources to incorporate a virtual learning and working environment for students and employees; personal protective equipment; electronic devices; and preventive disinfectant cleaning.

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

Governmental Activities

	2021	2020	Variance	% Change
Revenues				
<u>Program Revenues</u>				
Charges for Services	\$1.5	\$4.7	(\$3.2)	(68.1)%
Operating Grants and Contributions	155.5	169.4	(13.9)	(8.2)%
Capital Grants and Contributions	0.2	0.0	.02	0.0%
Sub-Total	<u>157.2</u>	<u>174.1</u>	<u>(16.9)</u>	<u>(9.8)%</u>
<u>General Revenues</u>				
Property Taxes	227.9	211.1	16.8	8.0%
State Aid-Formula Grants	303.4	316.7	(13.3)	(4.2)%
Investment Earnings	1.4	10.2	(8.8)	(86.3)%
Miscellaneous	2.4	1.6	0.8	50.0%
Sub-Total	<u>535.1</u>	<u>539.6</u>	<u>(4.5)</u>	<u>(0.8)%</u>
Total Revenues	<u>692.3</u>	<u>713.7</u>	<u>(21.4)</u>	<u>(3.0)%</u>
Expenses				
Instruction and Instructional Related	413.3	427.3	(14.0)	(3.3)%
Instructional Leadership/School Administration	50.3	52.1	(1.8)	(3.5)%
Guidance, Social Work, Health, Transportation	53.1	57.1	(4.0)	(7.0)%
Food Services	24.7	31.4	(6.7)	(21.3)%
Extracurricular Activities	13.2	14.2	(1.0)	(7.0)%
General Administration	15.8	16.6	(0.8)	(4.8)%
Plant Maintenance, Security & Data Processing	73.5	73.5	(0.0)	(0.0)%
Community Services	1.5	1.7	(0.2)	(11.8)%
Interest & Fees on Long Term Debt	37.0	32.9	4.1	12.5%
Facilities Planning & Innovative Construction	0.7	0.4	0.5	75.0%
Tax Appraisal Charges	2.5	2.4	0.1	4.2%
Total Expenses	<u>685.6</u>	<u>709.6</u>	<u>(24.0)</u>	<u>(3.4)%</u>
Excess Before Special Items and Transfers	<u>6.7</u>	<u>4.1</u>	<u>2.6</u>	<u>63.4%</u>
Special Item – Gain (loss) on Disposal of Asset	0	(0.5)	0.5	(100.0)%
Increase in Net Position	<u>6.7</u>	<u>3.6</u>	<u>3.1</u>	<u>86.1%</u>
Beginning Net Position	(20.4)	(24.0)	3.6	(15.0)%
Ending Net Position	<u>(\$13.7)</u>	<u>(\$20.4)</u>	<u>\$6.7</u>	<u>(32.8)%</u>

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-Term Debt

At year-end, the District had \$1,078.0 billion in total long-term debt outstanding versus \$1,092.8 billion at the end of 2020. Retired and refunded bonded debt was \$131.3 million, and the year-end balance was \$885.2 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.

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 Bond's final principal payment is on August 15, 2033. The total cash flow savings from the refunding was \$12,558,954, and the net present value savings was \$11,132,338.

On August 11, 2020 the District entered into an Equipment Lease Purchase Agreement with U.S. Bancorp for \$9,562,055. The lease purchase is to finance the second phase of an energy savings performance contract (ESCO). An ESCO provides a means to make capital improvements which are paid over a period of years from guaranteed annual cost savings. The utility savings are generated by the capital improvements.

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 \$4.9 million, 2017 QSC Maintenance Tax Notes of \$15.3 million, 2020 Variable Rate Maintenance Tax Notes of \$17.4 million, and the 2018 Administrative Public Facility Corporation Lease Revenue Bonds of \$16.0 million. Other long-term obligations include accrued sick leave of \$9.9 million and capital lease obligations of \$19.7 million.

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 a balance of \$10.5 million. The 2017 QSC Sinking Fund has a balance of \$2 million.

The District has aggressively managed its debt by competitive bidding to obtain the best interest rates available and refinancing existing debt for lower rates when in the Districts. 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. Q 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 \$1,096.1 million, net of depreciation, in a broad range of capital assets, including land, buildings, improvements, furniture, equipment, and vehicles. This amount includes capital asset additions of \$240.9 million, depreciation expense of \$20.6 million, retirements of \$0.1 million in the past year. Fiscal year 2021 major completed projects include (in millions):

Energy Savings Equipment Program	\$9.6
Zach White Elementary Improvements	0.5
Total Major Completed Projects	<u>\$10.1</u>

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

<u>Governmental Activities</u>	<u>2021</u>	<u>2020</u>	<u>Variance</u>	<u>Percentage Change</u>
Land	\$46.9	\$46.9	\$0.0	0.0%
Land Improvements	3.5	3.2	0.3	9.4%
Buildings & Improvements	814.5	813.3	1.2	0.1%
Furniture, Equipment & Vehicles	104.8	104.8	0.0	0.0%
Capital Leases	20.5	10.9	9.6	88.1%
Construction/Software in Progress	<u>561.2</u>	<u>332.6</u>	<u>228.6</u>	68.7%
Totals at Historical Cost	1,551.4	1,311.7	239.7	18.3%
Total Accumulated Depreciation	<u>(455.2)</u>	<u>(435.7)</u>	<u>(19.5)</u>	4.5%
Net Capital Assets	<u><u>\$1,096.1</u></u>	<u><u>\$876.0</u></u>	<u><u>\$220.1</u></u>	25.1%

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 general 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 general governmental operations include the following major funds: General Fund, Elementary and Secondary School Emergency Relief (ESSER II), the Operation Connectivity Prior Purchase Reimbursement Program (PPRP), 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.Z to the financial statements.

The District's total governmental fund revenues were \$685.2 million, compared to \$689.0 million in the prior year. Local revenues increased by \$5.0 million. State aid and grants decreased by \$(15.8) million and Federal Program Revenues increased by \$6.9 million. The Maintenance and Operations tax rate decreased to a compressed rate of \$1.05475, after the passage of House Bill 3. The overall tax rate increased from \$1.26835 to \$1.31835.

The District's total governmental fund expenditures for fiscal year 2021 amounted to \$904.7 million compared to \$892.8 million in 2020. Principal and interest expenses increased \$15.9 million primarily due to higher debt payments on the debt issued from the 2016 bond election for construction and renovation of school buildings. Facilities, Acquisition, and Construction increased \$5.0 million primarily attributed to the construction of the 2016 Bond Projects and the construction costs for relocating central office personnel to downtown buildings.

The net decrease of the combined fund balances of \$(213.4) million was comprised of a fund balance decrease of \$(700) thousand in the General Fund, a decrease of \$(203.6) million in the 2016 Capital Projects Fund, and a decrease of \$(9.1) million in the non-major governmental funds. The 2016 Capital Projects Fund ended fiscal year 2021 with a fund balance of \$179.6 million. This represents a decrease of \$(203.6) million from fiscal year 2020 which ended at \$383.1 million. Current fiscal year expenditures increased to \$204.2 million compared to \$187.5 million in fiscal year 2020, an increase of \$16.7 million. The District currently has 15 projects under construction and two projects have been completed. These projects include renovations and improvements at seven high schools and consolidation of current schools into renovated or newly constructed schools.

The Elementary and Secondary School Emergency Relief Fund (ESSER II) and the Operation Connectivity Prior Purchase Reimbursement (PPRP) were considered a major fund during fiscal year 2021. The District received the Hold Harmless provision from the state through the ESSER II Grant for \$16.4 million. The District also received \$9.8 million of the PPRP fund to purchase laptop devices and other technology equipment for the elementary students remote learning as a result of the pandemic.

The General Fund is the primary operating fund of the District, the balance decreased by \$(700) thousand during the fiscal year to \$162.4. The decrease in total fund balance was due to other financing uses exceeding other financing sources by \$6.7 million, which was offset by the excess of revenues over expenditures of \$6.0 million. The other financing sources included refinancing the Phase I Equipment Lease Purchase Agreement for \$10.8 million and the issuance of the Phase II Equipment Lease Purchase Agreement for \$9.6 million. The other financing uses included the transfers to the debt service funds for debt payments and to the maintenance tax notes sinking funds for \$11.8 million. Revenues came in at approximately \$6.6 million under the amended budget and \$12.2 million under the adopted budget. Local revenue was under budget due to increased tax refunds. State revenue was under budget due to lower than forecasted student average daily attendance and a Hold Harmless state reduction reallocated to the ESSER II federal fund. Federal revenue was over budget by \$7.4 million, primarily attributed to increased Impact Aid revenue of \$2.3 million, Coronavirus Relief Fund of \$3.1 million, ESSER I and food service indirect costs revenue of \$1.4 million, and SHARS revenue for \$600 thousand.

A portion of the General Fund balance is non-spendable and held as inventories for \$2.8 million. Another portion, \$23.1 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 \$38.4 million of fund balance.

The General Fund total fund balance of \$162.4 million is equivalent to approximately 30.5% of expenditures or 68.4 days of operational expenditures in the unassigned fund balance. The unassigned fund balance of \$98.1 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 \$47.2 million, up from \$43.2 million at the end of 2020. The interest and sinking tax rate for fiscal year 2021 increased from \$.2000 to \$.2636. The .0636 cent increase was approved by taxpayers as part of the 2016 Bond Program.

Proprietary Funds

The Proprietary Funds are those funds which are primarily self-supporting. The District maintains three Proprietary Funds, which are all Internal Service Funds. These funds are the Print Shop, the Workers' Compensation Fund, and the Health Insurance Fund.

The Print Shop had an operating loss of \$(171) thousand for fiscal year ending 2021. The fund closed the year with a positive total net position balance of \$272 thousand. The revenues for this fund were impacted due to the pandemic closure during fiscal year 2021.

The Workers' Compensation Fund experienced an operating income of \$783 thousand for the year ending June 30, 2021. The net position ended at \$1.4 million. The District contribution remained at \$36 per employee per month in 2021. 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 second year of the self-insured health plan during 2021. The Health Insurance Fund had an operating loss of \$(17.8) million for the fiscal year 2021. The District contributed \$8 per employee per month in 2021 for the clinic program and up to \$435 per participating employee per month to the self-insured health plan. The fund ended fiscal year 2021 with a deficit net position balance of \$(16.8) million. The District set aside \$15.0 million from the general fund to cover the deficit. The District has made self-insured health plan changes that will be effective at the beginning of the next plan year to sustain the operating expenditures, generate a healthy fund balance, and provide a competitive health insurance plan.

Fiduciary Funds

Fiduciary Funds (trust and agency 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. Through the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, the reporting of fiduciary funds includes a Statement of Changes in Fiduciary Net Position. The District accounts for scholarship funds and restricted donations in a trust fund.

During fiscal year 2021, the District implemented GASB Statement No. 84 for fiduciary activities to provide greater consistency and comparability to enhance the value provided in the financial statements.

General Fund - Fund Balances



Days of Operational Expenditures in Unassigned Fund Balance

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
73.0	59.8	75.2	73.6	68.4

Percentage of Total Fund Balance to GF Expenditures

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
23.0%	23.6%	28.1%	30.8%	30.5%

GENERAL FUND CURRENT YEAR BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget several times. The expenditure budget was increased by \$73.7 million. The largest increases in the expenditure budget were found in Function 81 – Facilities Acquisition and Construction in the amount of \$50.3 million. The increase was primarily due to costs associated with construction projects; issuance of maintenance tax notes in the amount of \$17.5 million, \$23.2 million in roll forward of funds from prior year for work in progress, use of fund balance for the athletic track replacement and demolition of the buildings. Lastly, acquisition of lease for energy savings project in the amount of \$9.6 million. Function 11 – Instruction also had a significant change in expenditure budget. The increase of \$13.5 million was primarily due to roll forward funds for special population program allotments; Bilingual, Early Education and State Compensatory Education and Instructional Technology in the amount of \$10.1 million. The use of fund balance for COVID-19 related supplies & equipment also contributed to the increase in expenditure budget. Function 51 – Facilities Maintenance and Operations also saw an increase of \$4.2 million due to roll forward of prior year funds for maintenance-related projects in the amount of \$2.6 million. An additional \$2 million of fund balance was allocated for COVID-19 related supplies & HVAC-related equipment projects. Other significant budget changes occurred in Function 13 – Curriculum and Instructional Staff Development in the amount of \$1.1 million, Function 23 – School Leadership in the amount of \$1.4 million, Function 41 – General Administration in the amount of \$2.4 million. The expenditure budget changes to the three functions were mainly due to the use of fund balance for COVID-19 related materials, increases to special population programs, and roll forward of prior year budget for encumbered goods and services.

The District provided in-person and virtual instruction throughout the fiscal year due to the pandemic. The loss of average daily attendance during the closure impacted projected revenue significantly. The Texas Education Agency implemented a statewide ADA 'Hold Harmless' provision to assist with ADA loss during the district closure. The reduction to expenses was made in Function 11 - Instruction; teacher salaries were reclassified to the Federal ESSER Grants to offset the loss. Through the State's Hold Harmless provision, salaries were reclassified with Federal ESSER funding to reduce revenue and expenses by \$16.4 million.

Lastly, an expenditure budget reflected a decrease of \$775 thousand in Function 53 – Data Processing Services due to reimbursement for E-Rate transactions offset related expenses. Function 52 - Security and Monitoring Services - \$476 thousand and Function 36 – Extra-curricular Activities - \$911 thousand reflected a decrease in expenditure budget due to reduction in revenue and expenditures due to ADA losses identified.

General Fund revenues were \$537.6 million: a negative variance of \$6.6 million under the final budget of \$544.1 million. The negative variance resulted from the State providing Hold Harmless funding and then requiring us to reclassify the revenue to the ESSER II fund. Local revenues were \$1.3 million under budget due to lower interest earnings and lower revenue in student-related activity. State revenue was \$12.6 million under budget. Average daily attendance (ADA) and enrollment were down due to the pandemic. Federal revenue was \$7.4 million over budget, with Impact Aid exceeding budget by \$2.3 million, Coronavirus Relief Fund by \$3.1 million, and Federal Indirect revenue was over budget by \$1.4 million.

Actual expenditures were \$79.6 million less than the appropriated budget amounts. The variances were largely due to the pandemic and the impact on the District's operation throughout the fiscal year. The largest variance occurred under Instruction - \$32.5 million - due to the reclassification of personnel costs due to the State's Hold Harmless provision and CARES Act reimbursements. Several other functions ended the fiscal year with unspent allocations under the classifications of personnel costs, contracted services, supplies & materials, travel and miscellaneous operating costs resulting from the pandemic; additionally, CARES Act reimbursements offset the expenditures. The functions reflected with unspent allocations are Curriculum and Instructional Staff Development - \$2.2 million, Student Transportation - \$4.9 million, Extra-Curricular Activities - \$2 million, General Administration - \$3.2 million, Facilities Maintenance and Operations - \$2.9 million, Security and Monitoring Services – \$1.6 million and Data Processing Services - \$1.1 million. Facilities Acquisition and Construction closed the year with a remaining balance of \$28.0 million due to work in progress for the central administration building project, the maintenance tax notes for the El Paso High School Renovations, the Energy Management Project Lease acquisition and an allocation for demolition projects.

Lastly, it is the District's practice to allocate 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 2021-22 budget and tax rates. The certified appraised values used for the 2022 budget were forecasted at 4% growth. The District's 2021 refined average daily attendance was budgeted at 45,087 students. This is a decrease of 1,302 from the prior year's final ADA.

The District adopted the budget on May 11, 2021. It was the third 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. Because of declining student enrollment, the 2022 budget was \$37 million less than the 2021 adopted budget. The District was able to give a general pay increase of 1% to employees for 2021-22. The District will also provide employee stipend payments using ESSER III funding.

The District's 2021-22 budget was based on an M&O tax rate of \$1.0517 which was compressed from the prior year rate of \$1.05475. The I&S tax rate increased from \$.2636 to \$.3025 because of the debt issued from the 2016 bond election. The total tax rate increased by 3.585 cents, from \$1.31835 to \$1.3542. The District's Board of Trustees adopted a balanced budget for fiscal year 2021-22. Both revenues and expenditures for the amended budget totaled \$512,832,088.

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 Carmen Arrieta-Candelaria, Deputy Superintendent Finance and Operations at (915) 230-2801, or Maria D. Pineda, 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, Patricia Cortez, at 230-2033; 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, Patricia Cortez al 230-2033; 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, 2021

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 283,668,933
1120 Current Investments	100,011,373
1220 Property Taxes - Delinquent	16,535,004
1230 Allowance for Uncollectible Taxes	(8,541,000)
1240 Due from Other Governments	126,996,072
1250 Accrued Interest	393,517
1290 Other Receivables, Net	294,716
1300 Inventories	2,804,428
1410 Prepayments	362,119
Capital Assets:	
1510 Land	46,862,933
1520 Buildings, Net	445,756,144
1530 Furniture and Equipment, Net	19,836,648
1540 Land Improvements, Net	2,283,780
1550 Leased Property Under Capital Leases, Net	20,168,192
1580 Construction and Technology in Progress	561,218,635
1800 Restricted Assets	1,002,979
1990 Long-Term Investments	20,397,334
1000 Total Assets	1,640,051,807
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	17,449,909
1702 Deferred Outflow for Asset Retirement Obligation	607,488
1705 Deferred Outflow Related to TRS Pension	58,314,100
1706 Deferred Outflow Related to TRS OPEB	22,140,244
1700 Total Deferred Outflows of Resources	98,511,741

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

EL PASO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
LIABILITIES	
2110 Accounts Payable	9,412,801
2140 Interest Payable	15,086,343
2150 Payroll Deductions and Withholdings	6,118,792
2160 Accrued Wages Payable	53,572,301
2200 Accrued Expenses	46,731,615
2300 Unearned Revenue	32,991,505
Noncurrent Liabilities:	
2501 Due Within One Year: Bonds, Notes, Leases, etc	28,474,837
Due in More than One Year:	
2502 Bonds, Notes, Leases, etc.	1,049,495,917
2540 Net Pension Liability (District's Share)	162,623,787
2545 Net OPEB Liability (District's Share)	169,499,197
2000 Total Liabilities	1,574,007,095
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Inflow for Gain on Refundings	1,755,862
2605 Deferred Inflow Related to TRS Pension	35,255,523
2606 Deferred Inflow Related to TRS OPEB	141,200,322
2600 Total Deferred Inflows of Resources	178,211,707
NET POSITION	
3200 Net Investment in Capital Assets	250,422,065
Restricted:	
3820 Restricted for Federal and State Programs	10,504,289
3850 Restricted for Debt Service	11,021,824
3870 Restricted for Campus Activities	1,732,543
3890 Restricted for Other Purposes	13,408,151
3900 Unrestricted	(300,744,126)
3000 Total Net Position	\$ (13,655,254)

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, 2021

Data Control Codes	1	Program Revenues		
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	Instruction	\$ 374,327,822	\$ 538,781	\$ 86,315,188
12	Instructional Resources and Media Services	8,733,280	-	989,703
13	Curriculum and Instructional Staff Development	30,213,422	-	8,115,689
21	Instructional Leadership	7,883,373	-	1,734,380
23	School Leadership	42,436,145	-	3,210,099
31	Guidance, Counseling, and Evaluation Services	29,496,767	-	8,601,656
32	Social Work Services	5,228,420	-	683,362
33	Health Services	7,614,447	-	8,653,342
34	Student (Pupil) Transportation	10,802,276	4,826	1,404,754
35	Food Services	24,673,537	74,084	22,030,248
36	Extracurricular Activities	13,212,053	205,751	733,103
41	General Administration	15,804,598	699,176	4,052,467
51	Facilities Maintenance and Operations	56,440,323	5,541	2,867,049
52	Security and Monitoring Services	7,594,621	-	528,466
53	Data Processing Services	9,403,153	-	1,031,891
61	Community Services	1,524,851	-	1,369,087
72	Interest and Fees on Long-Term Debt	36,981,657	-	3,135,185
81	Facilities Planning and Innovative Construction	720,169	-	-
99	Tax Appraisal Charges	2,520,719	-	-
	[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 685,611,633</u>	<u>\$ 1,528,159</u>	<u>\$ 155,455,669</u>

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

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

		Net (Expense) Revenue and Changes in Net Position
5	6	
Capital Grants and Contributions	Governmental Activities	
\$ -	\$ (287,473,853)	
-	(7,743,577)	
-	(22,097,733)	
-	(6,148,993)	
-	(39,226,046)	
-	(20,895,111)	
-	(4,545,058)	
-	1,038,895	
-	(9,392,696)	
-	(2,569,205)	
-	(12,273,199)	
-	(11,052,955)	
-	(53,567,733)	
-	(7,066,155)	
-	(8,371,262)	
-	(155,764)	
-	(33,846,472)	
245,869	(474,300)	
-	(2,520,719)	
\$ 245,869	(528,381,936)	

182,382,183
45,490,730
303,409,942
1,408,848
2,431,998
535,123,701
6,741,765
(20,397,019)
\$ (13,655,254)

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

EL PASO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Data Control Codes		General Fund	ESSER II CRRSA Act and PPRP	2016 Capital Projects
ASSETS				
1110	Cash and Cash Equivalents	\$ 84,118,590	\$ -	\$ 154,133,944
1120	Investments - Current	50,004,470	-	50,006,903
1220	Property Taxes - Delinquent	14,188,571	-	-
1230	Allowance for Uncollectible Taxes	(7,330,000)	-	-
1240	Due from Other Governments	86,339,195	26,166,415	-
1250	Accrued Interest	23,030	-	202,297
1260	Due from Other Funds	42,727,030	-	236,904
1290	Other Receivables	211,755	-	-
1300	Inventories	2,804,428	-	-
1800	Restricted Assets	945,973	-	-
1900	Long-Term Investments	-	-	8,160,353
1000	Total Assets	\$ 274,033,042	\$ 26,166,415	\$ 212,740,401
LIABILITIES				
2110	Accounts Payable	\$ 5,178,628	\$ -	\$ 783,746
2150	Payroll Deductions and Withholdings Payable	6,118,792	-	-
2160	Accrued Wages Payable	49,079,243	-	562
2170	Due to Other Funds	10,202,594	26,166,415	-
2200	Accrued Expenditures	2,756,585	-	32,388,894
2300	Unearned Revenue	31,873,825	-	-
2000	Total Liabilities	105,209,667	26,166,415	33,173,202
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	6,403,530	-	-
2600	Total Deferred Inflows of Resources	6,403,530	-	-
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	2,804,428	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	16,398,392	-	179,567,199
3480	Retirement of Long-Term Debt	-	-	-
3490	Other Restricted Fund Balance	6,742,633	-	-
Assigned Fund Balance:				
3550	Construction	11,524,095	-	-
3570	Capital Expenditures for Equipment	2,539,927	-	-
3580	Self-Insurance	15,000,000	-	-
3590	Other Assigned Fund Balance	9,289,377	-	-
3600	Unassigned Fund Balance	98,120,993	-	-
3000	Total Fund Balances	162,419,845	-	179,567,199
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 274,033,042	\$ 26,166,415	\$ 212,740,401

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

Other Funds	Total Governmental Funds
\$ 37,546,261	\$ 275,798,795
-	100,011,373
2,346,433	16,535,004
(1,211,000)	(8,541,000)
14,490,462	126,996,072
168,190	393,517
9,652,392	52,616,326
82,961	294,716
-	2,804,428
57,006	1,002,979
12,236,981	20,397,334
<u>\$ 75,369,686</u>	<u>\$ 588,309,544</u>
\$ 1,010,509	\$ 6,972,883
-	6,118,792
4,491,642	53,571,447
6,771,784	43,140,793
474,818	35,620,297
1,117,680	32,991,505
<u>13,866,433</u>	<u>178,415,717</u>
1,023,741	7,427,271
<u>1,023,741</u>	<u>7,427,271</u>
-	2,804,428
10,504,289	10,504,289
999,835	196,965,426
34,780,668	34,780,668
14,194,720	20,937,353
-	11,524,095
-	2,539,927
-	15,000,000
-	9,289,377
-	98,120,993
<u>60,479,512</u>	<u>402,466,556</u>
<u>\$ 75,369,686</u>	<u>\$ 588,309,544</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 402,466,556
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$1,551,112,114 net of accumulated depreciation of (\$454,994,314), less assets held in internal service funds are not financial resources, and therefore, are not reported as assets in governmental funds.	1,096,117,800
Property taxes are not available to pay for the current period's expenditures and therefore are deferred in the funds.	7,427,271
Prepaid Insurance amortization is not reported in the fund financial statement but is reported as part of the statement of net position.	362,119
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, and health insurance, to the other funds. The assets and liabilities of the internal service funds are included in governmental activities.	(15,148,953)
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:	(1,077,970,754)
<ul style="list-style-type: none"> - Bonds Payable (\$885,195,305) - Premiums on Bonds Payable (\$83,256,477) - Lease Revenue Bonds Payable (\$15,965,000) - Premium on Lease Revenue Bonds Payable (\$308,049) - Accretion Payable (\$9,696,243) - Lease Purchases Payable (\$19,651,882) - Maintenance Tax Notes Payable (\$52,850,000) - Premiums on Maintenance Tax Notes Payable (\$529,542) - Asset Retirement Obligation (\$607,488) - Accumulated Unpaid Leave Benefits (\$9,910,768) 	
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(15,086,343)
Deferred outflows for the Asset Retirement Obligation are not reported in the funds but are considered deferred outflows in the statement of net position.	607,488
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 \$17,449,909 as of June 30, 2021, and the Deferred Gain on Refunding is (\$1,755,862) as of June 30, 2021.	15,694,047
Included in the items related to debt is the recognition of the District's proportionate share of pension liability required by GASB 68:	(139,565,210)
<ul style="list-style-type: none"> - Net Pension liability (\$162,623,787) - Deferred Outflow Related to TRS Pension \$58,314,100 - Deferred Inflow Related to TRS Pension (\$35,255,523) 	

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, 2021

EXHIBIT C-2

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:	(288,559,275)
- Net OPEB liability (\$169,499,197)	
- Deferred Outflow Related to TRS OPEB \$22,140,244	
- Deferred Inflow Related to TRS OPEB (\$141,200,322)	
Net Position of Governmental Activities	\$ (13,655,254)

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, 2021

Data Control Codes	General Fund	ESSER II CRRSA Act and PPRP	2016 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 184,967,731	\$ -	\$ 628,084
5800 State Program Revenues	331,988,180	-	-
5900 Federal Program Revenues	20,607,854	26,166,415	-
5020 Total Revenues	<u>537,563,765</u>	<u>26,166,415</u>	<u>628,084</u>
EXPENDITURES:			
Current:			
0011 Instruction	292,092,812	26,166,415	-
0012 Instructional Resources and Media Services	7,611,352	-	-
0013 Curriculum and Instructional Staff Development	20,715,250	-	-
0021 Instructional Leadership	5,904,035	-	-
0023 School Leadership	38,496,885	-	-
0031 Guidance, Counseling, and Evaluation Services	19,850,096	-	-
0032 Social Work Services	4,393,250	-	-
0033 Health Services	6,766,976	-	-
0034 Student (Pupil) Transportation	9,250,417	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	11,985,553	-	-
0041 General Administration	14,086,308	-	641,353
0051 Facilities Maintenance and Operations	53,672,592	-	-
0052 Security and Monitoring Services	6,990,122	-	10,635
0053 Data Processing Services	8,401,453	-	-
0061 Community Services	38,764	-	-
Debt Service:			
0071 Principal on Long-Term Debt	1,387,861	-	-
0072 Interest on Long-Term Debt	1,653,820	-	-
0073 Bond Issuance Cost and Fees	318,098	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	25,463,314	-	203,531,860
Intergovernmental:			
0099 Other Intergovernmental Charges	2,520,719	-	-
6030 Total Expenditures	<u>531,599,677</u>	<u>26,166,415</u>	<u>204,183,848</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,964,088</u>	<u>-</u>	<u>(203,555,764)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	-
7913 Capital Leases	20,394,743	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(16,121,672)	-	-
8949 Other (Uses) - Refunded Debt	(10,930,522)	-	-
7080 Total Other Financing Sources (Uses)	<u>(6,657,451)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	(693,363)	-	(203,555,764)
0100 Fund Balance - July 1 (Beginning)	163,113,208	-	383,122,963
3000 Fund Balance - June 30 (Ending)	<u>\$ 162,419,845</u>	<u>\$ -</u>	<u>\$ 179,567,199</u>

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

	Other Funds	Total Governmental Funds
\$	46,853,587	\$ 232,449,402
	8,349,194	340,337,374
	65,600,817	112,375,086
	120,803,598	685,161,862
	28,105,073	346,364,300
	441,646	8,052,998
	7,295,660	28,010,910
	1,392,279	7,296,314
	384,411	38,881,296
	7,131,189	26,981,285
	508,134	4,901,384
	198,835	6,965,811
	758,586	10,009,003
	23,591,724	23,591,724
	521,062	12,506,615
	-	14,727,661
	706,684	54,379,276
	36,108	7,036,865
	596,672	8,998,125
	1,369,087	1,407,851
	16,251,235	17,639,096
	40,866,951	42,520,771
	1,124,993	1,443,091
	11,501,733	240,496,907
	-	2,520,719
	142,782,062	904,732,002
	(21,978,464)	(219,570,140)
	115,054,970	115,054,970
	-	20,394,743
	11,811,267	11,811,267
	23,539,885	23,539,885
	-	(16,121,672)
	(137,528,959)	(148,459,481)
	12,877,163	6,219,712
	(9,101,301)	(213,350,428)
	69,580,813	615,816,984
\$	60,479,512	\$ 402,466,556

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, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds \$ (213,350,428)

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: 220,182,720

- Additions to Construction in Progress \$239,874,069
- Additions to Land Improvements \$14,850
- Additions to Buildings and Improvements \$6,294
- Additions to Furniture and Equipment \$969,461
- Additions to Vehicles \$37,289
- Disposal of Assets (\$104,759)
- Depreciation Expense (\$20,614,484)

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: 14,102,497

- Net Change in Bonds Payable \$16,251,266
- Net Change in Premiums on Bonds and Maintenance Tax Notes \$8,876,276
- Net Change in Premium on Lease Revenue Bonds Payable \$14,231
- Net Change in Accretion Payable (\$3,917,457)
- Net Change in Lease Purchase Payable (\$8,819,194)
- Net Change in Accumulated Leave Benefits \$1,052,375
- Net Change in Maintenance Tax Notes \$645,000

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: 2,840,824

- Net Deferred Outflow Charge for Refunding \$2,637,340
- Net Deferred Inflow Gain on Refunding \$203,484

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. 1,239,569

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. (1,799,762)

Prepaid insurance amortization is not reported in the fund financial statements. The net change in prepaid insurance is reported in the statement of activities. 32,977

Internal service funds are used by management to charge the costs of certain activities, such as print shop, workers' compensation, health insurance, and health clinics, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (12,885,124)

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, 2021

EXHIBIT C-4

<p>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 \$10,450,891. 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 (\$10,516,021). 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 (\$11,571,504). The net result is a decrease in the change in net position.</p>	<p>(11,636,634)</p>
<p>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 \$2,737,751. 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 (\$2,834,472). 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 \$8,111,847. The net result is a increase in the change in net position.</p>	<p>8,015,126</p>
<p>Change in Net Position of Governmental Activities</p>	<p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 6,741,765</p>

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, 2021

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 7,870,138
Due from Other Funds	313,298
Total Current Assets	<u>8,183,436</u>
Noncurrent Assets:	
Capital Assets:	
Furniture and Equipment	200,068
Depreciation on Furniture and Equipment	(191,536)
Total Noncurrent Assets	<u>8,532</u>
Total Assets	<u>8,191,968</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,439,918
Accrued Wages Payable	854
Due to Other Funds	9,788,831
Accrued Expenses	11,111,318
Total Liabilities	<u>23,340,921</u>
NET POSITION	
Net Investment in Capital Assets	8,532
Unrestricted Net Position	(15,157,485)
Total Net Position	<u>\$ (15,148,953)</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, 2021

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 41,990,211
Total Operating Revenues	41,990,211
OPERATING EXPENSES:	
Payroll Costs	54,622,472
Professional and Contracted Services	4,295,038
Supplies and Materials	117,726
Other Operating Costs	160,852
Depreciation Expense	4,266
Total Operating Expenses	59,200,354
Operating Income (Loss)	(17,210,143)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	14,614
Total Nonoperating Revenues (Expenses)	14,614
Income (Loss) Before Transfers	(17,195,529)
Transfer In	5,310,405
Transfers Out	(1,000,000)
Change in Net Position	(12,885,124)
Total Net Position - July 1 (Beginning)	(2,263,829)
Total Net Position - June 30 (Ending)	\$ (15,148,953)

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, 2021

EXHIBIT D-3

	Governmental Activities - <hr/> Total Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 6,810,740
Cash Received from Assessments - Other Funds	35,338,172
Cash Payments to Employees for Services	(3,268,656)
Cash Payments for Insurance Claims	(38,849,700)
Cash Payments for Suppliers	(4,399,009)
Cash Payments for Other Operating Expenses	(160,852)
Net Cash Used for Operating Activities	<hr/> (4,529,305) <hr/>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfer Out	(1,000,000)
Transfer In	5,310,405
Net Cash Provided by Non-Capital Financing Activities	<hr/> 4,310,405 <hr/>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	14,614
Net Decrease in Cash and Cash Equivalents	<hr/> (204,286) <hr/>
Cash and Cash Equivalents at Beginning of Year	8,074,424
Cash and Cash Equivalents at End of Year	<hr/> <u>\$ 7,870,138</u> <hr/>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (17,210,143)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	4,266
Effect of Increases and Decreases in Current Assets and Liabilities:	
(Increase) decrease in Due from Other Funds	156,344
Increase (decrease) in Accounts Payable	1,461,576
Increase (decrease) in Accrued Wages Payable	(253)
Increase (decrease) in Due to Other Funds	8,856,714
Increase (decrease) in Accrued Expenses	2,202,191
Net Cash Used for Operating Activities	<hr/> <u>\$ (4,529,305)</u> <hr/>

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, 2021

	Private Purpose Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 2,450,807
Other Receivables	-	31,449
Restricted Assets	414,341	-
Total Assets	<u>414,341</u>	<u>\$ 2,482,256</u>
LIABILITIES		
Accounts Payable	-	31,449
Total Liabilities	<u>-</u>	<u>31,449</u>
NET POSITION		
Restricted for Individuals and Organizations	-	2,450,807
Restricted for Other Purposes	414,341	-
Total Net Position	<u>\$ 414,341</u>	<u>\$ 2,450,807</u>

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

EL PASO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Private Purpose Trust Funds	Custodial Fund
ADDITIONS:		
Contributions to Student Groups	\$ -	\$ 47,790
Earnings from Temporary Deposits	1,077	-
Contributions, Gifts and Donations	3,000	29,792
Miscellaneous Additions - Club Dues	-	158,607
Total Additions	<u>4,077</u>	<u>236,189</u>
DEDUCTIONS:		
Supplies and Materials	4,115	519,934
Other Deductions	7,326	-
Total Deductions	<u>11,441</u>	<u>519,934</u>
Change in Fiduciary Net Position	(7,364)	(283,745)
Total Net Position - July 1 (Beginning)	421,705	-
Prior Period Adjustment	<u>-</u>	<u>2,734,552</u>
Total Net Position - June 30 (Ending)	<u>\$ 414,341</u>	<u>\$ 2,450,807</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, 2021

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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial reporting purposes, the EPISD Education Foundation is not included as a component unit of the District. The criteria above 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 nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation 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 position 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 and the net differences between projected and actual earnings on pension and OPEB plan investments; results of changes in actuarial assumptions; differences between expected and actual economic experiences; and changes in the District's proportional 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 position 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; differences between expected and actual economic experiences; and changes in the District's proportional share of net pension and OPEB liabilities. These inflows will be amortized over a systematic and rational method over a closed period.

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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 nonoperating. Operating expenses can be tied specifically to the production of goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (i.e., revenues and other financing sources and expenditures and other financing uses).

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

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 - CRRSA Act & Operation Connectivity PPRP** - 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. **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 the Board or 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:
 - 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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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 vendor based upon the monthly invoices received. Services are available to all full-time and part-time employees.

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
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, 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, (9) and bid solicitation preferences for certificates of deposit.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. 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, 2021, the District's investments in TexPool, TexPool Prime, Texas CLASS, and LOGIC investment pools were rated AAAM, the Lone Star investment pool was rated AAf/S1+, by Standard & Poors. The Landing Rock insured deposit account is federally insured among banks and savings institutions as defined by FDIC regulations.

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, 2021, 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). Commercial paper must be rated not less than A-1 or P-1.

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Certificates of Deposit are secured by a FHLB Irrevocable Letter of Credit in the name of the District.

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.

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 Municipal Bonds from various entities, a Guaranteed Investment Contract (GIC), and Collateralized Mortgage Obligations (CMOs). The Municipal Bonds are approximately 2.0% of total governmental investments and the CMOs and GIC are approximately 3.0% of total governmental investments, certificates of deposit are approximately 13.0% of total governmental investments, and commercial paper is approximately 11.0% 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.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, management calculated the District's WAM for the general fund at 45 days, and the total WAM was 95 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 market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair market 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.
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.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Bond 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. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. 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, and equipment 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.

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, 2021

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

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 a self-insured plan 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.

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 accumulated depreciation, 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, 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, 2021

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 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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In fiscal year 2011, the District established a targeted fund balance for the General Fund. The unassigned fund balance target at fiscal year-end was set between 17 percent (60 days) and 25 percent (90 days) of the operating expenditures.

The District shall target a yearly minimum restricted debt service fund balance of 10 percent of annual debt service requirements on all outstanding debt issuance.

- F. The District implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of all state and local governments. In addition, the District early implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which changes the name of the comprehensive annual financial report to annual comprehensive financial report (ACFR).

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, 2021

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 May 19, 2020, 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 2021.

The general fund budget was increased by \$73.2 million during FY 2021. A budget amendment in the amount of \$58.5 million was processed for the roll-forward of encumbered transactions and projects from fiscal year 2020. The amendment affected several functions, most notably, facilities maintenance, acquisition and construction, and instructional supplies. An amendment was processed for an ABM lease for capital projects for \$9.6 million. Additionally, an amendment in the amount of \$10 million was processed for instructional technology and goods and services related to personal protective equipment due to the COVID pandemic. An amendment in the amount of \$5.1 million was processed to provide funding for one-time technology, planetarium, digitizing system, maintenance, and capital projects-related expenditures. Lastly, an amendment reducing the budget in the amount of \$1.2 million was processed to offset E-Rate related expenses.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Multiple budget amendments were presented to revise revenue and expenditures, resulting in a net \$4.5 million reduction of budgeted revenues; a decrease to state revenue of \$12.2 million, a net increase to federal revenue of \$577,679, an increase in the amount of \$7.1 million due to the hold harmless provision anticipated loss of average daily attendance due to the COVID pandemic, and \$4.3 million was transferred from the General Fund to the Health Care Fund.

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.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits

Cash at Depository Bank - At June 30, 2021, 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 (\$3,306,706), \$86,761, (\$108,900), and \$2,450,807, respectively, and the total bank balance was \$3,181,200. The District's cash deposits at June 30, 2021, and during the year ended June 30, 2021, 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 \$6,845,653 and occurred during the month of May 2021.
- c. The total amount of FDIC coverage at the time of the highest combined balance was \$500,000.
- d. The estimated market value of securities pledged as of the date of the highest combined balance on deposit was \$8,087,827.

The District also had cash at ArbiterPay and United Bank, institutions other than the depository bank. The carrying amount of the District's general fund deposits at these institutions were \$2,249 and \$945,973, respectively, at June 30, 2021. These amounts were FDIC insured up to \$250,000 each. In addition, the deposit at United Bank is secured by a Custodial Agreement of \$1,000,000 in pledged collateral and is shown as restricted assets in the General Fund.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

B. Temporary Investments

The District's temporary investments included in cash and cash equivalents at June 30, 2021, are shown below at amortized cost or fair value, which approximates the value of the pool shares:

<u>Temporary Investments</u>	General Fund	2016 Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
LOGIC Investment Pool**	\$ 3,088,828	\$ 14,431,691	\$ 231,324	\$ -	\$ 17,751,843
Lone Star Investment Pool**	28,335,378	139,701,019	22,816,769	-	190,853,166
Texas CLASS Investment Pool**	3,809,598	1,234	-	-	3,810,832
TexPool Investment Pool*	2,297,560	-	1,619,720	-	3,917,280
TexPool Prime Investment Pool*	49,891,683	-	775,938	7,979,038	58,646,659
Landing Rock Insured Deposit Acct**	-	-	12,015,749	-	12,015,749
Total	<u>\$ 87,423,047</u>	<u>\$ 154,133,944</u>	<u>\$ 37,459,500</u>	<u>\$ 7,979,038</u>	<u>\$ 286,995,529</u>

* - 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 \$57,006, the Scholarship Trust Fund in the amount of \$203,136, and the Aoy Elementary School Fager Trust Fund in the amount of \$211,205, which are shown as restricted assets in the Nonmajor Governmental Funds and the Private Purpose Trust Funds in the amounts of \$57,006 and \$414,341, 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 TASB's wholly owned subsidiary, First Public. The investment advisors for the pool are American Beacon Advisors and Standish Mellon Investment Managers. The custodian bank is State Street Bank of Boston. 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 which has appointed an Advisory Board composed of Participants and other persons who are qualified to advise the Trust. 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. Landing Rock is a bank-insured deposit account that is fully FDIC insured.

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. Investments

The District's investments at June 30, 2021, 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	2016 Capital Project Fund	NonMajor Governmental Funds	Investment Maturities (in years)		Weighted Average Maturity (in days)	Credit Ratings
				Less than 1 year	More than 1 year		
Certificates of Deposit	\$ 20,000,000	\$ 35,000,000	\$ -	\$ 55,000,000	\$ -	14	Not Rated**
Commercial Paper	30,004,470	15,006,903	-	45,011,373	-	13	A-1/P-1
Repurchase Agreement invested in Collateralized Mortgage Obligations	-	-	10,297,284	-	10,297,284	761	N/A*
Guaranteed Investment Contract	-	-	1,939,697	-	1,939,697	560	N/A*
Municipal Bonds							
Minnesota St Ser B	-	3,940,587	-	3,940,587	-	6	AAA
Minnesota St Ref-Ser D	-	2,006,920	-	2,006,920	-	3	AAA
Frisco TX ISD Ref	-	2,212,846	-	2,212,846	-	5	AAA
Total Investments	\$ 50,004,470	\$ 58,167,256	\$ 12,236,981	\$ 108,171,726	\$ 12,236,981		

* 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 market value of \$10,450,600 as of June 30, 2021.

On August 15, 2018, the District entered into a Guaranteed Investment Contract with Bayerische Landsbank and Wells Fargo. 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 market value of \$5,839,973 as of June 30, 2021.

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, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The District has the following recurring fair value measurements as of June 30, 2021:

- CMOs of \$10,297,284 are valued using market closing prices under the market approach (Level 2 inputs).
- GICs of \$1,939,697 are valued using market closing prices under the market approach (Level 2 inputs)
- Municipal bonds of \$8,160,353 are valued using market closing prices under the market approach (Level 2 inputs)

D. Receivables 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, 2021, are summarized as follows:

Description	General Fund	ESSER II of the CRRSA Act	Nonmajor Governmental Funds	Governmental Activities Total
State Entitlement Grants	\$ 78,918,304	\$ -	\$ -	\$ 78,918,304
SHARS	7,420,891	-	-	7,420,891
ESSER II of the CRRSA Act	-	26,166,415	-	26,166,415
ESSA Title I, Part A, D, and SIP	-	-	5,241,925	5,241,925
IDEA - Part B Formula	-	-	3,435,501	3,435,501
National Breakfast & Lunch Prog.	-	-	2,700,984	2,700,984
ESSA Title II A Supporting Eff Instr.	-	-	451,492	451,492
Title III, Part A English Lang. Acq.	-	-	424,228	424,228
Title IV, Part A, Student Support	-	-	343,985	343,985
School Safety and Security	-	-	196,031	196,031
Adult Education - Federal	-	-	181,851	181,851
EPISD Roddenberry Planetarium	-	-	178,544	178,544
SSA - Regional Day School - Deaf	-	-	170,834	170,834
State Instructional Materials	-	-	157,885	157,885
ESSA Title I, Part C, Migrant	-	-	148,829	148,829
Truancy Prevention	-	-	96,541	96,541
Hands-On, Minds-On, DoDEA	-	-	92,604	92,604
Gateway to STEM Careers (DoDEA)	-	-	82,154	82,154
Jobs and Education for Texans (JET)	-	-	76,722	76,722
IDEA - Part B Preschool	-	-	73,442	73,442
SSA - RDSPD Tuition Funds	-	-	71,441	71,441
Other Federal Grants	-	-	173,732	173,732
Other State Grants	-	-	191,737	191,737
Total	\$ 86,339,195	\$ 26,166,415	\$ 14,490,462	\$ 126,996,072

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021, consisted of the following amounts:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
ESSER II of the CRRSA Act	\$ 26,166,415	\$ -
2016 Capital Projects Fund	-	236,904
Nonmajor Governmental Funds	6,771,784	9,652,392
Internal Service Funds	<u>9,788,831</u>	<u>313,298</u>
Total General Fund	<u>42,727,030</u>	<u>10,202,594</u>
ESSER II - CRRSA Act & PPRP:		
General Fund	<u>-</u>	<u>26,166,415</u>
2016 Capital Projects Fund:		
General Fund	<u>236,904</u>	<u>-</u>
Nonmajor Governmental Funds:		
General Fund	<u>9,652,392</u>	<u>6,771,784</u>
Internal Service Funds:		
General Fund	<u>313,298</u>	<u>9,788,831</u>
Total	<u><u>\$ 52,929,624</u></u>	<u><u>\$ 52,929,624</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, 2021, consisted of the following amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 11,811,267
Internal Service Funds	<u>-</u>	<u>4,310,405</u>
Total General Fund	<u>-</u>	<u>16,121,672</u>
Nonmajor Governmental Funds:		
General Fund	<u>11,811,267</u>	<u>-</u>
Internal Service Funds:		
Internal Service Funds	<u>5,310,405</u>	<u>1,000,000</u>
Total	<u><u>\$ 17,121,672</u></u>	<u><u>\$ 17,121,672</u></u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021, consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Activities
Travel	\$ -	\$ 3,945	\$ 3,945
City Tax office	183,146	44,120	227,266
Miscellaneous other receivables	28,609	34,896	63,505
Total	<u>\$ 211,755</u>	<u>\$ 82,961</u>	<u>\$ 294,716</u>

Accrued Expenditures as of June 30, 2021, 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	551,216	-	15,528	566,744	8,969	575,713
Supplies and materials	916,031	-	215,167	1,131,198	2,349	1,133,547
Capital Outlay	1,255,117	32,388,894	234,727	33,878,738	-	33,878,738
Miscellaneous	34,221	-	9,396	43,617	-	43,617
Total	<u>\$ 2,756,585</u>	<u>\$ 32,388,894</u>	<u>\$ 474,818</u>	<u>\$ 35,620,297</u>	<u>\$ 11,111,318</u>	<u>\$ 46,731,615</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

G. Capital Asset Activity

Capital asset activity for the District for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Transfers/ Adjustments	Retirements	Ending Balance
Governmental Activities:					
Non-depreciable assets:					
Land	\$ 46,862,933	\$ -	\$ -	\$ -	\$ 46,862,933
Construction in progress	332,559,595	239,874,069	(11,137,013)	(86,343)	561,210,308
Technology in progress	8,327	-	-	-	8,327
Total non-depreciable assets	379,430,855	239,874,069	(11,137,013)	(86,343)	608,081,568
Depreciable assets:					
Land Improvements	3,217,971	14,850	222,423	-	3,455,244
Buildings and improvements	813,244,879	6,294	1,352,535	(78,971)	814,524,737
Furniture and equipment	59,431,572	969,461	-	(775,885)	59,625,148
Vehicles	45,397,067	37,289	-	(266,882)	45,167,474
Capital leases	10,895,956	-	9,562,055	-	20,458,011
Total depreciable assets	932,187,445	1,027,894	11,137,013	(1,121,738)	943,230,614
Less accumulated depreciation for:					
Land improvements	(1,067,025)	(104,439)	-	-	(1,171,464)
Buildings and improvements	(354,364,129)	(14,483,435)	-	78,971	(368,768,593)
Furniture and equipment	(48,892,005)	(2,587,721)	-	757,469	(50,722,257)
Vehicles	(31,310,943)	(3,189,656)	-	266,882	(34,233,717)
Capital leases	(36,320)	(253,499)	-	-	(289,819)
Total accumulated depreciation	(435,670,422)	(20,618,750)	-	1,103,322	(455,185,850)
Total governmental activities net capital assets	\$ 875,947,878	\$ 220,283,213	\$ -	\$ (104,759)	\$ 1,096,126,332

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to governmental functions as follows:

11 - Instruction	\$ 12,447,419
12 - Instructional resources and media services	308,931
13 - Curriculum development and instruction staff	1,010,671
21 - Instructional leadership	256,470
23 - School leadership	1,590,050
31 - Guidance, counseling and evaluation services	1,077,735
32 - Social work services	194,205
33 - Health services	283,624
34 - Student (pupil) transportation	376,413
35 - Food services	490,807
36 - Co-curricular/extracurricular activities	355,655
41 - General administration	473,549
51 - Plant maintenance and operations	1,213,617
52 - Security and monitoring services	269,450
53 - Data processing services	219,523
61 - Community services	<u>46,365</u>
Total depreciation expense without internal service funds	20,614,484
Depreciation on capital assets held by the District's internal service funds	<u>4,266</u>
Total depreciation expense	<u><u>\$ 20,618,750</u></u>

H. Deferred Charge For Refunding

Deferred charge on Refunded Bonds for the year ended June 30, 2021, were as follows:

Description	Beginning Balance	Deferred Charge New Issues	Amortization Recognized	Ending Balance
Series 2013	\$ 2,420,128	\$ -	\$ 217,303	\$ 2,202,825
Series 2013A	6,181	-	5,449	732
Series 2015	5,153,015	-	424,473	4,728,542
Series 2015A	7,233,245	-	550,486	6,682,759
Series 2020A	<u>-</u>	<u>4,151,856</u>	<u>316,805</u>	<u>3,835,051</u>
Total Deferred Charge	<u><u>\$ 14,812,569</u></u>	<u><u>\$ 4,151,856</u></u>	<u><u>\$ 1,514,516</u></u>	<u><u>\$ 17,449,909</u></u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

I. Unearned Revenue

Unearned revenue as of June 30, 2021, consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Foundation School Program	\$ 31,873,825	\$ -	\$ 31,873,825
Army Youth Program	-	397,168	397,168
DICKS Sporting Goods Grant	-	220,000	220,000
SPED Fiscal Support Round 2 Performance	-	153,215	153,215
El Paso Community Foundation - Teach Pipeline	-	104,000	104,000
Advanced Placement Incentives	-	70,307	70,307
Local Networks of School Improvements	-	64,043	64,043
Local Grief Sensitive Schools Initiative	-	28,509	28,509
Truancy Prevention (DOJ)	-	13,696	13,696
Other Miscellaneous	-	66,742	66,742
Total Unearned Revenue	\$ 31,873,825	\$ 1,117,680	\$ 32,991,505

J. Long-Term Liabilities

The District's long-term liabilities consist of bond indebtedness, capital leases, maintenance tax notes, lease revenue bonds, compensated absences, asset retirement obligations, 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 capital leases, maintenance tax notes, compensated absences and asset retirement obligations is accounted for in the general fund. 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, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Funded by	Beginning Balance	Additions	Reductions	Ending Balance	Amortizable/ Payable Within One Year
Governmental Activities:						
Bonds Payable:						
Unlimited Tax School Building and Refunding Bonds	Debt Service	\$ 596,571	\$ -	\$ 596,571	\$ -	\$ -
Unlimited Tax Refunding Bonds Unlimited Tax School Building Bonds	Debt Service	277,505,000	-	126,605,000	150,900,000	15,930,000
Unlimited Tax Refunding Bonds Taxable	Debt Service	620,285,000	-	-	620,285,000	-
	Service	3,060,000	115,054,970	4,104,665	114,010,305	1,545,297
Total Bonds Payable		901,446,571	115,054,970	131,306,236	885,195,305	17,475,297
Accretion Payable - Capital Appreciation Bonds (CABS)	Debt Service	5,778,786	9,966,090	6,048,633	9,696,243	624,703
Unamortized Premiums on Bonds	Debt Service	92,102,050	13,709,518	22,555,091	83,256,477	6,205,660
Other Liabilities:						
Capital leases	General	10,832,688	20,394,743	11,575,549	19,651,882	801,754
2009 QSC Maintenance Tax Notes	General	15,275,000	-	-	15,275,000	-
2017 Maintenance Tax Notes	General	5,110,000	-	225,000	4,885,000	235,000
Unamortized Premiums on 2017 Maintenance Tax Notes	General	233,854	-	14,053	219,801	14,053
2017 QSC Maintenance Tax Notes	General	15,300,000	-	-	15,300,000	-
2020 Maintenance Tax Notes	General	17,390,000	-	-	17,390,000	-
Unamortized Premiums on 2020 Maintenance Tax Notes	General	326,391	-	16,650	309,741	16,651
2018 APFC Lease Revenue Bond	Capital Projects	16,385,000	-	420,000	15,965,000	440,000
Unamortized Premiums on 2018 APFC Lease Revenue Bond	General	322,280	-	14,231	308,049	14,231
Accumulated Unpaid Leave Benefits	General	10,963,143	2,934,203	3,986,578	9,910,768	2,040,000
Asset Retirement Obligation	General	1,303,218	-	695,729	607,488	607,488
Total other liabilities		93,441,574	23,328,946	16,947,791	99,822,729	4,169,177
Total Long-term debt		1,092,768,981	162,059,524	176,857,751	1,077,970,754	28,474,837
Net Pension liability	General	\$ 165,283,406	\$ 9,868,681	\$ 12,528,300	\$ 162,623,787	\$ -
Net OPEB liability	General	214,670,423	-	45,171,226	169,499,197	-
Total Governmental Activities Long-term liabilities		1,472,722,810	171,928,205	234,557,277	1,410,093,738	28,474,837

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A summary of changes in the Debt Service bonds payable for the year ended June 30, 2021, 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 School Building and Refunding Bonds:	5.00%							
Series 2008 Premium CABs	8/15/2020	\$ 16,033,014	\$ 5,443,429	\$ 596,571	\$ -	\$ 596,571	\$ -	\$ -
Unlimited Tax Refunding Bonds:	5.00%							
Series 2011 CIBs	8/15/2020	38,675,000	129,000	5,160,000	-	5,160,000	-	-
Unlimited Tax Refunding Bonds:	3.00%-5.00%							
Series 2013	8/15/2031	56,075,000	370,375	41,070,000	-	35,075,000	5,995,000	2,885,000
Unlimited Tax Refunding Bonds:	4.00%							
Taxable Series 2013A	8/15/2021	9,570,000	87,000	3,060,000	-	1,770,000	1,290,000	1,290,000
Unlimited Tax Refunding Bonds:	3.00%-5.00%							
Series 2015	8/15/2032	78,740,000	1,499,375	72,610,000	-	43,215,000	29,395,000	4,350,000
Unlimited Tax Refunding Bonds:	2.50%-5.00%							
Series 2015A	8/15/2033	104,555,000	2,769,475	104,555,000	-	42,375,000	62,180,000	4,785,000
Unlimited Tax School Building Bonds:	3.00%-5.00%							
Series 2017 Serial Bonds	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:	4.00%-5.00%							
Taxable Series 2018	8/15/2033	16,570,000	695,400	16,260,000	-	-	16,260,000	360,000
Unlimited Tax School Building Bonds:	3.00%-5.00%							
Taxable Series 2019	8/15/2043	241,375,000	9,717,844	241,375,000	-	-	241,375,000	-
Unlimited Tax School Building Bonds:	4.00%							
Series 2020 Serial Bonds	8/15/2040	16,790,000	-	16,790,000	-	-	16,790,000	-
Series 2020 Term Bonds	8/15/2048	180,285,000	8,080,075	180,285,000	-	-	180,285,000	-
Unlimited Tax Refunding Bonds:	3.00%-5.00%							
Series 2020	8/15/2029	37,850,000	1,265,635	37,850,000	-	780,000	37,070,000	3,550,000
Unlimited Tax Refunding Bonds, Taxable:								
Series 2020A Premium CABs	.63% - 5.00% 8/15/2024	2,829,970	235,335	-	2,829,970	2,334,665	495,305	255,297
Series 2020A Premium CIBs	8/15/2033	112,225,000	2,135,270	-	112,225,000	-	112,225,000	-
Total Debt Service Bonds Payable			\$ 40,866,951	901,446,571	115,054,970	131,306,236	885,195,305	17,475,297

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Unamortized Premiums on debt service bonds for the year ended June 30, 2021, were as follows:

Description	Beginning Balance	Premiums on New Issues	Amortization Recognized	Ending Balance	Amortizable Within One Year
Series 2008	\$ 7,504	\$ -	\$ 7,504	\$ -	\$ -
Series 2011	395,747	-	395,747	-	-
Series 2013	6,030,606	-	5,310,775	719,831	616,999
Series 2013A	125,765	-	111,160	14,605	14,605
Series 2015	10,873,450	-	6,808,696	4,064,754	786,727
Series 2015A	12,858,435	-	5,950,660	6,907,775	753,576
Series 2017	16,980,974	-	766,894	16,214,080	766,894
Series 2018	1,341,028	-	102,079	1,238,949	102,079
Series 2019	10,041,659	-	433,905	9,607,754	433,905
Series 2020	26,770,918	-	951,172	25,819,746	951,172
Series 2020 Refunding	6,675,964	-	731,091	5,944,873	731,091
Series 2020A	-	13,709,518	985,408	12,724,110	1,048,612
Total Unamortized Premiums	<u>\$ 92,102,050</u>	<u>\$ 13,709,518</u>	<u>\$ 22,555,091</u>	<u>\$ 83,256,477</u>	<u>\$ 6,205,660</u>

K. Debt Service Bonds Payable

On June 10, 2020, the District issued Unlimited Tax Refunding Bonds, Series 2020 in the amount of \$37,850,000. The bonds were issued at a premium, and refunded \$29,730,000 of the Unlimited Tax School Building Variable Rate Bonds, Series 2004B, and \$13,900,000 of the Unlimited Tax School Refunding Bonds, Series 2011. Bond payments are payable on February 15 and August 15 of each year, commencing on August 15, 2020. The final bond principal payment is on August 15, 2029. The refunding reduced future debt service costs (difference between cash flow to service old debt and that required for new debt) by \$6,884,640, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$6,454,905. As of June 30, 2021, the defeased bonds were paid off and the related escrow balance was zero.

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, 2021, \$115,055,000 of the refunded bonds remain outstanding with an estimated related escrow balance of \$131,550,674.

The District had two capital appreciation bond during the year ending June 30, 2021, that were issued at a deep discount. The discounts are being accreted over the life of the bond. For the year ended June 30, 2021, \$9,966,090 was accreted.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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, 2021.

Debt service requirements for bonds payable are as follows:

Year Ending June 30,	Bonds Payable		Total
	Principal	Interest	
2022	\$ 17,475,297	\$ 37,126,396	\$ 54,601,693
2023	15,059,781	36,523,362	51,583,143
2024	17,516,110	39,087,657	56,603,767
2025	18,164,117	38,457,088	56,621,205
2026	20,605,000	33,138,393	53,743,393
2027 - 2031	125,430,000	148,481,989	273,911,989
2032 - 2036	159,000,000	122,779,650	281,779,650
2037 - 2041	204,305,000	85,777,000	290,082,000
2042 - 2046	208,170,000	38,798,450	246,968,450
2047 - 2049	99,470,000	6,086,400	105,556,400
Total	<u>\$ 885,195,305</u>	<u>\$ 586,256,385</u>	<u>\$ 1,471,451,690</u>

L. Capital Leases

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 is with U.S. Bancorp. The new lease purchase agreement has an interest rate of 2.22% and will save the District \$1,150,589 over 14 years. The first lease payment commences 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 lease purchase is to finance the second phase of an energy savings performance contract. The first lease payment was on July 17 2021, with the final payment due on January 17 2036, with an interest rate of 2.25 percent. As of June 30, 2021, the total principal outstanding for both capital leases is \$19,651,882.

Total interest paid during the fiscal year ending June 30, 2021, related to capital leases was \$432,969.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Capital lease future payments are as follows:

Year Ending June 30,	Total Gross Minimum Lease Payments	Interest	Principal/ Present Value Minimum Lease Payments
2022	\$ 1,326,003	\$ 524,249	\$ 801,754
2023	1,374,007	415,986	958,021
2024	1,405,093	394,336	1,010,757
2025	1,489,265	371,198	1,118,067
2026	1,545,576	345,793	1,199,783
2027 - 2031	8,298,188	1,292,192	7,005,996
2032 - 2036	7,987,947	430,443	7,557,504
Total	<u>\$ 23,426,079</u>	<u>\$ 3,774,197</u>	<u>\$ 19,651,882</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, 2021, 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, 2021, totaled \$10,297,285.

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

Fiscal Year	Sinking Fund Deposits	Interest Payments	Annual Total
2022	\$ 684,059	\$ 236,763	\$ 920,822
2023	684,059	236,763	920,822
2024	684,059	236,763	920,822
2025	684,059	236,763	920,822
2026	-	118,381	118,381
Total	2,736,236	<u>\$ 1,065,433</u>	<u>\$ 3,801,669</u>
Balance in sinking fund	10,297,285		
Estimated future interest earnings	<u>2,241,479</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, 2021

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, 2021, was \$176,675.

Fiscal Year	Principal Payments	Interest Payments	Total Requirements
2022	\$ 235,000	\$ 169,925	\$ 404,925
2023	240,000	162,875	402,875
2024	250,000	155,675	405,675
2025	255,000	148,175	403,175
2026	265,000	140,525	405,525
2027 - 2031	1,485,000	535,425	2,020,425
2032 - 2036	1,765,000	255,825	2,020,825
2037	390,000	12,675	402,675
Total	<u>\$ 4,885,000</u>	<u>\$ 1,581,100</u>	<u>\$ 6,466,100</u>

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, 2021, was \$32,311. 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, 2021, totaled \$1,939,697.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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
2022	\$ 627,208	\$ 619,650	\$ (576,274)	\$ 43,376	\$ 670,584	\$ -	\$ -
2023	627,208	619,650	(576,274)	43,376	670,584	-	-
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	2,697,767	15,300,000
Total	\$ 10,662,536	\$ 10,224,225	\$ (9,508,521)	\$ 715,704	\$ 11,378,240	\$ 2,697,767	\$ 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. The notes will be remarketed after an initial interest rate of 2.376%, which ends on July 31, 2021. 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, 2021, was \$386,444.

Fiscal Year	Principal Payments	Interest Payments	Total Requirements
2022	\$ -	\$ 565,175	\$ 565,175
2023	-	695,600	695,600
2024	-	695,600	695,600
2025	-	695,600	695,600
2026	-	695,600	695,600
2027 - 2031	3,875,000	3,325,600	7,200,600
2032 - 2036	7,135,000	2,146,200	9,281,200
2037 - 2040	6,380,000	646,000	7,026,000
Total	\$ 17,390,000	\$ 9,465,375	\$ 26,855,375

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021, was \$695,400.

Fiscal Year	Principal Payments	Interest Payments	Total Requirements
2022	\$ 440,000	\$ 674,400	\$ 1,114,400
2023	460,000	652,400	1,112,400
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 - 2031	3,085,000	2,488,600	5,573,600
2032 - 2036	3,770,000	1,800,400	5,570,400
2037 - 2041	4,580,000	984,000	5,564,000
2042 - 2043	2,100,000	126,800	2,226,800
Total	<u>\$ 15,965,000</u>	<u>\$ 8,540,800</u>	<u>\$ 24,505,800</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, 2020	\$ 10,963,143
Additions	2,934,203
Deductions	<u>(3,986,578)</u>
Balance June 30, 2021	<u>\$ 9,910,768</u>

P. Asset Retirement Obligation

In implementing GASB No. 83, the District determined that an Asset Retirement Obligation (ARO) was required for presentation. In fiscal year ending June 30, 2021, the District terminated the Industrial Site Lease with the El Paso International Airport, which is the former location of the District's Administration Building. As stated in the legally binding contract, after termination of the lease, the District has 180 days to clear all improvements above ground level which have been constructed on the site. The District estimates the remaining cost for demolition will be \$607,488. The measurement method used for the ARO estimate is based on the current value of demolition costs.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Q. 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 no liability for the District as of June 30, 2021.

R. Deferred Inflow Gain on Refunding

The deferred gain on refunded bonds for the year ended June 30, 2021, was as follows:

Description	Beginning Balance	Deferred Gain on New Issues	Amortization Recognized	Ending Balance
Series 2018	\$ 332,000	\$ -	\$ 25,273	\$ 306,727
Series 2020	1,627,346	-	178,211	1,449,135
Total Deferred Gain	<u>\$ 1,959,346</u>	<u>\$ -</u>	<u>\$ 203,484</u>	<u>\$ 1,755,862</u>

S. Commitments Under Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities, land, computer equipment, and copiers provide for minimum future rental payments as of June 30, 2021, as follows:

<u>Year Ending June 30,</u>	
2022	\$ 1,092,759
2023	854,769
2024	848,773
2025	53,229
2026	53,229
2027-2030	<u>89,407</u>
Total Minimum Rentals	<u>\$ 2,992,166</u>
Rental expenditures for the year ended June 30, 2021	<u>\$ 1,303,664</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Contributions: Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. 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 established employee and employer contribution rates for fiscal years 2020 through 2025.

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

<u>Contributions Required and Made</u>	
2021 Employer Contributions	\$ 12,459,780
2021 Member Contributions	29,887,005
2020 Plan Year NECE On-Behalf Contributions (State)	21,818,968

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

- 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 2021, the District paid \$137,262 in retiree surcharges and \$5,034,435 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 1.5 percent of the member’s salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.

Actuarial Assumptions: The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. 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, 2019. 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, 2017 and were adopted in July 2018. The following table discloses the assumptions that were applied to this measurement period:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Mortality Assumption	The active mortality rates were based on 90 percent of RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33%. 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)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

Discount Rate: A single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 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 7.25 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. 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, 2020 are summarized below:

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation	-	-	2.00%
Volatility Drag***	-	-	-0.67%
Total	100.00%	-	7.33%

*Target allocations are based on the FY2020 policy model

**Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020)

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

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

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 250,762,970	\$ 162,623,787	\$ 91,012,632

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the District reported a liability of \$162,623,787 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	\$ 162,623,787
State's proportionate share that is associated with the District	<u>283,221,909</u>
Total	<u><u>\$ 445,845,696</u></u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.3036407430% which was a decrease of 0.0143151367% from its proportion measured as of August 31, 2019.

Changes since the Prior Actuarial Valuation: There were no changes in assumptions since the prior measurement date.

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

For the year ended June 30, 2021, the District recognized pension expense of \$34,065,307 and revenue of \$34,065,307 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$58,161,721.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 296,938	\$ 4,538,398
Changes in actuarial assumptions	37,734,505	16,044,448
Net difference between projected and actual investment earnings	3,292,179	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	6,539,587	14,672,677
District contributions to TRS subsequent to the measurement date	10,450,891	-
Total	\$ 58,314,100	\$ 35,255,523

The \$10,450,891 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, 2022.

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

Year Ended June 30	Amount
2022	\$ 4,846,046
2023	5,630,609
2024	5,239,541
2025	358,821
2026	(3,135,632)
Thereafter	(331,699)
	\$ 12,607,686

Changes in Net Pension Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 165,283,406	\$ 9,868,681	\$ 12,528,300	\$ 162,623,787

Payable to the Pension Plan: At June 30, 2021, the District reported a payable of \$3,600,393 to the pension plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$2,501,356.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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%20Documents/cafr_2020.pdf; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

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

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

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

TRS-Care Monthly 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

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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IV. DETAILED NOTES ON ALL FUNDS (Continued)

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>	
	<u>2020</u>	<u>2021</u>
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%
2021 Employer Contributions	\$ 3,293,771	
2021 Member Contributions	2,522,946	
2020 Plan Year NECE On-behalf Contributions (State)	4,553,942	

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, 2021, the District paid \$38,530 in retiree surcharges.

A supplemental appropriation was authorized by Senate Bill 1264 of the 86th Texas Legislature to provide \$2,208,137, for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

House Bill 1, 86th Texas Legislature, Regular Session, 2019 provided an additional \$230 million to continue to support the program. The District's proportionate share of this amount totaled \$174,580, representing the 2 months July and August 2020 that overlap with the District's current fiscal year.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions: The total OPEB liability (TOL) in the August 31, 2019 actuarial valuation was rolled forward to August 31, 2020 using update procedures. The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the actuarial assumptions below. Those 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, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020:

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, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
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.
Mortality Assumption	The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale ("U-MP").

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Health Care Trend Rates	Initial medical trend rates of 9.00 percent for Medicare retirees and 7.3 percent for non-Medicare retirees. Initial prescription drug trend rate of 9.00 percent 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: 65 percent participation prior to age 65 and 40 percent participation after age 65; 25 percent pre-65 retirees are assumed to discontinue coverage at age 65
Aging Factors Expenses	Based on plan specific experience. Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Other Information	
Ad hoc post-employment benefit changes Notes	None Assumption changes include a discount rate change from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowering the participation rate assumption for employees who retire after the age of 65, and lowering the ultimate health care trend assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Discount Rate: A single discount rate of 2.33 percent was used to measure the total OPEB liability. There was a decrease of 0.30 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, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds.

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

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

	1% Decrease in Discount Rate 1.33%	Current Single Discount Rate 2.33%	1% Increase in Discount Rate 3.33%
District's proportionate share of the Net OPEB Liability:	\$ 203,398,648	\$ 169,499,197	\$ 142,723,495

Healthcare Cost Trend Rates Sensitivity Analysis: The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 138,459,127	\$ 169,499,197	\$ 210,840,182

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs: At June 30, 2021, the District reported a liability of \$169,499,197 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The District's proportionate share of the collective Net OPEB Liability	\$ 169,499,197
State's proportionate share that is associated with the District	227,766,290
Total	\$ 397,265,487

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was 0.4458801926%, which was a decrease of 0.0080526987% from its proportion measured as of August 31, 2019.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$(1,581,523) and revenue of \$(1,581,523) for support provided by the State.

The amount of OPEB expense recognized by the District in the reporting period was \$(6,302,878).

At June 30, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits (OPEB) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 8,874,911	\$ 77,571,499
Changes in actuarial assumptions	10,454,576	46,545,355
Difference between projected and actual investment earnings	55,081	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	17,925	17,083,468
Contributions paid to TRS subsequent to the measurement date	2,737,751	-
Total	\$ 22,140,244	\$ 141,200,322

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The \$2,737,751 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, 2022. 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
2022	\$ (19,794,759)
2023	(19,802,123)
2024	(19,806,334)
2025	(19,805,181)
2026	(15,277,793)
Thereafter	(27,311,639)
	\$ (121,797,829)

Changes in Net OPEB Liability:

	Beginning Balance	Additions	Reductions	Ending Balance
Net OPEB Liability	\$ 214,670,423	\$ -	\$ 45,171,226	\$ 169,499,197

Payable to the OPEB Plan: At June 30, 2021, the District reported a payable of \$519,280 to the OPEB plan for the outstanding amount of contractually required contributions related to past service costs. Member contributions included in this payable were \$211,155.

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, 2021, 2020 and 2019 were \$1,728,387, \$1,679,129, and \$1,489,916, respectively. These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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 \$435 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, 2021, 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:

	FY 2021	FY 2020
Unpaid claims, beginning of year	\$ 2,400,000	\$ -
Incurred claims	51,585,278	29,114,181
Claim payments	(49,385,278)	(26,714,181)
Unpaid claims, end of fiscal year	\$ 4,600,000	\$ 2,400,000

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 2020-2021 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, 2021, 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

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EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

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:

	2021	2020	2019
Unpaid claims, beginning of year	\$ 6,500,000	\$ 7,500,000	\$ 7,500,000
Incurred claims	2,016,644	1,936,442	3,515,513
Change in estimate	-	(1,000,000)	-
Claim payments	(2,016,644)	(1,936,442)	(3,515,513)
Unpaid claims, end of fiscal year	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 7,500,000</u>

X. Revenue from Local and Intermediate Sources

During the year ending June 30, 2021, revenues from local and intermediate sources consisted of the following:

	General Fund	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds
Property taxes	\$ 181,408,211	\$ -	\$ 45,225,133	\$ 226,633,344	\$ -
Penalty and interest on taxes	1,429,760	-	279,278	1,709,038	-
Investment income	286,982	628,084	502,429	1,417,495	-
Extracurricular/co-curricular activities	-	-	153,086	153,086	-
Legal restitution	596,826	-	-	596,826	-
Foundation, Gifts and Bequests	543,176	-	100,102	643,278	-
Purchasing Rebates	120,724	-	-	120,724	-
Surplus sales	97,040	-	-	97,040	-
Tuition and fees	85,623	-	-	85,623	-
Athletics	52,665	-	-	52,665	-
City Refunds/Credit	44,473	-	-	44,473	-
Vehicle inventory tax	30,542	-	-	30,542	-
Services to other districts	22,000	-	-	22,000	-
Rent	5,541	-	-	5,541	-
Transportation revenue	4,826	-	-	4,826	-
Shared service arrangements	-	-	227,219	227,219	-
Local Networks of School Improvements	-	-	43,957	43,957	-
Food Service activity	-	-	39,125	39,125	-
Army Youth Program	-	-	24,376	24,376	-
CREED grant	-	-	11,255	11,255	-
Local Teach Stipend - R19	-	-	7,137	7,137	-
Print Shop	-	-	-	-	528,010
Workers Compensation	-	-	-	-	3,392,317
Self-insurance - health	-	-	-	-	37,303,529
Health Clinic	-	-	-	-	766,355
Other local revenue	239,342	-	240,490	479,832	-
Total	<u>\$ 184,967,731</u>	<u>\$ 628,084</u>	<u>\$ 46,853,587</u>	<u>\$ 232,449,402</u>	<u>\$ 41,990,211</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Y. Other Uses

Other Uses during the year ended June 30, 2021, consisted of the following:

	General Fund	Debt Service Fund	Total
Amount required for refinancing of debt from US Bank	\$ 10,930,522	\$ -	\$ 10,930,522
Amount required to be placed in escrow for defeased bonds	-	137,528,959	137,528,959
Total	<u>\$ 10,930,522</u>	<u>\$ 137,528,959</u>	<u>\$ 148,459,481</u>

Proceeds from U.S. Bank were used to refinance the Lease Purchase Agreement with Banc of America Public Capital Corporation. The amount placed in escrow to defease bonds are proceeds from the Unlimited Tax Refunding Bonds, Taxable Series 2020A, issued on July 22, 2020.

Z. Fund Balances

As of June 30, 2021, fund balances were composed of the following:

	General Fund	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventories	\$ 2,804,428	\$ -	\$ -	\$ 2,804,428
Restricted:				
Medicaid Administrative Claiming Program	-	-	424,091	424,091
Retirement of Long-term debt	-	-	34,780,668	34,780,668
2009 QSC-MTN Sinking Fund	-	-	10,450,600	10,450,600
2017 QSC-MTN Sinking Fund	-	-	1,954,571	1,954,571
Bray Trust	-	-	57,006	57,006
Food Service Program	-	-	10,080,198	10,080,198
Campus Activities	-	-	1,732,543	1,732,543
Capital projects	16,398,392	179,567,199	999,835	196,965,426
Escrow - Planetarium	945,973	-	-	945,973
Restricted for State Programs	5,796,660	-	-	5,796,660
Assigned:				
Construction	11,524,095	-	-	11,524,095
Capital expenditures	2,539,927	-	-	2,539,927
Health Insurance	15,000,000	-	-	15,000,000
Other Assigned	9,289,377	-	-	9,289,377
Unassigned	98,120,993	-	-	98,120,993
Total fund balances	<u>\$ 162,419,845</u>	<u>\$ 179,567,199</u>	<u>\$ 60,479,512</u>	<u>\$ 402,466,556</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

The Net Position for the Health Insurance Fund had a deficit of (\$16,821,544) as of June 30, 2021. The District has set-aside \$15 million from the fund balance to cover the shortfall and plans to make this transfer in fiscal year 2022. The District implemented health plan design changes effective September 1, 2021, and has increased the employer contribution from \$435 in fiscal year 2021 to \$511 in fiscal year 2022. In September 2019, the District established this self-insured health plan as an additional insurance option to employees. Management will continue to evaluate the plan and make any necessary benefit coverage changes as well as employer contribution amounts.

As discussed in Note AA, as of June 30, 2021, the District has a total of \$158,015,897 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 encumbrances of \$2,455,014 and an assignment for self-insurance activities of \$179,500. The remaining balance of \$6,654,863 in other assigned is for future District expenditures.

AA. 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, 2021, 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:

	Encumbrances included in:		
	Restricted Fund Balance	Assigned Fund Balance	Total
General Fund	\$ 132,915	\$ 9,054,890	\$ 9,187,805
2008 Capital Projects Fund	711,581	-	711,581
2016 Capital Projects Fund	147,983,799	-	147,983,799
PFC Capital Projects Fund	132,712	-	132,712
Total	\$ 148,961,007	\$ 9,054,890	\$ 158,015,897

BB. 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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

CC. Construction and Other Significant Commitments and Contingencies

Construction Commitments

The District has active construction projects as of June 30, 2021, including renovations and site improvements. All accumulated resources for capital projects are restricted or assigned for construction commitments. As of June 30, 2021, the construction work in progress and estimated commitments with contractors on various projects are as follows:

	Spent To Date	Remaining Commitment
Athletic Improvements	\$ 19,353,141	\$ 49,460,624
Land/Building improvements and consolidations	473,550,827	169,042,918
New Northeast Middle School	11,510,822	17,790,358
New Central Administrative Building 1014 N. Stanton	16,443,840	231,324
New Central Administrative Building 1100 N. Stanton	25,407,723	1,707,129
El Paso High Historical Renovation	1,511,960	16,017,398
Planetarium Relocation	945,973	5,128
New Delta Operations Center (DOC)	12,486,022	206,184
	\$ 561,210,308	\$ 254,461,063

Technology Commitments

The District has a technology project in process as of June 30, 2021. The work in process and estimated commitments with vendors on these projects are as follows:

	Spent To Date	Remaining Commitment
Network Electronics Project	\$ 8,327	\$ 736,000

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, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

Vacation and Non-Duty Leave Time

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.

DD. 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.	\$	908,898
Socorro I.S.D.		139,312
San Elizario I.S.D.		11,580
Fabens I.S.D.		10,080
Anthony I.S.D.		3,000
Total	\$	1,072,870

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

EE. 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, 2021, the District carried Property Insurance Policy in the amount of \$1,783,127,263 with deductibles ranging from \$10,000 to \$500,000 per 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.

FF. 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, 2021.

GG. EPISD Education Foundation

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.

HH. 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, 2021, the District paid a total of \$2,587 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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

II. Top Ten Taxpayers

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

Name	Market Value	Taxable Value
Western Refining Co. LP	\$ 500,414,740	\$ 484,066,597
El Paso Electric Co.	228,422,828	215,883,702
Simon Property Group	121,129,507	121,129,507
Wal-Mart Stores Inc.	115,553,467	115,553,467
Sierra Providence Physical Rehabilitation Hospital	107,203,890	107,203,890
Hawkins & I-10 Acquisition Co. LP	97,029,512	97,029,512
Texas Gas Service	85,959,860	85,959,860
Union Pacific Railroad Co.	68,430,254	68,430,254
Spectrum Gulf Coast LLC	51,881,480	51,881,480
United Parcel Service Inc.	49,052,772	49,052,772
	<u>\$ 1,425,078,310</u>	<u>1,396,191,041</u>

JJ. Significant Event - COVID-19

On January 31, 2020, the President of the United States declared a public health emergency for the COVID-19 pandemic. Subsequently, on March 13th, 2020 districts across the state of Texas were ordered to shut down and initiate distance learning through the remainder of the 2019-2020 school year. With the pandemic ongoing, the District had to begin its 2020-2021 academic year via distance learning as well.

In addition to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020, the federal government approved two additional Coronavirus aid financial packages:

- 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 2022. TEA will supplant approximately \$16.3 million of the ESSER II total for the Hold Harmless provision.
- The American Rescue Plan (ARP) Act, also known as ESSER III, was released in April 2021. The District was allocated \$190.6 million to be spent over the course of three years ending September 30, 2023. Phase I of ESSER III has been made available for reimbursements not to exceed \$127.1 million. Phase II in the amount of \$63.5 million is expected to be released at a later date.

As of September 2, 2021, the Texas Education Agency (TEA) informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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.

KK. Subsequent Events

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 a lower interest rate for the next two year term. The variable rate decreased from 2.38% percent to 1.74%. Because the Notes were issued at a premium, \$415,000 in principal was redeemed from the original issuance of \$17,390,000.

On October 28, 2021, the District entered into an Equipment Lease Purchase Agreement with US Bancorp for \$13,766,438. The lease purchase is to finance LED lighting upgrades under an energy savings performance contract.

LL. 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 No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. GASB No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- GASB No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2020. GASB No. 89 requires that interest costs incurred during a construction period be recognized as an expense for business-type activity.
- GASB No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2019. GASB No. 90 amends the method of reporting majority equity interest.
- GASB No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021. GASB No. 91 requires issuers to disclose information about their conduit debt obligations.
- GASB No. 92, *Omnibus*, effective for periods beginning after June 15, 2021. GASB No. 92 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

IV. DETAILED NOTES ON ALL FUNDS (Continued)

- GASB No. 93, *Replacement of Interbank Offered Rates*, with exception of paragraphs 11b, 13, and 14, was effective for reporting periods beginning after June 15, 2020. The requirement of 11b is effective for reporting periods ending December 31, 2021. The requirements in paragraph 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. GASB No. 93 addresses accounting and financial implications that result from the replacement of an interbank offered rate.
- GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangement*, effective for periods beginning after June 15, 2022. GASB No. 94 improves financial reporting by addressing issues related to public private and public-public partnership arrangements as well as availability payment arrangements.

MM. Prior Period Adjustment

As part of the District's implementation of GASB 84, the District re-evaluated the opening amounts of the "Due to Student Groups" in relation to GASB 84. As a result, these amounts were reclassified from "Due to Student Groups" to restricted net position in the custodial fund in the amount of \$2,734,552.

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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, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 179,062,340	\$ 186,277,795	\$ 184,967,731	\$ (1,310,064)
5800	State Program Revenues	356,892,837	344,653,215	331,988,180	(12,665,035)
5900	Federal Program Revenues	13,850,000	13,187,679	20,607,854	7,420,175
5020	Total Revenues	549,805,177	544,118,689	537,563,765	(6,554,924)
EXPENDITURES:					
Current:					
0011	Instruction	311,050,273	324,552,243	292,092,812	32,459,431
0012	Instructional Resources and Media Services	7,706,362	7,971,773	7,611,352	360,421
0013	Curriculum and Instructional Staff Development	21,875,694	22,938,305	20,715,250	2,223,055
0021	Instructional Leadership	4,829,631	5,726,492	5,904,035	(177,543)
0023	School Leadership	37,479,296	38,865,458	38,496,885	368,573
0031	Guidance, Counseling, and Evaluation Services	19,303,260	20,131,760	19,850,096	281,664
0032	Social Work Services	4,372,139	4,600,963	4,393,250	207,713
0033	Health Services	6,440,056	6,776,553	6,766,976	9,577
0034	Student (Pupil) Transportation	14,129,684	14,127,736	9,250,417	4,877,319
0036	Extracurricular Activities	14,867,103	13,956,186	11,985,553	1,970,633
0041	General Administration	14,860,904	17,236,745	14,086,308	3,150,437
0051	Facilities Maintenance and Operations	52,362,292	56,603,313	53,672,592	2,930,721
0052	Security and Monitoring Services	9,051,395	8,575,523	6,990,122	1,585,401
0053	Data Processing Services	10,302,076	9,527,043	8,401,453	1,125,590
0061	Community Services	56,225	56,225	38,764	17,461
Debt Service:					
0071	Principal on Long-Term Debt	1,091,913	1,387,913	1,387,861	52
0072	Interest on Long-Term Debt	2,302,421	1,663,583	1,653,820	9,763
0073	Bond Issuance Cost and Fees	11,500	324,243	318,098	6,145
Capital Outlay:					
0081	Facilities Acquisition and Construction	3,050,000	53,373,003	25,463,314	27,909,689
Intergovernmental:					
0099	Other Intergovernmental Charges	2,851,686	2,851,686	2,520,719	330,967
6030	Total Expenditures	537,993,910	611,246,746	531,599,677	79,647,069
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	11,811,267	(67,128,057)	5,964,088	73,092,145
OTHER FINANCING SOURCES (USES):					
7913	Capital Leases	-	20,492,577	20,394,743	(97,834)
8911	Transfers Out (Use)	(11,811,267)	(16,121,672)	(16,121,672)	-
8949	Other (Uses) - Refunded Debt	-	(10,930,522)	(10,930,522)	-
7080	Total Other Financing Sources (Uses)	(11,811,267)	(6,559,617)	(6,657,451)	(97,834)
1200	Net Change in Fund Balances	-	(73,687,675)	(693,363)	72,994,312
0100	Fund Balance - July 1 (Beginning)	163,113,208	163,113,208	163,113,208	-
3000	Fund Balance - June 30 (Ending)	\$ 163,113,208	\$ 89,425,533	\$ 162,419,845	\$ 72,994,312

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

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 May 19, 2020, 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.

A negative variance was identified in the following area: Function 21 - Instructional Leadership, in the amount of \$178 thousand. The variance was due 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, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.303640743%	0.31795588%	0.344247074%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 162,623,787	\$ 165,283,406	\$ 189,481,944
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	283,221,909	275,084,593	310,719,469
Total	<u>\$ 445,845,696</u>	<u>\$ 440,367,999</u>	<u>\$ 500,201,413</u>
District's Covered Payroll	\$ 392,481,345	\$ 374,416,393	\$ 384,687,132
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	41.43%	41.14%	49.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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, 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.

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.335715288%	0.353813322%	0.3620999%	0.2401539%
\$ 107,343,663	\$ 133,700,793	\$ 127,997,495	\$ 64,148,427
191,585,514	234,758,266	234,729,990	207,838,673
<u>\$ 298,929,177</u>	<u>\$ 368,459,059</u>	<u>\$ 362,727,485</u>	<u>\$ 271,987,100</u>
\$ 377,281,655	\$ 377,316,904	\$ 373,930,999	\$ 374,880,694
28.45%	35.43%	34.23%	17.11%
82.17%	78.00%	78.43%	83.25%

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 12,459,780	\$ 12,285,012	\$ 11,154,052
Contribution in Relation to the Contractually Required Contribution	(12,459,780)	(12,285,012)	(11,154,052)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 388,133,225	\$ 389,298,717	\$ 375,049,174
Contributions as a Percentage of Covered Payroll	3.21%	3.16%	2.97%

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.

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.

	2018	2017	2016	2015	2014	2013	2012
\$	11,459,304	\$ 11,052,123	\$ 10,962,083	\$ 10,210,794	\$ 6,104,979	\$ 5,347,398	\$ 4,915,175
	(11,357,520)	(11,052,123)	(10,962,083)	(10,210,794)	(6,104,979)	(5,347,398)	(4,915,175)
\$	101,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	385,429,416	\$ 377,714,149	\$ 377,287,614	\$ 371,221,286	\$ 374,598,981	\$ 367,948,382	\$ 368,763,102
	2.97%	2.93%	2.91%	2.75%	1.63%	1.45%	1.33%

EL PASO INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2021

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

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.445880193%	0.453932891%	0.479890278%	\$ 0.479833937%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 169,499,197	\$ 214,670,423	\$ 239,613,609	\$ 208,661,779
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	227,766,290	285,248,977	320,698,545	\$ 284,864,539
Total	<u>\$ 397,265,487</u>	<u>\$ 499,919,400</u>	<u>\$ 560,312,154</u>	<u>\$ 493,526,318</u>
District's Covered Payroll	\$ 392,481,345	\$ 374,416,393	\$ 384,687,132	\$ 377,281,655
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	43.19%	57.33%	62.29%	\$ 55.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore 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 of 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.

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 3,293,771	\$ 3,360,668	\$ 3,225,210
Contribution in Relation to the Contractually Required Contribution	(3,293,771)	(3,360,668)	(3,225,210)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 388,133,225	\$ 389,298,717	\$ 375,049,174
Contributions as a Percentage of Covered Payroll	0.85%	0.86%	0.86%

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.

	2018	2017	2016
\$	3,190,301	\$ 2,502,519	\$ 2,571,017
	(3,151,204)	(2,502,519)	(2,571,017)
\$	39,097	\$ -	\$ -
\$	385,429,416	\$ 377,714,149	\$ 377,287,614
	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, 2021

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 2.63 percent as of August 31, 2019 to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.
- The primary reasons for this year's liability reduction related to the difference between expected and actual experience were due to (a) savings to the fully-insured Medicare Advantage premiums, which resulted from Congress' repeal of the Health Insurer Fee in December of 2019 and the vendor premium guarantees, and (b) favorable claims and rebate experience for the prescription drug benefits provided to Medicare retirees.

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 to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This program is authorized under P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C.

ESSA Title I, Part A, D, and SIP (Fund 211) - This fund is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110.

ESSA Title I, Part C, Education of Migratory Children (Fund 212) - This fund is to be used to account, on a project basis, for funds allocated for the purpose of the Migrant Education Program. To design and support programs that help migrant students overcome the challenges of mobility, cultural and language barriers, social isolation, and other difficulties associated with a migratory lifestyle. These efforts are aimed at helping migrant students succeed in school and successfully transition to post-secondary education and/or employment.

Adult Education Federal (Fund 220) - This fund is to be used to account, on a project basis, 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 educational skills (reading, writing, speaking and mathematics), English as a Second Language and secondary level competencies for acquisition of a high school diploma or equivalent. This includes sections 322, 326, and 353 under P.L. 91.230 as amended by P.L. 102.73, The National Literacy Act.

TANF Family Assistance (Fund 223) - This fund is to be used to account, on a project basis, 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 instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. This program is authorized under P.L. 104-193.

IDEA – Part B, Formula (Fund 224) - This fund is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This funding also includes capacity building and improvement (silver) sub-grants. This program is authorized under P.L. 108-446.

IDEA – Part B, Preschool (Fund 225) - This fund is to be used to account, on a project basis, for funds granted for preschool children with disabilities. This program is authorized under P.L. 105-17.

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.

NONMAJOR GOVERNMENTAL FUNDS

Summer Feeding Program (Fund 242) - This fund is to be used to account, on a project basis, for funds received from the Texas Department of Agriculture that are awarded for meals provided to the community based on the average number of daily participants.

Carl D. Perkins Career & Technical Basic Grant (Fund 244) - This fund is to be used to account, on a project basis, for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations. This program is authorized by P.L. 109-270.

ESSA, Title II, Part A, Supporting Effective Instruction (Fund 255) - This fund is used to provide financial assistance to LEAs to increase 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 LEAs accountable for improving student academic achievement. This program is authorized under P.L. 107-110.

Title III, Part A – English Language Acquisition (Fund 263) - This fund is used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet State academic content and student academic achievement standards. This program is authorized under P.L. 107-110.

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, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

Instructional Continuity (Fund 276) - This fund is used to account, on a project basis, for funds to provide supplemental resources to districts to support improved student outcomes on targeted support and improvement campuses. The purpose of this grant is to increase the capacity of a district to facilitate instructional continuity and distance, remote, and/or virtual learning for identified campuses that have been affected by campus closures due to COVID-19.

EPISD Gene Roddenberry Planetarium (Fund 288) - This fund is to be used to account, on a project basis, for funds granted to relocate the Planetarium to Crosby Elementary multipurpose facility. The El Paso City Council allocated certain Community Development Block Grant (CDBG) funds under the 44th year Community Development Program to EPISD (Sub recipient) for purposes of design and construction improvements to the indoor and outdoor Planetarium and Star Gazing area located at 9465 Roanoke Drive, El Paso, TX 79924.

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 Promoting Student Achievement; Department of Defense Education Activity (DoDEA) - Military Connected Schools; (DoDEA) - Hands on, Mind on Math Engagement for 21st Century Leaders; (DoDEA) - Gateway to STEM Careers for Military Connected Schools; Office of Violence Against Women; Title IV Part-A Student Support and Academic Enrichment; Title VI Summer LEP; Department of Justice (DOJ) - Specialized Services to At-Risk Students; DOJ - School Violence Prevention Program; Fed COPS Hiring; Rifle Resistant Grant, Bulletproof Vest Partnership and Selective Traffic Enforcement Program (STEP). These programs are designed to address the unique and culturally related needs of students.

SSA IDEA, Part B – Discretionary Deaf (Fund 315) - This fund classification 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, on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, 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. This program is authorized under P.L. 101-119.

Adult Basic Education State (Fund 381) - This fund classification is used to account, on a project basis, 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, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

State Instructional Materials (Fund 410) - This fund is used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

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; MIZ Cycle 2 Grants; School Safety and Security Grant; SPED Fiscal Support; TX Parks and Wildlife Dept.- Archery Program; Jobs and Education for Texans and the Office of the Governor Truancy Prevention Grant; 2021-2022 P-Tech Planning 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 field0.

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

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 to be used to account for transactions related to campus principal's activity fund. The monies generated are not subject to recall by the Board of Trustees into the general fund.

Other Local Special Revenue Funds (Fund 499) - These are locally funded special revenue funds not otherwise listed. This fund includes Local National Science Foundation, Digital Promise Grant; Army Youth Program in Your Neighborhood; Dollar General Literacy Foundation; El Paso Community Foundation and the Council on Regional Economic Expansion and Educational Development (CREEED); Dick's Sporting Goods; Teacher Pipeline; Grief Sensitive; Math and Science Initiative. 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.

Debt Service Fund (Main) (Fund 599) - This fund accounts for resources accumulated and payments made for annual principal and interest on long-term general obligation debt of governmental funds.

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, 2021

Data Control Codes	206 TX Ed. for Homeless Children	211 ESSA Title I Part A, D, and SIP	212 ESSA Title I Part C Migrant	220 Adult Education Federal
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	7,885	5,241,925	148,829	181,851
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	-	-	-	-
1290 Other Receivables	-	-	-	-
1800 Restricted Assets	-	-	-	-
1900 Long-Term Investments	-	-	-	-
1000 Total Assets	<u>\$ 7,885</u>	<u>\$ 5,241,925</u>	<u>\$ 148,829</u>	<u>\$ 181,851</u>
LIABILITIES				
2110 Accounts Payable	\$ 67	\$ 175,901	\$ 93,243	\$ -
2160 Accrued Wages Payable	175	1,679,852	14,363	38,874
2170 Due to Other Funds	7,643	3,300,271	40,273	142,977
2200 Accrued Expenditures	-	85,901	950	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>7,885</u>	<u>5,241,925</u>	<u>148,829</u>	<u>181,851</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, Deferred Inflows & Fund Balances	<u>\$ 7,885</u>	<u>\$ 5,241,925</u>	<u>\$ 148,829</u>	<u>\$ 181,851</u>

223 TANF Family Assistance	224 IDEA Part B Formula	225 IDEA Part B Preschool	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESSA Title II A, Supporting Eff. Instr.	263 Title III, A English Lang. Acquisition
\$ -	\$ -	\$ -	\$ 1,368	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,731	3,435,501	73,442	2,700,984	-	-	451,492	424,228
-	-	-	-	-	-	-	-
-	-	-	7,488,120	851,654	-	-	-
-	-	-	-	-	-	-	-
-	-	-	57,006	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,731</u>	<u>\$ 3,435,501</u>	<u>\$ 73,442</u>	<u>\$ 10,247,478</u>	<u>\$ 851,654</u>	<u>\$ -</u>	<u>\$ 451,492</u>	<u>\$ 424,228</u>
\$ -	\$ 234,935	\$ 19,120	\$ 288,271	\$ -	\$ -	\$ 46,189	\$ 99,798
3,568	1,397,931	12,396	673,334	-	-	190,488	34,308
6,163	1,802,318	41,751	-	-	-	212,220	282,594
-	317	175	323	-	-	2,595	7,528
-	-	-	-	-	-	-	-
<u>9,731</u>	<u>3,435,501</u>	<u>73,442</u>	<u>961,928</u>	<u>-</u>	<u>-</u>	<u>451,492</u>	<u>424,228</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	9,228,544	851,654	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	57,006	-	-	-	-
-	-	-	<u>9,285,550</u>	<u>851,654</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 9,731</u>	<u>\$ 3,435,501</u>	<u>\$ 73,442</u>	<u>\$ 10,247,478</u>	<u>\$ 851,654</u>	<u>\$ -</u>	<u>\$ 451,492</u>	<u>\$ 424,228</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	276 Instructional Continuity	288 EPISD Roddenberry Planetarium
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	3,170	70,274	40,563	178,544
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	-	353,969	-	-
1290 Other Receivables	-	-	-	-
1800 Restricted Assets	-	-	-	-
1900 Long-Term Investments	-	-	-	-
1000 Total Assets	<u>\$ 3,170</u>	<u>\$ 424,243</u>	<u>\$ 40,563</u>	<u>\$ 178,544</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ 7,268	\$ -
2160 Accrued Wages Payable	1,125	152	12,627	-
2170 Due to Other Funds	2,045	-	20,668	178,544
2200 Accrued Expenditures	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>3,170</u>	<u>152</u>	<u>40,563</u>	<u>178,544</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	424,091	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>424,091</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,170</u>	<u>\$ 424,243</u>	<u>\$ 40,563</u>	<u>\$ 178,544</u>

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	435 SSA Regional Day School - Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
560,851	64,889	97	21,347	-	157,885	451,709	170,834
-	-	-	-	-	-	-	-
-	-	-	-	70,307	7,897	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 560,851</u>	<u>\$ 64,889</u>	<u>\$ 97</u>	<u>\$ 21,347</u>	<u>\$ 70,307</u>	<u>\$ 165,782</u>	<u>\$ 451,709</u>	<u>\$ 170,834</u>
\$ 13,826	\$ 1,946	\$ -	\$ -	\$ -	\$ -	\$ 901	\$ 638
237,156	16,769	-	6,947	-	-	35,733	105,007
216,998	40,514	97	14,400	-	165,782	190,740	65,183
92,871	5,660	-	-	-	-	40,200	6
-	-	-	-	70,307	-	184,135	-
<u>560,851</u>	<u>64,889</u>	<u>97</u>	<u>21,347</u>	<u>70,307</u>	<u>165,782</u>	<u>451,709</u>	<u>170,834</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 560,851</u>	<u>\$ 64,889</u>	<u>\$ 97</u>	<u>\$ 21,347</u>	<u>\$ 70,307</u>	<u>\$ 165,782</u>	<u>\$ 451,709</u>	<u>\$ 170,834</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Data Control Codes	446 SSA - RDSPD Tuition Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ 1,705,113	\$ -	\$ 1,706,481
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	71,441	-	10,137	14,477,609
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	-	10,975	862,441	9,645,363
1290 Other Receivables	-	38,841	-	38,841
1800 Restricted Assets	-	-	-	57,006
1900 Long-Term Investments	-	-	-	-
1000 Total Assets	<u>\$ 71,441</u>	<u>\$ 1,754,929</u>	<u>\$ 872,578</u>	<u>\$ 25,925,300</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 22,105	\$ 6,056	\$ 1,010,264
2160 Accrued Wages Payable	30,838	-	-	4,491,643
2170 Due to Other Funds	40,603	-	-	6,771,784
2200 Accrued Expenditures	-	281	3,284	240,091
2300 Unearned Revenue	-	-	863,238	1,117,680
2000 Total Liabilities	<u>71,441</u>	<u>22,386</u>	<u>872,578</u>	<u>13,631,462</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	10,504,289
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	1,732,543	-	1,789,549
3000 Total Fund Balances	<u>-</u>	<u>1,732,543</u>	<u>-</u>	<u>12,293,838</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 71,441</u>	<u>\$ 1,754,929</u>	<u>\$ 872,578</u>	<u>\$ 25,925,300</u>

575 2009 QSC - MTN Sinking Fund	577 2017 QSC - MTN Sinking Fund	599 Debt Service Fund	Total Nonmajor Debt Service Funds	688 2008 Capital Projects	690 PFC Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 34,612,003	\$ 34,612,003	\$ 996,452	\$ 231,325	\$ 1,227,777	\$ 37,546,261
-	-	2,346,433	2,346,433	-	-	-	2,346,433
-	-	(1,211,000)	(1,211,000)	-	-	-	(1,211,000)
-	-	12,853	12,853	-	-	-	14,490,462
153,315	14,875	-	168,190	-	-	-	168,190
-	-	-	-	7,029	-	7,029	9,652,392
-	-	44,120	44,120	-	-	-	82,961
-	-	-	-	-	-	-	57,006
10,297,285	1,939,696	-	12,236,981	-	-	-	12,236,981
<u>\$ 10,450,600</u>	<u>\$ 1,954,571</u>	<u>\$ 35,804,409</u>	<u>\$ 48,209,580</u>	<u>\$ 1,003,481</u>	<u>\$ 231,325</u>	<u>\$ 1,234,806</u>	<u>\$ 75,369,686</u>
\$ -	\$ -	\$ -	\$ -	\$ 244	\$ -	\$ 244	\$ 1,010,508
-	-	-	-	-	-	-	4,491,643
-	-	-	-	-	-	-	6,771,784
-	-	-	-	234,727	-	234,727	474,818
-	-	-	-	-	-	-	1,117,680
-	-	-	-	234,971	-	234,971	13,866,433
-	-	1,023,741	1,023,741	-	-	-	1,023,741
-	-	1,023,741	1,023,741	-	-	-	1,023,741
-	-	-	-	-	-	-	10,504,289
-	-	-	-	768,510	231,325	999,835	999,835
-	-	34,780,668	34,780,668	-	-	-	34,780,668
10,450,600	1,954,571	-	12,405,171	-	-	-	14,194,720
<u>10,450,600</u>	<u>1,954,571</u>	<u>34,780,668</u>	<u>47,185,839</u>	<u>768,510</u>	<u>231,325</u>	<u>999,835</u>	<u>60,479,512</u>
<u>\$ 10,450,600</u>	<u>\$ 1,954,571</u>	<u>\$ 35,804,409</u>	<u>\$ 48,209,580</u>	<u>\$ 1,003,481</u>	<u>\$ 231,325</u>	<u>\$ 1,234,806</u>	<u>\$ 75,369,686</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, 2021

Data Control Codes	206 TX Ed. for Homeless Children	211 ESSA Title I Part A, D, and SIP	212 ESSA Title I Part C Migrant	220 Adult Education Federal
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	92,021	24,371,040	428,295	684,968
5020 Total Revenues	92,021	24,371,040	428,295	684,968
EXPENDITURES:				
Current:				
0011 Instruction	-	16,870,475	204,007	301,636
0012 Instructional Resources and Media Services	-	367,231	-	-
0013 Curriculum and Instructional Staff Development	-	3,546,967	731	123,932
0021 Instructional Leadership	-	868,402	223,232	150,188
0023 School Leadership	-	66,767	-	-
0031 Guidance, Counseling, and Evaluation Services	-	417,537	-	52,725
0032 Social Work Services	92,021	53	-	54,922
0033 Health Services	-	64,350	-	-
0034 Student (Pupil) Transportation	-	758,586	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	135,422	-	1,565
0052 Security and Monitoring Services	-	23,040	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	1,252,210	325	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	92,021	24,371,040	428,295	684,968
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses) - Refunded Debt	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
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	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESSA Title II A, Supporting Eff. Instr.	263 Title III, A English Lang. Acquisition
\$ -	\$ -	\$ -	\$ 82,757	\$ -	\$ -	\$ -	\$ -
-	-	-	143,815	-	-	-	-
63,433	10,620,946	212,204	22,408,762	-	1,087,570	1,655,206	1,262,305
63,433	10,620,946	212,204	22,635,334	-	1,087,570	1,655,206	1,262,305
24,252	3,083,282	107,365	-	-	1,087,570	133,550	367,064
-	50,038	-	-	-	-	-	-
12,134	687,601	104,839	-	-	-	1,463,168	775,227
15,382	10,870	-	-	-	-	5,720	-
-	235,557	-	-	-	-	50,859	-
5,752	6,535,764	-	-	-	-	1,909	14,419
5,162	8,745	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	23,591,724	-	-	-	-
-	2,070	-	-	-	-	-	-
751	-	-	568,614	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,019	-	-	-	-	-	105,595
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
63,433	10,620,946	212,204	24,160,338	-	1,087,570	1,655,206	1,262,305
-	-	-	(1,525,004)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(1,525,004)	-	-	-	-
-	-	-	10,810,554	851,654	-	-	-
\$ -	\$ -	\$ -	\$ 9,285,550	\$ 851,654	\$ -	\$ -	\$ -

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	266 ESSER -School Emergency Relief	272 Medicaid Admin. Claim MAC	276 Instructional Continuity	288 EPISD Roddenberry Planetarium
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	99,792	202,771	118,510	245,869
5020 Total Revenues	99,792	202,771	118,510	245,869
EXPENDITURES:				
Current:				
0011 Instruction	96,692	-	21,916	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	2,542	-	96,594	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	558	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	134,485	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	245,869
6030 Total Expenditures	99,792	134,485	118,510	245,869
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	68,286	-	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses) - Refunded Debt	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	68,286	-	-
0100 Fund Balance - July 1 (Beginning)	-	355,805	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 424,091	\$ -	\$ -

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	435 SSA Regional Day School - Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	99,730	-	3,167,438	1,104,078	698,948
1,891,343	146,248	455	-	9,079	-	-	-
1,891,343	146,248	455	99,730	9,079	3,167,438	1,104,078	698,948
1,180,275	143,125	455	26,994	9,079	3,167,438	306,719	698,881
24,292	-	-	-	-	-	85	-
344,655	105	-	21,223	-	-	18,682	67
88,500	-	-	29,985	-	-	-	-
2,867	-	-	-	-	-	-	-
78,450	-	-	10,025	-	-	5,206	-
67,289	-	-	11,281	-	-	268,661	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	222	-	-	-	-
11,157	-	-	-	-	-	1,911	-
93,858	-	-	-	-	-	502,814	-
-	3,018	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,891,343	146,248	455	99,730	9,079	3,167,438	1,104,078	698,948
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Data Control Codes	446 SSA - RDSPD Tuition Funds	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 227,219	\$ 153,086	\$ 192,768	\$ 655,830
5800 State Program Revenues	-	-	-	5,214,009
5900 Federal Program Revenues	-	-	-	65,600,817
5020 Total Revenues	227,219	153,086	192,768	71,470,656
EXPENDITURES:				
Current:				
0011 Instruction	226,919	-	47,379	28,105,073
0012 Instructional Resources and Media Services	-	-	-	441,646
0013 Curriculum and Instructional Staff Development	-	-	97,193	7,295,660
0021 Instructional Leadership	-	-	-	1,392,279
0023 School Leadership	-	-	27,803	384,411
0031 Guidance, Counseling, and Evaluation Services	300	-	9,102	7,131,189
0032 Social Work Services	-	-	-	508,134
0033 Health Services	-	-	-	198,835
0034 Student (Pupil) Transportation	-	-	-	758,586
0035 Food Services	-	-	-	23,591,724
0036 Extracurricular Activities	-	508,731	10,261	521,062
0051 Facilities Maintenance and Operations	-	-	110	706,684
0052 Security and Monitoring Services	-	-	-	36,108
0053 Data Processing Services	-	-	-	596,672
0061 Community Services	-	-	920	1,369,087
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	245,869
6030 Total Expenditures	227,219	508,731	192,768	73,283,019
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(355,645)	-	(1,812,363)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses) - Refunded Debt	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	(355,645)	-	(1,812,363)
0100 Fund Balance - July 1 (Beginning)	-	2,088,188	-	14,106,201
3000 Fund Balance - June 30 (Ending)	\$ -	\$ 1,732,543	\$ -	\$ 12,293,838

575 2009 QSC - MTN Sinking Fund	577 2017 QSC - MTN Sinking Fund	599 Debt Service Fund	Total Nonmajor Debt Service Funds	688 2008 Capital Projects	690 PFC Capital Projects	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 389,046	\$ 37,471	\$ 45,755,609	\$ 46,182,126	\$ 11,652	\$ 3,979	\$ 15,631	\$ 46,853,587
-	-	3,135,185	3,135,185	-	-	-	8,349,194
-	-	-	-	-	-	-	65,600,817
389,046	37,471	48,890,794	49,317,311	11,652	3,979	15,631	120,803,598
-	-	-	-	-	-	-	28,105,073
-	-	-	-	-	-	-	441,646
-	-	-	-	-	-	-	7,295,660
-	-	-	-	-	-	-	1,392,279
-	-	-	-	-	-	-	384,411
-	-	-	-	-	-	-	7,131,189
-	-	-	-	-	-	-	508,134
-	-	-	-	-	-	-	198,835
-	-	-	-	-	-	-	758,586
-	-	-	-	-	-	-	23,591,724
-	-	-	-	-	-	-	521,062
-	-	-	-	-	-	-	706,684
-	-	-	-	-	-	-	36,108
-	-	-	-	-	-	-	596,672
-	-	-	-	-	-	-	1,369,087
-	-	16,251,235	16,251,235	-	-	-	16,251,235
-	-	40,866,951	40,866,951	-	-	-	40,866,951
-	-	1,124,993	1,124,993	-	-	-	1,124,993
-	-	-	-	7,688,584	3,567,280	11,255,864	11,501,733
-	-	58,243,179	58,243,179	7,688,584	3,567,280	11,255,864	142,782,062
389,046	37,471	(9,352,385)	(8,925,868)	(7,676,932)	(3,563,301)	(11,240,233)	(21,978,464)
-	-	115,054,970	115,054,970	-	-	-	115,054,970
684,059	627,208	10,500,000	11,811,267	-	-	-	11,811,267
-	-	23,539,885	23,539,885	-	-	-	23,539,885
-	-	(137,528,959)	(137,528,959)	-	-	-	(137,528,959)
684,059	627,208	11,565,896	12,877,163	-	-	-	12,877,163
1,073,105	664,679	2,213,511	3,951,295	(7,676,932)	(3,563,301)	(11,240,233)	(9,101,301)
9,377,495	1,289,892	32,567,157	43,234,544	8,445,442	3,794,626	12,240,068	69,580,813
\$ 10,450,600	\$ 1,954,571	\$ 34,780,668	\$ 47,185,839	\$ 768,510	\$ 231,325	\$ 999,835	\$ 60,479,512

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

Health Insurance Fund (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.

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2021

	752	753	772	
	Print Shop	Workers' Compensation Insurance	Health Insurance	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 7,870,135	\$ 3	\$ 7,870,138
Due from Other Funds	273,409	39,889	-	313,298
Total Current Assets	<u>273,409</u>	<u>7,910,024</u>	<u>3</u>	<u>8,183,436</u>
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment	200,068	-	-	200,068
Depreciation on Furniture and Equipment	(191,536)	-	-	(191,536)
Total Noncurrent Assets	<u>8,532</u>	<u>-</u>	<u>-</u>	<u>8,532</u>
Total Assets	<u>281,941</u>	<u>7,910,024</u>	<u>3</u>	<u>8,191,968</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	9,551	2,430,367	2,439,918
Accrued Wages Payable	854	-	-	854
Due to Other Funds	-	-	9,788,831	9,788,831
Accrued Expenses	8,969	6,500,000	4,602,349	11,111,318
Total Liabilities	<u>9,823</u>	<u>6,509,551</u>	<u>16,821,547</u>	<u>23,340,921</u>
NET POSITION				
Net Investment in Capital Assets	8,532	-	-	8,532
Unrestricted Net Position	263,586	1,400,473	(16,821,544)	(15,157,485)
Total Net Position	<u>\$ 272,118</u>	<u>\$ 1,400,473</u>	<u>\$ (16,821,544)</u>	<u>\$ (15,148,953)</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, 2021

	752	753	772	Total
	Print Shop	Workers' Compensation Insurance	Health Insurance	Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 528,010	\$ 3,392,317	\$ 38,069,884	\$ 41,990,211
Total Operating Revenues	<u>528,010</u>	<u>3,392,317</u>	<u>38,069,884</u>	<u>41,990,211</u>
OPERATING EXPENSES:				
Payroll Costs	501,545	2,364,392	51,756,535	54,622,472
Professional and Contracted Services	109,571	91,161	4,094,306	4,295,038
Supplies and Materials	83,576	11,847	22,303	117,726
Other Operating Costs	246	142,319	18,287	160,852
Depreciation Expense	4,266	-	-	4,266
Total Operating Expenses	<u>699,204</u>	<u>2,609,719</u>	<u>55,891,431</u>	<u>59,200,354</u>
Operating Income (Loss)	<u>(171,194)</u>	<u>782,598</u>	<u>(17,821,547)</u>	<u>(17,210,143)</u>
NONOPERATING REVENUES (EXPENSES):				
Earnings from Temporary Deposits & Investments	-	14,611	3	14,614
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>14,611</u>	<u>3</u>	<u>14,614</u>
Income (Loss) Before Transfers	(171,194)	797,209	(17,821,544)	(17,195,529)
Transfer In	-	-	5,310,405	5,310,405
Transfers Out	-	(1,000,000)	-	(1,000,000)
Change in Net Position	<u>(171,194)</u>	<u>(202,791)</u>	<u>(12,511,139)</u>	<u>(12,885,124)</u>
Total Net Position - July 1 (Beginning)	<u>443,312</u>	<u>1,603,264</u>	<u>(4,310,405)</u>	<u>(2,263,829)</u>
Total Net Position - June 30 (Ending)	<u>\$ 272,118</u>	<u>\$ 1,400,473</u>	<u>\$ (16,821,544)</u>	<u>\$ (15,148,953)</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	752	753	772	
	Print	Workers'	Health	Total
	Shop	Compensation	Insurance	Internal
		Insurance		Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 27,901	\$ -	\$ 6,782,839	\$ 6,810,740
Cash Received from Assessments - Other Funds	658,810	3,392,317	31,287,045	35,338,172
Cash Payments to Employees for Services	(501,798)	(395,601)	(2,371,257)	(3,268,656)
Cash Payments for Insurance Claims	-	(1,974,526)	(36,875,174)	(38,849,700)
Cash Payments for Suppliers	(184,667)	(97,733)	(4,116,609)	(4,399,009)
Cash Payments for Other Operating Expenses	(246)	(142,319)	(18,287)	(160,852)
Net Cash Provided by (Used for) Operating Activities	-	782,138	(5,311,443)	(4,529,305)
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Transfer Out	-	(1,000,000)	-	(1,000,000)
Transfer In	-	-	5,310,405	5,310,405
Net Cash Provided by (Used for) Non-Capital	-	(1,000,000)	5,310,405	4,310,405
<u>Cash Flows from Investing Activities:</u>				
Interest and Dividends on Investments	-	14,611	3	14,614
Net Decrease in Cash and Cash Equivalents	-	(203,251)	(1,035)	(204,286)
Cash and Cash Equivalents at Beginning of Year	-	8,073,386	1,038	8,074,424
Cash and Cash Equivalents at End of Year	\$ -	\$ 7,870,135	\$ 3	\$ 7,870,138
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ (171,194)	\$ 782,598	\$ (17,821,547)	\$ (17,210,143)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	4,266	-	-	4,266
Effect of Increases and Decreases in Current				
Assets and Liabilities:				
(Increase) decrease in Due from Other Funds	158,701	(2,357)	-	156,344
Increase (decrease) in Accounts Payable	(472)	7,632	1,454,416	1,461,576
Increase (decrease) in Accrued Wages Payable	(253)	-	-	(253)
Increase (decrease) in Due to Other Funds	-	-	8,856,714	8,856,714
Increase (decrease) in Accrued Expenses	8,952	(5,735)	2,198,974	2,202,191
Net Cash Provided by (Used for)				
Operating Activities	\$ -	\$ 782,138	\$ (5,311,443)	\$ (4,529,305)

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, 2021

	810 Scholarship Trust Fund	829 Aoy Elem. Fager Trust Fund	Total Private Purpose Trust Funds
ASSETS			
Restricted Assets	\$ 203,136	\$ 211,205	\$ 414,341
Total Assets	<u>203,136</u>	<u>211,205</u>	<u>414,341</u>
NET POSITION			
Restricted for Other Purposes	<u>203,136</u>	<u>211,205</u>	<u>414,341</u>
Total Net Position	<u>\$ 203,136</u>	<u>\$ 211,205</u>	<u>\$ 414,341</u>

EL PASO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	810 Scholarship Trust Fund	829 Aoy Elem. Fager Trust Fund	Total Private Purpose Trust Funds
ADDITIONS:			
Earnings from Temporary Deposits	\$ 867	\$ 210	\$ 1,077
Contributions, Gifts and Donations	3,000	-	3,000
Total Additions	<u>3,867</u>	<u>210</u>	<u>4,077</u>
DEDUCTIONS:			
Supplies and Materials	-	4,115	4,115
Other Deductions	7,326	-	7,326
Total Deductions	<u>7,326</u>	<u>4,115</u>	<u>11,441</u>
Change in Net Position	(3,459)	(3,905)	(7,364)
Net Position - July 1 (Beginning)	<u>206,595</u>	<u>215,110</u>	<u>421,705</u>
Net Position - June 30 (Ending)	<u>\$ 203,136</u>	<u>\$ 211,205</u>	<u>\$ 414,341</u>

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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, 2021

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	Various	Various	\$ 15,002,911,955
2013	1.040000	0.195000	15,392,960,892
2014	1.040000	0.195000	15,708,746,343
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 (School year under audit)	1.054750	0.263600	17,381,821,140
1000 TOTALS			

(10) Beginning Balance 7/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2021
\$ 4,033,622	\$ -	\$ 124,851	\$ 19,003	\$ (153,899)	\$ 3,735,869
647,409	-	23,360	4,380	(1,731)	617,938
662,716	-	31,366	5,881	(2,218)	623,251
700,644	-	49,656	9,311	(2,368)	639,309
819,082	-	58,355	8,999	(14,870)	736,858
962,312	-	103,807	16,008	(5,970)	836,527
1,310,634	-	164,927	36,993	(1,572)	1,107,142
1,926,614	-	274,518	32,848	(203,712)	1,415,536
5,114,330	-	2,042,205	382,310	(737,370)	1,952,445
-	229,153,239	179,438,396	44,844,714	-	4,870,129
<u>\$ 16,177,363</u>	<u>\$ 229,153,239</u>	<u>\$ 182,311,441</u>	<u>\$ 45,360,447</u>	<u>\$ (1,123,710)</u>	<u>\$ 16,535,004</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, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 3,000,000	\$ 3,000,000	\$ 82,757	\$ (2,917,243)
5800 State Program Revenues	187,708	187,708	143,815	(43,893)
5900 Federal Program Revenues	29,861,749	29,284,070	22,408,762	(6,875,308)
5020 Total Revenues	33,049,457	32,471,778	22,635,334	(9,836,444)
EXPENDITURES:				
Current:				
0035 Food Services	31,981,911	31,749,831	23,591,724	8,158,107
0051 Facilities Maintenance and Operations	1,067,546	889,867	568,614	321,253
6030 Total Expenditures	33,049,457	32,639,698	24,160,338	8,479,360
1200 Net Change in Fund Balances	-	(167,920)	(1,525,004)	(1,357,084)
0100 Fund Balance - July 1 (Beginning)	10,810,554	10,810,554	10,810,554	-
3000 Fund Balance - June 30 (Ending)	\$ 10,810,554	\$ 10,642,634	\$ 9,285,550	\$ (1,357,084)

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, 2021

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 44,127,538	\$ 44,127,538	\$ 46,182,126	\$ 2,054,588
5800 State Program Revenues	2,260,785	2,260,785	3,135,185	874,400
5020 Total Revenues	46,388,323	46,388,323	49,317,311	2,928,988
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	18,720,000	17,024,055	16,251,235	772,820
0072 Interest on Long-Term Debt	39,171,006	40,866,951	40,866,951	-
0073 Bond Issuance Cost and Fees	300,000	1,365,896	1,124,993	240,903
6030 Total Expenditures	58,191,006	59,256,902	58,243,179	1,013,723
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,802,683)	(12,868,579)	(8,925,868)	3,942,711
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	115,054,970	115,054,970	-
7915 Transfers In	10,500,000	11,811,267	11,811,267	-
7916 Premium or Discount on Issuance of Bonds	-	23,539,885	23,539,885	-
8949 Other (Uses) - Refunded Debt	-	(137,528,959)	(137,528,959)	-
7080 Total Other Financing Sources (Uses)	10,500,000	12,877,163	12,877,163	-
1200 Net Change in Fund Balances	(1,302,683)	8,584	3,951,295	3,942,711
0100 Fund Balance - July 1 (Beginning)	43,234,544	43,234,544	43,234,544	-
3000 Fund Balance - June 30 (Ending)	\$ 41,931,861	\$ 43,243,128	\$ 47,185,839	\$ 3,942,711

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.

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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				
	2012	2013	2014	2015	2016
Governmental activities					
Net Investment in Capital Assets	\$ 156,530,278	\$ 173,351,662	\$ 188,730,456	\$ 204,394,860	\$ 214,574,394
Restricted	51,967,082	52,162,927	48,628,723	36,972,304	37,543,118
Unrestricted	88,071,032	91,668,285	92,583,627	33,791,824	36,514,119
Total Primary Government Net Position	\$ 296,568,392	\$ 317,182,874	\$ 329,942,806	\$ 275,158,988	\$ 288,631,631

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities					
Net Investment in Capital Assets	\$ 222,693,712	\$ 226,698,179	\$ 234,309,458	\$ 226,302,538	\$ 250,422,065
Restricted	37,613,626	40,592,232	28,941,600	44,853,880	36,666,807
Unrestricted	19,205,300	(293,889,406)	(287,211,126)	(291,553,437)	(300,744,126)
Total Primary Government Net Position	\$ 279,512,638	\$ (26,598,995)	\$ (23,960,068)	\$ (20,397,019)	\$ (13,655,254)

Source: EPISD Annual Comprehensive Financial Report - Exhibit A-1

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

Exhibit S-2

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities				
Instruction	\$ 330,135,948	\$ 318,017,026	\$ 339,970,098	\$ 342,470,623
Instructional Resources and Media Services	9,464,951	9,726,528	10,190,539	11,273,339
Curriculum and Staff Development	19,821,343	20,548,662	19,141,051	18,654,734
Instructional Leadership	5,726,289	5,209,084	4,666,022	4,396,206
School Leadership	33,283,820	35,173,635	37,604,011	38,471,312
Guidance, Counseling and Evaluation Services	21,309,082	22,165,686	22,547,573	22,380,233
Social Work Services	3,989,428	4,126,615	4,400,642	4,182,973
Health Services	6,704,553	7,050,410	7,119,296	7,076,101
Student (Pupil) Transportation	12,035,619	12,524,366	12,914,355	13,086,695
Food Services	26,355,409	28,070,408	29,934,960	34,571,954
Extracurricular Activities	10,882,272	11,000,983	11,354,886	11,989,018
General Administration	9,403,194	11,045,069	10,518,734	10,801,379
Facilities Maintenance and Operations	51,818,255	51,212,315	51,250,395	49,610,698
Security and Monitoring Services	5,149,973	5,214,481	5,351,433	5,720,221
Data Processing Services	3,953,098	4,813,781	5,026,288	5,250,456
Community Services	1,312,251	1,308,670	1,406,980	1,462,588
Debt Service - Interest on Long Term Debt	20,592,143	19,490,064	16,111,164	15,832,910
Debt Service - Bond Issuance Cost and Fees	1,951,108	1,409,031	240,952	1,872,908
Facilities, Planning & Innovative Construction	270,643	278,432	724,549	462,639
Payments related to Shared Services Arrangements	150,585	108,226	-	-
Other Intergovernmental Charges	2,446,855	2,289,030	2,409,511	2,348,227
Total Primary Government Expenses	576,756,819	570,782,502	592,883,439	601,915,214
Program Revenues				
Charges for services				
Instruction	1,617,524	869,756	1,258,640	838,748
Instructional Resources and Media Services	32,991	10,180	21,926	-
Curriculum and Staff Development	164,956	10,180	10,963	89,726
Instructional Leadership	-	10,180	10,963	22,432
School Leadership	21,994	40,718	87,703	33,647
Guidance, Counseling and Evaluation Services	10,997	-	21,926	56,079
Social Work Services	-	-	10,963	-
Health Services	-	10,180	10,963	-
Student (Pupil) Transportation	325,717	193,479	316,388	149,746
Food Services	5,077,101	4,892,654	4,647,237	3,437,243
Extracurricular Activities	1,418,537	1,451,636	1,410,550	1,374,738
General Administration	43,988	478,436	32,889	549,572
Facilities Maintenance and Operations	132,900	203,754	352,001	91,498
Security and Monitoring Services	-	10,180	10,963	-
Data Processing Services	-	10,180	10,963	-
Community Services	65,982	-	10,963	-
Facilities, Planning & Innovative Construction	-	-	21,926	-
Operating Grants and Contributions	159,656,298	131,114,059	134,962,443	148,411,413
Capital Grants and Contributions	-	1,739,678	5,444,818	1,813,028
Total Primary Government Program Revenues	168,568,985	141,045,250	148,655,188	156,867,870
Total Primary Government Net Expense	\$ (408,187,834)	\$ (429,737,252)	\$ (444,228,251)	\$ (445,047,344)

Source: EPISD Annual Comprehensive Financial Report - Exhibit B-1

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

Exhibit S-2

Fiscal Year											
	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>
\$	367,253,806	\$	348,289,505	\$	232,862,822	\$	363,825,518	\$	388,245,164	\$	374,327,822
	11,508,272		11,246,599		7,440,947		9,407,670		9,319,675		8,733,280
	27,621,093		28,644,232		20,907,785		27,111,134		29,732,085		30,213,422
	5,806,579		5,902,023		4,434,210		6,368,683		7,277,689		7,883,373
	41,552,398		41,235,138		27,939,400		42,144,047		44,807,286		42,436,145
	25,763,211		27,467,581		15,598,378		28,419,123		29,929,444		29,496,767
	4,560,677		4,375,007		3,877,159		5,042,085		5,380,943		5,228,420
	7,519,152		7,288,278		4,731,374		7,511,503		8,088,656		7,614,447
	14,378,675		14,316,954		10,938,844		13,310,497		13,735,500		10,802,276
	36,538,545		33,665,104		23,304,636		31,481,341		31,384,843		24,673,537
	12,323,388		12,999,491		10,986,825		14,906,284		14,230,020		13,212,053
	11,305,588		12,693,037		10,045,859		15,408,109		16,551,220		15,804,598
	54,547,930		55,262,112		48,616,708		55,576,990		56,652,493		56,440,323
	6,459,008		6,729,765		5,109,619		7,545,864		7,656,982		7,594,621
	6,041,075		5,225,911		3,886,949		7,697,596		9,208,439		9,403,153
	1,520,291		1,585,832		1,089,462		1,589,284		1,713,658		1,524,851
	13,785,646		13,386,878		23,247,110		22,910,046		30,395,327		35,538,566
	181,484		1,659,010		902,883		2,738,166		2,515,677		1,443,091
	593,045		573,493		582,352		1,167,761		369,850		720,169
	-		-		-		-		-		-
	2,416,260		2,589,237		2,558,238		2,540,161		2,388,693		2,520,719
	651,676,123		635,135,187		459,061,560		666,701,862		709,583,644		685,611,633
	967,089		1,020,502		812,724		772,152		627,777		538,781
	-		-		-		-		-		-
	33,087		-		-		-		-		-
	6,617		-		-		-		-		-
	13,235		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	67,892		82,352		97,483		73,257		40,169		4,826
	3,261,490		3,238,839		3,079,961		3,136,086		2,419,077		74,084
	1,290,519		1,301,710		1,161,317		1,259,309		1,039,129		205,751
	152,199		680,096		372,747		788,598		470,971		699,176
	122,606		121,831		112,089		91,881		85,386		5,541
	6,617		-		-		-		-		-
	6,617		-		-		-		-		-
	-		-		-		-		-		-
	6,617		-		-		12,132		-		-
	168,836,505		138,054,929		20,999,403		152,032,213		169,440,796		-
	-		-		-		-		-		-
	174,771,090		144,500,259		26,635,724		158,165,628		174,123,305		1,528,159
\$	(476,905,033)	\$	(490,634,928)	\$	(432,425,836)	\$	(508,536,234)	\$	(535,460,339)	\$	(684,083,474)

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense)/Revenue				
Total primary government net expense	\$ (408,187,834)	\$ (429,737,252)	\$ (444,228,251)	\$ (445,047,344)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property Taxes, Levied for General Purposes	155,593,855	159,567,947	160,651,112	161,542,945
Property Taxes, Levied for Debt Service	29,335,978	29,890,918	30,598,437	30,733,241
State Aid - Formula Grants	257,099,598	257,579,380	266,907,606	270,032,641
Investment Earnings	609,671	601,895	482,745	462,759
Miscellaneous Local and Intermediate Revenue	1,768,203	1,746,104	1,760,303	1,581,098
Special Item - Gain/(Loss) on Sale of Capital Assets	-	-	-	(476,580)
Special Item - Insurance Proceeds and Sale of Property	1,924,371	965,490	-	-
Special Item - Tax Refunds	-	-	-	-
Total Primary Government	446,331,676	450,351,734	460,400,203	463,876,104
Change in Net Position				
Total Primary Government	\$ 38,143,842	\$ 20,614,482	\$ 16,171,952	\$ 18,828,760

Source: EPISD Annual Comprehensive Financial Report - 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ (476,905,033)	\$ (490,634,937)	\$ (432,425,836)	\$ (508,536,234)	\$ (535,460,339)	\$ (528,381,936)
166,057,072	166,608,995	165,234,610	188,483,717	177,616,119	182,382,183
25,552,979	26,151,675	37,843,244	22,703,958	33,496,929	45,490,730
296,320,100	284,558,292	282,665,023	285,532,642	316,739,977	303,409,942
914,170	2,691,629	6,117,955	11,039,498	10,170,641	1,408,848
1,643,615	1,426,968	1,377,256	1,632,754	1,552,514	2,431,998
(110,260)	78,385	461,350	1,782,592	(552,792)	-
-	-	-	-	-	-
-	-	(1,082,970)	-	-	-
490,377,676	481,515,944	492,616,468	511,175,161	539,023,388	535,123,701
\$ 13,472,643	\$ (9,118,993)	\$ 60,190,632	\$ 2,638,927	\$ 3,563,049	\$ 6,741,765

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 2,004,324	\$ 1,506,209	\$ 1,493,992	\$ 1,475,114
Restricted	2,686,618	2,621,294	2,040,637	3,416,819
Assigned	12,061,937	12,087,463	45,276,752	8,079,917
Committed	-	-	-	-
Unassigned	81,498,168	85,216,104	52,891,143	94,564,880
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	\$ 98,251,047	\$ 101,431,070	\$ 101,702,524	\$ 107,536,730
All Other Governmental Funds				
Restricted	160,226,033	151,787,441	131,213,977	111,640,510
Total All Other Governmental Funds	\$ 160,226,033	\$ 151,787,441	\$ 131,213,977	\$ 111,640,510
Total Governmental Funds	\$ 258,477,080	\$ 253,218,511	\$ 232,916,501	\$ 219,177,240

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

Source: EPISD Annual Comprehensive Financial Report - 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>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>
\$	2,193,466	\$	1,775,606	\$	1,903,861	\$	1,810,791	\$	2,003,184	\$	2,804,428
	4,972,470		3,934,393		22,677,168		22,108,554		30,409,384		23,338,239
	9,106,374		9,295,747		12,031,508		14,662,966		26,796,519		38,156,185
	-		-		-		-		-		-
	105,565,531		100,512,255		83,378,812		104,979,723		103,904,121		98,120,993
	-		-		-		-		-		-
	-		-		-		-		-		-
\$	121,837,841	\$	115,518,001	\$	119,991,349	\$	143,562,034	\$	163,113,208	\$	162,419,845
	99,898,064		294,834,387		255,442,489		428,195,059		452,703,776		240,046,711
\$	99,898,064	\$	294,834,387	\$	255,442,489	\$	428,195,059	\$	452,703,776	\$	240,046,711
\$	221,735,905	\$	410,352,388	\$	375,433,838	\$	571,757,093	\$	615,816,984	\$	402,466,556

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

Exhibit S-5

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Federal Revenues	\$ 110,362,951	\$ 96,063,689	\$ 102,769,714	\$ 109,093,030
State Revenues	\$ 305,161,416	\$ 293,511,157	\$ 303,709,371	\$ 309,434,712
Local Revenues:				
Property Taxes	\$ 185,916,432	\$ 190,837,484	\$ 195,194,480	\$ 194,253,019
Investment Income	620,385	617,078	487,493	466,468
Extracurricular/Cocurricular Activities	805,728	956,181	869,750	862,725
Legal settlements/restitution	-	-	-	-
Foundations, Gifts, & Bequests	-	-	-	-
Purchasing Rebates	-	-	-	-
Surplus Sales	-	-	-	-
Tuition and Fees	924,709	584,730	666,642	592,002
Athletics	557,824	485,275	507,911	489,581
Refunds and Credits	-	-	426,985	197,245
Vehicle Inventory Tax	-	-	-	-
Services to Other Districts	-	-	-	-
Rent	132,900	132,499	231,409	91,498
Transportation Revenue	314,720	173,120	283,499	138,531
Shared Services Arrangements	612,167	534,329	634,057	566,069
Local Network of School Improvements				
Food Service Activity	5,127,111	4,897,502	4,645,907	3,440,150
Army Youth Grant	-	265,056	188,562	166,441
CREED Grant	-	-	-	-
Local Teacher Stipend Region XIX	-	-	-	-
Other Local Revenue	1,319,374	1,005,906	624,238	968,799
Insurance Recovery	1,924,371	798,926	-	-
Digital Promise Grant	-	-	-	-
Paso del Norte Health Foundation	338,969	-	-	-
Teens Against Tobacco Use	-	-	-	-
Power Up Sales	-	-	-	-
Arrest Fees	-	-	-	-
Dollar General Adult Literacy Grant	-	-	-	-
Total Local Revenues	\$ 198,594,690.00	\$ 201,288,086.00	\$ 204,760,933.00	\$ 202,232,528.00
Total Governmental Fund Revenues	\$ 614,119,057	\$ 590,862,932	\$ 611,240,018	\$ 620,760,270

Source: EPISD Annual Comprehensive Financial Report - Exhibit C-3 & Notes to the Financial Statements - 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
\$ 113,925,693	\$ 95,734,334	\$ 89,663,491	\$ 87,897,131	\$ 105,498,445	\$ 112,375,086	
\$ 337,778,392	\$ 321,294,091	\$ 318,439,273	\$ 330,022,793	\$ 356,091,575	\$ 340,337,374	
\$ 192,558,854	\$ 194,652,001	\$ 204,685,528	\$ 212,858,581	\$ 211,857,048	\$ 228,342,382	
925,921	2,711,541	6,183,575	11,204,087	10,298,493	1,417,495	
848,591	794,659	799,803	906,334	679,352	153,086	
-	-	-	242,360	28,657	596,826	
-	157,877	120,985	188,072	82,093	643,278	
118,982	134,158	200,500	79,231	85,654	120,724	
418,519	490,432	318,323	338,316	244,849	97,040	
435,311	507,051	429,238	417,781	359,977	85,623	
87,034	273,874	41,768	52,715	88,847	52,665	
179,108	77,271	128,543	83,842	59,493	44,473	
178,000	151,000	82,000	82,000	50,000	30,542	
115,989	121,830	112,089	91,881	85,386	22,000	
61,275	82,352	97,483	73,257	40,169	5,541	
445,879	426,506	488,461	465,066	264,137	4,826	
					227,219	
					43,957	
3,264,489	3,260,640	3,004,306	3,010,618	2,410,757	39,125	
152,617	161,651	172,078	142,691	90,182	24,376	
-	-	-	-	85,640	11,255	
-	-	-	23,973	20,795	7,137	
295,580	448,213	470,359	651,432	371,735	479,832	
-	-	-	-	126,221	-	
-	-	126,697	51,472	47,205	-	
-	-	-	-	-	-	
-	132,650	-	-	-	-	
83,217	87,216	-	-	-	-	
-	-	66,088	-	-	-	
-	-	-	10,017	-	-	
\$ 200,169,366.00	\$ 204,670,922.00	\$ 217,527,824.00	\$ 230,973,726.00	\$ 227,376,690.00	\$ 232,449,402.00	
\$ 651,873,451	\$ 621,699,347	\$ 625,630,588	\$ 648,893,650	\$ 688,966,710	\$ 685,161,862	

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenditures				
Instruction & Instructional-Related Services	\$ 351,937,029	\$ 337,339,593	\$ 355,204,593	\$ 359,566,953
Instructional & School Leadership	37,566,973	38,703,718	40,403,070	41,118,673
Support Services - Student	82,156,745	86,594,578	88,544,338	98,339,042
Administrative Support Services	9,160,625	10,827,015	10,052,278	9,872,121
Support Services - Non-Student	60,837,972	60,861,490	61,072,541	60,581,113
Ancillary Services	1,306,663	1,305,738	1,393,226	1,481,398
Debt Service - Principal on Long Term Debt	23,018,047	21,901,912	20,449,806	25,619,992
Debt Service - Interest on Long Term Debt	22,485,565	24,242,065	23,589,104	15,903,108
Facilities Acquisition and Construction	20,530,072	14,857,234	28,122,514	14,509,520
Tax Appraisal Charges	2,597,440	2,397,256	2,409,511	2,348,227
Total Expenditures	\$ 611,597,131	\$ 599,030,599	\$ 631,240,981	\$ 629,340,147
Capital Expenditures^a	28,624,623	22,071,369	32,225,424	23,317,072
Debt Service as a Percentage of Noncapital Expenditures ^b	7.81%	8.00%	7.35%	6.85%

Notes:

^aCapital Expenditures is the sum Total Depreciable & Non-Depreciable Assets - "Additions Column" from Notes to the Financial Statements - 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 CAFR - Exhibit C-3 & Notes to the Financial Statements - 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 378,773,258	\$ 365,077,948	\$ 370,724,075	\$ 364,058,010	\$ 382,309,249	\$ 382,428,208
43,562,134	43,809,911	44,187,373	43,785,191	46,079,876	46,177,610
95,945,921	97,400,331	96,344,669	94,184,459	94,331,265	84,955,822
10,558,626	12,058,499	12,554,541	14,190,644	15,038,228	14,727,661
65,551,410	67,878,509	69,757,514	69,825,796	68,721,010	70,414,266
1,452,006	1,511,179	1,533,838	1,413,859	1,503,156	1,407,851
17,928,549	16,607,552	17,567,932	18,673,931	11,327,955	17,639,096
15,904,829	15,839,666	23,785,655	22,729,293	32,894,082	42,520,771
13,319,682	10,078,638	42,983,219	101,367,841	235,702,930	240,496,907
2,416,260	2,589,237	2,558,238	2,540,161	2,388,693	2,520,719
<u>\$ 645,412,675</u>	<u>\$ 632,851,470</u>	<u>\$ 681,997,054</u>	<u>\$ 732,769,185</u>	<u>\$ 890,296,444</u>	<u>\$ 903,288,911</u>
16,020,071	17,831,276	52,685,722	108,091,534	238,717,627	240,901,963
5.38%	5.28%	6.57%	6.63%	6.79%	9.08%

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

Exhibit S-7

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Excess of Revenues Over / (Under) Expenditures	\$ 2,236,817	\$ (9,235,460)	\$ (20,241,915)	\$ (10,452,785)
Other Financing Sources (Uses)				
General Long-term Debt Issued	-	65,645,000	4,390,000	183,295,000
Sale of Real or Personal Property	-	166,564	-	-
Capital Leases	2,387,323	3,039,818	-	-
Non-Current Loans	-	-	-	-
Transfers In	736,514	1,299,171	11,008,452	684,059
Premium or Discount on Issuance of Bonds	-	10,943,116	-	33,808,270
Transfers Out	(736,514)	(1,299,171)	(11,068,547)	(684,059)
Payment to Bond Refunding Escrow Agent	-	-	-	-
Other (Uses)	-	(75,817,608)	(4,390,000)	(220,389,746)
Total Other Financing Sources (Uses)	\$ 2,387,323.00	\$ 3,976,890.00	\$ (60,095.00)	\$ (3,286,476.00)
Net Change in Fund Balances	\$ 4,624,140	\$ (5,258,570)	\$ (20,302,010)	\$ (13,739,261)

Source: EPISD Annual Comprehensive Financial Report - Exhibit C-3

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

Exhibit S-7

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,279,302	\$ (11,383,759)	\$ (57,269,349)	\$ (86,613,701)	\$ (203,845,411)	\$ (219,570,140)
-	181,835,000	37,715,000	257,760,000	252,315,000	115,054,970
-	-	1,003,844	3,716,282	5,890,191	-
-	-	-	10,847,034	-	20,394,743
-	-	-	-	-	-
684,059	2,184,301	2,100,457	2,361,267	16,811,267	11,811,267
-	19,592,616	1,824,673	10,974,630	34,196,258	23,539,885
(684,059)	(2,184,301)	(2,100,457)	(2,361,267)	(16,811,267)	(16,121,672)
-	-	(17,831,729)	-	-	-
(3,720,637)	(1,427,374)	(360,990)	(360,990)	(44,496,147)	(148,459,481)
\$ (3,720,637.00)	\$ 200,000,242.00	\$ 22,350,798.00	\$ 282,936,956.00	\$ 247,905,302.00	\$ 6,219,712.00
\$ 2,558,665	\$ 188,616,483	\$ (34,918,551)	\$ 196,323,255	\$ 44,059,891	\$ (213,350,428)

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					
2011	2012	17,122,126,574	2,131,356,767	3,426,217,004	15,827,266,337	1.2350	19,253,483,341	82.20%
2012	2013	18,018,925,948	2,243,014,008	3,669,036,165	16,592,903,791	1.2350	20,261,939,956	81.89%
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%
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%
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%
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%
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%
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%
2019	2020	20,567,311,188	2,647,923,545	5,769,422,931	17,445,811,802	1.2684	23,215,234,733	75.15%
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%

Notes:

^aAssessed value less exemptions

^bPer \$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 of Assessed Value)
 (Unaudited)

District Direct Rates					Overlapping Rates ^a			
Tax Year	Fiscal Year	District Direct Rates			Overlapping Rates ^a			
		General Fund	Debt Service	Total	City of El Paso	County of El Paso	El Paso Community College	UMC Hospital
2011	2012	1.04000	0.1950	1.23500	0.658404	0.361196	0.115442	0.192363
2012	2013	1.04000	0.1950	1.23500	0.658404	0.408870	0.114086	0.192363
2013	2014	1.04000	0.1950	1.23500	0.678378	0.433125	0.124359	0.214393
2014	2015	1.04000	0.1950	1.23500	0.699784	0.452694	0.128122	0.220682
2015	2016	1.07000	0.1650	1.23500	0.729725	0.452694	0.133811	0.220682
2016	2017	1.07000	0.1650	1.23500	0.759656	0.452694	0.134909	0.234456
2017	2018	1.07000	0.2400	1.31000	0.803433	0.452694	0.141638	0.251943
2018	2019	1.17000	0.1400	1.31000	0.843332	0.447819	0.140273	0.251943
2019	2020	1.06835	0.2000	1.26835	0.907301	0.488997	0.141167	0.267747
2020	2021	1.05475	0.2636	1.31835	0.907301	0.488997	0.139859	0.267747

Note:

^aIncludes levies for operating and debt service costs

Source: City of El Paso Consolidated Tax Office

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El Paso Independent School District
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Exhibit S-10

Taxpayer	Fiscal Year Ending 2021			Fiscal Year Ending 2012		
	Taxable Assessed Value	Rank	Percentage of Taxable Value	Taxable Assessed Value	Rank	Percentage of Taxable Value
Western Refining Co. LP	\$ 500,414,740	1	2.77%	\$ 422,698,293	1	2.67%
El Paso Electric Co.	228,422,828	2	1.27%	158,279,447	3	1.00%
Simon Property Group	121,129,507	3	0.67%	195,470,413	2	1.24%
Wal-Mart Stores Inc.	115,553,467	4	0.64%	38,207,519	10	0.24%
Sierra Providence Physical Rehab Hospital	107,203,890	5	0.59%	132,306,865	4	0.84%
Hawkins & I-10 Acquisition Co. LP	97,029,512	6	0.54%			
Texas Gas Service	85,959,860	7	0.48%	41,352,049	8	0.26%
Union Pacific Railroad	68,430,254	8	0.38%			
Spectrum Gulf Coast LLC	51,881,480	9	0.29%			
United Parcel Service Inc.	49,052,772	10	0.27%			
El Du Pont De Nemours & Co.				50,218,600	5	0.32%
AT&T				49,223,010	6	0.31%
Freeport -McMoran Copper Refinery				43,796,772	7	0.28%
Rivers Oaks Properties LTD				39,285,047	9	0.25%
Subtotal	\$ 1,425,078,310		7.91%	\$ 1,170,838,015		7.41%
All other taxpayers	16,622,250,045		92.09%	14,656,428,322		92.59%
Total Taxable	\$ 18,047,328,355		100.00%	\$ 15,827,266,337		100.00%

Source: El Paso Central Appraisal District

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

Tax Year	Fiscal Year	Original Levy	Adjustments	Adjusted Levy ^a
2011	2012	\$ 185,960,327	\$ (674,364)	\$ 185,285,963
2012	2013	\$ 196,207,547	\$ (6,104,480)	\$ 190,103,067
2013	2014	\$ 194,977,459	\$ (974,442)	\$ 194,003,017
2014	2015	\$ 196,149,777	\$ (1,223,720)	\$ 194,926,057
2015	2016	\$ 194,791,582	\$ (1,257,559)	\$ 193,534,022
2016	2017	\$ 197,493,543	\$ (1,878,831)	\$ 195,614,712
2017	2018	\$ 208,794,854	\$ (1,619,477)	\$ 207,175,377
2018	2019	\$ 215,270,550	\$ (1,699,686)	\$ 213,570,864
2019	2020	\$ 214,336,577	\$ (1,497,913)	\$ 212,838,664
2020	2021	\$ 231,387,390	\$ (2,234,151)	\$ 229,153,239

Note:

This schedule includes operating and debt service tax revenues.

Source:

^aCity of El Paso Consolidated Tax Office

^bEPISD Annual Comprehensive Financial Report - Exhibit J-1

^cTax 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 First Period			Total Collections		
Collected Amount ^b	Percentage of Original Levy	Collected in Subsequent Periods	Amount ^c	Percentage of Adjusted Levy	
\$ 180,107,986	96.85%	\$ 4,635,126	\$ 184,743,112	99.71%	
\$ 185,013,415	94.29%	\$ 3,592,954	\$ 188,606,369	99.21%	
\$ 189,389,835	97.13%	\$ 2,536,142	\$ 191,925,977	98.93%	
\$ 190,608,330	97.17%	\$ 2,582,032	\$ 193,190,362	99.11%	
\$ 189,149,737	97.10%	\$ 1,963,923	\$ 191,113,660	98.75%	
\$ 191,272,870	96.85%	\$ 434,376	\$ 191,707,246	98.00%	
\$ 202,764,161	97.11%	\$ 2,401,290	\$ 205,165,451	99.03%	
\$ 208,838,098	97.01%	\$ 2,510,126	\$ 211,348,224	98.96%	
\$ 207,724,333	96.92%	\$ 2,363,850	\$ 210,088,183	98.71%	
\$ 224,283,110	96.93%		\$ 224,283,110	97.87%	

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

Exhibit S-12

Governmental Activities

Fiscal Year	Unlimited Tax Bonds ^a	Loans Payable & Other Long-Term Debt ^b	Capital Leases	M&O: MTNs QSC MTNs, Lease Revenue Bonds	Total Primary Government
2012	470,310,292	4,855,340	4,596,693	21,195,000	500,957,325
2013	444,377,042	4,238,706	6,200,193	20,445,000	475,260,941
2014	427,301,519	3,603,364	4,744,161	19,665,000	455,314,044
2015	421,811,436	-	3,472,510	18,855,000	444,138,946
2016	402,476,988	-	1,428,932	15,275,000	419,180,920
2017	584,285,888	-	1,079,407	15,275,000	600,640,295
2018	562,855,940	721,980	724,793	36,386,960	600,689,673
2019	792,219,866	1,639,384	11,212,050	52,290,000	857,361,300
2020	999,327,407	1,303,218	10,832,688	69,460,000	1,080,923,313
2021	978,148,025	607,488	19,651,882	68,815,000	1,067,222,395

Notes:

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

^bOther payables - Asset Retirement Obligation

^cFrom Exhibit H-2 Control Codes 3480 & 3490. Used to calculate Net Bonded Debt Outstanding. Restricted amounts also include sinking fund payments which are not factored into the A-1 Restricted for Debt Service total.

Source:

EPISD Annual Comprehensive Financial Report - Note J - Long Term Liabilities

EPISD Annual Comprehensive Financial Report - Exhibit S-8 for Assessed Property Values

EPISD Annual Comprehensive Financial Report - Exhibit S-15 for Per Capita Income Information

EPISD Annual Comprehensive Financial Report - 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 ^c	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
36,769,210	464,188,115	1.87%	1,442	2.93%	1,423
35,782,627	439,478,314	1.80%	1,359	2.65%	1,344
34,410,395	420,903,649	1.65%	1,360	2.56%	1,340
31,253,632	412,885,314	1.55%	1,360	2.52%	1,331
33,337,848	385,843,072	1.47%	1,315	2.38%	1,260
34,531,174	566,109,121	2.13%	1,948	3.45%	1,887
37,513,208	563,176,465	2.03%	1,918	3.42%	1,919
27,150,945	830,210,355	2.71%	2,635	4.88%	2,762
43,234,544	1,037,688,769	3.32%	3,160	5.95%	3,282
47,185,839	1,020,036,556	3.00%	3,026	5.65%	3,156

El Paso Independent School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2021
 (Unaudited)

Governmental Unit	Total Tax Supported Debt as of 06/30/21	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
El Paso County	\$ 144,184,290	41.31%	\$ 59,562,530
El Paso County Hospital District	307,542,202	41.31%	127,045,684
City of El Paso	1,382,146,609	48.78%	674,211,116
Subtotal, Overlapping Debt			\$ 860,819,330
District Direct Debt ^a			1,067,222,395
Total Direct and Overlapping Debt			\$ 1,928,041,725
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			10.22%
Per Capita Overlapping Debt			\$ 6,717

Notes:

^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
2012	\$ 1,582,726,634	\$ 435,708,829	\$ 1,147,017,805	27.53
2013	1,659,290,379	411,543,660	1,247,746,719	24.80
2014	1,641,194,932	396,654,277	1,244,540,655	24.17
2015	1,639,185,654	395,167,159	1,244,018,495	24.11
2016	1,624,126,578	374,627,125	1,249,499,453	23.07
2017	1,639,259,090	556,156,553	1,083,102,537	33.93
2018	1,645,580,358	532,696,721	1,112,883,637	32.37
2019	1,699,564,574	702,714,813	996,849,761	41.35
2020	1,744,581,180	868,635,969	875,945,211	49.79
2021	1,804,732,836	850,414,637	954,318,199	47.12

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value		\$ 18,047,328,355
Debt limit (10% of assessed value)		1,804,732,836
Total bonded debt	\$ 885,195,305	
Less reserve for retirement of debt	<u>34,780,668</u>	
Debt applicable to limit		<u>850,414,637</u>
Legal debt margin		\$ 954,318,199

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)

Calendar Year	District Population ^a	Population ^b	Personal Income	Per Capita Personal ^c	Average Unemployment Rate ^d
2012	326,185	831,864	25,211,302,248	30,307	8.50%
2013	327,087	832,457	24,741,454,497	29,721	7.90%
2014	314,154	835,454	25,975,100,314	31,091	6.40%
2015	310,256	835,593	27,252,030,102	32,614	5.20%
2016	306,117	837,918	27,327,857,652	32,614	4.90%
2017	299,967	841,971	27,460,042,194	32,614	5.00%
2018	293,488	840,410	27,744,310,000	32,339	4.40%
2019	300,607	840,758	29,209,200,000	34,575	4.00%
2020	316,206	839,238	30,091,717,728	35,856	9.50%
2021	323,248	865,657	32,648,253,755	37,715	6.50%

Sources:

^a National Center for Education Statistics - Education Demographics & Geographic Estimates

^b U.S. Census Bureau, Quick Facts - El Paso County

^c Bureau of Economic Analysis

^d Bureau of Labor Statistics - 2021 rate as of July

El Paso Independent School District
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

<u>Employer</u>	<u>Fiscal Year Ending 2021^b</u>			<u>Fiscal Year Ending 2012^c</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
El Paso Independent School District	8,663	1	2.54%	8,600	2	2.69%
Fort Bliss (Civilian)	6,803	2	2.00%	32,371	1	10.13%
Ysleta Independent School District	6,500	3	1.91%	7,155	3	2.24%
City of El Paso	6,264	4	1.84%	5,500	5	1.72%
University of Texas at El Paso	4,871	5	1.43%	3,000	8	0.94%
Socorro Independent School District	3,995	6	1.17%	4,891	6	1.53%
The Hospitals of Providence	3,761	7	1.10%	3,980	9	1.25%
El Paso Community College	3,728	8	1.09%	4,585		1.43%
Wal-Mart	3,706	9	1.09%	3,526	7	1.10%
County of El Paso	2,700	10	0.79%	2,847		0.89%
Las Palmas	2,244		0.66%	2,300		0.72%
	<u>53,235</u>		<u>16%</u>	<u>78,755</u>		<u>25%</u>

Notes:

Total employment for 2021^a : 340,529
 Total employment for 2012^a : 319,557

Sources:

- ^a Bureau of Labor Statistics (Data tables 2012 December & 2021 July)
- ^b EPISD Financial Services (*verified by staff through online resources and outreach)
- ^c City of El Paso CAFR 2012

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

Exhibit S-17

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Professional Staff					
Teacher	4,223	4,145	4,121	4,046	3,993
Professional Support Staff	1,086	1,074	1,088	1,056	1,050
Campus Administration (School Leadership)	217	223	230	226	226
Central Administration	23	58	53	34	37
Professional Staff Total	<u>5,549</u>	<u>5,500</u>	<u>5,492</u>	<u>5,362</u>	<u>5,306</u>
Educational Aides	408	408	412	449	443
Auxiliary Staff	2,236	1,963	2,267	2,247	2,277
Total Staff	<u><u>8,193</u></u>	<u><u>7,871</u></u>	<u><u>8,171</u></u>	<u><u>8,058</u></u>	<u><u>8,026</u></u>

	Fiscal Year					Percent Change <u>2012-2021</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Professional Staff						
Teacher	3,977	4,046	3,900	3,840	3,730	-12%
Professional Support Staff	1,054	1,039	1,038	1,011	1,059	-2%
Campus Administration (School Leadership)	229	232	219	212	214	-2%
Central Administration	28	50	60	59	59	161%
Professional Staff Total	<u>5,288</u>	<u>5,367</u>	<u>5,217</u>	<u>5,122</u>	<u>5,062</u>	-9%
Educational Aides	483	476	458	493	499	22%
Auxiliary Staff	2,265	2,223	2,176	2,174	2,191	-2%
Total Staff	<u><u>8036</u></u>	<u><u>8066</u></u>	<u><u>7851</u></u>	<u><u>7789</u></u>	<u><u>7752</u></u>	-5%

Source:
TEA - Texas Academic Performance Report

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
2012	63,878	508,102,881	7,954	4,223	15.1	72.8%
2013	63,541	535,546,665	8,428	4,145	15.3	72.2%
2014	61,864	555,623,580	8,981	4,121	15.0	72.4%
2015	61,151	569,670,146	9,316	4,046	15.1	78.2%
2016	60,257	576,316,318	9,564	3,993	15.1	77.0%
2017	59,688	586,932,449	9,833	3,977	15.0	76.5%
2018	58,549	581,697,183	9,935	4,046	14.5	76.1%
2019	57,477	580,122,308	10,093	3,900	14.7	77.3%
2020	55,454	585,681,188	10,562	3,840	14.4	73.3%
2021	50,837	573,293,015	11,277	3,730	13.6	74.5%

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.

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

Exhibit S-19

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Schools</u>				
<u>Elementary</u>				
Buildings	57	57	57	57
Square feet	4,205,461	4,212,828	4,273,832	4,309,049
Capacity	38,403	38,420	38,692	39,049
Enrollment	30,864	30,567	29,728	29,276
<u>Intermediate/Middle</u>				
Buildings	16	16	16	16
Square feet	2,488,060	2,432,347	2,432,347	2,432,347
Capacity	18,568	18,082	18,082	18,082
Enrollment	13,471	13,293	13,038	12,867
<u>High</u>				
Buildings	12	12	12	12
Square feet	2,890,141	2,890,141	2,890,621	2,927,943
Capacity	19,570	19,570	19,570	19,798
Enrollment	19,459	19,024	18,524	18,413
<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	63,794	62,884	61,290	60,556
<u>Administrative</u>				
Buildings	7	6	6	6
Square feet	360,503	352,747	352,747	352,747
<u>Misc. Support Facilities</u>				
Buildings	6	6	5	5
Square feet	142,820	142,820	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</u>				
Buildings	77	77	77	77
Square feet	84,762	84,762	84,762	84,762
<u>Athletics</u>				
Stadiums	8	8	8	9
Football/soccer/play fields	111	112	112	114
Running tracks	11	11	11	11
Baseball/softball	21	22	22	22

Source: EPISD Facilities & Construction Department

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

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
57	57	57	57	53	53
4,334,649	4,339,769	4,339,769	4,339,769	4,096,644	4,096,644
39,134	39,151	39,151	39,151	37,008	37,008
28,601	28,446	27,442	27,442	25,940	25,940
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
12,508	12,335	12,288	12,288	12,288	12,288
12	12	12	12	12	12
2,927,943	2,929,835	2,929,835	2,929,835	2,929,835	2,929,835
19,798	19,798	19,798	19,798	19,798	19,798
18,663	18,969	18,596	18,596	18,596	18,596
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
59,772	59,750	58,326	58,326	58,326	58,326
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
9	10	10	10	10	10
115	115	115	115	115	115
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, 2021, 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 8, 2021.

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 may exist that have not been identified.

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 that reads "Gibson Ruddock Patterson LLC". The signature is written in a cursive, flowing style.

Gibson Ruddock Patterson, LLC
El Paso, Texas
November 8, 2021

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

We have audited El Paso Independent School District's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

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

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

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

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.



Gibson Ruddock Patterson, LLC
El Paso, Texas
November 8, 2021

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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:

ESSA Title I, Part A, D, and SIP:
Assistance Listing No. 84.010A

Carl D. Perkins Career & Technical Basic Grant:
Assistance Listing No. 84.048A

COVID-19-Coronavirus Relief Fund:
Assistance Listing No. 21.019

COVID-19-ESSER - School Emergency Relief and ESSER II of the CRRSA Act and PPRP:
Assistance Listing No. 84.425D

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021

FINANCIAL STATEMENT FINDINGS

There are no current year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no current year findings.

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDINGS & QUESTIONED COSTS

There were no prior year findings.

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
<u>Passed Through State Department of Education</u>			
COVID - 19 Coronavirus Relief Fund	21.019	2020-CF-21019	\$ 3,107,934
Total Passed Through State Department of Education			3,107,934
TOTAL DEPARTMENT OF THE TREASURY			3,107,934
 U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
JROTC	12.357	N/A	617,696
Military Connected Schools (DoDEA2015)	12.556	HE 1254-15-1-0034	164,235
Hands-On Minds-On Math: 21st Century (DoDEA 2017)	12.556	HE 1254-17-1-0002	160,734
Gateway to STEM for Military Communities (DoDEA 19)	12.556	HE 1254-19-1-0031	311,243
Total Assistance Listing Number 12.556			636,212
Impact Aid Severe Disability	12.558	N/A	119,629
Total Direct Programs			1,373,537
TOTAL U.S. DEPARTMENT OF DEFENSE			1,373,537
 U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L.	84.041	SO41B20114905	5,703,954
Total Direct Programs			5,703,954
<u>Passed Through Ysleta Independent School District</u>			
SSA - English Literacy and Civics Education Grant	84.002A	1018ALA000-2	1,336
SSA - English Literacy and Civics Education Grant	84.002A	1018ALA000-3	98,878
SSA - Adult Education (ABE) - Federal	84.002A	1018ALA000-3	547,945
SSA - Adult Education (ABE) - Federal	84.002A	1018ALA000-3	13,257
SSA - Adult Education & Literacy Workforce	84.002A	1020AEL001	23,552
Total Assistance Listing Number 84.002A			684,968
Total Passed Through Ysleta Independent School District			684,968
<u>Passed Through State Department of Education</u>			
Transformation Zone Planning, Continuation and Imp	84.010A	196101217110002	636,724
ESSA, Title I, Part A - Improving Basic Programs	84.010A	20610101071902	6,103,428
ESSA, Title I, Part D, Subpart 2-Delinquent Prog	84.010A	20610103071902	52,021
ESSA, Title I, School Improvement	84.010A	20610141071902	32,108
ESSA, Title I, Part A - Improving Basic Programs	84.010A	21610101071902	18,050,630
ESSA, Title I, Part D, Subpart 2-Delinquent Prog	84.010A	21610103071902	123,615
ESSA, Title I, School Improvement	84.010A	21610141071902	403,454
Total Assistance Listing Number 84.010A			25,401,980
ESSA, Title I, Part C - Migrant	84.011A	20615001071902	250,417
ESSA, Title I, Part C - Migrant	84.011A	21615001071902	193,500
Total Assistance Listing Number 84.011A			443,917

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
*IDEA - Part B, Formula	84.027A	206600010719026000	1,265,043
*IDEA - Part B, Formula	84.027A	216600010719026000	9,686,685
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	206600110719026000	28,047
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	216600110719026000	123,495
Total Assistance Listing Number 84.027A			11,103,270
*IDEA - Part B, Preschool	84.173A	206610010719026000	77,584
*IDEA - Part B, Preschool	84.173A	216610010719026000	142,576
Total Assistance Listing Number 84.173A			220,160
Total Special Education Cluster (IDEA)			11,323,430
Carl D. Perkins Career & Technical Basic Grant	84.048A	20420006071902	157,545
Carl D. Perkins Career & Technical Basic Grant	84.048A	21420006071902	951,780
Total Assistance Listing Number 84.048A			1,109,325
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	213911010719023911	455
Texas Education for Homeless Children & Youth	84.196A	204600057110025	18,104
Texas Education for Homeless Children & Youth	84.196A	214600057110025	77,309
Total Assistance Listing Number 84.196A			95,413
AP/IB Test Fee Subsidies	84.330B	51061201	6,869
AP/IB Test Fee Subsidies	84.330B	51061401	2,210
Total Assistance Listing Number 84.330B			9,079
ESSA - Title III, Part A - English Language Acq.	84.365A	20671001071902	696,712
ESSA - Title III, Part A - English Language Acq.	84.365A	21671001071902	611,442
Total Assistance Listing Number 84.365A			1,308,154
ESSA, Title II, Part A, Supporting Effective Instr	84.367A	20694501071902	527,409
ESSA, Title II, Part A, Supporting Effective Instr	84.367A	21694501071902	1,181,011
Total Assistance Listing Number 84.367A			1,708,420
Instructional Continuity	84.377A	17610740071902	122,413
LEP Summer School	84.369A	69552102	15,383
Title IV Part A - Student Support & Academic Enr.	84.424A	20680101071902	424,912
Title IV Part A - Student Support & Academic Enr.	84.424A	21680101071902	645,065
Additional School Days Year Planning and Execution	84.424A	206801067110005	88,500
Total Assistance Listing Number 84.424A			1,158,477
COVID-19 - ESSER - School Emergency Relief	84.425D	20521001071902	1,252,671
COVID-19 - ESSER II - Prior Purchase Reimbursement	84.425D	52102135	9,802,237
COVID-19 - ESSER II - CRRSA	84.425D	21521001071902	16,364,178
Total Assistance Listing Number 84.425			27,419,086
Total Passed Through State Department of Education			70,115,532
TOTAL U.S. DEPARTMENT OF EDUCATION			76,504,454

EL PASO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

(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 HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Health & Human Srvc.</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-157-00191	202,771
Total Passed Through Texas Dept of Health & Human Srvc.			202,771
<u>Passed Through Ysleta Independent School District</u>			
Temporary Assistance for Needy Families (TANF)	93.558	1018ALA000-2	1,414
Temporary Assistance for Needy Families (TANF)	93.558	1018ALA000-3	62,019
Total Assistance Listing Number 93.558			63,433
Total Passed Through Ysleta Independent School District			63,433
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			266,204
 U.S. DEPARTMENT OF JUSTICE			
<u>Direct Programs</u>			
COPS Office School Violence Prevention Program	16.607	2019SVWX0027	93,858
Total Direct Programs			93,858
<u>Passed Through Texas Office of Governor - CJD</u>			
Securing School Zones	16.738	2018-DJ-BX-0485	10,649
Total Passed Through Texas Office of Governor - CJD			10,649
TOTAL U.S. DEPARTMENT OF JUSTICE			104,507
 U.S. DEPARTMENT OF EDUCATION AND HUMAN RESOURCES			
<u>National Science Foundation</u>			
NSF - CS for All	47.076	1923586	16,075
Total National Science Foundation			16,075
TOTAL U.S. DEPARTMENT OF EDUCATION AND HUMAN RESOURCES			16,075
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Direct Programs</u>			
Child & Adult Care Food Program	10.558	806780706	36,545
Total Direct Programs			36,545
<u>Passed Through the State Department of Agriculture</u>			
**National School Breakfast Program	10.553	806780706	6,929,922
**National School Lunch Program - Cash Assistance	10.555	806780706	12,371,622
**National School Lunch Prog.- Non-Cash Assistance	10.555	806780706	2,319,305
**COVID-19 - USDA Emergency Operational Costs	10.555	806780706	1,022,715
Total Assistance Listing Number 10.555			15,713,642
Total Child Nutrition Cluster			22,643,564
COVID-19 - USDA Emergency Operational Costs	10.558	806780706	215,902
Total Passed Through the State Department of Agriculture			22,859,466
TOTAL U.S. DEPARTMENT OF AGRICULTURE			22,896,011

EL PASO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S.DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
<u>Passed Through City of El Paso</u>			
EPISD Gene Roddenberry Planetarium Relocation	14.218	1810391610	245,869
Total Passed Through City of El Paso			245,869
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			245,869
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 104,514,591

*, ** Clustered Programs

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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 assets, or cash flows of the District.

In accordance with the Texas Education Agency's (grantor) instructions, the District recognized pre-award costs on the ESSER II grant, Assistance Listing No. 84.425D, in an amount equal to the "Hold Harmless" calculation defined by the Texas Education Agency for this purpose.

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.

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

2. BASIS OF ACCOUNTING (Continued)

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.

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 - July 2021.

Matching

Matching contributions were not required for any of the federal awards.

3. INDIRECT COST RATE

The District did not elect to use the 10% de minimus 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
ESSER - School Emergency Relief	84.425D	\$ 1,152,879
ESSA Title I, Part A, D, and SIP	84.010A	1,030,941
National School Lunch Program	10.555	487,248
IDEA - Part B, Formula	84.027A	330,782
ESSA, Title II, Part A, Supporting Effective Instruction	84.367A	53,214
Title IV, Part A, Student Support & Academic Enrich.	84.424A	39,311
Title III, Part A - English Lang. Acquisition	84.365A	45,849
Carl D. Perkins Career & Technical Basic Grant	84.048A	21,755
ESSA Title I, Part C, Ed. of Migratory Children	84.011	15,622
IDEA - Part B, Preschool	84.173A	7,956
SSA - IDEA - Part B, Discretionary Deaf	84.027A	5,294
Instructional Continuity	84.377A	3,903
Texas Education for Homeless Children & Youth	84.196A	3,392
Total Indirect Costs		<u>\$ 3,198,146</u>

(Continued)

EL PASO INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

4. RECONCILIATION

Of the federal expenditures presented in the Exhibit K-1, the District accounted for certain funds in the General Fund as follows:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount</u>
JROTC	12.357	\$ 617,696
Impact Aid	84.041	5,703,954
Impact Aid Severe Disability	12.558	119,629
Coronavirus Relief Fund	21.019	3,107,934
Indirect Costs (See Note 3 for detail)	various	<u>3,198,146</u>
		12,747,359
Donated COVID PPE (not included on K-1)		7,260
SHARS (not included on Exhibit K-1)		<u>7,853,235</u>
Total General Fund		<u>\$ 20,607,854</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	\$ 104,514,591
Donated COVID PPE (not included on K-1)	7,260
School Health and Related Services (SHARS) reimbursements	<u>7,853,235</u>
Total federal revenue per Exhibit C-3	<u>\$ 112,375,086</u>

5. PROGRAM INCOME

The Child Nutrition Cluster generated program income in the amount of \$82,757 for the year ended June 30, 2021.

El Paso ISD Financial Services
Administration Bldg. 1100 N. Stanton El Paso, TX 79902
915.230.2145 | Fax 915.230.0120 | episd.org

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 the law. Inquiries concerning the application of Titles VI, VI, IX, and Section 504 may be referred to the District compliance officer, Patricia Cortez, at 915-230-2033; Section 504 inquiries regarding students may be referred to Verna Ball at 915-230-2829



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