



# CAFR FY 2017

Comprehensive Annual Financial **REPORT**

For the Fiscal Year Ended **June 30, 2017**

El Paso, Texas

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EL PASO INDEPENDENT SCHOOL DISTRICT

**EL PASO INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**EL PASO, TEXAS**

**PREPARED BY  
FINANCIAL SERVICES DEPARTMENT**

**EL PASO INDEPENDENT SCHOOL DISTRICT**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017

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**INTRODUCTORY SECTION  
(UNAUDITED)**



# EL PASO INDEPENDENT SCHOOL DISTRICT

*Financial Services*

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November 9, 2017

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. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited by a firm of licensed certified public accountants in accordance with generally accepted accounting auditing standards. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report of the El Paso Independent School District (the District) for the fiscal year ended June 30, 2017.

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. In order to provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to protect the District's 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 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 respects.

The financial statements of the District have been audited by Gibson Ruddock Patterson, LLC, 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 ended June 30, 2017, 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.

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity". The accompanying financial statements include only those funds of the District. The El Paso Independent School District Administrative Public Facility Corporation (Corporation) is a component unit and was organized exclusively to act on behalf of the District to finance, refinance, or provide the costs of certain public facilities. The Corporation has no assets or liabilities as of June 30, 2017. The governing body of the Corporation mirrors the governing body of the EPISD Board of Trustees.



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 special 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 ended June 30, 2017, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

These reports are available in the Reports on Compliance, Internal Control and Federal Awards Section of this report.

Generally accepted accounting principles requires 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 it. 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 annual appropriated 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. Activities of the general, child nutrition (special revenue) and debt service funds are included in the District’s budget. Budgets for Special Revenue funds (other than the Child Nutrition Fund) and Capital Projects Fund are prepared on a project basis, 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 60,000 in 91 campuses. EPISD is the 12<sup>th</sup> largest district in Texas and the largest civilian employer in El Paso with nearly 8,000 employees. The District has experienced a decline in student enrollment in past six years and has a projected enrollment of 58,544 for the 2017-2018 school year. The 2016 – 2017 adopted general fund operating budget was \$497,673,310. EPISD is empowered 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. In 2008, EPISD celebrated its 125<sup>th</sup> anniversary.

In late 1882, the 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.



## DISTRICT INFORMATION

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

57	Elementary
16	Middle
10	Traditional High Schools
1	Magnet High School
1	Early College High School
1	Career & Technology Education School
5	Alternative Campuses



60K  
STUDENTS



91  
SCHOOLS



8K  
EMPLOYEES

The district is an ethnically, culturally and linguistically diverse community. Figures from the 2016-2017 school year provide a snapshot of student demographics:

TOTAL ENROLLMENT		
Hispanic	83.7%	49,571
White	9.5%	5,652
Black/African American	3.5%	2,096
Other	1.2%	1,052
Economically Disadvantaged	65%	41,195
Special Needs	10%	6,187
English Language Learners	27.9%	16,549

In the fall of 1883, El Paso, now a progressive city of 4,000, saw the first El Paso public school officially open. There were 200 students in an old wooden structure. The principal, John Merrill, received \$150 a month and used his own furniture. Only one teacher was hired, Anna Moore, and she received \$75 a month. Knowing that more needed to be done, Calvin Esterly, the first superintendent, signed a contract to have a new large schoolhouse built that could be for all the students of El Paso.

In 1884, it was built on the corner of Myrtle and Campbell streets and was called Central School. EPISD was home to the first public kindergarten class in Texas in 1893 at Central Elementary School. In 1885, the first high school was established and it was on the second floor of that same 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 U.S. Mexico border and Ysleta ISD. EPISD is made up of 10 traditional high schools, 17 middle schools, and 57 elementary schools. Other campuses include one Magnet High School, one Early College High School, one Career & Technical School, and five alternative campuses which includes a recovery program for students at risk of dropping out, an adult education school for GED and citizenship classes, and several magnet school programs.





Built in 1916, El Paso High is the oldest operating high school in El Paso, Texas. Reminiscent of Greek and Roman architecture, El Paso High has become an historical benchmark for EPISD. It is listed in the National Register of Historic Places.

Historic Jefferson High School, shown at right, is undergoing a major renovation by 2020.

Today, EPISD delivers educational services by following an aligned curriculum. 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, 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 to have knowledgeable and creative thinkers, informed problem solvers, effective bilingual communicators, responsible leaders and productive citizens, and 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, two or three places are filled during annual elections held the second Saturday of May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

# 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.



**Trent Hatch**  
Secretary



**Bob Geske**  
Trustee



**Al Velarde**  
Vice President



**Susie Byrd**  
Trustee



**Diane Dye**  
Trustee



**Chuck Taylor**  
Trustee

*\* District 7 Trustee Vacant*

**Vision** EPISD will be a premier educational institution, a source of pride and innovation, and the cornerstone of emerging economic opportunities by producing a future-ready workforce.

**Mission** EPISD will graduate every student prepared for life, college, and global, multicultural, twenty-first century careers.



Regular meetings are usually scheduled on the third Tuesday of each month and are held at the El Paso ISD Education Center. Special meetings and various committee meetings are scheduled as needed and announced in compliance with public notice requirements.

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 those present.

1. In general, the Board adopts policies, sets 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 is also 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.

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 approval of a majority of the members of the Board.

The financial statements are best understood when it is considered within the perspective of the environment in which the District operates.

### ***Economic Conditions and Outlook***

El Paso is situated in the far western corner of the U.S. state of Texas. El Paso stands on the Rio Grande river across the Mexico–United States border from Ciudad Juárez, the largest city in the Mexican state of Chihuahua. The two cities, along with Las Cruces in the neighboring U.S. state of New Mexico, form a combined international metropolitan area sometimes referred to as the Paso del Norte or El Paso–Juárez–Las Cruces. The region of over 2.7 million people constitutes the largest bilingual and binational work force in the Western Hemisphere.

The City of El Paso (The City) is the headquarters of Western Refining, a Fortune 500 company, and three publicly traded companies, as well as home to the Medical Center of the Americas, the only medical research and care provider complex in West Texas and southern New Mexico, and the University of Texas at El Paso, the city's primary university. 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 largest training area in the United States. Also headquartered in El Paso are the DEA domestic field division 7, El Paso Intelligence Center, Joint Task Force North, U.S. Border Patrol El Paso Sector, and U.S. Border Patrol Special Operations Group (SOG).

El Paso has been ranked the safest large city in the U.S. for four consecutive years and has ranked in the top three since 1997. As of July 1, 2016, the population estimate for the city from the U.S. Census was 683,080. Its U.S. metropolitan area covers all of El Paso and Hudspeth counties in Texas, and has a population of 841,971.

El Paso has a diversified economy focused primarily within 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. Cotton, fruit, vegetables, and livestock are produced in the area. El Paso has added a significant manufacturing sector with items and goods produced that include petroleum, metals, medical devices, plastics, machinery, defense-related goods and automotive parts. The city is the second busiest international crossing point in the U.S. behind San Diego.

Call center operations employ more than 10,000 people in the area. Automatic Data Processing has an office in West El Paso, employing about 1,100 people with expansion plans to reach 2,200 by 2020.

Tourism is another major 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 among them. The unemployment rate in El Paso peaked in September 2009 at 9.6% and was at 4.8% as of August 2017.

In December 2016, the Board authorized \$200 million in general obligation bonds to be issued in January 2017. In conjunction with this issuance, the District's underlying bond rating was upgraded from an AA- by S&P, to Aa2 by Moody's with a stable outlook. This is an accomplishment for the entire District. The rating was affirmed by Moody's in June of 2017.

### **Major Initiatives**

In May 2015, the Board of Trustees adopted the EPISD 2020 Strategic Plan. 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, source of pride and innovation, and the cornerstone of emerging economic opportunities producing a twenty-first 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 following goals for EPISD in 2020 were also adopted:

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 creation, development and implementation of a long-term plan to achieve established goals.

More recently, the Board adopted some additional specific academic goals to augment the focus on curriculum and instruction as follows:

1. By 2021, 85 percent of EPISD graduates will enroll in higher education. The District defines higher education as industry certification, military training, or two and four-year degree programs, TM24 (Training, Military and 2 or 4-Year College).
2. By 2021, EPISD will decrease the gap in graduation rates by feeder pattern to a difference no greater than 4 percent.
3. By 2021, EPISD will increase the number of students that feel engaged and challenged in school as determined by the Gallup Student Poll.



In the 2020 Plan, EPISD established four strategic priorities to guide EPISD work: Active Learning, Great Community Schools, Community Partnerships, and Lead with Character and Ethics. The Plan 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 alignment with these strategic priorities.

On November 8, 2016, the taxpayers of EPISD passed a historic \$668.8 million bond proposal aimed at modernizing and right-sizing the District. The passage of the bond proposal was the result of a two-year assessment of facilities that began with a study of campuses and 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 years and 45 years old. While EPISD

has done a noble job maintaining these buildings with limited resources, this age profile represents the building life cycles when significant capital renewal is required in order to maintain safe, cool, dry school operations, and underlines the costs in the assessment results. Many of EPISD's schools were constructed quickly during the post-war baby boom era, which consistently exhibit rapid deterioration at their current ages. The EPISD Board of Trustees voted unanimously to then take the historic bond proposal to the public.

The Bond 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. The Bond also will consolidate schools into modern facilities that will help create a more sustainable inventory of campuses in EPISD. Other areas of focus for the Bond include investments in athletic facilities, school buses, instructional technology and safety and security measures.

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



While the Bond was an important and critical event of the District for 2016-17, student academic progress and initiatives were also a top priority. Programs and activities were focused on student progress, initiatives, and plans for specific interventions based on data.

Additionally, the District collaborated with the System of Great Schools (SGS) Technical Assistance Network and successfully submitted the application for EPISD to be part of the 1st cohort of SGS. Participation in the SGS Network will provide EPISD the support necessary to plan for, implement, and evaluate a system of innovative school options, as well as transform central office to fully support our campuses.

### ***Long-term Financial Planning and Relevant Financial Policies***

While much of the focus at the beginning of the fiscal year was on the November 2016 bond election, the Finance and Budget Office staff dedicated numerous hours attending community meetings and providing information for the bond presentations. Once the bond passed, there was a great deal of work necessary to ensure that the first issuance of bond dollars in January 2017 went smoothly. The Treasury Office worked to ensure that issuance of the \$187,835,000 EPISD Unlimited Tax School Building Bonds, Series 2017 was successful by working with bond counsel, financial advisors, rating agencies, and bond underwriters. The proceeds from the sale were \$200,000,000 because the bonds were sold at a premium. As noted earlier in this letter, the District's underlying bond rating was upgraded from an AA- by S&P, to Aa2 by Moody's with a stable outlook. The rating was affirmed by Moody's in June of 2017. The District's bonds presently carry an "AAA" rating with both Fitch Ratings 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. As result of these investment activities, investment earnings increased from \$789,203 in 2015-16, to about \$2.5 million in 2016-17.

The Treasury Office processes property value self-reports and audit reports with the State Comptroller's Property Tax Assistance Division. The reports help to increase State funding, because as the certified values decrease on the Summary of Finances the amount of State funding increases. The Treasury Office has been doing this function since tax year 2014. Prior to that it was done by a third party that charged a 10% fee on the extra amount of State revenue.

The Treasury Office also began posting a required Debt Transparency Report on the District's web site. The report was a new requirement from the 84th Legislative Session (HB 1378).

### **Budget Controls**

As budgets play an important role in the planning, control and evaluation of the District's operations, the Budget 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 Office sets goals based on improving processes to streamline the budget office operations. The Budget 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 Office allocates resources to EPISD's prioritized needs that are developed during a review process.



## Financial Management

The Finance Office is a key player in the District's current and long-term financial management strategy. The Finance Office includes five departments; payroll, accounts payable, accounting, travel and campus accounting. The Finance Office provides financial transparency and accountability and assist in maximizing academic achievement for students by establishing accurate and timely payment guidelines for employees and vendors. The Finance Office is also responsible to maintain an effective system of internal controls; recognizes revenue and expenditures in the appropriate accounting period; utilizes a modified and full accrual accounting in accordance with GAAP; establishes and maintains a capital asset accounting system; maintains accountability for federal, state and local grants; adheres to the standards for financial accounting and reporting; informs the Superintendent, Board and Taxpayers of the financial condition of the school district, and manages the external audit process.

Overall, the Financial Services Department continues to strive to implement processes and systems that will allow the District to implement long-term financial planning strategies as it moves forward to deliver 21<sup>st</sup> century academic strategies at all of its campuses and departments.

### ***Awards and Acknowledgements***

EPISD has earned a "Superior Achievement" rating from the Texas Education Agency on the Financial Accountability Rating System of Texas (FIRST) for fiscal year 2016-17 and has received this rating for all 15 years since the inception of this rating. The FIRST rating is designed to measure the financial solvency of Texas school districts.

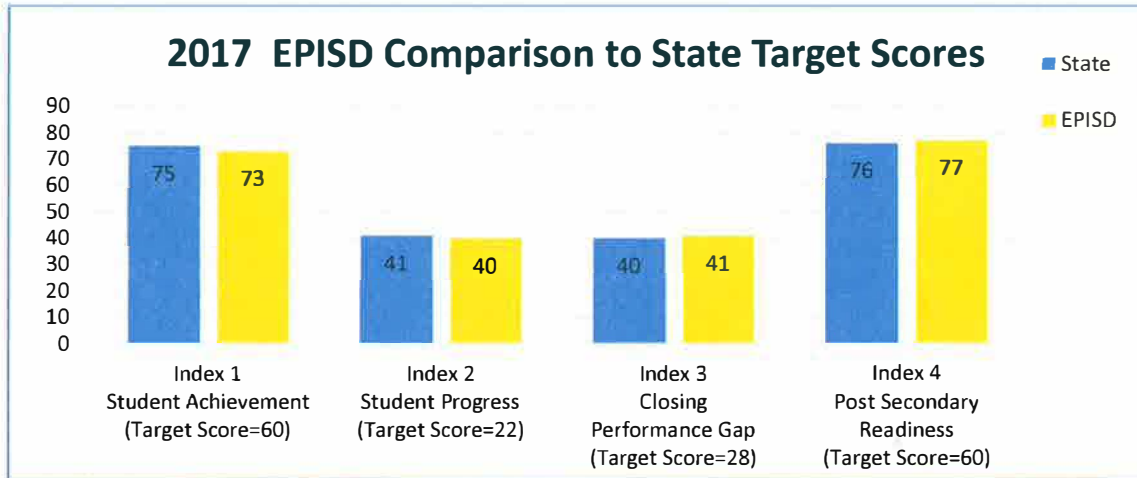
EPISD has received the Texas Comptroller Leadership Circle Gold Member Award for striving to meet a high standard for on-line financial transparency by providing citizens with a clear, consistent picture of spending and sharing information in a user friendly format.

EPISD's Procurement Services Department has earned the Award of Merit with Recognized Status from the Texas Association of School Business Officials (TASBO) for the 2016-2017 year. TASBO's Purchasing Award of Merit is presented to school districts that are 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 El Paso Independent School District (EPISD) exceeded performance requirements on state standards (Target Scores) in all four indices on the Texas State Accountability System during the 2017 fiscal year. Under the Student Achievement Index EPISD earned 13 points above the target score of 60. Student Progress Index earned 18 points above the target score of 22. Closing Performance Gap Index exceeded the target score of 28 by 13 points and the Post-Secondary Readiness Index exceeded the target score of 60 by 17 points. When comparing EPISD to the State's overall performance, EPISD was below the State in Student Achievement by two points, one point below the State in Student Progress, and one point above the State's average in both the Performance Gap and Post-Secondary Readiness. The following graph indicates the District's standing in relation to the State's overall performance:



The distinction designations in academic subjects and areas are: top 25% in student progress, top 25% in closing performance gaps, and post-secondary readiness. Numerous campuses across EPISD were awarded distinctions. EPISD has 47 campuses that received distinction designations - 32 elementary, 7 middle schools, and 8 high schools. There were 37 campuses that received academic distinction designations 24 in Reading/ELA, 23 in Math, 25 in Science, and 8 in Social Studies. Sixteen campuses received a Top 25% Student Progress Distinction, 31 campuses received a Top 25% Closing Performance Gaps Distinction, and 37 campuses received a Post-Secondary Readiness Distinction. Two high schools received all seven distinctions, Silva Health Magnet and Chapin High School. Wiggs Middle School was the only middle school that received six of the seven distinctions. There were four elementary campuses that received all six distinctions, Hawkins, Hughey, Collins, and Polk.

#### **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 would like to express our sincere appreciation to all other District administrative staff which assisted and contributed to the preparation of this report. We would also like to express appreciation to the Board of Trustees for their interest and support in the financial operations of the District. Finally, we would like to thank the residents of the District for their support of our public schools, and the teachers and principals who provide the excellent standard of educational services for which the District has become known.

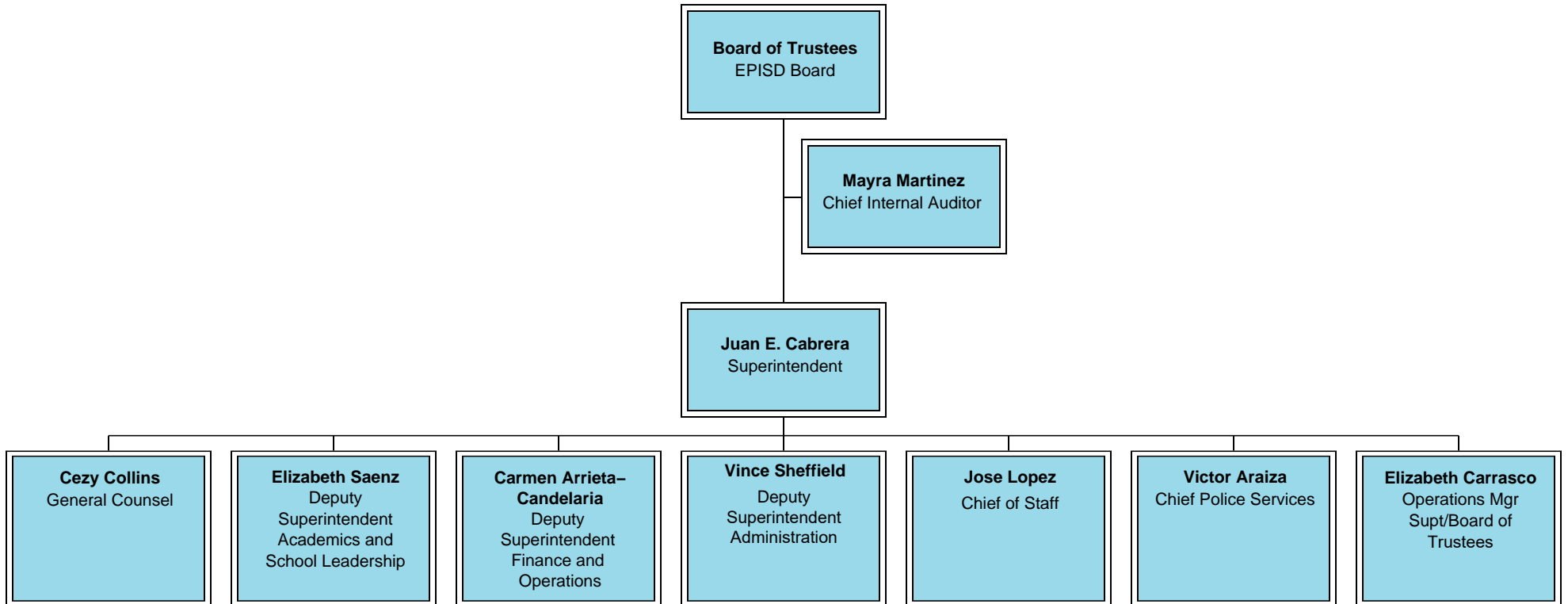
Respectfully submitted,

Carmen Arrieta-Candelaria  
Deputy Superintendent for Finance and Operations





# El Paso Independent School District 2016 - 2017 Organizational Chart



**EL PASO INDEPENDENT SCHOOL DISTRICT**

**PRINCIPAL OFFICIALS**

**BOARD OF TRUSTEES**

Trent Hatch  
President

Bob Geske  
Vice-President

Al Velarde  
Secretary

VACANT  
Member

Susie Byrd  
Member

Diane Dye  
Member

Chuck Taylor  
Member

**ADMINISTRATION**

Juan Cabrera  
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 5 approved 0 disapproved for the year ended June 30, 2017, at a meeting of the Board of Trustees of such school district on the 16<sup>th</sup> day of November 2017.

\_\_\_\_\_  
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, 2017, 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, 2017, 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.

## **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 system information on pages 23 through 37 and 104 through 108 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 fund financial statements, required TEA schedules, and the 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 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 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 9, 2017, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the El Paso Independent School District's internal control over financial reporting and compliance.

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

Gibson Ruddock Patterson, LLC  
El Paso, Texas  
November 9, 2017

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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, 2017. 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 a decrease of \$9.1 million. Total net position of the District decreased from \$288.6 million in fiscal year 2016 to \$279.5 million at year-end 2017. Of this total amount, unrestricted net position decreased by \$17.3 million from \$36.5 million to \$19.2 million. Total revenues decreased \$39.3 million from \$665.2 million in fiscal year 2016, to \$625.9 million in fiscal year 2017. Total expenses decreased \$16.5 million, from \$651.6 million to \$635.1 million.

The District's governmental funds financial statements reported a combined ending fund balance in fiscal year 2017 of \$410.4 million. The combined ending fund balance of the District increased \$188.7 million from \$221.7 million in fiscal year 2016. Of this total amount, \$1.8 million is Nonspendable, \$298.8 million is Restricted, \$9.3 million is Assigned, and \$100.5 million is Unassigned in the General Fund and is available for spending at the District's discretion.

The Board of Trustees approved a reallocation project listing for the 2008 Bond Capital Projects fund on December 19, 2016. The fund balance is \$57.9 million and includes expenditures of \$5.2 million at June 30, 2017.

On November 8, 2016, the voters approved a bond proposal totaling \$668.8 million. The 2016 bond includes investments in instructional technology, school buses, athletic facilities and school construction. Construction consists of consolidating and modernizing existing school facilities. The Board of Trustees has committed that all 2016 bond projects be completed within five years. The Citizen's Bond Accountability Committee (CBAC) meets on a quarterly basis to oversee and review the progress of the 2016 Bond.

Projects completed during fiscal year 2017 include the following: Additions for four multipurpose classroom buildings at Whitaker, Cielo Vista, Rivera, and Tippin elementary schools totaling \$3.3 million, a four-classroom addition, science lab and fieldhouse at Chapin High School for a total of \$5 million. The athletic upgrades at Bowie High School totaled \$827 thousand; the remaining upgrades at Jefferson High School shall be completed during fiscal year 18.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 themselves.

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

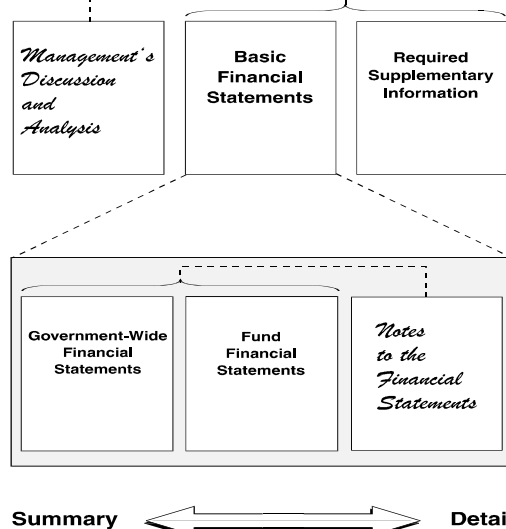


Figure A-2 below summarizes the major features of the District's financial statements and the types of information they contain.

Major Features of the District's Government-Wide and Fund Financial Statements				
	Fund Statements			
Type of Statements	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's Government (except fiduciary funds) and the Agency's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private business	Instances in which the District is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, &amp; changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows and liabilities, deferred inflows both financial and capital, short-term and long-term	Only assets, deferred outflows, expected to be used up and liabilities, deferred inflows, that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows and liabilities, deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## Government-Wide 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 statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net 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 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 and earned but unused sick leave).

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 to show that it is properly using certain grants.

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

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

**Proprietary funds** are used to account for operations that are 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 Care Clinic, and Print Shop programs. These funds employ the full accrual method.

**Fiduciary funds** are used to account for assets held by the District, in a trustee capacity or as an agent, for individuals, private organizations and/or other funds. No fiduciary funds are used as clearing accounts to distribute financial resources to other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District uses fiduciary funds to account for student activity funds, scholarships, and restricted donations. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position, statement of changes in fiduciary net position, and the statement of changes in assets and liabilities. We exclude these activities from the District's government-wide financial statements, because the District cannot use these assets to finance its operations.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full 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. Immediately following the required supplementary information, combining statements are included 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 \$279.5 million at June 30, 2017. The District's governmental activities net position decreased by \$9.1 million.

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

<u>Governmental Activities</u>	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>Percentage Change</u>
Current and other assets	488.7	293.2	195.5	66.7%
Capital and Non-Current Assets	558.7	571.9	(13.2)	(2.3%)
<b>Total Assets</b>	<b>1,047.4</b>	<b>865.1</b>	<b>182.3</b>	<b>21.1%</b>
Deferred Charge for Refunding	18.4	19.6	(1.2)	(6.1%)
Deferred Outflow Related to TRS	52.2	58.3	(6.1)	(10.5%)
<b>Total Deferred Outflows of Resources</b>	<b>70.6</b>	<b>77.9</b>	<b>(7.3)</b>	<b>(9.4%)</b>
Current Liabilities	84.6	86.7	(2.1)	(2.4%)
Non-Current Liabilities	746.2	558.2	188.0	33.7%
<b>Total Liabilities</b>	<b>830.8</b>	<b>644.9</b>	<b>185.9</b>	<b>28.8%</b>
Deferred Inflow Related to TRS	7.7	9.5	(1.8)	(18.9%)
<b>Total Deferred Inflows of Resources</b>	<b>7.7</b>	<b>9.5</b>	<b>(1.8)</b>	<b>(18.9%)</b>
Net Position:				
Net Investment in Capital Assets	222.7	214.6	8.1	3.8%
Restricted	37.6	37.5	0.1	0.3%
Unrestricted	19.2	36.5	(17.3)	(47.4%)
<b>Total Net Position</b>	<b>279.5</b>	<b>288.6</b>	<b>(9.1)</b>	<b>(3.2%)</b>

Investment in capital assets (e.g. land, buildings, furniture, and equipment), less any related debt used to acquire those assets that is still outstanding is \$222.7 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 \$37.6 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position of \$19.2 million may be used to meet the District's ongoing obligations.



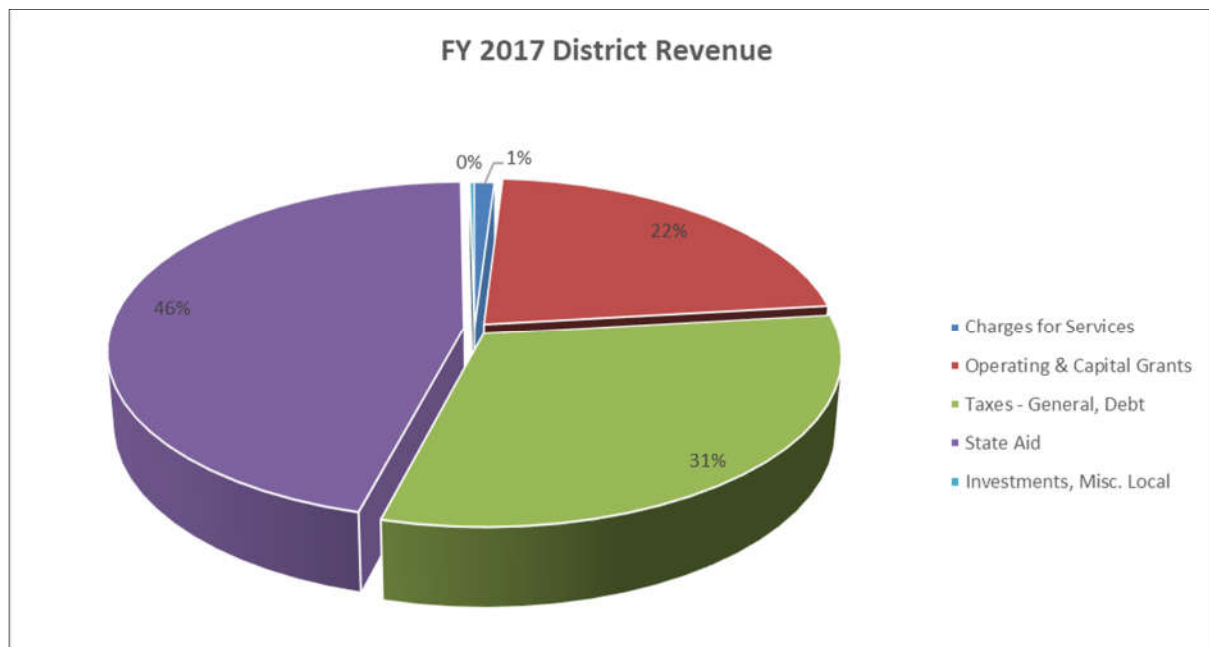
## Statement of Activities

### Revenues

The District's total revenues were \$625.9 million. A significant portion, approximately 46 percent, of the District's revenue comes from state aid-formula grants. Operating and capital grants and contributions provided 22 percent of revenue, 31 percent comes from property taxes, while only 1 percent relates to charges for services and local miscellaneous sources.

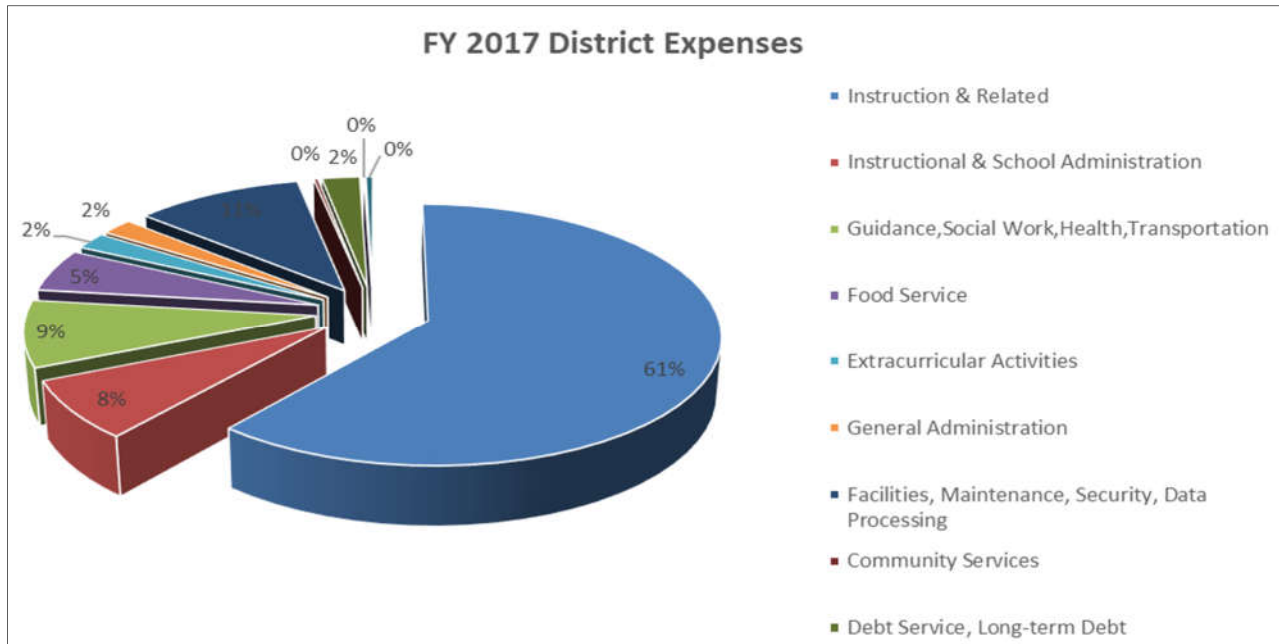
Funding for governmental activities is by specific program revenue or through general revenues such as, property taxes and investment earnings. The following is a summary of the governmental activities:

- The cost of all *governmental activities* this year was \$635.1 million.
- Program revenues directly attributable to specific activities funded some of the governmental activities. These program revenues amounted to \$144.4 million.
- The remaining cost of *governmental activities*, not directly funded by program revenues, was \$490.6 million of which \$192.8 million was funded by property taxes, and \$284.6 million was funded by state aid – not restricted to specific programs.



## Expenses

The District's total expenses were \$635.1 million. The largest portion, \$388.1 million or approximately 61 percent, was spent on instruction and instructional related services. Meanwhile, expenses for instructional leadership and school administration were 8 percent; 9 percent for guidance, social work, health and transportation, while 2 percent relates to general administration.



## Changes in Net Position

The net position of the District's governmental activities decreased by 3.2% or \$9.1 million. The total net position of the District was impacted by the following activities:

- Property tax revenue increased \$0.5 million in the General Fund, and \$0.6 million in the Debt Service Fund, for a net increase of \$1.1 million. Taxable property values increased by \$168.5 million or 1%.
- Investment earnings increased by \$1.8 million from the prior year due to higher interest rates, and increased investable funds from the \$200 million in bond proceeds.
- State Aid-Formula Grants decreased by \$11.7 million. The loss was in Tier 1 State Foundation funding due primarily to a loss of 1,114 students in Average Daily Attendance; Other Tier 1 decreases were \$0.9 million in State Compensatory Education, and \$0.2 million in Transportation Revenue.
- Overall, the district experienced a net decrease in expenses of \$16.5 million from the prior year. The largest decreases in expenses were found under instruction and instructional related services in the amount of \$18.3 million and Food Services in the amount of \$2.8 million. The decreases were primarily related to the ending of some grant awards and less students served in Food Services.

- Operating grants and contributions decreased \$30.7 million primarily due to the fulfillment of the Texas Literacy Initiative Grant of \$14.5 million; completion of the Military Connected Schools Grant of \$0.6 million; a decrease in the Instructional Materials Allotment of \$5.4 million; a decrease in the IDEA Part B Formula Grant of \$0.6 million; a decrease in the Title III English Language and Acquisition of \$0.5 million. The district also experienced a decrease in funding for Impact Aid of \$1.4 million and a decrease in state debt funding for \$0.9 million due to reduction in average daily attendance.
- The decrease in the Instructional Materials Allotment of \$5.4 million was primarily due to the textbook Adoption Cycle Proclamation issued by the Texas Education Agency, which took effect in the prior year. The Proclamation called for the purchase of instructional materials in Social Studies K-12, Math 9-12 and Fine Arts.

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

<u>Governmental Activities</u>	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>Percentage Change</u>
<b>Revenues</b>				
<u>Program Revenues</u>				
Charges for Services	6.4	5.9	0.5	8.5%
Operating Grants and Contributions	138.0	168.8	(30.8)	(18.2%)
Sub-Total	144.4	174.7	(30.3)	(17.3%)
<u>General Revenues</u>				
Property Taxes	192.8	191.7	1.1	0.6%
State Aid-Formula Grants	284.6	296.3	(11.7)	(3.9%)
Investment Earnings	2.7	0.9	1.8	200.0%
Miscellaneous	1.4	1.6	(0.2)	(12.5%)
Sub-Total	481.5	490.5	(9.0)	(1.8%)
<b>Total Revenues</b>	<b>625.9</b>	<b>665.2</b>	<b>(39.3)</b>	<b>(5.9%)</b>
<b>Expenses</b>				
Instruction and Instructional Related	388.1	406.4	(18.3)	(4.5%)
Instructional Leadership/School Administration	47.1	47.4	(0.3)	(0.6%)
Guidance, Social Work, Health, Transportation	53.5	52.2	1.3	2.5%
Food Services	33.7	36.5	(2.8)	(7.7%)
Extracurricular Activities	13.0	12.3	0.7	5.7%
General Administration	12.7	11.3	1.4	12.4%
Plant Maintenance, Security & Data Processing	67.2	67.0	0.2	0.3%
Community Services	1.6	1.5	0.1	6.7%
Debt Service	15.0	14.0	1.0	7.1%
Capital Outlay	0.6	0.6	0.0	0.0%
Other Intergovernmental Charges	2.6	2.4	0.2	8.3%
<b>Total Expenses</b>	<b>635.1</b>	<b>651.6</b>	<b>(16.5)</b>	<b>(2.5%)</b>
<b>Excess Before Special Items and Transfers</b>	<b>(9.2)</b>	<b>13.6</b>	<b>(22.8)</b>	<b>(167.6%)</b>
Special Item – Gain (loss) on Disposal of Asset	0.1	(0.1)	0.2	(200.0%)
<b>Decrease in Net Position</b>	<b>(9.1)</b>	<b>13.5</b>	<b>(22.6)</b>	<b>(167.4%)</b>
Beginning Net Position	288.6	275.1	13.5	4.9%
<b>Ending Net Position</b>	<b>279.5</b>	<b>288.6</b>	<b>(9.1)</b>	<b>(3.2%)</b>

## DEBT ADMINISTRATION AND CAPITAL ASSETS

### Long-Term Debt

At year-end, the District had \$612.5 million in total long term debt outstanding versus \$430.3 million at the end of 2016. The payments on bonded debt were \$16.3 million, and the year-end balance was \$515.4 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. In January 2017, the first bond sale of the newly authorized debt occurred. The District issued the EPISD Unlimited Tax School Building Bonds, Series 2017 in the amount of \$181,835,000. The bonds were sold at a premium, which resulted in an additional \$18,165,000 in bond proceeds net of issuance cost. The premium proceeds were used to finance short life projects and technology purchases.

The outstanding balance on the Series 2004B variable rate bonds remained at \$29.7 million. Hilltop Securities, Inc. is the remarketing agent on the variable rate bonds. JP Morgan Chase Bank serves as the liquidity provider. The liquidity is through a Stand-by Bond Purchase Agreement that was renewed in 2016 for three years.

Other long term obligations include accrued sick leave of \$11.8 million, capital leases of \$1.1 million, and the Qualified School Construction Maintenance Tax Notes (QSCMTN) of \$15.3 million. The District has established a Sinking Fund and has entered into a Repurchase Investment Agreement to pay off the QSCMTN at maturity, on August 15, 2025. The sinking fund has a year-end balance of \$6.3 million.

The District has aggressively managed its debt by competitive bidding to obtain the best interest rates available and by refinancing existing debt for lower rates when in the best interest of the District. 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.N 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 December 2016, with a stable outlook.

### Capital Assets

The District has invested \$548.4 million, net of depreciation, in a broad range of capital assets including land, buildings and improvements, furniture and equipment and vehicles. This amount represents capital asset additions of \$17.8 million, depreciation expense of \$20.8 million and retirements of \$2.4 million over the past year. Fiscal year 2017 major completed projects include (in millions):

Chapin High School Classroom and Fieldhouse Addition	\$5.0
Athletic Upgrades – Bowie High School	0.8
Whitaker Elementary School Multipurpose Classroom	0.9
Cielo Vista Elementary School Multipurpose Classroom	0.8
Rivera Elementary School Multipurpose Classroom	0.8
<u>Tippin Elementary School Multipurpose Classroom</u>	<u>0.8</u>
<b>Total Major Completed Projects</b>	<b><u>\$9.1</u></b>

Table III  
El Paso Independent School District

**The District's Capital Assets**  
*(in millions of dollars)*

<u>Governmental Activities</u>	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>Percentage Change</u>
Land	53.6	53.6	0.0	0.0%
Land Improvements	3.1	3.1	0.0	0.0%
Buildings & Improvements	774.9	762.0	12.9	1.7%
Furniture, Equipment & Vehicles	87.9	81.4	6.5	8.0%
Capital Leases	2.4	2.4	0.0	0.0%
Construction/Software in Progress	6.7	11.0	(4.3)	(39.1%)
<b>Totals at Historical Cost</b>	<b>928.6</b>	<b>913.5</b>	<b>15.1</b>	<b>1.7%</b>
Total Accumulated Depreciation	(380.1)	(361.9)	(18.2)	5.0%
<b>Net Capital Assets</b>	<b>548.5</b>	<b>551.6</b>	<b>(3.08)</b>	<b>(0.6%)</b>

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 measureable 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, 2008 Capital Projects Fund and 2016 Capital Projects Fund.

The District has established fund balance categories of nonspendable, 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.V to the financial statements.

The District's total governmental fund revenues were \$621.7 million, compared to \$651.9 million in the prior year. Local revenues increased by \$4.5 million. State aid and grants decreased by \$16.5 million. Federal Program Revenues decreased by \$18.2 million. The Maintenance and Operations tax rate remained at \$1.07, after the voters in the District approved a 3 cent Tax Ratification Election in August 2015.

The District's total governmental fund expenditures for fiscal year 2017 amounted to \$633.1 million compared to \$645.6 million in 2016. Instruction, Instructional Resources, and Instructional Staff Development expenses decreased by \$13.7 million. Transportation increased by \$2.9 million, Food Service decreased by \$3.5 million, and Maintenance and Operations increased approximately \$1.4 million. The principal on the debt service cost decreased \$1.3 million. Facilities, Acquisition and Construction expenses decreased \$3.2 million. The governmental funds reported a combined fund balance of \$410.4 million, an increase of \$188.7 million. The net increase of the combined fund balances was comprised of a fund balance decrease in the General Fund of \$6.3 million, a decrease of \$4.6 million in 2008 Capital Projects Fund, an increase of \$198.7 million in 2016 Capital Projects Fund, and an increase in the non-major governmental funds of approximately \$1 million.

The General Fund is the primary operating fund of the District. The General Fund balance decreased by \$6.3 million during the fiscal year to \$115.5 million. Revenues came in at approximately .2% lower than the adopted budgeted. Local and state revenue exceeded the adopted budget, and Federal revenue was less than the budget. Federal revenue decreased due to lower SHARS/Medicaid and lower Impact Aid revenue than last year.

A portion of the General Fund balance is Nonspendable and held as inventories. This amount is \$1.8 million. Another portion, \$3.9 million, is Restricted and therefore, is legally segregated for a specific future use. It is restricted by TEA for use by the High School Allotment and Bilingual Education. Another portion of the General Fund balance is classified as Assigned, which indicates tentative plans for financial resource utilization in a future period. The District assigned a total of \$9.3 million of fund balance.

The General Fund total fund balance of \$115.5 million is equivalent to approximately 23% of expenditures and 73 days of operational expenditures in the unassigned fund balance. The unassigned fund balance of \$100.5 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 Fund is \$28.1 million, up from \$27.8 at year-end 2016. The Interest and Sinking tax rate for fiscal year 2017 remained the same at \$.1650.

### ***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 Care Clinic Program Fund.

The Print Shop, had an operating income of \$65,406 for the current fiscal year ending 2017. The fund closed the year with a positive total net position balance of \$314,140. The fund has been making a profit, after the reduction in Print Shop staff in fiscal year 2015.

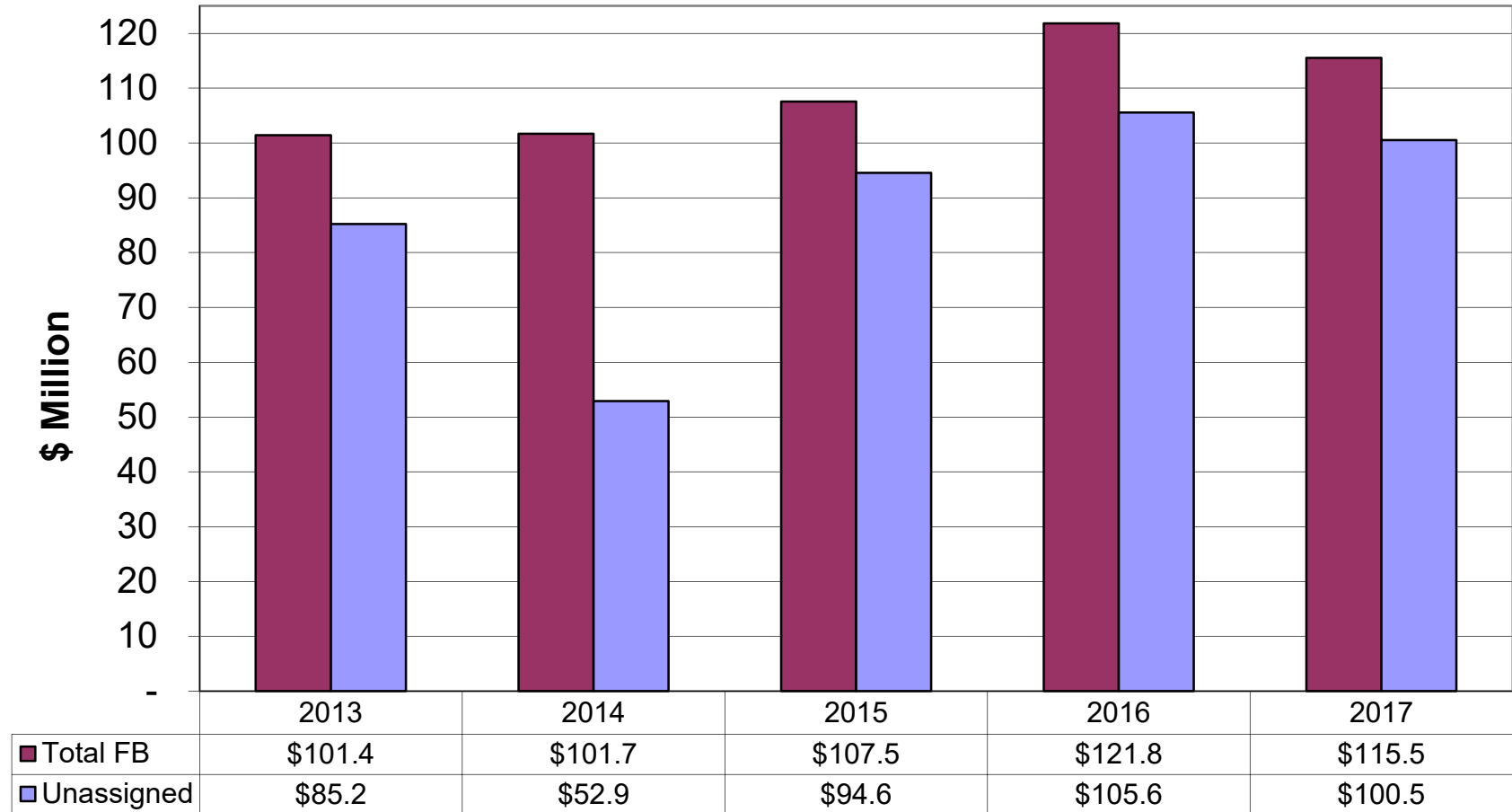
The Workers' Compensation Fund experienced a budgeted net loss of \$1,212,486 for the year ending June 30, 2017. The net position ended at \$2,822,680. The District contributed \$24 per employee per month in 2017, and has increased the contribution to \$32 in 2018. The District also maintains a liability balance of \$7.5 million to cover future claims.

The Health Care Clinic Program had a net gain of \$225,718 for the current fiscal year. During the year, the fund received funding of \$8 per employee per month. The fund has an ending net position balance of \$654,580.

### ***Fiduciary Funds***

Fiduciary Funds (trust and agency funds) are used to account for assets held by a government, in a trustee 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. The District accounts for student activity funds as agency funds. These funds have no equity and do not include revenues or expenditures of the District. The District accounts for scholarship funds in a trust fund.

## General Fund - Fund Balances



Days of Operational Expenditures in Unassigned Fund Balance				
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
68.7	40.9	73.4	78.8	73.0
Percentage of Total Fund Balance to GF Expenditures				
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
22.4%	21.6%	22.9%	24.9%	23.0%

## General Fund Current Year Budgetary Highlights

Over the course of the year, the District revised its budget several times. The expenditure budgets were increased by \$20.2 million. The largest increase in the expenditure budget was found in Function 11 – Instruction in the amount of \$7.1 million for the purchase of student laptops, instructional materials, summer school personnel costs, and costs related to the IB, Dual Credit, New Tech and CTE Programs. Additional budget changes occurred in function 34 – Student Transportation in the amount of \$1.7 million for the purchase of District’s Vehicle Replacement Plan, Function 51 – Facilities Maintenance and Operations in the amount of \$3.3 million for the purchase of maintenance related equipment, custodial and maintenance staff uniforms, roll-forward funds for ongoing projects and maintenance vehicles. Lastly, Function 53 – Data Processing Services was increased by \$1.6 million for the continuation of the infrastructure modernization initiative as well as roll-forward funds for ongoing projects.

Furthermore, the adopted expenditure budget was increased for purchase orders rolled forward from prior year in multiple functions. Some of the expenditures have been noted above as well as the roll-forward of program funding in the amount of \$2.9 million for instructional technology, \$377 thousand from the Food Service Program due to the purchase of equipment, and additional transactions from General Fund for encumbrances from various departments, to include Athletics, Legal Services, Business Office, and Technology Services. Additionally, an amendment to the adopted budget in the amount of \$3.3 million related to the purchase of real property and a \$2.3 million increase for the Career and Technical Education Program.

Total actual revenues were .5% less than amended budgeted revenues. The final budgeted amount for revenue was \$499.2 million, and actual General Fund revenue totaled \$496.9 million. Actual total revenues were \$2.4 million under budget. Local revenue exceeded budget by \$71.5 thousand, State revenues exceeded budget by \$731 thousand, and Federal revenue was \$3.2 million under budget. The shortages in Federal revenue were in SHARS/Medicare \$810 thousand, Impact Aid \$846 thousand, and E-Rate funding of \$1.6 million. The E-rate shortage was due to a year end re-classification from revenue, to a reduction of related E-rate expenses.

Actual expenditures were \$14.8 million less than the appropriated budget amounts. The variances occurred in several areas: Student Transportation - \$2.5 million, the variance was mainly due to bus and vehicle purchases that were encumbered but not received by year end. Facilities Maintenance and Operations and Data Processing Services ended the year with unspent budget in the amount of \$5.3 million and \$2.2 million respectively. The savings was due to projects, equipment and supplies that were encumbered but not received prior to year-end. The unspent funds were rolled forward to next fiscal year to complete various projects. Overall, the District’s savings are primarily attributed to services, supplies and equipment, and projects that were not completed or received prior to the fiscal year end.

Negative variances were identified in the following areas: Function 11- Instruction had a variance of \$692 thousand due to the accelerated summer school program since the summer program usually is covered in the months of June and July. However, the 2017 summer program was consolidated to the month of June. Function 12 - Instructional Resources and Media Services had a variance of \$137 thousand that resulted from the pay-off of employee leave for retirees. Function 23 – School Leadership was impacted with a variance of \$543 thousand due to personnel costs of interim campus administrators as well as pay-off of employee leave for retirees. Lastly, Function 31 - Guidance, Counseling and Evaluation ended the year with a negative variance of \$416 thousand due to the realignment of function for the High School Testing Coordinators. The realignment was due to the need of additional assistance with the administration of state assessments.

Staffing is budgeted at one hundred percent of actual salary. Budget amounts for vacant positions are monitored to ensure that only limited revisions are allowed for departments. Campuses 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 taken back 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 2018 budget and tax rates. The certified appraised values used for the 2018 budget preparation increased by \$16 million or .10% greater than 2017. The District's 2018 refined average daily attendance was budgeted at 53,744 students. This is a decrease of 581 from the prior year's final ADA. The losses due to declining enrollment were off-set by State increases to Tier II formula funding.

The extra 3 pennies levied after the successful 2015 Tax Ratification Election, are reflected in Tier II funding. The District's 2016-17 tax rates are \$1.07 for Maintenance and Operations and \$.24 for Interest and Sinking. The total tax rate is \$1.31 per \$100 of taxable value. The District's Board of Trustees adopted a balanced budget for fiscal year 2017-18. Both revenues and expenditures were budgeted at \$501.6 million.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances, and to show the District's accountability for the 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, while 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, 6531 Boeing Drive, El Paso, Texas, 79925.

*The El Paso Independent School District does not discriminate in its educational programs or employment practices on the basis of race, color, creed, age, gender, religion, national origin, marital status, ancestry, citizenship, military status, mental or physical disability, gender stereotyping and perceived gender, 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, credo, edad, genero, religión, origen nacional, estado civil, ascendencia, ciudadanía, estado militar, discapacidad física o mental, estereotipo genero o generoidad 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, 2017

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 371,155,530
1220 Property Taxes Receivable (Delinquent)	14,386,086
1230 Allowance for Uncollectible Taxes	(7,751,000)
1240 Due from Other Governments	108,197,816
1250 Accrued Interest	174,574
1290 Other Receivables	525,695
1300 Inventories	1,775,606
1410 Prepayments	243,371
Capital Assets:	
1510 Land and Land Improvements, Net	55,950,351
1520 Buildings, Net	463,618,678
1530 Furniture and Equipment, Net	21,796,985
1550 Leased Property Under Capital Leases, Net	302,547
1580 Construction/Software in Progress	6,702,024
1800 Restricted Assets	58,158
1990 Long Term Investments	10,159,260
1000 Total Assets	1,047,295,681
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	18,405,702
1705 Deferred Outflow Related to TRS	52,162,661
1700 Total Deferred Outflows of Resources	70,568,363
<b>LIABILITIES</b>	
2110 Accounts Payable	4,479,105
2140 Interest Payable	5,462,041
2150 Payroll Deductions & Withholdings	4,069,399
2160 Accrued Wages Payable	54,474,849
2200 Accrued Expenses	10,794,993
2300 Unearned Revenue	5,193,496
Noncurrent Liabilities	
2501 Due Within One Year	23,765,781
2502 Due in More Than One Year	588,701,560
2540 Net Pension Liability (District's Share)	133,700,793
2000 Total Liabilities	830,642,017
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS	7,709,389
2600 Total Deferred Inflows of Resources	7,709,389
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	222,693,712
3820 Restricted for Federal and State Programs	3,687,335
3850 Restricted for Debt Service	23,531,901
3890 Restricted for Other Purposes	10,394,390
3900 Unrestricted	19,205,300
3000 Total Net Position	\$ 279,512,638

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, 2017

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	3 Charges for Services	4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position  Primary Gov. Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11 Instruction	\$ 348,289,505	\$ 1,020,502	\$ 58,188,150	\$ (289,080,853)
12 Instructional Resources and Media Services	11,246,599	-	1,087,173	(10,159,426)
13 Curriculum and Staff Development	28,644,232	-	10,021,276	(18,622,956)
21 Instructional Leadership	5,902,023	-	1,666,096	(4,235,927)
23 School Leadership	41,235,138	-	3,160,183	(38,074,955)
31 Guidance, Counseling and Evaluation Services	27,467,581	-	7,292,215	(20,175,366)
32 Social Work Services	4,375,007	-	467,205	(3,907,802)
33 Health Services	7,288,278	-	10,419,202	3,130,924
34 Student (Pupil) Transportation	14,316,954	82,352	1,600,657	(12,633,945)
35 Food Services	33,665,104	3,238,839	28,542,164	(1,884,101)
36 Extracurricular Activities	12,999,491	1,301,710	594,545	(11,103,236)
41 General Administration	12,693,037	680,096	1,504,141	(10,508,800)
51 Facilities Maintenance and Operations	55,262,112	121,831	4,390,807	(50,749,474)
52 Security and Monitoring Services	6,729,765	-	517,304	(6,212,461)
53 Data Processing Services	5,225,911	-	1,050,279	(4,175,632)
61 Community Services	1,585,832	-	1,440,141	(145,691)
72 Debt Service - Interest on Long Term Debt	13,386,878	-	6,113,381	(7,273,497)
73 Debt Service - Bond Issuance Cost and Fees	1,659,010	-	-	(1,659,010)
81 Capital Outlay	573,493	-	-	(573,493)
99 Other Intergovernmental Charges	2,589,237	-	-	(2,589,237)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 635,135,187</b>	<b>\$ 6,445,330</b>	<b>\$ 138,054,919</b>	<b>(490,634,938)</b>

Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		166,608,996
DT	Property Taxes, Levied for Debt Service		26,151,675
SF	State Aid - Formula Grants		284,558,292
IE	Investment Earnings		2,691,629
MI	Miscellaneous Local and Intermediate Revenue		1,426,968
S1	Special Item - Gain on Sale of Assets		78,385
TR	Total General Revenues and Special Items		<u>481,515,945</u>
CN	Change in Net Position		(9,118,993)
NB	Net Position - Beginning		<u>288,631,631</u>
NE	Net Position--Ending		<u>\$ 279,512,638</u>

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

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

EL PASO INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

Data Control Codes	General Fund	2008 Capital Projects	2016 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 77,906,773	\$ 58,346,070	\$ 198,710,204
1220 Property Taxes - Delinquent	12,386,431	-	-
1230 Allowance for Uncollectible Taxes (Credit)	(6,670,000)	-	-
1240 Receivables from Other Governments	95,963,207	-	-
1250 Accrued Interest	26,281	14,025	-
1260 Due from Other Funds	6,722,191	1,427	28,976
1290 Other Receivables	495,110	-	-
1300 Inventories	1,775,606	-	-
1800 Restricted Assets	-	-	-
1900 Long Term Investments	-	-	-
1000 Total Assets	<u>\$ 188,605,599</u>	<u>\$ 58,361,522</u>	<u>\$ 198,739,180</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 3,947,143	-	\$ 75,413
2150 Payroll Deductions and Withholdings Payable	4,069,399	-	-
2160 Accrued Wages Payable	49,200,789	-	8,034
2170 Due to Other Funds	5,517,034	-	-
2200 Accrued Expenditures	2,452,873	459,535	-
2300 Unearned Revenues	3,125,113	-	-
2000 Total Liabilities	<u>68,312,351</u>	<u>459,535</u>	<u>83,447</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	4,775,247	-	-
2600 Total Deferred Inflows of Resources	<u>4,775,247</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	1,775,606	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	57,901,987	198,655,733
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	3,934,393	-	-
Assigned Fund Balance:			
3550 Construction	1,057,628	-	-
3570 Capital Expenditures for Equipment	2,302,455	-	-
3590 Other Assigned Fund Balance	5,935,664	-	-
3600 Unassigned Fund Balance	100,512,255	-	-
3000 Total Fund Balances	<u>115,518,001</u>	<u>57,901,987</u>	<u>198,655,733</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 188,605,599</u>	<u>\$ 58,361,522</u>	<u>\$ 198,739,180</u>

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



Other Funds	Total Governmental Funds
\$ 28,954,559	\$ 363,917,606
1,999,655	14,386,086
(1,081,000)	(7,751,000)
12,234,609	108,197,816
99,181	139,487
5,148,486	11,901,080
29,425	524,535
-	1,775,606
58,158	58,158
6,307,231	6,307,231
<u>\$ 53,750,304</u>	<u>\$ 499,456,605</u>
\$ 310,216	\$ 4,332,772
-	4,069,399
5,265,489	54,474,312
6,719,075	12,236,109
340,103	3,252,511
2,068,383	5,193,496
<u>14,703,266</u>	<u>83,558,599</u>
770,371	5,545,618
<u>770,371</u>	<u>5,545,618</u>
-	1,775,606
3,687,335	3,687,335
-	256,557,720
28,129,335	28,129,335
6,459,997	10,394,390
-	1,057,628
-	2,302,455
-	5,935,664
-	100,512,255
<u>38,276,667</u>	<u>410,352,388</u>
<u>\$ 53,750,304</u>	<u>\$ 499,456,605</u>

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EL PASO INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2017

<b>Total Fund Balances - Governmental Funds</b>	\$	410,352,388
 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		3,791,400
 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$913,478,841 and the accumulated depreciation was (\$361,864,380). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position. Note: Beginning balances related to TRS are not included in this amount.		135,183,483
 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2017 capital outlays and debt principal payments is to increase net position.		33,624,770
 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS includes a deferred resource outflow in the amount of \$52,162,661, a deferred resource inflow in the amount of \$7,709,389 and a net pension liability in the amount of \$133,700,793. These resulted in a decrease in net position.		(89,247,521)
 The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(20,773,699)
 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		(193,418,183)
 <b>Net Position of Governmental Activities</b>	<u>\$</u>	<u>279,512,638</u>

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

EL PASO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	General Fund	2008 Capital Projects	2016 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 172,759,240	\$ 523,602	\$ 857,957
5800 State Program Revenues	309,811,635	-	-
5900 Federal Program Revenues	14,286,793	-	-
5020 Total Revenues	<u>496,857,668</u>	<u>523,602</u>	<u>857,957</u>
EXPENDITURES:			
Current:			
0011 Instruction	292,388,019	-	-
0012 Instructional Resources and Media Services	10,184,688	-	-
0013 Curriculum and Instructional Staff Development	18,023,005	-	-
0021 Instructional Leadership	4,078,301	-	-
0023 School Leadership	37,677,651	-	-
0031 Guidance, Counseling and Evaluation Services	19,382,101	-	-
0032 Social Work Services	3,868,551	-	-
0033 Health Services	6,639,652	-	-
0034 Student (Pupil) Transportation	15,521,252	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	12,583,318	-	-
0041 General Administration	12,019,232	-	39,267
0051 Facilities Maintenance and Operations	51,326,994	297,220	-
0052 Security and Monitoring Services	6,204,729	361,392	-
0053 Data Processing Services	5,805,801	-	106,049
0061 Community Services	71,038	-	-
Debt Service:			
0071 Principal on Long Term Debt	349,525	-	-
0072 Interest on Long Term Debt	257,570	-	-
0073 Bond Issuance Cost and Fees	1,500	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	3,521,285	4,500,445	2,056,908
Intergovernmental:			
0099 Other Intergovernmental Charges	2,589,237	-	-
6030 Total Expenditures	<u>502,493,449</u>	<u>5,159,057</u>	<u>2,202,224</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,635,781)</u>	<u>(4,635,455)</u>	<u>(1,344,267)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	181,835,000
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	19,592,616
8911 Transfers Out (Use)	(684,059)	-	(242)
8949 Other (Uses)	-	-	(1,427,374)
7080 Total Other Financing Sources (Uses)	<u>(684,059)</u>	<u>-</u>	<u>200,000,000</u>
1200 Net Change in Fund Balances	(6,319,840)	(4,635,455)	198,655,733
0100 Fund Balance - July 1 (Beginning)	<u>121,837,841</u>	<u>62,537,442</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 115,518,001</u>	<u>\$ 57,901,987</u>	<u>\$ 198,655,733</u>

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

Other Funds	Total Governmental Funds
\$ 30,530,123	\$ 204,670,922
11,482,456	321,294,091
81,447,541	95,734,334
<u>123,460,120</u>	<u>621,699,347</u>
34,674,010	327,062,029
438,555	10,623,243
9,369,671	27,392,676
1,459,410	5,537,711
594,549	38,272,200
6,110,271	25,492,372
326,101	4,194,652
130,466	6,770,118
844,341	16,365,593
31,994,278	31,994,278
-	12,583,318
-	12,058,499
2,753,906	54,378,120
178,347	6,744,468
844,071	6,755,921
1,440,141	1,511,179
16,258,027	16,607,552
15,582,096	15,839,666
230,136	231,636
-	10,078,638
-	2,589,237
<u>123,228,376</u>	<u>633,083,106</u>
<u>231,744</u>	<u>(11,383,759)</u>
-	181,835,000
2,184,301	2,184,301
-	19,592,616
(1,500,000)	(2,184,301)
-	(1,427,374)
<u>684,301</u>	<u>200,000,242</u>
916,045	188,616,483
<u>37,360,622</u>	<u>221,735,905</u>
<u>\$ 38,276,667</u>	<u>\$ 410,352,388</u>

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, 2017

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	188,616,483
 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net loss of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.		 (921,362)
 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2017 capital outlays and debt principal payments is to increase net position.		 33,624,770
 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		 (20,773,699)
 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.		 (199,660,465)
 GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. The current fiscal year contributions made after the measurement date of the plan caused the change in ending net position to increase by \$9,334,248. Contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$9,297,603. 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 \$10,041,365. The net result is an decrease in the change in net position.		 (10,004,720)
 <b>Change in Net Position of Governmental Activities</b>	 \$	 <u><u>(9,118,993)</u></u>

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

**PROPRIETARY FUND FINANCIAL STATEMENTS**

EL PASO INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 7,237,924
Accrued Interest	35,087
Due from Other Funds	338,145
Other Receivables	1,160
Total Current Assets	<u>7,612,316</u>
Noncurrent Assets:	
Capital Assets:	
Furniture and Equipment	223,041
Depreciation on Furniture and Equipment	(203,518)
Long Term Investments	3,852,029
Total Noncurrent Assets	<u>3,871,552</u>
Total Assets	<u>11,483,868</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	146,333
Accrued Wages Payable	537
Due to Other Funds	3,116
Accrued Expenses	7,542,482
Total Liabilities	<u>7,692,468</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	19,523
Unrestricted Net Position	3,771,877
Total Net Position	<u>\$ 3,791,400</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, 2017

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 4,015,734
Total Operating Revenues	<u>4,015,734</u>
OPERATING EXPENSES:	
Payroll Costs	4,160,721
Professional and Contracted Services	608,478
Supplies and Materials	157,895
Other Operating Costs	65,301
Depreciation Expense	12,644
Total Operating Expenses	<u>5,005,039</u>
Operating Income (Loss)	<u>(989,305)</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>67,943</u>
Total Nonoperating Revenues (Expenses)	<u>67,943</u>
Change in Net Position	(921,362)
Total Net Position - July 1 (Beginning)	<u>4,712,762</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 3,791,400</u></u>

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, 2017

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 33,880
Cash Received from Assessments - Other Funds	3,885,017
Cash Payments to Employees for Services	(1,082,870)
Cash Payments for Insurance Claims	(3,079,785)
Cash Payments for Suppliers	(994,192)
Cash Payments for Other Operating Expenses	(65,301)
Net Cash Used for Operating Activities	<u>(1,303,251)</u>
<u>Cash Flows from Investing Activities:</u>	
Proceeds from Sale & Maturities of Securities	475,747
Interest and Dividends on Investments	69,957
Net Cash Provided by Investing Activities	<u>545,704</u>
Net Decrease in Cash and Cash Equivalents	(757,547)
Cash and Cash Equivalents at Beginning of Year	<u>7,995,471</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,237,924</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (989,305)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	12,644
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Due from Other Funds	(113,899)
Decrease (increase) in Other Receivables	(1,160)
Increase (decrease) in Accounts Payable	(18,757)
Increase (decrease) in Accrued Wages Payable	(774)
Increase (decrease) in Due to Other Funds	(225,685)
Increase (decrease) in Accrued Expenses	33,685
Net Cash Used for Operating Activities	<u>\$ (1,303,251)</u>

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, 2017

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 2,366,768
Restricted Assets	434,781	-
Total Assets	<u>434,781</u>	<u>\$ 2,366,768</u>
<b>LIABILITIES</b>		
Due to Student Groups	-	\$ 2,366,768
Total Liabilities	<u>-</u>	<u>\$ 2,366,768</u>
<b>NET POSITION</b>		
Restricted for Other Purposes	<u>434,781</u>	
Total Net Position	<u>\$ 434,781</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, 2017

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 281,811
Total Additions	<u>281,811</u>
DEDUCTIONS:	
Other Operating Costs	<u>12,890</u>
Total Deductions	<u>12,890</u>
Change in Net Position	268,921
Total Net Position - July 1 (Beginning)	<u>165,860</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 434,781</u></u>

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

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**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).

The decisions to include or exclude a potential component unit in the reporting entity were made by applying standards contained in GAAP. The primary standard for including or excluding a potential component unit is whether it is financially dependent on the reporting entity. The fiscal dependency criterion also requires that a financial benefit or burden relationship be present in order for a potential component unit to be included in the financial reporting entity. Other manifestations of the ability to exercise oversight responsibility include, but certainly are not limited to, the selection of the governing authority, the designation of management, the ability to materially influence operations and accountability for fiscal matters. The second standard used to evaluate potential component units is the scope of public services. Application of this standard entails considering whether the activity benefits the District, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. The third standard involved in evaluating whether potential component units are included or excluded from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

The above standards were applied to the El Paso Independent School District Administrative Public Facility Corporation, and the District determined that it is a component unit of the District.

**El Paso Independent School District Administrative Public Facility Corporation**

On February 17, 2015, the District approved a Resolution authorizing the formation of the El Paso Independent School District Administrative Public Facility Corporation (Corporation). The 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 the year ended June 30, 2017, the Corporation did not hold any assets or liabilities and did not have any activity. In addition, the Board of Directors did not hold any meetings during the fiscal year ended June 30, 2017.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**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, this outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual economic experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension 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, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts 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 Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function of the District. Examples include tuition paid by students not residing in the District, school lunch charges, athletic and extracurricular/cocurricular activities, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. 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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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. Interfund activities between governmental funds and fiduciary funds remain as a due to or due from on the government-wide Statement of Net Position.

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.

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 all 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.

(Continued)



**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the “susceptible -to- accrual” concept, 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 on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted, and unrestricted net position.

**D. Fund Accounting**

The District reports the following major governmental funds:

1. **The General Fund** - The general fund is the District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **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.
3. **2016 Capital Projects Fund** - This fund accounts for the construction activity related to the 2017 bonds to construct, renovate, demolish, acquire, and equip school buildings in the District.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Additionally, the District reports the following fund types:

Governmental Funds:

1. **Special Revenue Funds** - The District accounts for resources restricted to, or committed for, 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** -

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

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

3. **Permanent Funds** - The District has no permanent funds.

Proprietary Funds:

4. **Enterprise Funds** - The District has no enterprise funds.
5. **Internal Service Funds** - These funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The revenues and expenses related to services provided to departments within the District are accounted for in an internal service fund.

The District's Internal Service Funds are as follows:

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

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

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Health Care Clinic Program - This fund accounts for all financial activity associated with the District contribution and payments to an outside vendor for employee Health Clinics. Services are available to all full-time and part-time employees. Eligible dependents must be covered under the TRS-AC Health Plan to obtain services.

Fiduciary Funds:

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

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

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

7. **Pension (and Other Employee Benefit) Trust Funds** - The District has no pension (and other employee benefit) trust funds.
8. **Investment Trust Funds** - The District has no investment trust funds.
9. **Agency Funds** - The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency 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. All investments 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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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.

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, 2017, the District's investments in TexPool and LOGIC investment pools were rated AAAM, the Lone Star investment pool was rated AAf/S1+, and Texas Term was rated AAf by Standard & Poors.

Long-term 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). All of the Municipal Bonds have a rating of A or better, as required by policy. The Federal Agency Securities and the Collateralized Mortgage Obligations (CMOs) held by the District as of June 30, 2017, do not require disclosure of credit quality ratings since they are guaranteed or secured by the Federal Government.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

***Custodial Credit Risk:***

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

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

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

***Concentration of Credit Risk:***

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

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

Long-term 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 and Collateralized Mortgage Obligations (CMOs). The Municipal Bonds are approximately 1.0% of total governmental investments, and the CMOs are approximately 1.6% of total governmental investments.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

***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. All of the District's investment pools use amortized cost and, therefore, the interest rate risk disclosure is not applicable.

Long-term 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, 2017, management calculated the District's WAM for the general fund at 18 days, and the total WAM was 64 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 money market account and investment pools are not denominated in a foreign currency.

Long-term 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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

7. Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.
8. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.
9. In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt 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 and deferred charges on refundings are presented as deferred outflows 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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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 estimated fair market 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 benefits to employees. Revenues for this Internal Service Fund are received from interest on investments as well as from the District contributions on behalf of the employees. The contributions are then 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 District provides for estimated incurred but not reported claims for its workers' compensation through the establishment of undiscounted accrued liabilities. At June 30, 2017, the accrued liability amounted to \$7,500,000 for the workers' compensation fund.

The General Fund is contingently liable for liabilities of this fund. Sub-fund accounting is employed to maintain the integrity of the self-insurance activities of the District.

(Continued)



**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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 in order to ensure accuracy in building a Statewide data base for policy development and funding plans.
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 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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.

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

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

*Restricted for other purposes*- this component of net position consists of restricted assets which are related to State program allotments, the Bray Milk donation, and sinking fund requirements.

*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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

- **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 March 29, 2011.
- **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 the Deputy Superintendent of Finance and Operations 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.

In fiscal year 2011, the Board of Trustees adopted a targeted fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year end to be 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 25 percent of annual debt service requirements on all outstanding debt issuance.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**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 liability 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.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of reclassifying other resources, other uses and various other items. In addition, certain pension expenditures were de-expended and the District recorded their proportionate share of the pension expense.

**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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

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

1. Prior to June 19, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. On June 21, 2016, 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. A budget amendment in the amount of \$8.5 million was processed for the roll-forward of purchases from fiscal year 2016 in the General Fund. This amendment effected several functions, most notably, instruction, student transportation, facilities maintenance and operations, and facilities acquisition and construction. An amendment was processed to provide funding in the amount of \$1.2 million for new district initiatives and related costs to operations support services. An amendment to the budget was processed to allocate unspent fiscal year 2016 program funds for the Career and Technical Education and State Compensatory Education Programs in the amount of \$2.3 million and \$1.1 million respectively; as well as an allocation of \$1.3 million for the purchase of student laptops. Also, an amendment for \$1.5 million was necessary for costs related to the new tech program implementation and increase revenue and expenses related to e-rate reimbursement received. Additionally, an amendment in the amount of \$3.3 million related to the purchase of real property and improvements was recorded.

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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

Cash at Depository Bank - At June 30, 2017, the carrying amount of the District's general fund, nonmajor governmental funds, internal service funds, and agency funds deposits (cash and interest-bearing savings accounts) were \$(1,424,798), \$5,407, \$(211,630), and \$920,869, respectively, and the total bank balance was \$3,358,232. The District's cash deposits at June 30, 2017, and during the year ended June 30, 2017, 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 \$10,336,357 and occurred during the month of April 2017.
- 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 \$11,432,608.

**B. Temporary Investments**

The District's temporary investments included in cash and cash equivalents at June 30, 2017, are shown below at amortized cost or fair value, which approximates the value of the pool shares:

	Governmental Activities						
	General Fund	2008 Capital Projects	2016 Capital Projects	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities	Agency Funds
Temporary Investments							
LOGIC Investment Pool**	\$ 1,581,749	\$ -	\$ 198,710,204	\$ -	\$ -	\$ 200,291,953	\$ -
Lone Star Investment Pool**	14,578,831	48,279,676	-	14,317,569	-	77,176,076	-
TexPool Investment Pool*	20,568,397	-	-	-	-	20,568,397	1,445,899
TexPool Prime Investment Pool*	32,511,866	-	-	11,623,624	7,449,554	51,585,044	-
Texas Term Investment Pool*	10,090,728	10,066,394	-	3,007,959	-	23,165,081	-
Total	<u>\$ 79,331,571</u>	<u>\$58,346,070</u>	<u>\$ 198,710,204</u>	<u>\$ 28,949,152</u>	<u>\$ 7,449,554</u>	<u>\$ 372,786,551</u>	<u>\$ 1,445,899</u>

\* - measured at amortized cost

\*\* - measured at fair value

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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 \$58,158, the Scholarship Trust Fund in the amount of \$159,619, and the Aoy Elementary School Fager Trust Fund in the amount of \$275,162, which are shown as restricted assets.

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. LOGIC (Local Government Investment Cooperative) is a local government investment pool administered by First Southwest Asset Management and J.P.Morgan Asset Management. The Lone Star Investment Pool is administered 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 Term is a local government investment pool which has an elected Advisory Board made up of Texas public finance officials. The investment advisor and administrator for the pool is PFM Asset Management LLC. The custodian bank is U.S. Bank National Association.

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

**C. Long Term Investments**

The District's long term investments at June 30, 2017, are shown below at fair value:

Investments	NonMajor Governmental Funds	Internal Service Funds	Investment Maturities (in years)		Weighted Average Maturity (in days)	Credit Ratings
			Less than 1 year	More than 1 year		
<u>Long-term Investments</u>						
Repurchase Agreement invested in Collateralized Mortgage Obligations	\$ 6,307,231	\$ -	\$ -	\$ 6,307,231	49	N/A
<b>Municipal Bonds:</b>	-	-	-	-		
Mooresville - Ref	-	1,338,104	1,338,104	-	1	AA-
Florida St. Hurricane - Ser. A	-	2,513,925	-	2,513,925	2	AA
Total Investments	<u>\$ 6,307,231</u>	<u>\$ 3,852,029</u>	<u>\$ 1,338,104</u>	<u>\$ 8,821,156</u>		

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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 \$6,401,840 as of June 30, 2017.

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.

The District has the following recurring fair value measurements as of June 30, 2017:

- Municipal bonds and CMOs of \$10,159,260 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, 2017, are summarized as follows:

Description	General Fund	Nonmajor Governmental Funds	Governmental Activities Total
State Entitlement Grants	\$ 78,450,059	\$ -	\$ 78,450,059
SHARS	17,513,148	-	17,513,148
ESEA I, A Improving Basic Program	-	5,344,438	5,344,438
IDEA - Part B Formula	-	2,512,128	2,512,128
State Textbook Fund	-	941,658	941,658
Texas Literacy Initiative	-	543,549	543,549
ESEA II, A Training and Recruiting	-	515,124	515,124
Summer Feeding Program	-	420,968	420,968
Pre-kindergarten Grant Program	-	413,417	413,417
RDSPD Tuition funds	-	353,191	353,191
Military Connected Schools	-	287,214	287,214
Adult Education - Federal	-	207,953	207,953
SSA - Regional Day School - Deaf	-	203,205	203,205

(Continued)



**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Description	General Fund	Nonmajor Governmental Funds	Governmental Activities Total
Other Federal Grants	-	311,032	311,032
Other State Grants	-	93,843	93,843
Special Education - Reading Strong	-	86,889	86,889
Total	<u>\$ 95,963,207</u>	<u>\$ 12,234,609</u>	<u>\$ 108,197,816</u>

**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, 2017, consisted of the following amounts:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
2008 Capital Projects Fund	\$ -	\$ 1,427
2016 Capital Projects Fund	-	28,976
Nonmajor Governmental Funds	6,719,075	5,148,486
Internal Service Funds	<u>3,116</u>	<u>338,145</u>
Total General Fund	<u>6,722,191</u>	<u>5,517,034</u>
2008 Capital Projects Fund :		
General Fund	<u>1,427</u>	<u>-</u>
2016 Capital Projects Fund:		
General Fund	<u>28,976</u>	<u>-</u>
Nonmajor Governmental Funds:		
General Fund	<u>5,148,486</u>	<u>6,719,075</u>
Internal Service Funds:		
General Fund	<u>338,145</u>	<u>3,116</u>
Total	<u>\$ 12,239,225</u>	<u>\$ 12,239,225</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.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor Governmental Funds	<u>\$ -</u>	<u>\$ 684,059</u>
2016 Capital Projects Fund:		
Nonmajor Governmental Funds	<u>-</u>	<u>242</u>
Nonmajor Governmental Funds:		
General Fund	684,059	-
2016 Capital Projects Fund	242	-
Nonmajor Governmental Funds	<u>1,500,000</u>	<u>1,500,000</u>
	<u>2,184,301</u>	<u>1,500,000</u>
Total	<u>\$ 2,184,301</u>	<u>\$ 2,184,301</u>

**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, 2017, consisted of the following:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Transportation fees- due from outside entities	\$ 33,195	\$ -	\$ -	\$ 33,195
Travel costs - due from within the District	131,221	-	-	131,221
City Tax office	187,086	29,425	-	216,511
Miscellaneous other receivables	<u>143,608</u>	<u>-</u>	<u>1,160</u>	<u>144,768</u>
Total	<u>\$ 495,110</u>	<u>\$ 29,425</u>	<u>\$ 1,160</u>	<u>\$ 525,695</u>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Accrued Expenditures as of June 30, 2017, consisted of the following:

	General Fund	2008 Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
Workers Compensation Claims	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000
Professional and Contracted Services	721,496	-	42,360	763,856	18,455	782,311
Supplies and materials	1,027,932	-	195,031	1,222,963	24,027	1,246,990
Capital Outlay	481,937	459,535	-	941,472	-	941,472
Miscellaneous	221,508	-	102,712	324,220	-	324,220
<b>Total</b>	<b>\$ 2,452,873</b>	<b>\$ 459,535</b>	<b>\$ 340,103</b>	<b>\$ 3,252,511</b>	<b>\$ 7,542,482</b>	<b>\$ 10,794,993</b>

**G. Capital Asset Activity**

Capital asset activity for the District for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Transfers/ Adjustments	Retirements	Ending Balance
<b>Non-depreciable assets:</b>					
Land	\$ 53,591,804	\$ -	\$ -	\$ -	\$ 53,591,804
Construction in progress	9,956,553	9,800,342	(13,160,920)	-	6,595,975
Software in progress	1,006,903	106,049	(1,006,903)	-	106,049
<b>Total non-depreciable assets</b>	<b>64,555,260</b>	<b>9,906,391</b>	<b>(14,167,823)</b>	<b>-</b>	<b>60,293,828</b>
<b>Depreciable assets:</b>					
Land Improvements	3,072,971	-	-	-	3,072,971
Buildings and improvements	762,004,161	-	12,872,111	-	774,876,272
Furniture and equipment	49,199,243	3,915,130	1,006,903	(7,732)	54,113,544
Vehicles	32,199,506	4,009,755	-	(2,398,401)	33,810,860
Capital leases - buses	2,447,700	-	-	-	2,447,700
<b>Total depreciable assets</b>	<b>848,923,581</b>	<b>7,924,885</b>	<b>13,879,014</b>	<b>(2,406,133)</b>	<b>868,321,347</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	(585,807)	(128,617)	-	-	(714,424)
Buildings and improvements	(298,426,373)	(12,831,221)	-	-	(311,257,594)
Furniture and equipment	(39,204,310)	(4,238,532)	-	7,732	(43,435,110)
Vehicles	(22,148,835)	(2,941,875)	-	2,398,401	(22,692,309)
Capital leases - buses	(1,499,055)	(646,098)	-	-	(2,145,153)
<b>Total accumulated depreciation</b>	<b>(361,864,380)</b>	<b>(20,786,343)</b>	<b>-</b>	<b>2,406,133</b>	<b>(380,244,590)</b>
<b>Total net capital assets</b>	<b>\$ 551,614,461</b>	<b>\$ (2,955,067)</b>	<b>\$ (288,809)</b>	<b>\$ -</b>	<b>\$ 548,370,585</b>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 13,021,874
Instructional resources and media services	432,840
Curriculum development and instruction staff	394,524
Instructional leadership	132,635
School leadership	1,713,193
Guidance, counseling and evaluation services	789,198
Social work services	91,656
Health services	302,546
Student (pupil) transportation	582,996
Food services	686,684
Co-curricular/extracurricular activities	372,570
General administration	427,581
Plant maintenance and operations	1,409,126
Security and monitoring services	271,588
Data processing services	143,516
Community services	<u>1,172</u>
Total depreciation expense without internal service funds	20,773,699
Depreciation on capital assets held by the District's internal service funds	<u>12,644</u>
Total depreciation expense	<u><u>\$ 20,786,343</u></u>

**H. Deferred Outflows of Resources - Charge For Refunding**

Deferred charge on Refunded Bonds for the year ended June 30, 2017, were as follows:

Description	Beginning Balance	Deferred Charge New Issues	Amortization Recognized	Ending Balance
Series 2013	\$ 3,289,340	\$ -	\$ 217,303	\$ 3,072,037
Series 2013A	27,977	-	5,449	22,528
Series 2015	6,850,908	-	424,473	6,426,435
Series 2015A	<u>9,435,188</u>	-	550,486	8,884,702
Total Deferred Charge	<u>\$ 19,603,413</u>	<u>\$ -</u>	<u>\$ 1,197,711</u>	<u>\$ 18,405,702</u>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**I. Unearned Revenue**

Unearned revenue as of June 30, 2017, consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Foundation School Program	\$ 3,125,113	\$ -	\$ 3,125,113
Existing Debt Allotment and Instructional Facilities Allotment	-	962,206	962,206
Army's Youth	-	471,802	471,802
Textbook Allotment	-	363,675	363,675
Digital Promise - Verizon Innovative Learning Schools	-	104,418	104,418
Advanced Placement Incentives	-	56,971	56,971
Teens Against Tobacco Abuse	-	49,303	49,303
Other Special Revenue	-	60,008	60,008
<b>Total Unearned Revenue</b>	<b>\$ 3,125,113</b>	<b>\$ 2,068,383</b>	<b>\$ 5,193,496</b>

**J. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Governmental Activities:</u></b>					
<b>Debt Service General Obligation Bonds Payable:</b>					
Unlimited Tax School Building and Refunding Bonds	\$ 18,232,764	\$ -	\$ 43,028	\$ 18,189,736	\$ 35,418
Unlimited Tax Refunding Bonds	288,342,900	-	12,395,000	275,947,900	12,832,900
Unlimited Tax School Building Bonds	34,955,000	181,835,000	2,555,000	214,235,000	2,670,000
Unlimited Tax Refunding Bonds Taxable	8,290,000	-	1,265,000	7,025,000	1,380,000
<b>Total Debt Service General Obligation Bonds Payable</b>	<b>349,820,664</b>	<b>181,835,000</b>	<b>16,258,028</b>	<b>515,397,636</b>	<b>16,918,318</b>
<b>Accretion Payable</b>	<b>7,211,898</b>	<b>214,438</b>	<b>156,972</b>	<b>7,269,364</b>	<b>471,682</b>
<b>Unamortized Premiums on Bonds</b>	<b>45,444,426</b>	<b>19,592,616</b>	<b>3,418,154</b>	<b>61,618,888</b>	<b>3,835,376</b>
<b>General Fund Liabilities:</b>					
Capital leases	1,428,932	-	349,525	1,079,407	354,614
QSC Maintenance Tax Notes	15,275,000	-	-	15,275,000	-
Accumulated Unpaid Leave Benefits	11,069,454	2,854,673	2,097,081	11,827,046	2,185,791
<b>Totals other liabilities</b>	<b>27,773,386</b>	<b>2,854,673</b>	<b>2,446,606</b>	<b>28,181,453</b>	<b>2,540,405</b>
<b>Total Governmental Long-term liabilities</b>	<b>\$430,250,374</b>	<b>\$204,496,727</b>	<b>\$22,279,760</b>	<b>\$612,467,341</b>	<b>\$23,765,781</b>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

A summary of changes in the Debt Service bonds payable for the year ended June 30, 2017, is as follows:

Description	Interest Rate Payable	Original Issue Amount	Interest Current Year	Beginning Balance	Issued	Refunded/Retired	Ending Balance	Due within One year
Unlimited Tax School Building Bonds:								
Series 2004B	Variable	44,730,000	225,892	29,730,000	-	-	29,730,000	-
Unlimited Tax School Building Bonds:	4.00%-5.00%	98,485,000	187,791	5,225,000	-	2,555,000	2,670,000	2,670,000
Series 2007								
Unlimited Tax School Building and Refunding Bonds:								
Series 2008 Premium CABs	5.00%	16,033,014	-	782,764	-	43,028	739,736	35,418
Series 2008 Serial CIBs	5.00%	50,200,000	1,029,472	6,960,000	-	-	6,960,000	-
Series 2008 Term CIBs	5.00%	75,625,000	-	10,490,000	-	-	10,490,000	-
Unlimited Tax Refunding Bonds:	4.00%-5.00%	56,535,000	940,769	19,035,000	-	6,090,000	12,945,000	6,390,000
Series 2008A								
Unlimited Tax Refunding Bonds:	4.00%-5.00%	692,900	-	692,900	-	-	692,900	692,900
Series 2011 Premium CABs								
Series 2011 CIBs	5.00%	38,675,000	1,534,800	34,110,000	-	3,790,000	30,320,000	3,155,000
Unlimited Tax Refunding Bonds:	3.00%-5.00%	56,075,000	2,332,050	52,160,000	-	2,515,000	49,645,000	2,595,000
Series 2013								
Unlimited Tax Refunding Bonds:	4.00%	9,570,000	288,863	8,290,000	-	1,265,000	7,025,000	1,380,000
Taxable Series 2013A								
Unlimited Tax Refunding Bonds:	3.00%-5.00%	78,740,000	3,849,500	77,790,000	-	-	77,790,000	-
Series 2015								
Unlimited Tax Refunding Bonds:	2.50%-5.00%	104,555,000	4,888,225	104,555,000	-	-	104,555,000	-
Series 2015A								
Unlimited Tax School Building Bonds:	3.00%-5.00%	98,000,000	304,732	-	98,000,000	-	98,000,000	-
Series 2017 Serial Bonds								
Series 2017 Term Bonds		83,835,000	-	-	83,835,000	-	83,835,000	-
Total Debt Service Bonds Payable			\$ 15,582,094	349,820,664	181,835,000	16,258,028	515,397,636	16,918,318

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Accretion payable for the year ended June 30, 2017, was as follows:

Description	Beginning Balance	Accrual of Accretion	Accretion Retired	Ending Balance	Due Within One Year
Series 2008 CABs	\$ 6,933,467	\$ 189,032	\$ 156,972	\$ 6,965,527	\$ 164,582
Series 2011 CABs	278,431	25,406	-	303,837	307,100
<b>Total Accretion Payable</b>	<b>\$ 7,211,898</b>	<b>\$ 214,438</b>	<b>\$ 156,972</b>	<b>\$ 7,269,364</b>	<b>\$ 471,682</b>

Unamortized Premiums on debt service bonds for the year ended June 30, 2017, were as follows:

Description	Beginning Balance	Premiums on New Issues	Amortization Recognized	Ending Balance	Due Within One Year
Series 2004B	\$ 84,981	\$ -	\$ 6,486	\$ 78,495	\$ 6,486
Series 2007	49,773	-	44,243	5,530	5,530
Series 2008	977,279	-	57,067	920,212	57,067
Series 2008A	803,259	-	256,765	546,494	256,766
Series 2011	3,480,273	-	264,866	3,215,407	264,866
Series 2013	8,196,589	-	541,496	7,655,093	541,496
Series 2013A	570,409	-	111,161	459,248	111,161
Series 2015	14,644,972	-	854,447	13,790,525	854,447
Series 2015A	16,636,891	-	970,663	15,666,228	970,663
Series 2017	-	19,592,616	310,960	19,281,656	766,894
<b>Total Unamortized Premiums</b>	<b>\$ 45,444,426</b>	<b>\$ 19,592,616</b>	<b>\$ 3,418,154</b>	<b>\$ 61,618,888</b>	<b>\$ 3,835,376</b>

**K. Debt Service Bonds Payable**

The 2004B Bonds have a variable interest rate. The District has a Standby Bond Purchase Agreement with JP Morgan Chase to provide liquidity support on the \$29,730,000 balance of the 2004B Bonds. The bonds are in a variable rate "flex mode," whereby the rate is set weekly and then re-marketed quarterly. The District's rate was 0.88% as of June 30, 2017, and the average rate for fiscal year 2017 was 0.68%.

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**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

On January 15, 2015, the District issued Unlimited Tax Refunding Bonds, Series 2015, in the amount of \$78,740,000. The bonds are payable February 15 and August 15 of each year, commencing February 15, 2015, and ending on August 15, 2032. The 2015 bonds were issued to refund \$84,280,000 of the Series 2007 Bonds. The refunding reduced future debt service costs (difference between cash flow to service old debt and that required for new debt) by \$10,378,950, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$7,448,003. The liability associated with the bond was removed from the related payables. As of June 30, 2017, \$84,280,000 of the refunded bond remains outstanding with a related escrow balance of \$89,957,125.

On March 11, 2015, the District issued Unlimited Tax Refunding Bonds, Series 2015A, in the amount of \$104,555,000. The bonds are payable February 15 and August 15 of each year, commencing August 15, 2015, and ending on August 15, 2033. The 2015A bonds were issued to refund \$108,375,000 of the Series 2008 Bonds. The refunding reduced future debt service costs (difference between cash flow to service old debt and that required for new debt) by \$11,125,475, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$8,180,049. The liability associated with the bond was removed from the related payables. As of June 30, 2017, \$108,375,000 of the refunded bond remains outstanding with an estimated related escrow balance of \$114,361,992.

On January 4, 2017, the District issued the Unlimited Tax School Building Bonds, Series 2017 in the amount of \$181,835,000. The bonds were issued at a premium, and the net additional proceeds the District received was \$18,165,000. The total proceeds from the issuance was \$200,000,000. This was the first bond sale of the \$668,695,577, authorized by the voters at the November 2016 general election. Bond payments are payable on February 15 and August 15 of each year, commencing on February 15, 2017. The bonds were structured as serial bonds maturing August 15, 2027 to August 15, 2038, and term bonds maturing on August 15, 2042. The term bonds have mandatory sinking fund payments from August 15, 2039 to August 15, 2042.

The District had two capital appreciation bonds during the year ending June 30, 2017, that were issued at a deep discount. The discount is being accreted over the life of the bonds. For the year ended June 30, 2017, \$214,438 was accreted.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2017.

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**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Debt service requirements for bonds payable are as follows:

Year Ending June 30,	Bonds Payable		
	Principal	Interest	Total
2018	\$ 16,918,318	\$ 24,717,563	\$ 41,635,881
2019	17,784,154	23,631,546	41,415,700
2020	10,728,593	23,193,669	33,922,262
2021	13,136,571	27,495,342	40,631,913
2022	19,150,000	21,272,788	40,422,788
2023 - 2027	105,235,000	91,035,100	196,270,100
2028 - 2032	113,755,000	65,009,712	178,764,712
2033 - 2037	99,730,000	38,250,794	137,980,794
2038 - 2042	96,225,000	16,892,625	113,117,625
2043	22,735,000	520,125	23,255,125
Total	<u>\$ 515,397,636</u>	<u>\$ 332,019,264</u>	<u>\$ 847,416,900</u>

**L. Capital Leases**

As of June 30, 2017, the District has two remaining lease agreements related to the purchase of buses. The lease terms are for seven years with interest ranging from 1.39 to 1.64 percent.

Total interest paid during the fiscal year ending June 30, 2017, was \$20,807.

Capital lease future payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 354,614	\$ 15,718	\$ 370,332
2019	359,777	10,555	370,332
2020	365,016	5,316	370,332
Total	<u>\$ 1,079,407</u>	<u>\$ 31,589</u>	<u>\$ 1,110,996</u>

**M. 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. 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

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
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**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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, 2017, totaled \$6,307,231. Total interest paid during the fiscal year ending June 30, 2017, was \$236,763.

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

Fiscal Year	Sinking Fund Deposits	Interest Payments	Annual Total
2018	\$ 684,059	\$ 236,763	\$ 920,822
2019	684,059	236,763	920,822
2020	684,059	236,763	920,822
2021	684,059	236,763	920,822
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	5,472,472	<u>\$ 2,012,485</u>	<u>\$ 7,484,957</u>
Balance in sinking fund	6,307,231		
Estimated future interest earnings	<u>3,495,297</u>		
Withdrawal at maturity	<u>\$ 15,275,000</u>		

**N. Accumulated Unpaid Sick Leave Benefits**

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

	<u>Sick Leave</u>
Balance June 30, 2016	\$ 11,069,454
Additions - New entrants and salary	2,854,673
Deductions - Payments to participants	<u>(2,097,081)</u>
Balance June 30, 2017	<u>\$ 11,827,046</u>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

O. 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, 2017.

P. Commitments Under Operating Leases

Commitments under operating (noncapitalized) lease agreements for facilities, computer equipment, and copiers provide for minimum future rental payments as of June 30, 2017, as follows:

<u>Year Ending June 30,</u>	
2018	\$ 1,073,862
2019	1,073,502
2020	724,106
2021	44,725
2022	14,707
2023 - 2027	6,800
2028	<u>1,700</u>
Total Minimum Rentals	<u>\$ 2,939,402</u>
Rental expenditures for the year ended June 30, 2017	<u>\$ 1,839,542</u>

Q. 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.

(Continued)

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

**Pension Plan Fiduciary Net Position:** Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; 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.

**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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2015 and 2016. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>Plan Fiscal Year</u>	
	<u>2016</u>	<u>2017</u>
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

(Continued)

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

Contributions Required and Made

2017 District Contributions	\$ 11,052,123
2017 Member Contributions	28,726,299
2016 Plan Year NECE On-Behalf Contributions (State)	19,777,702

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

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

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

Included in the employer contributions amount listed above for fiscal year 2017, the District paid \$144,329 in retiree surcharges and \$4,804,336 for non-OASDI employees. 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.
- When a school district or charter school does not contribute to the Federal Old-Age Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Actuarial Assumptions:** The total pension liability in the August 31, 2016, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Mutual Bond Rate	N/A*
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.50%
Salary Increases including inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

\*If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e. the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015.

**Changes since the Prior Actuarial Valuation:** There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

**Discount Rate:** The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan 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 pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016, are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

*\*The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.*

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Discount Rate Sensitivity Analysis:** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability:

	1% Decrease in Discount Rate (7%)	Current Discount Rate 8%	1% Increase in Discount Rate (9%)
District's proportionate share of the net pension liability	\$ 206,923,789	\$ 133,700,793	\$ 71,592,891

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** At June 30, 2017, the District reported a liability of \$133,700,793 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	\$ 133,700,793
State's proportionate share that is associated with the District	234,758,266
Total	\$ 368,459,059

The net pension liability was measured as of August 31, 2016, 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, 2015, through August 31, 2016.

At August 31, 2016, the District's proportion of the collective net pension liability was 0.3538133% which was a decrease of 0.00826866% from its proportion measured as of August 31, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$24,362,310 and revenue of \$24,362,310 for support provided by the State.

The amount of pension expense recognized by the District in the reporting period was \$25,838,049.

At June 30, 2017, 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:

(Continued)



**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,096,403	\$ 3,992,228
Changes in actuarial assumptions	4,074,960	3,706,008
Net difference between projected and actual investment earnings	11,321,507	-
Changes in proportion and difference between District's contributions and proportionate share of contributions	25,335,543	11,153
District contributions to TRS subsequent to the measurement date	9,334,248	-
Total	\$ 52,162,661	\$ 7,709,389

The \$9,334,248 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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

Year Ended June 30	Amount
2018	\$ 6,146,794
2019	6,146,794
2020	13,368,203
2021	5,591,950
2022	3,419,141
Thereafter	446,142

**Payable to the Pension Plan:** At June 30, 2017, the District reported a payable of \$3,454,139 to the pension plan for the outstanding amount of contractually required contributions related to past service costs.

**Changes in Net Pension Liability:**

	Beginning Balance	Additions	Reductions	Ending Balance
Net Pension Liability	\$ 127,997,495	\$ 16,944,843	\$ 11,241,545	\$ 133,700,793

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

R. Retiree Health Plan

**Plan Description.** The El Paso Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575, Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

**Funding Policy.** Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are equal to the required contributions for each year and are shown in the table below for fiscal years 2017, 2016, and 2015.

**Contribution Rates**

Period/ Year Ended	Member		State		School District		Federal	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
2017	0.65%	\$ 2,451,185	1.0%	\$ 3,430,121	0.55%	\$ 2,146,137	1.0%	\$ 355,425
2016	0.65%	\$ 2,452,504	1.0%	\$ 3,526,713	0.55%	\$ 2,182,803	1.0%	\$ 390,989
2015	0.65%	\$ 2,412,939	1.0%	\$ 3,319,026	0.55%	\$ 2,167,239	1.0%	\$ 317,415

The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

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 years ended June 30, 2017, 2016, and 2015, were \$1,759,590, \$1,127,852, and \$1,088,982, respectively.

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

These amounts are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

S. Health Care Coverage

The District participates in TRS Active Care, sponsored by the Teacher Retirement System of Texas, and administered by Aetna. TRS Active Care provides health care coverage to employees (and their dependents) of participating public education entities. 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. Payments are made on a monthly basis for all covered employees. Employees have three PPO plan options to choose from. All three plans meet the guidelines of the Affordable Health Care Act.

T. Self-Insured Workers' Compensation

The District self-insures its workers' compensation claims which are administered by a third party, 1-2-1 Claims. Estimated incurred but not paid 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 \$7,500,000 includes estimated incurred but not paid claims. This liability reported in the fund at June 30, 2017, is in accordance with the requirements of Governmental Accounting Standards Board. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, actual results may differ from the estimated liability.

Changes in the balances of claim liabilities for June 30 are as follows:

	2017	2016	2015
Unpaid claims, beginning of year	\$ 7,500,000	\$ 9,000,000	\$ 9,000,000
Incurred claims	3,089,423	3,172,118	2,886,439
Change in estimate	-	(1,500,000)	-
Claim payments	(3,089,423)	(3,172,118)	(2,886,439)
Unpaid claims, end of fiscal year	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 9,000,000</u>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**U. Revenue from Local and Intermediate Sources**

During the year ending June 30, 2017, revenues from local and intermediate sources consisted of the following:

	General Fund	2008 Capital Projects Fund	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds
Property taxes	\$ 167,389,343	\$ -	\$ -	\$ 25,835,687	\$ 193,225,030	\$ -
Penalty and interest on taxes	1,224,700	-	-	202,271	1,426,971	-
Investment income	882,124	523,602	857,957	447,858	2,711,541	67,943
Extracurricular/cocurricular activities	794,659	-	-	-	794,659	-
Athletics	507,051	-	-	-	507,051	-
Tuition and fees	490,432	-	-	-	490,432	-
Refunds/credits	273,874	-	-	-	273,874	-
Purchasing Rebates	157,877	-	-	-	157,877	-
Services to other districts	151,000	-	-	-	151,000	-
Surplus sales	134,158	-	-	-	134,158	-
Rent	121,830	-	-	-	121,830	-
Power Up sales	87,216	-	-	-	87,216	-
Transportation revenue	82,352	-	-	-	82,352	-
Vehicle inventory tax	77,271	-	-	-	77,271	-
Food Service activity	-	-	-	3,260,640	3,260,640	-
Shared service arrangements	-	-	-	426,506	426,506	-
Army Youth grant	-	-	-	161,651	161,651	-
Teens Against Tobacco Use	-	-	-	132,650	132,650	-
Print Shop	-	-	-	-	-	866,244
Workers Compensation	-	-	-	-	-	2,359,798
Health Clinic	-	-	-	-	-	789,692
Other local revenue	385,353	-	-	62,860	448,213	-
<b>Total</b>	<b>\$ 172,759,240</b>	<b>\$ 523,602</b>	<b>\$ 857,957</b>	<b>\$ 30,530,123</b>	<b>\$ 204,670,922</b>	<b>\$ 4,083,677</b>

**V. Fund Balances**

As of June 30, 2017, fund balances were composed of the following:

	General Fund	2008 Capital Projects Fund	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>					
Inventories	\$ 1,775,606	-	-	-	\$ 1,775,606
<b>Restricted:</b>					
Bilingual Allotment	1,538,932	-	-	-	1,538,932
High School Allotment	2,395,461	-	-	-	2,395,461
Medicaid Administrative Claiming Program	-	-	-	281,988	281,988
Retirement of Long-term debt	-	-	-	28,129,335	28,129,335
QSC-MTN Sinking Fund and Bray Trust	-	-	-	6,459,997	6,459,997
Food Service Program	-	-	-	3,405,347	3,405,347
Capital projects	-	57,901,987	198,655,733	-	256,557,720

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	General Fund	2008 Capital Projects Fund	2016 Capital Projects Fund	Nonmajor Governmental Funds	Total
Assigned:					
Construction	1,057,628	-	-	-	1,057,628
Capital Expenditures - Equipment	2,302,455	-	-	-	2,302,455
Building Relocation	3,200,000				
Other Assigned	2,735,664	-	-	-	2,735,664
Unassigned	100,512,255	-	-	-	100,512,255
 Total fund balances	 \$ 115,518,001	 \$ 57,901,987	 \$ 198,655,733	 \$ 38,276,667	 \$ 407,152,388

As discussed in Note W, as of June 30, 2017, the District has a total of \$35,436,022 of encumbrances of operating funds shown as restricted or assigned in major and nonmajor funds that rolled over into the next fiscal year. Other assigned fund balance in the General Fund includes encumbrances of \$2,515,664 and an assignment for self insurance activities of \$220,000.

**W. 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, 2017, certain amounts which were previously restricted or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	<u>Encumbrances included in:</u>		
	Restricted fund Balance	Assigned Fund Balance	Total
General Fund	\$ -	\$ 5,119,494	\$ 5,119,494
2008 Capital Projects Fund	1,415,731	-	1,415,731
2016 Capital Projects Fund	28,900,797	-	28,900,797
 Total	 \$ 30,316,528	 \$ 5,119,494	 \$ 35,436,022

**X. 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, 2017**

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

Y. Construction and Other Significant Commitments and Contingencies

Construction Commitments

The District has active construction projects as of June 30, 2017, including renovations and site improvements. All accumulated resources for capital projects are restricted or assigned for construction commitments. As of June 30, 2017, the construction work in progress and estimated commitments with contractors on various projects are as follows:

	Spent To Date	Remaining Commitment
Athletic upgrades	\$ 2,368,544	\$ 210,028
Bond Program management fees	1,965,028	13,782,549
HVAC replacements and improvements	415,426	1,064,797
New buildings	781,571	7,732,132
Land	145,000	15,000
Drainage improvements	135,325	100,645
Miscellaneous projects	142,117	87,884
Multipurpose building	53,686	996,314
Roofing upgrades	13,942	2,186,057
Parking lot	12,979	147,021
Agricultural Farm improvements	11,313	568,687
Building improvements	551,044	3,153,130
	\$ 6,595,975	\$ 30,044,244

Software Commitments

The District has two Technology E-Rate projects in process as of June 30, 2017. The work in process and estimated commitments with vendors on these projects are as follows:

	Spent To Date	Remaining Commitment
Network Electronics Project	\$106,049	\$5,079

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, 2017**

**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.

**Z. 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, 316, 317, 340, 435, and 446, Shared Services Arrangements - Deaf Education.

Expenditures of the SSA are summarized below:

El Paso I.S.D.	\$ 1,319,336
Socorro I.S.D.	126,975
Ysleta I.S.D.	27,451
Clint I.S.D.	1,887
Canutillo I.S.D.	1,080
Fabens I.S.D.	<u>473</u>
<b>Total</b>	<b><u><u>\$ 1,477,202</u></u></b>

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**AA. 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. 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.

**BB. 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, 2017.

**CC. 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.

**DD. 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, 2017, the District paid a total of \$2,024 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, 2017**

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

EE. Top Ten Taxpayers

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

Name	Taxable Value	% of Taxable Value
Western Refining Co. LP	\$ 488,619,699	2.98%
El Paso Electric	186,890,150	1.14%
Hawkins & I-10 Acquisition Co. LP	149,544,348	0.91%
Simon Property Group	136,652,355	0.83%
Wal-Mart Stores Inc.	115,973,145	0.71%
Sierra Providence Physical Rehab Hospital	100,884,670	0.62%
Texas Gas Service	53,431,910	0.33%
E I Dupont De Nemours & Co.	52,639,800	0.32%
Union Pacific Railroad Co.	52,362,384	0.32%
JRK Colinas Del Sol LLC	49,478,632	0.30%
	<u>\$ 1,386,477,093</u>	<u>8.46%</u>

FF. New Accounting Pronouncements

The District has not completed the process of evaluating the impact on its financial position that will result from adopting Governmental Accounting Standards Board (GASB) Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for fiscal years beginning after June 15, 2017. GASB No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers.

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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, 2017

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 172,687,789	\$ 172,687,789	\$ 172,759,240	\$ 71,451
5800	State Program Revenues	309,110,521	309,080,521	309,811,635	731,114
5900	Federal Program Revenues	15,875,000	17,473,941	14,286,793	(3,187,148)
5020	Total Revenues	497,673,310	499,242,251	496,857,668	(2,384,583)
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	284,504,643	291,695,870	292,388,019	(692,149)
0012	Instructional Resources and Media Services	9,917,223	10,047,758	10,184,688	(136,930)
0013	Curriculum and Instructional Staff Development	20,539,238	18,700,695	18,023,005	677,690
0021	Instructional Leadership	4,092,594	4,217,488	4,078,301	139,187
0023	School Leadership	36,205,304	37,134,746	37,677,651	(542,905)
0031	Guidance, Counseling and Evaluation Services	18,980,776	18,965,399	19,382,101	(416,702)
0032	Social Work Services	4,060,352	4,159,497	3,868,551	290,946
0033	Health Services	6,481,818	6,766,611	6,639,652	126,959
0034	Student (Pupil) Transportation	16,322,309	17,977,094	15,521,252	2,455,842
0036	Extracurricular Activities	12,582,985	12,934,605	12,583,318	351,287
0041	General Administration	11,772,586	12,642,527	12,019,232	623,295
0051	Facilities Maintenance and Operations	53,321,584	56,605,154	51,326,994	5,278,160
0052	Security and Monitoring Services	5,687,064	6,310,349	6,204,729	105,620
0053	Data Processing Services	6,364,023	7,996,507	5,805,801	2,190,706
0061	Community Services	35,917	151,974	71,038	80,936
Debt Service:					
0071	Principal on Long Term Debt	349,525	349,525	349,525	-
0072	Interest on Long Term Debt	257,571	257,571	257,570	1
0073	Bond Issuance Cost and Fees	2,000	2,000	1,500	500
Capital Outlay:					
0081	Facilities Acquisition and Construction	2,806,885	7,676,429	3,521,285	4,155,144
Intergovernmental:					
0099	Other Intergovernmental Charges	2,704,854	2,704,854	2,589,237	115,617
6030	Total Expenditures	496,989,251	517,296,653	502,493,449	14,803,204
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	684,059	(18,054,402)	(5,635,781)	12,418,621
<b>OTHER FINANCING SOURCES (USES):</b>					
8911	Transfers Out (Use)	(684,059)	(684,059)	(684,059)	-
1200	Net Change in Fund Balances	-	(18,738,461)	(6,319,840)	12,418,621
0100	Fund Balance - July 1 (Beginning)	121,837,841	121,837,841	121,837,841	-
3000	Fund Balance - June 30 (Ending)	\$ 121,837,841	\$ 103,099,380	\$ 115,518,001	\$ 12,418,621

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

EXHIBIT G-2

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.3538133%	0.3620999%	0.2401539%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 133,700,793	\$ 127,997,495	\$ 64,148,427
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	234,758,266	234,729,990	207,838,673
Total	<u>\$ 368,459,059</u>	<u>\$ 362,727,485</u>	<u>\$ 271,987,100</u>
District's Covered-Employee Payroll	\$ 377,316,904	\$ 373,930,999	\$ 374,880,694
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	35.43%	34.23%	17.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 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, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

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

EL PASO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR FISCAL YEARS ENDED JUNE 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 11,052,123	\$ 10,962,083	\$ 10,210,794
Contribution in Relation to the Contractually Required Contribution	(11,052,123)	(10,962,083)	(10,210,794)
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered-Employee Payroll	\$ 37,714,149	\$ 377,287,614	\$ 371,221,286
Contributions as a Percentage of Covered-Employee Payroll	2.93%	2.91%	2.75%

Note: GASB 68, Paragraph 81 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 for the respective fiscal years.

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

	2014	2013	2012
\$	6,104,979	\$ 5,347,398	\$ 4,915,175
	(6,104,979)	(5,347,398)	(4,915,175)
\$	-0-	\$ -0-	-0-
\$	374,598,981	\$ 367,948,382	\$ 368,763,102
	1.63%	1.45%	1.33%

## EL PASO INDEPENDENT SCHOOL DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

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#### **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. 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 the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

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

1. Prior to June 19, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. On June 21, 2016, 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.

Negative variances were identified in the following areas: Function 11- Instruction had a variance of \$692 thousand due to the accelerated summer school program; the summer program usually is covered in the months of June and July however the program was consolidated to the month of June. Function 12 - Instructional Resources and Media Services had a variance of \$137 thousand that resulted from the pay-off of employee leave for retirees. Function 23 - School Leadership was impacted with a variance of \$543 thousand due to personnel costs of interim campus administrators as well as pay-off of employee leave for retirees. Lastly, Function 31 - Guidance, Counseling and Evaluation ended the year with a negative variance of \$416 thousand due to the realignment of function for the High School Testing Coordinators. The realignment was due to the need of additional assistance with the administration of state assessments.

#### **TEACHER RETIREMENT SYSTEM OF TEXAS**

##### ***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 to assumptions or other inputs that affected measurement of the total pension liability during the measurement period.



## **COMBINING AND OTHER STATEMENTS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

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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

ESEA Title X, Part C Homeless (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.

ESEA Title I, Part A, Improving Basic Program (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.

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 education 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.

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.

## NONMAJOR GOVERNMENTAL FUNDS

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Career and 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.

ESEA II, Part A – Training and Recruiting (Fund 255) - These funds are 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.

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.

Mathematics and Science Partnerships (Fund 273) - This fund classification is to be used to account, on a project basis, for funds granted to eligible partnerships to improve the academic achievement of students in mathematics and science by providing professional development to improve teaching and by recruiting math, engineering, and science majors to teaching. This grant is authorized under Title II, Part B of the No Child Left Behind Act, P. L. 107-110.

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; Military Connected Schools; Texas Literacy Initiative; Title VI Summer LEP; SPED Reading Strong; Fed COPS Anti-Gain Initiative (CAGI); Fed COPS Hiring 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.

SSA IDEA, Part B – Deaf (Fund 316) - This fund classification is used to account for a shared service arrangement to operate educational programs for children with disabilities to provide them with a free, appropriate public education that includes special education and related services to meet students' unique needs. These funds are used to fund payroll for teachers and diagnosticians, as well as other contracted services as needed. These funds are also used to purchase all necessary materials used in deaf education classrooms to provide a high quality education for students.

SSA IDEA, Part B – Preschool Deaf (Fund 317) - This fund accounts for a shared service arrangement for funds granted to provide special education and related services to children with disabilities ages 3–21. In addition, these funds are meant to supplement and increase services beyond the level of state and local funds expended for preschool students ages 3–5 with disabilities.

## NONMAJOR GOVERNMENTAL FUNDS

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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 to 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.

High School Completion and Success (Fund 409) - This fund classification are to be used to account, on a project basis, for funds granted for schools to implement programs to support the improvement of high school graduation rates and post-secondary readiness.

State Textbook Fund (Fund 410) - This fund classification 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; Veterans AFF Grant; Law Enforcement Officer Standard and Education (LEOSE); Literacy Achievement Academy; Mathematics Achievement Academy and the Prekindergarten Grant Program. The programs are designed to improve student performance by fostering open, supportive and collaborative campus cultures that allow teachers to seek and attain growth within their field.

SSA Regional Day School - Deaf (Fund 435) - This fund is used by the fiscal agent of a shared services arrangement to account, 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) - These funds are 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.

Other Local Special Revenue Funds (Fund 499) - These are locally funded special revenue funds not otherwise listed. This fund includes Teens Against Tobacco Use (TATU); University of Texas at El Paso Mini Grant; 3M Ingenuity Grant; Project Lead the Way; Target Grant; Science Foundation Grant; Digital Promise Grant; Army Youth; ASAP Award; Dollar General Literacy Foundation; El Paso Community Foundation and the Community Solutions Grant. These programs are designed to educate youth against the dangers of tobacco, 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.

### Debt Service Funds

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

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

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	220 Adult Education Federal	223 TANF Family Assistance
<b>ASSETS</b>				
1110	\$ -	\$ -	\$ -	\$ -
1220	-	-	-	-
1230	-	-	-	-
1240	30,572	5,344,438	207,953	36,582
1250	-	-	-	-
1260	-	-	-	-
1290	-	-	-	-
1800	-	-	-	-
1900	-	-	-	-
1000	<u>\$ 30,572</u>	<u>\$ 5,344,438</u>	<u>\$ 207,953</u>	<u>\$ 36,582</u>
<b>LIABILITIES</b>				
2110	\$ 184	\$ 73,677	\$ 19,005	\$ -
2160	156	2,241,235	48,213	-
2170	30,232	2,931,353	140,735	36,582
2200	-	98,173	-	-
2300	-	-	-	-
2000	<u>30,572</u>	<u>5,344,438</u>	<u>207,953</u>	<u>36,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	-	-	-	-
3480	-	-	-	-
3490	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 30,572</u>	<u>\$ 5,344,438</u>	<u>\$ 207,953</u>	<u>\$ 36,582</u>

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 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC
\$ -	\$ -	\$ 5,407	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,512,128	4,243	-	420,968	50,258	515,124	69,015	57,056
-	-	-	-	-	-	-	-
-	-	3,378,535	324,649	-	-	-	236,520
-	-	-	-	-	-	-	-
-	-	58,158	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,512,128</u>	<u>\$ 4,243</u>	<u>\$ 3,442,100</u>	<u>\$ 745,617</u>	<u>\$ 50,258</u>	<u>\$ 515,124</u>	<u>\$ 69,015</u>	<u>\$ 293,576</u>
\$ 5,578	\$ 440	\$ 3,474	\$ 943	\$ -	\$ 171,052	\$ 264	\$ -
1,591,814	-	573,613	145,320	15,004	294,088	16,088	11,588
908,033	3,693	-	-	35,224	17,301	52,663	-
6,703	110	862	-	30	32,683	-	-
-	-	-	-	-	-	-	-
<u>2,512,128</u>	<u>4,243</u>	<u>577,949</u>	<u>146,263</u>	<u>50,258</u>	<u>515,124</u>	<u>69,015</u>	<u>11,588</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,805,993	599,354	-	-	-	281,988
-	-	-	-	-	-	-	-
-	-	58,158	-	-	-	-	-
-	-	<u>2,864,151</u>	<u>599,354</u>	-	-	-	<u>281,988</u>
<u>\$ 2,512,128</u>	<u>\$ 4,243</u>	<u>\$ 3,442,100</u>	<u>\$ 745,617</u>	<u>\$ 50,258</u>	<u>\$ 515,124</u>	<u>\$ 69,015</u>	<u>\$ 293,576</u>

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Data Control Codes	273 Mathematics & Science Partnerships	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	980,958	66,983	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	24,463	-	-
1290	Other Receivables	-	-	-	-
1800	Restricted Assets	-	-	-	-
1900	Long Term Investments	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 1,005,421</u>	<u>\$ 66,983</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 8,944	\$ 24,659	\$ -
2160	Accrued Wages Payable	-	31,297	14,587	-
2170	Due to Other Funds	-	884,727	27,737	-
2200	Accrued Expenditures	-	55,990	-	-
2300	Unearned Revenues	-	24,463	-	-
2000	<b>Total Liabilities</b>	<u>-</u>	<u>1,005,421</u>	<u>66,983</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ -</u>	<u>\$ 1,005,421</u>	<u>\$ 66,983</u>	<u>\$ -</u>



317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	381 Adult Basic Education State	397 Advanced Placement Incentives	409 High School Completion and Success	410 State Textbook Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	24,902	-	-	941,658	413,417	203,205
-	-	-	-	-	-	-	-
-	-	-	56,971	-	363,675	8,217	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,902</u>	<u>\$ 56,971</u>	<u>\$ -</u>	<u>\$ 1,305,333</u>	<u>\$ 421,634</u>	<u>\$ 203,205</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,996
-	-	3,675	-	-	-	99,615	111,375
-	-	21,227	-	-	928,357	313,802	89,127
-	-	-	-	-	13,301	-	707
-	-	-	56,971	-	363,675	8,217	-
<u>-</u>	<u>-</u>	<u>24,902</u>	<u>56,971</u>	<u>-</u>	<u>1,305,333</u>	<u>421,634</u>	<u>203,205</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,902</u>	<u>\$ 56,971</u>	<u>\$ -</u>	<u>\$ 1,305,333</u>	<u>\$ 421,634</u>	<u>\$ 203,205</u>

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Data Control Codes	446 SSA - RDSPD Tuition Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	575 QSC - MTN Sinking Fund
<b>ASSETS</b>				
1110	\$ -	\$ -	\$ 5,407	\$ -
1220	-	-	-	-
1230	-	-	-	-
1240	353,191	1,958	12,234,609	-
1250	-	-	-	94,608
1260	-	755,456	5,148,486	-
1290	-	-	-	-
1800	-	-	58,158	-
1900	-	-	-	6,307,231
1000	<u>\$ 353,191</u>	<u>\$ 757,414</u>	<u>\$ 17,446,660</u>	<u>\$ 6,401,839</u>
<b>LIABILITIES</b>				
2110	\$ -	\$ -	\$ 310,216	\$ -
2160	52,543	15,278	5,265,489	-
2170	298,282	-	6,719,075	-
2200	2,366	89,285	300,210	-
2300	-	652,851	1,106,177	-
2000	<u>353,191</u>	<u>757,414</u>	<u>13,701,167</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	-	-	3,687,335	-
3480	-	-	-	-
3490	-	-	58,158	6,401,839
3000	<u>-</u>	<u>-</u>	<u>3,745,493</u>	<u>6,401,839</u>
4000	<u>\$ 353,191</u>	<u>\$ 757,414</u>	<u>\$ 17,446,660</u>	<u>\$ 6,401,839</u>

599 Debt Service Fund	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
\$ 28,949,152	\$ 28,949,152	\$ 28,954,559
1,999,655	1,999,655	1,999,655
(1,081,000)	(1,081,000)	(1,081,000)
-	-	12,234,609
4,573	99,181	99,181
-	-	5,148,486
29,425	29,425	29,425
-	-	58,158
-	6,307,231	6,307,231
<u>\$ 29,901,805</u>	<u>\$ 36,303,644</u>	<u>\$ 53,750,304</u>
\$ -	\$ -	\$ 310,216
-	-	5,265,489
-	-	6,719,075
39,893	39,893	340,103
962,206	962,206	2,068,383
<u>1,002,099</u>	<u>1,002,099</u>	<u>14,703,266</u>
<u>770,371</u>	<u>770,371</u>	<u>770,371</u>
<u>770,371</u>	<u>770,371</u>	<u>770,371</u>
-	-	3,687,335
28,129,335	28,129,335	28,129,335
-	6,401,839	6,459,997
<u>28,129,335</u>	<u>34,531,174</u>	<u>38,276,667</u>
<u>\$ 29,901,805</u>	<u>\$ 36,303,644</u>	<u>\$ 53,750,304</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, 2017

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	220 Adult Education Federal	223 TANF Family Assistance
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	83,555	27,254,073	710,852	162,985
5020 Total Revenues	83,555	27,254,073	710,852	162,985
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	18,717,857	380,649	86,435
0012 Instructional Resources and Media Services	-	378,176	-	-
0013 Curriculum and Instructional Staff Development	-	3,145,937	109,822	23,203
0021 Instructional Leadership	-	1,035,416	127,190	28,588
0023 School Leadership	-	155,959	-	-
0031 Guidance, Counseling and Evaluation Services	-	482,190	47,454	12,721
0032 Social Work Services	83,555	135,546	43,197	12,038
0033 Health Services	-	21,064	-	-
0034 Student (Pupil) Transportation	-	830,532	-	-
0035 Food Services	-	-	-	-
0051 Facilities Maintenance and Operations	-	924,626	2,540	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	1,426,770	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	83,555	27,254,073	710,852	162,985
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

224	225	240	242	244	255	263	272
IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	Summer Feeding Program	Career and Technical - Basic Grant	ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Medicaid Admin. Claim MAC
\$ -	\$ -	\$ 3,280,552	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	177,793	-	-	-	-	-
10,982,272	175,483	29,257,365	702,116	909,798	4,586,238	1,359,066	233,733
10,982,272	175,483	32,715,710	702,116	909,798	4,586,238	1,359,066	233,733
4,407,809	172,643	-	-	774,635	1,965,654	467,766	-
59,477	-	-	-	-	-	-	-
608,966	2,583	-	-	123,483	2,475,102	884,204	-
176,745	-	-	-	-	65,144	-	-
312,921	-	-	-	-	73,395	6,135	-
5,391,607	257	-	-	11,680	6,318	-	-
-	-	-	-	-	625	-	-
-	-	-	-	-	-	-	107,822
13,809	-	-	-	-	-	-	-
-	-	31,489,677	504,601	-	-	-	-
-	-	1,826,740	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,938	-	-	-	-	-	961	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,982,272	175,483	33,316,417	504,601	909,798	4,586,238	1,359,066	107,822
-	-	(600,707)	197,515	-	-	-	125,911
-	-	1,500,000	-	-	-	-	-
-	-	-	(1,500,000)	-	-	-	-
-	-	1,500,000	(1,500,000)	-	-	-	-
-	-	899,293	(1,302,485)	-	-	-	125,911
-	-	1,964,858	1,901,839	-	-	-	156,077
\$ -	\$ -	\$ 2,864,151	\$ 599,354	\$ -	\$ -	\$ -	\$ 281,988

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	273 Mathematics & Science Partnerships	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	97,322	4,757,621	170,508	1,870
5020 Total Revenues	97,322	4,757,621	170,508	1,870
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	1,933,061	166,826	1,870
0012 Instructional Resources and Media Services	-	737	-	-
0013 Curriculum and Instructional Staff Development	97,322	1,729,227	630	-
0021 Instructional Leadership	-	2,678	-	-
0023 School Leadership	-	46,139	-	-
0031 Guidance, Counseling and Evaluation Services	-	2,553	-	-
0032 Social Work Services	-	41,578	-	-
0033 Health Services	-	-	1,580	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	157,577	-	-
0053 Data Processing Services	-	844,071	-	-
0061 Community Services	-	-	1,472	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	97,322	4,757,621	170,508	1,870
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	381 Adult Basic Education State	397 Advanced Placement Incentives	409 High School Completion and Success	410 State Textbook Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	119,610	2,504	1,029	2,394,490	1,796,752	876,897
1,263	1,421	-	-	-	-	-	-
1,263	1,421	119,610	2,504	1,029	2,394,490	1,796,752	876,897
311	1,421	58,023	2,504	1,029	2,394,490	1,644,716	818,024
-	-	-	-	-	-	165	-
952	-	19,131	-	-	-	145,485	2,758
-	-	22,769	-	-	-	-	880
-	-	-	-	-	-	-	-
-	-	10,125	-	-	-	-	55,235
-	-	9,562	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	6,386	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,263	1,421	119,610	2,504	1,029	2,394,490	1,796,752	876,897
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

Data Control Codes	446 SSA - RDSPD Tuition Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	575 QSC - MTN Sinking Fund
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 426,506	\$ 357,162	\$ 4,064,220	\$ 229,795
5800 State Program Revenues	-	-	5,369,075	-
5900 Federal Program Revenues	-	-	81,447,541	-
5020 Total Revenues	426,506	357,162	90,880,836	229,795
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	336,375	341,912	34,674,010	-
0012 Instructional Resources and Media Services	-	-	438,555	-
0013 Curriculum and Instructional Staff Development	-	866	9,369,671	-
0021 Instructional Leadership	-	-	1,459,410	-
0023 School Leadership	-	-	594,549	-
0031 Guidance, Counseling and Evaluation Services	90,131	-	6,110,271	-
0032 Social Work Services	-	-	326,101	-
0033 Health Services	-	-	130,466	-
0034 Student (Pupil) Transportation	-	-	844,341	-
0035 Food Services	-	-	31,994,278	-
0051 Facilities Maintenance and Operations	-	-	2,753,906	-
0052 Security and Monitoring Services	-	14,384	178,347	-
0053 Data Processing Services	-	-	844,071	-
0061 Community Services	-	-	1,440,141	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	426,506	357,162	91,158,117	-
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(277,281)	229,795
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	1,500,000	684,059
8911 Transfers Out (Use)	-	-	(1,500,000)	-
7080 Total Other Financing Sources (Uses)	-	-	-	684,059
1200 Net Change in Fund Balance	-	-	(277,281)	913,854
0100 Fund Balance - July 1 (Beginning)	-	-	4,022,774	5,487,985
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ 3,745,493	\$ 6,401,839



599	Total	Total
Debt Service	Nonmajor	Nonmajor
Fund	Debt Service	Governmental
	Funds	Funds
\$ 26,236,108	\$ 26,465,903	\$ 30,530,123
6,113,381	6,113,381	11,482,456
-	-	81,447,541
32,349,489	32,579,284	123,460,120
-	-	34,674,010
-	-	438,555
-	-	9,369,671
-	-	1,459,410
-	-	594,549
-	-	6,110,271
-	-	326,101
-	-	130,466
-	-	844,341
-	-	31,994,278
-	-	2,753,906
-	-	178,347
-	-	844,071
-	-	1,440,141
16,258,027	16,258,027	16,258,027
15,582,096	15,582,096	15,582,096
230,136	230,136	230,136
32,070,259	32,070,259	123,228,376
279,230	509,025	231,744
242	684,301	2,184,301
-	-	(1,500,000)
242	684,301	684,301
279,472	1,193,326	916,045
27,849,863	33,337,848	37,360,622
\$ 28,129,335	\$ 34,531,174	\$ 38,276,667

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## **INTERNAL SERVICE FUNDS**

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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 - 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 Care Clinic Program - This fund accounts for all financial activity associated with the District contribution and payments to an outside vendor for employee Health Clinics. Services are available to all full-time and part-time employees. Eligible dependents must be covered under the TRS-AC Health Plan to obtain services.

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2017

	752	753	772	Total
	Print Shop	Workers' Compensation Insurance	Health Care Clinic Program	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 6,562,036	\$ 675,888	\$ 7,237,924
Accrued Interest	-	35,087	-	35,087
Due from Other Funds	321,083	17,062	-	338,145
Other Receivables	-	1,160	-	1,160
Total Current Assets	<u>321,083</u>	<u>6,615,345</u>	<u>675,888</u>	<u>7,612,316</u>
Noncurrent Assets:				
Capital Assets:				
Furniture and Equipment	223,041	-	-	223,041
Depreciation on Furniture and Equipment	(203,518)	-	-	(203,518)
Long Term Investments	-	3,852,029	-	3,852,029
Total Noncurrent Assets	<u>19,523</u>	<u>3,852,029</u>	<u>-</u>	<u>3,871,552</u>
Total Assets	<u>340,606</u>	<u>10,467,374</u>	<u>675,888</u>	<u>11,483,868</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	144,660	1,673	146,333
Accrued Wages Payable	-	34	503	537
Due to Other Funds	-	-	3,116	3,116
Accrued Expenses	26,466	7,500,000	16,016	7,542,482
Total Liabilities	<u>26,466</u>	<u>7,644,694</u>	<u>21,308</u>	<u>7,692,468</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	19,523	-	-	19,523
Unrestricted Net Position	294,617	2,822,680	654,580	3,771,877
Total Net Position	<u>\$ 314,140</u>	<u>\$ 2,822,680</u>	<u>\$ 654,580</u>	<u>\$ 3,791,400</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, 2017

	752	753	772	Total
	Print Shop	Workers' Compensation Insurance	Health Care Clinic Program	Internal Service Funds
<b>OPERATING REVENUES:</b>				
Local and Intermediate Sources	\$ 866,244	\$ 2,359,798	\$ 789,692	\$ 4,015,734
Total Operating Revenues	<u>866,244</u>	<u>2,359,798</u>	<u>789,692</u>	<u>4,015,734</u>
<b>OPERATING EXPENSES:</b>				
Payroll Costs	524,856	3,437,711	198,154	4,160,721
Professional and Contracted Services	123,266	154,302	330,910	608,478
Supplies and Materials	139,488	5,256	13,151	157,895
Other Operating Costs	584	37,998	26,719	65,301
Depreciation Expense	12,644	-	-	12,644
Total Operating Expenses	<u>800,838</u>	<u>3,635,267</u>	<u>568,934</u>	<u>5,005,039</u>
Operating Income (Loss)	<u>65,406</u>	<u>(1,275,469)</u>	<u>220,758</u>	<u>(989,305)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Earnings from Temporary Deposits & Investments	-	62,983	4,960	67,943
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>62,983</u>	<u>4,960</u>	<u>67,943</u>
Change in Net Position	65,406	(1,212,486)	225,718	(921,362)
Total Net Position - July 1 (Beginning)	<u>248,734</u>	<u>4,035,166</u>	<u>428,862</u>	<u>4,712,762</u>
Total Net Position June 30 (Ending)	<u>\$ 314,140</u>	<u>\$ 2,822,680</u>	<u>\$ 654,580</u>	<u>\$ 3,791,400</u>

EL PASO INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	752	753	772	
	Print	Workers'	Health Care	Total
	Shop	Compensation	Clinic	Internal
		Insurance	Program	Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 33,880	\$ -	\$ -	\$ 33,880
Cash Received from Assessments - Other Funds	735,527	2,359,798	789,692	3,885,017
Cash Payments to Employees for Services	(524,856)	(359,187)	(198,827)	(1,082,870)
Cash Payments for Insurance Claims	-	(3,079,785)	-	(3,079,785)
Cash Payments for Suppliers	(243,967)	(402,178)	(348,047)	(994,192)
Cash Payments for Other Operating Expenses	(584)	(37,998)	(26,719)	(65,301)
Net Cash Provided by (Used for) Operating Activities	-	(1,519,350)	216,099	(1,303,251)
<u>Cash Flows from Investing Activities:</u>				
Proceeds from Sale & Maturities of Securities	-	475,747	-	475,747
Interest and Dividends on Investments	-	64,997	4,960	69,957
Net Cash Provided by Investing Activities	-	540,744	4,960	545,704
Net Increase (Decrease) in Cash and Cash Equivalents	-	(978,606)	221,059	(757,547)
Cash and Cash Equivalents at Beginning of Year	-	7,540,642	454,829	7,995,471
Cash and Cash Equivalents at End of Year	\$ -	\$ 6,562,036	\$ 675,888	\$ 7,237,924
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ 65,406	\$ (1,275,469)	\$ 220,758	\$ (989,305)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	12,644	-	-	12,644
Effect of Increases and Decreases in Current Assets and Liabilities:				
Decrease (increase) in Due from Other Funds	(96,837)	(17,062)	-	(113,899)
Decrease (increase) in Other Receivables	-	(1,160)	-	(1,160)
Increase (decrease) in Accounts Payable	-	(20,028)	1,271	(18,757)
Increase (decrease) in Accrued Wages Payable	-	(101)	(673)	(774)
Increase (decrease) in Due to Other Funds	-	(205,530)	(20,155)	(225,685)
Increase (decrease) in Accrued Expenses	18,787	-	14,898	33,685
Net Cash Provided by (Used for) Operating Activities	\$ -	\$ (1,519,350)	\$ 216,099	\$ (1,303,251)

## **AGENCY FUND**

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Agency Fund - the District accounts for resources held for others in a custodial capacity in an agency fund. The District's Agency fund is used to account for activities of student groups.

EL PASO INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 JUNE 30, 2017

	BALANCE JULY 1 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2017
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 2,299,931	\$ 540,843	\$ 474,006	\$ 2,366,768
Liabilities:				
Due to Student Groups	\$ 2,299,931	\$ 540,843	\$ 474,006	\$ 2,366,768
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 2,299,931	\$ 540,843	\$ 474,006	\$ 2,366,768
Liabilities:				
Due to Student Groups	\$ 2,299,931	\$ 540,843	\$ 474,006	\$ 2,366,768



## **PRIVATE PURPOSE TRUST FUNDS**

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

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

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

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2017

	810	829	Total
	Scholarship	AOY ES Fager	Private
	Trust Fund	Trust Fund	Purpose
			Trust Funds
<b>ASSETS</b>			
Restricted Assets	\$ 159,619	\$ 275,162	\$ 434,781
Total Assets	<u>159,619</u>	<u>275,162</u>	<u>434,781</u>
<b>NET POSITION</b>			
Restricted for Other Purposes	<u>159,619</u>	<u>275,162</u>	<u>434,781</u>
Total Net Position	<u><u>\$ 159,619</u></u>	<u><u>\$ 275,162</u></u>	<u><u>\$ 434,781</u></u>

EL PASO INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	810	829	Total Private Purpose Trust Funds
	Scholarship Trust Fund	AOY ES Fager Trust Fund	
<b>ADDITIONS:</b>			
Local and Intermediate Sources	\$ 6,649	\$ 275,162	\$ 281,811
Total Additions	<u>6,649</u>	<u>275,162</u>	<u>281,811</u>
<b>DEDUCTIONS:</b>			
Other Operating Costs	12,890	-	12,890
Total Deductions	<u>12,890</u>	<u>-</u>	<u>12,890</u>
Change in Net Position	(6,241)	275,162	268,921
Total Net Position - July 1 (Beginning)	<u>165,860</u>	<u>-</u>	<u>165,860</u>
Total Net Position - June 30 (Ending)	<u>\$ 159,619</u>	<u>\$ 275,162</u>	<u>\$ 434,781</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, 2017

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	\$ Various
2009	1.040000	0.195000	14,224,345,530
2010	1.040000	0.195000	14,270,165,506
2011	1.040000	0.195000	14,540,539,826
2012	1.040000	0.195000	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 (School year under audit)	1.070000	0.165000	15,839,247,975
1000 TOTALS			

(10) Beginning Balance 7/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2017
\$ 2,502,166	\$ -	\$ 80,911	\$ 11,676	\$ (7,567)	\$ 2,402,012
570,634	-	19,105	3,582	(4,204)	543,743
656,450	-	28,569	5,357	(6,375)	616,149
826,839	-	43,076	8,077	(7,586)	768,100
862,106	-	15,447	2,896	(89,453)	754,310
980,339	-	(54,935)	(10,300)	(200,521)	845,053
1,201,645	-	(88,258)	(16,549)	(326,079)	980,373
1,692,736	-	109,126	20,461	(358,612)	1,204,537
4,384,285	-	837,318	129,119	(1,487,881)	1,929,967
-	195,614,712	165,718,190	25,554,680	-	4,341,842
<u>\$ 13,677,200</u>	<u>\$ 195,614,712</u>	<u>\$ 166,708,549</u>	<u>\$ 25,708,999</u>	<u>\$ (2,488,278)</u>	<u>\$ 14,386,086</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, 2017

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	\$ 3,399,671	\$ 3,399,671	\$ 3,280,552	\$ (119,119)
5800	State Program Revenues	183,499	183,499	177,793	(5,706)
5900	Federal Program Revenues	30,468,834	30,468,834	29,257,365	(1,211,469)
5020	Total Revenues	34,052,004	34,052,004	32,715,710	(1,336,294)
EXPENDITURES:					
0035	Food Services	31,883,446	33,755,093	31,489,677	2,265,416
0041	General Administration	5,000	5,000	-	5,000
0051	Facilities Maintenance and Operations	2,163,558	2,168,205	1,826,740	341,465
6030	Total Expenditures	34,052,004	35,928,298	33,316,417	2,611,881
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,876,294)	(600,707)	1,275,587
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	1,500,000	1,500,000	-
1200	Net Change in Fund Balances	-	(376,294)	899,293	1,275,587
0100	Fund Balance - July 1 (Beginning)	1,964,858	1,964,858	1,964,858	-
3000	Fund Balance - June 30 (Ending)	\$ 1,964,858	\$ 1,588,564	\$ 2,864,151	\$ 1,275,587



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, 2017

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	\$ 26,187,837	\$ 26,187,837	\$ 26,465,903	\$ 278,066
5800	State Program Revenues	5,672,258	5,672,258	6,113,381	441,123
5020	Total Revenues	31,860,095	31,860,095	32,579,284	719,189
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	16,618,318	16,618,318	16,258,027	360,291
0072	Interest on Long Term Debt	16,652,751	16,652,751	15,582,096	1,070,655
0073	Bond Issuance Cost and Fees	300,000	300,000	230,136	69,864
6030	Total Expenditures	33,571,069	33,571,069	32,070,259	1,500,810
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,710,974)	(1,710,974)	509,025	2,219,999
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	684,059	684,302	684,301	(1)
1200	Net Change in Fund Balances	(1,026,915)	(1,026,672)	1,193,326	2,219,998
0100	Fund Balance - July 1 (Beginning)	33,337,848	33,337,848	33,337,848	-
3000	Fund Balance - June 30 (Ending)	\$ 32,310,933	\$ 32,311,176	\$ 34,531,174	\$ 2,219,998

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**STATISTICAL SECTION  
(UNAUDITED)**

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

**Contents** **Page**

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

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

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

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

	Fiscal Year				
	2008	2009	2010	2011	2012
<b>Governmental activities</b>					
Net Investment in Capital Assets	\$ 95,869,043	\$ 124,815,607	\$ 141,466,045	\$ 139,614,011	\$ 156,530,278
Restricted	18,645,332	20,949,256	20,886,429	49,086,619	51,967,082
Unrestricted	73,904,551	39,374,519	46,694,704	69,723,920	88,071,032
Total Primary Government Net Position	<u>\$ 188,418,926</u>	<u>\$ 185,139,382</u>	<u>\$ 209,047,178</u>	<u>\$ 258,424,550</u>	<u>\$ 296,568,392</u>
	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Governmental activities</b>					
Net Investment in Capital Assets	\$ 173,351,662	\$ 188,730,456	\$ 204,394,860	\$ 214,574,394	\$ 222,693,712
Restricted	52,162,927	48,628,723	36,972,304	37,543,118	37,613,626
Unrestricted	91,668,285	92,583,627	33,791,824	36,514,119	19,205,300
Total Primary Government Net Position	<u>\$ 317,182,874</u>	<u>\$ 329,942,806</u>	<u>\$ 275,158,988</u>	<u>\$ 288,631,631</u>	<u>\$ 279,512,638</u>

Source: EPISD Annual Financial and Compliance Report - Exhibit A-1

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

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 324,884,514	\$ 339,870,612	\$352,531,416	\$ 322,370,486
Instructional Resources and Media Services	10,114,515	10,410,473	10,225,394	9,527,177
Curriculum and Staff Development	25,712,347	25,819,402	27,904,265	22,716,150
Instructional Leadership	5,087,133	5,719,730	5,858,679	5,006,706
School Leadership	34,419,138	35,591,721	36,876,384	32,648,554
Guidance, Counseling and Evaluation Services	22,289,947	23,525,930	25,129,887	22,069,810
Social Work Services	3,653,264	4,106,463	4,127,408	3,891,285
Health Services	7,059,858	7,319,412	6,877,387	6,549,469
Student (Pupil) Transportation	12,902,721	12,660,274	12,447,415	11,611,281
Food Services	26,462,517	26,052,818	26,815,278	23,204,683
Extracurricular Activities	11,123,667	11,604,243	11,192,507	10,952,551
General Administration	13,349,521	10,912,942	10,672,052	8,902,078
Facilities Maintenance and Operations	46,828,443	48,011,344	48,271,466	43,333,438
Security and Monitoring Services	5,605,956	5,367,822	5,145,186	4,891,223
Data Processing Services	4,691,187	3,853,446	4,262,447	3,433,118
Community Services	1,167,981	1,441,889	1,557,609	1,391,820
Debt Service - Interest on Long Term Debt	18,858,195	29,117,852	21,588,364	19,146,296
Debt Service - Bond Issuance Cost and Fees	192,363	524,772	776,026	633,790
Capital Outlay	1,326,796	339,871	519,502	231,494
Payments related to Shared Services Arrangements	104,621	110,357	148,448	207,647
Other Intergovernmental Charges	-	2,630,199	2,413,414	2,245,504
<b>Total Primary Government Expenses</b>	<u>575,834,684</u>	<u>604,991,572</u>	<u>615,340,534</u>	<u>554,964,560</u>
<b>Program Revenues</b>				
Charges for services				
Instruction	1,166,417	1,107,354	1,074,108	910,971
Instructional Resources and Media Services	54,001	46,984	16,395	-
Curriculum and Staff Development	6,750	5,873	8,198	-
Instructional Leadership	81,002	70,476	8,198	-
School Leadership	-	-	40,988	-
Guidance, Counseling and Evaluation Services	-	-	24,593	-
Social Work Services	-	-	-	-
Health Services	-	-	8,198	-
Student (Pupil) Transportation	586,377	616,561	235,770	343,103
Food Services	4,654,046	4,898,487	5,022,623	4,622,144
Extracurricular Activities	1,502,943	1,497,439	1,378,802	1,146,240
General Administration	1,758,044	-	90,173	-
Facilities Maintenance and Operations	-	1,319,909	199,416	568,178
Security and Monitoring Services	-	-	8,198	-
Data Processing Services	-	-	8,198	-
Community Services	-	-	-	-
Debt Service - Interest on Long Term Debt	-	-	-	-
Debt Service - Bond Issuance Cost & Fees	-	-	-	-
Capital Outlay	-	-	-	-
Other Intergovernmental Charges	-	-	-	-
Operating Grants and Contributions	143,613,821	154,611,797	185,838,251	161,908,511
Capital Grants and Contributions	-	-	-	-
<b>Total Primary Government Program Revenues</b>	<u>153,423,401</u>	<u>164,174,880</u>	<u>193,962,109</u>	<u>169,499,147</u>
<b>Net (Expense)/Revenue</b>				
<b>Total Primary Government Net Expense</b>	<u>\$ (422,411,283)</u>	<u>\$ (440,816,692)</u>	<u>\$ (421,378,425)</u>	<u>\$ (385,465,413)</u>

Source: EPISD Annual Financial and Compliance Report - Exhibit B-1

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

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 330,135,948	\$ 318,017,026	\$ 339,970,098	\$ 342,470,623	\$ 367,253,806	\$ 348,289,505
9,464,951	9,726,528	10,190,539	11,273,339	11,508,272	11,246,599
19,821,343	20,548,662	19,141,051	18,654,734	27,621,093	28,644,232
5,726,289	5,209,084	4,666,022	4,396,206	5,806,579	5,902,023
33,283,820	35,173,635	37,604,011	38,471,312	41,552,398	41,235,138
21,309,082	22,165,686	22,547,573	22,380,233	25,763,211	27,467,581
3,989,428	4,126,615	4,400,642	4,182,973	4,560,677	4,375,007
6,704,553	7,050,410	7,119,296	7,076,101	7,519,152	7,288,278
12,035,619	12,524,366	12,914,355	13,086,695	14,378,675	14,316,954
26,355,409	28,070,408	29,934,960	34,571,954	36,538,545	33,665,104
10,882,272	11,000,983	11,354,886	11,989,018	12,323,388	12,999,491
9,403,194	11,045,069	10,518,734	10,801,379	11,305,588	12,693,037
51,818,255	51,212,315	51,250,395	49,610,698	54,547,930	55,262,112
5,149,973	5,214,481	5,351,433	5,720,221	6,459,008	6,729,765
3,953,098	4,813,781	5,026,288	5,250,456	6,041,075	5,225,911
1,312,251	1,308,670	1,406,980	1,462,588	1,520,291	1,585,832
20,592,143	19,490,064	16,111,164	15,832,910	13,785,646	13,386,878
1,951,108	1,409,031	240,952	1,872,908	181,484	1,659,010
270,643	278,432	724,549	462,639	593,045	573,493
150,585	108,226	-	-	-	-
2,446,855	2,289,030	2,409,511	2,348,227	2,416,260	2,589,237
<u>576,756,819</u>	<u>570,782,502</u>	<u>592,883,439</u>	<u>601,915,214</u>	<u>651,676,123</u>	<u>635,135,187</u>
1,617,524	869,756	1,258,640	838,748	967,089	1,020,502
32,991	10,180	21,926	-	-	-
164,956	10,180	10,963	89,726	33,087	-
-	10,180	10,963	22,432	6,617	-
21,994	40,718	87,703	33,647	13,235	-
10,997	-	21,926	56,079	-	-
-	-	10,963	-	-	-
-	10,180	10,963	-	-	-
325,717	193,479	316,388	149,746	67,892	82,352
5,077,101	4,892,654	4,647,237	3,437,243	3,261,490	3,238,839
1,418,537	1,451,636	1,410,550	1,374,738	1,290,519	1,301,710
43,988	478,436	32,889	549,572	152,199	680,096
132,900	203,754	352,001	91,498	122,606	121,831
-	10,180	10,963	-	6,617	-
-	10,180	10,963	-	6,617	-
65,982	-	10,963	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21,926	-	6,617	-
-	-	-	-	-	-
159,656,298	131,114,059	134,962,443	148,411,413	168,836,505	138,054,919
-	1,739,678	5,444,818	1,813,028	-	-
<u>168,568,985</u>	<u>141,045,250</u>	<u>148,655,188</u>	<u>156,867,870</u>	<u>174,771,090</u>	<u>144,500,249</u>
<u>\$ (408,187,834)</u>	<u>\$ (429,737,252)</u>	<u>\$ (444,228,251)</u>	<u>\$ (445,047,344)</u>	<u>\$ (476,905,033)</u>	<u>\$ (490,634,938)</u>

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

	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>			
Total Primary Government Net Expense	\$ (422,411,283)	\$ (440,816,692)	\$ (421,378,425)
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Taxes			
Property Taxes, Levied for General Purposes	137,374,691	146,032,416	149,998,076
Property Taxes, Levied for Debt Service	21,525,589	27,424,594	28,076,526
State Aid - Formula Grants	260,004,542	256,657,431	263,148,820
Investment Earnings	10,393,021	8,448,587	2,194,373
Miscellaneous Local and Intermediate Revenue	725,355	1,804,115	1,868,426
Special Item - Gain on Sale of Capital Assets	(2,221,538)	1,367,685	-
Special Item - Insurance Proceeds and Sale of Property	2,094,636	1,446,633	-
Total Primary Government	<u>429,896,296</u>	<u>443,181,461</u>	<u>445,286,221</u>
<b>Change in Net Position</b>			
Total Primary Government	\$ 7,485,013	\$ 2,364,769	\$ 23,907,796
Net Position - Beginning	182,362,634	188,418,923	185,139,382
Prior Period Adjustment	<u>(1,428,724)</u>	<u>(5,644,310)</u>	<u>-</u>
Net Position - Ending	<u>\$ 188,418,923</u>	<u>\$ 185,139,382</u>	<u>\$ 209,047,178</u>

Source: EPISD Annual Financial and Compliance Report - Exhibit B-1



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

Fiscal Year						
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ (385,465,413)	\$ (408,187,834)	\$ (429,737,252)	\$ (444,228,251)	\$ (445,047,344)	\$ (476,905,033)	\$ (490,634,938)
149,785,778	155,593,855	159,567,947	160,651,112	161,542,945	166,057,072	166,608,996
28,089,688	29,335,978	29,890,918	30,598,437	30,733,241	25,552,979	26,151,675
253,412,470	257,099,598	257,579,380	266,907,606	270,032,641	296,320,100	284,558,292
662,766	609,671	601,895	482,745	462,759	914,170	2,691,629
1,506,159	1,768,203	1,746,104	1,760,303	1,581,098	1,643,615	1,426,968
-	-	-	-	(476,580)	(110,260)	78,385
2,858,576	1,924,371	965,490	-	-	-	-
<u>436,315,437</u>	<u>446,331,676</u>	<u>450,351,734</u>	<u>460,400,203</u>	<u>463,876,104</u>	<u>490,377,676</u>	<u>481,515,945</u>
\$ 50,850,024	\$ 38,143,842	\$ 20,614,482	\$ 16,171,952	\$ 18,828,760	\$ 13,472,643	\$ (9,118,993)
209,047,178	258,424,550	296,568,392	317,182,874	329,942,806	275,158,988	288,631,631
(1,472,652)	-	-	(3,412,020)	(73,612,578)	-	-
<u>\$ 258,424,550</u>	<u>\$ 296,568,392</u>	<u>\$ 317,182,874</u>	<u>\$ 329,942,806</u>	<u>\$ 275,158,988</u>	<u>\$ 288,631,631</u>	<u>\$ 279,512,638</u>

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Table IV

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

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 1,292,834	\$ 2,004,324
Restricted	-	-	-	9,964,710	2,686,618
Assigned	-	-	-	3,325,061	12,061,937
Committed	-	-	-	-	-
Unassigned	-	-	-	72,997,314	81,498,168
Reserved	16,846,796	5,067,287	16,940,742	-	-
Unreserved	49,753,165	42,496,160	39,352,058	-	-
Total General Fund	<u>\$ 66,599,961</u>	<u>\$ 47,563,447</u>	<u>\$ 56,292,800</u>	<u>\$ 87,579,919</u>	<u>\$ 98,251,047</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	166,273,021	160,226,033
Committed	-	-	-	-	-
Reserved	122,485,478	191,637,562	147,192,310	-	-
Total All Other Governmental Funds	<u>\$ 122,485,478</u>	<u>\$ 191,637,562</u>	<u>\$ 147,192,310</u>	<u>\$ 166,273,021</u>	<u>\$ 160,226,033</u>
Total Governmental Funds	<u>\$ 189,085,439</u>	<u>\$ 239,201,009</u>	<u>\$ 203,485,110</u>	<u>\$ 253,852,940</u>	<u>\$ 258,477,080</u>
	Fiscal Year				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund					
Nonspendable	\$ 1,506,209	\$ 1,493,992	\$ 1,475,114	\$ 2,193,466	\$ 1,775,606
Restricted	2,621,294	2,040,637	3,416,819	4,972,470	3,934,393
Assigned	12,087,463	45,276,752	8,079,917	9,106,374	9,295,747
Committed	-	-	-	-	-
Unassigned	85,216,104	52,891,143	94,564,880	105,565,531	100,512,255
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	<u>\$ 101,431,070</u>	<u>\$ 101,702,524</u>	<u>\$ 107,536,730</u>	<u>\$ 121,837,841</u>	<u>\$ 115,518,001</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	151,787,441	131,213,977	111,640,510	99,898,064	294,834,387
Committed	-	-	-	-	-
Reserved	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 151,787,441</u>	<u>\$ 131,213,977</u>	<u>\$ 111,640,510</u>	<u>\$ 99,898,064</u>	<u>\$ 294,834,387</u>
Total Governmental Funds	<u>\$ 253,218,511</u>	<u>\$ 232,916,501</u>	<u>\$ 219,177,240</u>	<u>\$ 221,735,905</u>	<u>\$ 410,352,388</u>

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 Financial and Compliance Report - Exhibit C-1

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

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Local Revenues:					
Property Taxes	\$ 161,883,569	\$ 173,860,664	\$ 179,811,503	\$ 177,381,179	\$ 185,916,432
Investment Income	10,586,108	8,509,623	1,953,796	667,278	620,385
Food Sales	4,576,565	4,809,738	5,117,528	4,683,414	5,127,111
Tuition and Fees	463,261	524,404	598,648	493,477	924,709
Extracurricular/Cocurricular Activities	1,148,954	1,150,018	848,792	645,486	805,728
Athletics	431,470	436,170	513,615	500,754	557,824
Rent	228,983	249,038	133,835	115,893	132,900
Shared Services Arrangements	675,013	587,296	523,129	481,512	612,167
Other Local Revenue	626,912	1,556,338	1,046,749	939,182	1,319,374
Sales tax	423,734	-	-	-	-
Propane Rebate	324,975	-	-	-	-
Purchasing Rebates	-	-	-	-	-
TX High School Community Foundation	328,015	257,345	214,640	-	-
Transportation Revenue	586,377	616,560	219,375	343,103	314,720
Insurance Recovery	5,110	-	-	2,858,576	1,924,371
Paso del Norte Health Foundation	-	262,723	892,788	791,205	338,969
Army Youth Grant	-	-	-	-	-
Teens Against Tobacco Use	-	-	-	-	-
Refunds and Credits	-	-	-	-	-
Services to Other Districts	-	-	-	-	-
Surplus Sales	-	-	-	-	-
Power Up Sales	-	-	-	-	-
Vehicle Inventory Tax	-	-	-	-	-
Total Local Revenues	<u>182,289,046</u>	<u>192,819,917</u>	<u>191,874,398</u>	<u>189,901,059</u>	<u>198,594,690</u>
State Revenues	<u>313,083,294</u>	<u>307,658,073</u>	<u>313,874,609</u>	<u>301,538,773</u>	<u>305,161,416</u>
Federal Revenues	<u>89,248,129</u>	<u>102,928,951</u>	<u>133,367,796</u>	<u>112,375,242</u>	<u>110,362,951</u>
Total Governmental Fund Revenues	<u>\$ 584,620,469</u>	<u>\$ 603,406,941</u>	<u>\$ 639,116,803</u>	<u>\$ 603,815,074</u>	<u>\$ 614,119,057</u>

Source: EPISD Annual Financial and Compliance 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)

<b>Fiscal Year</b>				
<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
\$ 190,837,484	\$ 195,194,480	\$ 194,253,019	\$ 192,558,854	\$ 194,652,001
617,078	487,493	466,468	925,921	2,711,541
4,897,502	4,645,907	3,440,150	3,264,489	3,260,640
584,730	666,642	592,002	418,519	490,432
956,181	869,750	862,725	848,591	794,659
485,275	507,911	489,581	435,311	507,051
132,499	231,409	91,498	115,989	121,830
534,329	634,057	566,069	445,879	426,506
1,005,906	624,238	968,799	295,580	448,213
-	-	-	-	-
-	-	-	-	-
-	-	-	-	157,877
-	-	-	-	-
173,120	283,499	138,531	61,275	82,352
798,926	-	-	-	-
-	-	-	-	-
265,056	188,562	166,441	152,617	161,651
-	-	-	-	132,650
-	426,985	197,245	87,034	273,874
-	-	-	178,000	151,000
-	-	-	118,982	134,158
-	-	-	83,217	87,216
-	-	-	179,108	77,271
<u>201,288,086</u>	<u>204,760,933</u>	<u>202,232,528</u>	<u>200,169,366</u>	<u>204,670,922</u>
<u>293,511,157</u>	<u>303,709,371</u>	<u>309,434,712</u>	<u>337,778,392</u>	<u>321,294,091</u>
<u>96,063,689</u>	<u>102,769,714</u>	<u>109,093,030</u>	<u>113,925,693</u>	<u>95,734,334</u>
<u>\$ 590,862,932</u>	<u>\$ 611,240,018</u>	<u>\$ 620,760,270</u>	<u>\$ 651,873,451</u>	<u>\$ 621,699,347</u>

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

	<u>Fiscal Year</u>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction	\$ 315,684,515	\$ 324,974,970	\$ 347,414,087	\$ 312,510,533
Instructional Resources and Media Services	9,806,651	9,950,487	9,995,255	9,218,231
Curriculum and Instructional Staff Development	25,375,512	25,779,892	28,221,521	22,379,972
Instructional Leadership	4,971,493	5,512,563	5,791,340	4,854,630
School Leadership	33,332,734	33,906,788	35,891,283	31,285,776
Guidance, Counseling and Evaluation Services	21,790,422	22,686,675	24,892,102	21,542,394
Social Work Services	3,563,424	3,959,594	4,066,186	3,784,819
Health Services	6,840,241	6,980,612	6,681,653	6,281,509
Student (Pupil) Transportation	13,508,820	13,550,210	15,631,814	11,276,609
Food Services	26,249,270	25,842,730	27,083,101	23,007,908
Extracurricular Activities	10,911,048	11,298,393	11,012,152	10,703,055
General Administration	12,787,847	10,450,881	10,408,071	8,762,857
Facilities Maintenance and Operations	45,922,553	47,079,981	47,450,845	42,263,378
Security and Monitoring Services	5,602,667	6,742,683	5,266,568	5,132,134
Data Processing Services	7,311,371	4,947,449	4,839,085	3,875,853
Community Services	1,156,388	1,413,825	1,556,586	1,381,332
Debt Service				
Principal on Long Term Debt	18,453,979	22,956,413	25,611,819	6,919,642
Interest on Long Term Debt	20,506,227	37,130,612	23,386,866	10,771,767
Bond Issuance Cost and Fees	158,205	2,531,072	772,954	5,104,956
Facilities Acquisition and Construction	29,752,368	82,120,771	51,654,067	15,220,879
Payments to Fiscal Agent/Member Districts of SSA	104,621	110,357	148,448	207,647
Other governmental charges	-	2,630,199	2,413,414	2,245,504
<b>Total Expenditures</b>	<b>\$ 613,790,356</b>	<b>\$ 702,557,157</b>	<b>\$ 690,189,217</b>	<b>\$ 558,731,385</b>
Debt Service as a Percentage of Noncapital Expenditures	6.70%	10.09%	7.79%	4.19%

Source: EPISD Annual Financial and Compliance Report - Exhibit C-3

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

<b>Fiscal Year</b>					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 323,257,941	\$ 307,739,070	\$ 326,617,713	\$ 330,267,189	\$ 341,692,559	\$ 327,062,029
9,115,343	9,325,692	9,758,256	10,840,045	10,752,758	10,623,243
19,563,745	20,274,831	18,828,624	18,459,719	26,327,941	27,392,676
5,595,123	5,066,842	4,510,404	4,330,527	5,372,098	5,537,711
31,971,850	33,636,876	35,892,666	36,788,146	38,190,036	38,272,200
20,717,910	21,698,526	22,030,549	22,106,657	23,992,337	25,492,372
3,899,282	4,025,832	4,280,930	4,114,160	4,298,967	4,194,652
6,448,215	6,749,711	6,800,330	6,775,496	6,879,076	6,770,118
14,007,749	15,108,397	14,207,837	16,414,249	13,480,987	16,365,593
26,471,200	28,314,954	30,131,505	37,267,243	35,505,459	31,994,278
10,612,389	10,697,158	11,093,187	11,661,237	11,789,085	12,583,318
9,160,625	10,827,015	10,052,278	9,872,121	10,558,626	12,058,499
50,878,387	50,494,036	50,048,991	48,770,323	52,986,334	54,378,120
5,313,475	5,143,065	5,256,255	5,608,372	6,055,153	6,744,468
4,646,110	5,224,389	5,767,295	6,202,418	6,509,923	6,755,921
1,306,663	1,305,738	1,393,226	1,481,398	1,452,006	1,511,179
23,018,047	21,901,912	20,449,806	25,619,992	17,928,549	16,607,552
22,485,565	24,242,065	23,589,104	15,903,108	15,904,829	15,839,666
285,109	1,067,793	240,952	1,872,908	181,484	231,636
20,530,072	14,857,234	28,122,514	14,509,520	13,319,682	10,078,638
150,585	108,226	-	-	-	-
2,446,855	2,289,030	2,409,511	2,348,227	2,416,260	2,589,237
<u>\$ 611,882,240</u>	<u>\$ 600,098,392</u>	<u>\$ 631,481,933</u>	<u>\$ 631,213,055</u>	<u>\$ 645,594,149</u>	<u>\$ 633,083,106</u>
7.74%	8.07%	7.34%	7.04%	5.38%	5.25%

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)

	<u>Fiscal Year</u>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	\$ (29,169,887)	\$ (99,150,216)	\$ (51,072,414)	\$ 45,083,689
<b>Other Financing Sources (Uses)</b>				
Capital Related Debt Issued	-	219,113,014	-	39,367,900
Sale of Real or Personal Property	1,800	1,419,487	-	-
Capital Leases	1,580,148	3,665,189	263,628	-
Non-Current Loans	8,289,111	1,824,718	15,806,529	1,958,247
Transfers In	2,020,280	26,823,021	5,102,800	684,059
Premium or Discount on Issuance of Bonds	-	19,408,137	-	4,825,646
Extraordinary Items	2,094,636	1,446,633	-	-
Other Resources	-	-	-	-
Transfers Out	(2,020,280)	(26,823,021)	(5,816,442)	(684,059)
Other (Uses)	(1,763,772)	(90,488,224)	-	(39,395,000)
<b>Total Other Financing Sources (Uses)</b>	<u>10,201,923</u>	<u>156,388,954</u>	<u>15,356,515</u>	<u>6,756,793</u>
<b>Net Change in Fund Balances</b>	\$ (18,967,964)	\$ 57,238,738	\$ (35,715,899)	\$ 51,840,482
Fund Balance - Beginning	\$ 208,053,403	189,085,439	239,201,009	203,485,110
Prior Period Adjustment	-	(7,123,168)	-	(1,472,652)
Funding Balance - Ending	<u>\$ 189,085,439</u>	<u>\$ 239,201,009</u>	<u>\$ 203,485,110</u>	<u>\$ 253,852,940</u>

Source: EPISD Annual Financial and Compliance Report - Exhibit C-3



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)

<u>Fiscal Year</u>						
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	2,236,818	\$ (9,235,460)	\$ (20,241,915)	\$ (10,452,785)	\$ 6,279,302	\$ (11,383,759)
	-	65,645,000	4,390,000	183,295,000	-	181,835,000
	-	166,564	-	-	-	-
	2,387,323	3,039,818	-	-	-	-
	-	-	-	-	-	-
	736,514	1,299,171	11,008,452	684,059	684,059	2,184,301
	-	10,943,116	-	33,808,270	-	19,592,616
	-	-	-	-	-	-
	-	-	-	-	-	-
	(736,514)	(1,299,171)	(11,068,547)	(684,059)	(684,059)	(2,184,301)
	-	(75,817,608)	(4,390,000)	(220,389,746)	(3,720,637)	(1,427,374)
	<u>2,387,323</u>	<u>3,976,890</u>	<u>(60,095)</u>	<u>(3,286,476)</u>	<u>(3,720,637)</u>	<u>200,000,242</u>
\$	4,624,141	\$ (5,258,570)	\$ (20,302,010)	\$ (13,739,261)	\$ 2,558,665	\$ 188,616,483
	253,852,940	258,477,081	253,218,511	232,916,501	219,177,240	221,735,905
	-	-	-	-	-	-
	<u>258,477,081</u>	<u>253,218,511</u>	<u>232,916,501</u>	<u>219,177,240</u>	<u>221,735,905</u>	<u>410,352,388</u>

Table VIII

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

Tax Year	Fiscal Year	Assessed Value		Less: Tax-Exempt Property	Total Taxable Assessed <sup>a</sup> Value	Total Direct Tax Rate <sup>b</sup>	Estimated Actual Taxable <sup>c</sup> Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Real Property	Personal Property					
2007	2008	\$ 15,949,032,545	\$ 1,876,925,177	\$ 3,885,968,043	\$ 13,939,989,679	\$ 1.2035	\$ 17,825,957,722	78.20%
2008	2009	16,569,358,949	2,156,299,696	3,467,299,012	15,258,359,633	1.2350	18,725,658,645	81.48%
2009	2010	17,038,513,155	2,072,809,642	3,382,854,632	15,728,468,165	1.2350	19,111,322,797	82.30%
2010	2011	16,832,793,587	2,054,549,641	3,314,855,501	15,572,487,727	1.2350	18,887,343,228	82.45%
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%

Note: <sup>a</sup>Assessed value less exemptions

<sup>b</sup>Per \$100 of assessed valuation

<sup>c</sup>Total Taxable value

Source: El Paso Central Appraisal District

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

Tax Year	Fiscal Year	District Direct Rates			Overlapping Rates <sup>a</sup>			
		Operating	Debt Service	Total	City of El Paso	County of El Paso	El Paso Community College	UMC Hospital
2007	2008	\$ 1.0400	\$ 0.1635	\$ 1.2035	\$ 0.671097	\$ 0.360267	\$ 0.111967	\$ 0.172281
2008	2009	1.0400	0.1950	1.2350	0.633000	0.342437	0.106841	0.181504
2009	2010	1.0400	0.1950	1.2350	0.633000	0.338258	0.105670	0.179405
2010	2011	1.0400	0.1950	1.2350	0.653700	0.363403	0.107329	0.182124
2011	2012	1.0400	0.1950	1.2350	0.658404	0.361196	0.115442	0.192363
2012	2013	1.0400	0.1950	1.2350	0.658404	0.408870	0.114086	0.192363
2013	2014	1.0400	0.1950	1.2350	0.678378	0.433125	0.124359	0.214393
2014	2015	1.0400	0.1950	1.2350	0.699784	0.452694	0.128122	0.220682
2015	2016	1.0700	0.1650	1.2350	0.729725	0.452694	0.133811	0.220682
2016	2017	1.0700	0.1650	1.2350	0.759656	0.452694	0.134909	0.234456

Note: <sup>a</sup>Includes levies for operating and debt service costs

Source: City of El Paso Consolidated Tax Office

Table X

El Paso Independent School District  
Principal Property Taxpayers  
Current and Nine Years Ago

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Taxable Value</u>
Western Refining Co LP	\$ 488,619,699	1	2.98%	\$ 484,120,282	1	3.47%
El Paso Electric Co	186,890,150	2	1.14%	118,832,167	3	0.85%
Hawkins & I-20 Acquisition Co LP	149,544,348	3	0.91%			
Simon Property Group	136,652,355	4	0.83%	183,343,167	2	1.32%
Wal-Mart Stores Inc	115,973,145	5	0.71%			
Sierra Providence Hospitals	100,884,670	6	0.62%			
Texas Gas Service	53,431,910	7	0.33%	31,326,000	10	0.22%
E.I. du Pont de Memours & Co	52,639,800	8	0.32%			
Union Pacific Railroad	52,362,384	9	0.32%			
JRK Colinas Del Sol LLC	49,478,632	10	0.30%			
AT&T Telephone Utility				76,796,625	4	0.55%
Tenet Hospitals LTD				66,875,834	5	0.48%
Phelps Dodge Refining Corp.				64,108,459	6	0.46%
River Oaks Properties LTD				39,786,399	7	0.29%
Cardinal Health 200 Inc. Medical				34,152,148	8	0.24%
Time Warner Cable Utility				31,590,210	9	0.23%
Subtotal	\$ 1,386,477,093		8.46%	\$ 1,130,931,291		8.11%
All other taxpayers	15,006,113,810		91.54%	12,809,058,388		91.89%
	<u>\$ 16,392,590,903</u>		<u>100.00%</u>	<u>\$ 13,939,989,679</u>		<u>100.00%</u>

Source: El Paso Central Appraisal District

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

Tax Fiscal Year Year	Original Levy	Adjustments	Adjusted Levy <sup>a</sup>	Collected in First Period		Total Collections		
				Amount <sup>b</sup>	Percentage of Original Levy	Collected in Subsequent Period	Percentage of Adjusted Levy	
2007 2008	\$160,878,956	\$ (0)	\$ 160,878,956	\$156,836,753	97.49%	\$ 3,317,962	\$160,154,715	99.55%
2008 2009	176,834,051	(1,163,384)	175,670,667	171,730,888	97.11%	701,249	172,432,137	98.16%
2009 2010	180,714,220	(4,477,676)	176,236,544	172,564,970	95.49%	5,457,913	178,022,883	101.01%
2010 2011	180,788,049	(1,212,382)	179,575,667	174,348,962	96.44%	1,503,662	175,852,624	97.93%
2011 2012	185,960,327	(674,364)	185,285,963	180,107,986	96.85%	4,055,872	184,163,858	99.39%
2012 2013	196,207,547	(6,104,480)	190,103,067	185,013,415	94.29%	4,112,684	189,126,099	99.49%
2013 2014	194,977,459	(974,442)	194,003,017	189,389,835	97.13%	4,090,458	193,480,293	99.73%
2014 2015	196,149,777	(1,223,720)	194,926,057	190,608,330	97.17%	2,072,973	192,681,303	98.85%
2015 2016	194,791,582	(1,257,559)	193,534,022	189,149,737	97.10%	1,765,504	190,915,241	98.65%
2016 2017	197,493,543	(1,878,831)	195,614,712	191,272,870	96.85%	1,952,160	193,225,030	98.78%

Note: This schedule includes operating and debt service tax revenues.

Source: <sup>a</sup>City of El Paso Consolidated Tax Office

<sup>b</sup>EPISD Annual Financial and Compliance Report - Exhibit J-1

<sup>c</sup>Total collectoins include the annual 60 day accrual of prior year collections

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

**Governmental Activities**

Fiscal Year	Long Term Liabilities less Compensated Absences	Total Primary Government Bonded Debt Outstanding	Percentage of Personal Income	Estimated District Population	Per Capita	Ratio of Net Bonded Debt to Estimated Actual Property Value
2008	\$ 407,105,347	\$ 379,869,573	1.91%	324,881	\$ 1,169	46.93
2009	537,279,121	487,250,003	2.34%	325,758	1,496	38.43
2010	525,934,996	463,910,906	2.05%	327,212	1,418	41.20
2011	525,060,175	458,403,806	1.90%	327,008	1,402	41.20
2012	500,977,757	438,077,601	1.74%	327,339	1,338	43.95
2013	475,270,857	415,983,641	1.68%	327,087	1,272	48.71
2014	455,321,795	398,405,208	1.53%	312,899	1,273	50.76
2015	444,138,946	365,825,208	1.34%	328,542	1,113	55.51
2016	419,180,920	349,820,664	1.28%	310,613	1,126	59.65
2017	600,640,295	515,397,636	1.88%	302,297	1,705	41.08

Source: EPISD estimated District population - Texas Municipal Reports  
 EPISD Annual Financial and Compliance Report - Note J-Long Term Liabilities  
 See Table XV for personal income and per capita.  
 See Table VIII for estimated actual taxable value.

El Paso Independent School District  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2017

<u>Governmental Unit</u>	<u>Total Tax Supported Debt as of 06/30/17</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
El Paso County	\$ 187,345,000	44.72%	\$ 83,780,684
El Paso County Hospital District	345,927,563	44.72%	154,698,806
City of El Paso	1,156,345,407	50.53%	584,301,334
Subtotal, Overlapping Debt			\$ 822,780,823
<b>District Direct Debt</b>			<u>515,397,636</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 1,338,178,459</u>
<b>Ratio of Total Direct and Overlapping Debt to Assessed Valuation</b>			<u>8.16%</u>
<b>Per Capita Overlapping Debt</b>			<u>\$ 4,427</u>

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.

Source: Texas Municipal Report MAC of Texas  
District Direct Debt found on Table XII

El Paso Independent School District  
Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Taxable assessed value <sup>a</sup>	\$ 13,939,989,679	\$ 15,258,359,633	\$ 15,728,468,165	\$ 15,572,487,727
Debt Limit <sup>b</sup>	1,393,998,968	1,525,835,963	1,572,846,817	1,557,248,773
Amount of debt applicable to debt limit:				
Total bonded debt	379,869,573	487,250,003	463,910,906	458,403,806
Less: Reserve for debt service	12,727,919	14,716,063	10,443,102	36,221,109
Total net debt applicable to limit	<u>367,141,654</u>	<u>472,533,940</u>	<u>453,467,804</u>	<u>422,182,697</u>
Legal debt margin	<u>\$ 1,026,857,314</u>	<u>\$ 1,053,302,023</u>	<u>\$ 1,119,379,013</u>	<u>\$ 1,135,066,075</u>
Total net debt applicable to the limit as a percentage of debt limit.	26.34%	30.97%	28.83%	27.11%

## Source:

<sup>a</sup>Assessed value less exemptions - found on Table VIII

<sup>b</sup>The Debt Limit is calculated at 10% of the taxable assessed value

EPISD Annual Financial and Compliance Report - Exhibit H-2 and Note J-Long Term Liabilities



El Paso Independent School District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 15,827,266,337	\$ 16,592,903,791	\$ 16,411,949,317	\$ 16,391,856,544	\$ 16,241,265,781	\$ 16,392,590,903
1,582,726,634	1,659,290,379	1,641,194,932	1,639,185,654	1,624,126,578	1,639,259,090
438,077,601	415,983,641	398,405,208	365,825,208	349,820,664	515,397,636
34,601,463	32,833,382	30,647,242	26,644,278	27,849,863	28,129,335
<u>403,476,138</u>	<u>383,150,259</u>	<u>367,757,966</u>	<u>339,180,930</u>	<u>321,970,801</u>	<u>487,268,301</u>
<u>\$ 1,179,250,495</u>	<u>\$ 1,276,140,120</u>	<u>\$ 1,273,436,966</u>	<u>\$ 1,300,004,725</u>	<u>\$ 1,302,155,777</u>	<u>\$ 1,151,990,789</u>
25.49%	23.09%	22.41%	20.69%	19.82%	29.72%

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

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2008	769,930	\$ 19,911,159,730	\$ 25,861	6.10%
2009	786,759	20,843,606,187	26,493	8.80%
2010	803,638	22,588,656,904	28,108	9.20%
2011	820,015	24,083,020,535	29,369	9.50%
2012	831,864	25,211,302,248	30,307	8.50%
2013	832,457	24,741,454,497	29,721	7.90%
2014	835,454	25,975,100,314	31,091	6.40%
2015	835,593	27,252,030,102	32,614	5.20%
2016	837,918	27,327,857,652	32,614	4.90%
2017	841,971	27,460,042,194	32,614	*5.00%

Sources: Bureau of Labor Statistics  
U.S. Census Bureau  
U.S. Department of Commerce, Bureau Of Economic Analysis.

\*Average as of August 2017

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

<u>Employer</u>	<u>2017</u>			<u>2008</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>
Fort Bliss (Military & Civilian)	47,316	1	14.19%	6,006	4	2.14%
El Paso Independent School District	8,380	2	2.51%	8,859	1	3.15%
Ysleta Independent School District	7,602	3	2.28%	8,767	2	3.12%
City of El Paso	5,484	4	1.64%	6,229	3	2.22%
T&T Staff Management L.P.	5,348	5	1.60%	4,876	6	1.73%
Tenet Hospitals Limited	5,100	6	1.53%			
Socorro Independent School District	5,039	7	1.51%	5,433	5	1.93%
El Paso Community College	3,089	8	0.93%	2,997	9	1.07%
El Paso County	2,892	9	0.87%	2,976	10	1.06%
University Medical Center (UMC)	2,858	10	0.86%			
University of Texas at El Paso				4,365	8	1.55%
Wal-Mart Stores Inc.				4,800	7	1.71%
	<u>93,108</u>		<u>28%</u>	<u>55,308</u>		<u>20%</u>

Note: Total employment for 2017: 333,427  
Total employment for 2008: 281,058

Source: City of El Paso Office of Economic Development  
Bureau of Labor Statistics

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

	Fiscal Year					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
<b>Professional Staff</b>						
Teacher	4,405	4,392	4,404	4,399	4,223	
Professional Support Staff	1,133	1,133	1,231	1,175	1,086	
Campus Administration (School Leadership)	220	214	220	224	217	
Central Administration	22	24	23	22	23	
<b>Professional Staff Total</b>	<u>5,780</u>	<u>5,763</u>	<u>5,878</u>	<u>5,820</u>	<u>5,549</u>	
<b>Educational Aides</b>	570	510	495	446	408	
<b>Auxiliary Staff</b>	<u>2,364</u>	<u>2,405</u>	<u>2,445</u>	<u>2,326</u>	<u>2,236</u>	
<b>Total Staff</b>	<u><u>8,714</u></u>	<u><u>8,678</u></u>	<u><u>8,818</u></u>	<u><u>8,592</u></u>	<u><u>8,193</u></u>	

	Fiscal Year					Percent Change 2008-2017
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
<b>Professional Staff</b>						
Teacher	4,145	4,121	4,046	3,993	3,977	(10%)
Professional Support Staff	1,074	1,088	1,056	1,050	1,054	(7%)
Campus Administration (School Leadership)	223	230	226	226	229	4%
Central Administration	58	53	34	37	28	27%
<b>Professional Staff Total</b>	<u>5,500</u>	<u>5,492</u>	<u>5,362</u>	<u>5,306</u>	<u>5,288</u>	(9%)
<b>Educational Aides</b>	408	412	449	443	483	(15%)
<b>Auxiliary Staff</b>	<u>1,963</u>	<u>2,267</u>	<u>2,247</u>	<u>2,277</u>	<u>2,265</u>	(4%)
<b>Total Staff</b>	<u><u>7,871</u></u>	<u><u>8,171</u></u>	<u><u>8,058</u></u>	<u><u>8,026</u></u>	<u><u>8,036</u></u>	(8%)

Source: TEA - Texas Academic Performance Report

El Paso Independent School District  
Operating Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Peak Enrollment<sup>a</sup></b>	<b>Operating Expenditures<sup>b</sup></b>	<b>Cost per Pupil</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
2008	61,925	\$ 544,796,854	\$ 8,798	4,405	14.1	69.6%
2009	62,529	555,077,733	8,877	4,392	14.2	68.1%
2010	63,519	585,949,856	9,225	4,404	14.4	70.2%
2011	64,066	517,864,346	8,083	4,399	14.6	67.7%
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%

Note: <sup>a</sup>District's 1st six weeks data

<sup>b</sup>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: EPISD Annual Financial and Compliance Report - Exhibit C-3 & H-2  
TEA Summary of Finance

El Paso Independent School District  
Building Information  
Last Ten Fiscal Years

	<u>Fiscal Year</u>			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Schools</u></b>				
<b><u>Elementary</u></b>				
Buildings	55	57	58	57
Square feet	3,830,120	4,050,944	4,234,983	4,172,606
Capacity	35,904	37,502	38,658	38,046
Enrollment	29,556	29,993	30,362	31,089
<b><u>Intermediate/Middle</u></b>				
Buildings	16	16	16	16
Square feet	2,253,866	2,253,866	2,488,060	2,488,060
Capacity	16,552	16,552	18,568	18,568
Enrollment	13,634	13,669	13,776	13,661
<b><u>High</u></b>				
Buildings	11	12	12	12
Square feet	2,803,462	2,851,926	2,869,336	2,890,141
Capacity	18,715	19,114	19,342	19,570
Enrollment	18,649	18,409	18,873	19,273
<b><u>District-Wide</u></b>				
Buildings	10	10	10	11
Square feet	275,069	275,069	275,069	358,041
Capacity	2,743	2,743	2,743	3,644
Enrollment	61,839	62,071	63,011	64,023
<b><u>Administrative</u></b>				
Buildings	7	7	7	7
Square feet	357,109	360,503	360,503	360,503
<b><u>Misc. Support Facilities</u></b>				
Buildings	6	6	6	6
Square feet	142,820	142,820	142,820	142,820
<b><u>Portable Classrooms</u></b>				
Buildings	448	448	448	448
Square feet	335,104	335,104	335,104	335,104
<b><u>Custodial Residences</u></b>				
Buildings	77	77	77	77
Square feet	84,762	84,762	84,762	84,762
<b><u>Athletics</u></b>				
Stadiums	7	7	8	8
Football/soccer/play fields	105	108	111	111
Running tracks	11	11	11	11
Baseball/softball	17	17	19	21
Natorium	-	-	-	-

Source: Enrollment Data is from the TEA Texas Academic Performance Report

El Paso Independent School District  
Building Information  
Last Ten Fiscal Years

<b>Fiscal Year</b>					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
57	57	57	57	57	57
4,205,461	4,212,828	4,273,832	4,309,049	4,334,649	4,339,769
38,403	38,420	38,692	39,049	39,134	39,151
30,864	30,567	29,728	29,276	28,601	28,446
16	16	16	16	16	16
2,488,060	2,432,347	2,432,347	2,432,347	2,432,347	2,432,347
18,568	18,082	18,082	18,082	18,082	18,082
13,471	13,293	13,038	12,867	12,508	12,335
12	12	12	12	12	12
2,890,141	2,890,141	2,890,621	2,927,943	2,927,943	2,929,835
19,570	19,570	19,570	19,798	19,798	19,798
19,459	19,024	18,524	18,413	18,663	18,969
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
63,794	62,884	61,290	60,556	59,772	59,750
7	6	6	6	6	6
360,503	352,747	352,747	352,747	352,747	352,747
6	6	5	5	5	5
142,820	142,820	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
8	8	8	9	9	10
111	112	112	114	115	115
11	11	11	11	11	11
21	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, 2017, 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 9, 2017.

### **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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 9, 2017

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, 2017. 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 Responsibilities***

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, 2017.

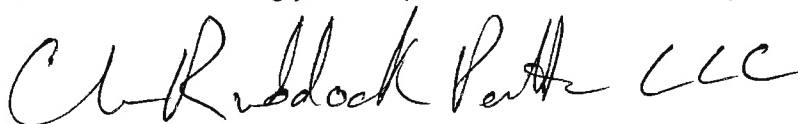
### **Report on Internal Control Over Compliance**

Management of 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 9, 2017

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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**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 the major federal award programs:** Unmodified

**Were there any audit findings that the auditor is required to report under Title 2 CFR 200.516 Audit findings paragraph (a)?** No

**Major Federal Programs:**

**Special Education Cluster:**

CFDA 84.027A  
 IDEA - Part B  
 CFDA 84.173A  
 IDEA - Part B, Preschool

**Texas Literacy Initiative:**

CFDA 84.371C

**Impact Aid:**

CFDA 84.041

**Adult Education - Basic Grant:**

CFDA 84.002A

**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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<b>Dollar threshold used to distinguish between type A and type B programs:</b>	\$2,581,325
<b>Did auditee qualify as a low-risk auditee under 2 CFR 200.520 Criteria for a low-risk auditee?</b>	Yes



**EL PASO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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**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, 2017**

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**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, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<u>Passed Through Texas Department of Transportation</u>			
Selective Traffic Enforcement Program (STEP)	20.600	2016-EP-S-1-YG-0024	\$ 8,771
Total Passed Through Texas Department of Transportation			\$ 8,771
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>\$ 8,771</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
JROTC	12.357	NA	\$ 560,582
Impact Aid Severe Disability	12.558	NA	15,550
Promoting Student Achievement-Expansion & Support	12.556	HE125420119990028	16,046
Military Connected Schools	12.556	HE12541310040	379,750
Military Connected Schools	12.556	HE12541510034	195,524
Total CFDA Number 12.556			591,320
SPED Reading Strong	12.557	HE12541410028	133,744
Total Direct Programs			\$ 1,301,196
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 1,301,196</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Direct Programs</u>			
Impact Aid	84.041	SO41B20114905	\$ 3,138,311
Total Direct Programs			\$ 3,138,311
<u>Passed Through Region 10</u>			
Texas Support for Homeless Education Program	84.196A	16-007	\$ 12,938
Texas Support for Homeless Education Program	84.196A	17-022	72,196
Total CFDA Number 84.196A			85,134
Total Passed Through Region 10			\$ 85,134
<u>Passed Through Ysleta Independent School District</u>			
SSA-Adult Education (ABE)- Federal	84.002A	1014AEL000	\$ 2
SSA-English Literacy and Civics Education Grant	84.002A	1014AEL000	149
SSA-English Literacy and Civics Education Grant	84.002A	1016AEL003	106,435
SSA-Adult Education (ABE)- Federal	84.002A	1016AEL003	573,398
SSA-Adult Education (ABE)- Federal Incentive Grant	84.002A	1014AEL000	114
SSA-Adult Education (ABE)- Federal Incentive Grant	84.002A	1016AEL003	2,958
SSA-Adult Education (ABE)- Federal Incentive Grant	84.002A	1016AEL003	27,796
Total CFDA Number 84.002A			710,852
Total Passed Through Ysleta Independent School District			\$ 710,852
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101071902	\$ 349,180
ESEA, Title I, Part D, Subpart 2-Delinquent Prog	84.010A	16610103071902	17,622
ESEA, Title I, Priority and Focus School	84.010A	16610112071902000	536
ESEA, Title I, Part A - Improving Basic Programs	84.010A	17610101071902	26,700,575
ESEA, Title I, Part D, Subpart 2-Delinquent Prog	84.010A	17610103071902	191,324
ESEA, Title I, Priority and Focus School	84.010A	17610112071902000	482,082
Total CFDA Number 84.010A			27,741,319
*IDEA - Part B, Formula	84.027A	166600010719026600	324,935
*IDEA - Part B, Formula	84.027A	176600010719026600	10,840,578

EL PASO INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	166600110719026673	3,740
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	176600110719026673	168,612
*SSA - IDEA - Part B, Formula Deaf	84.027A	166600010719026601	2,049
Total CFDA Number 84.027A			11,339,914
*IDEA - Part B, Preschool	84.173A	176610010719026610	178,648
*SSA - IDEA - Part B, Preschool Deaf	84.173A	166610010719026611	1,286
Total CFDA Number 84.173A			179,934
Total Special Education Cluster (IDEA)			11,519,848
Carl D, Perkins-Career and Technical - Basic Grant	84.048A	16420006071902	6,818
Carl D, Perkins-Career and Technical - Basic Grant	84.048A	17420006071902	920,676
Total CFDA Number 84.048A			927,494
SSA - IDEA, Part C - Early Intervention	84.181A	173911010719023911	1,421
Prof. Development Partnerships for Math & Science	84.366B	156944187110006	99,141
Title III, Part A - English Language Acquisition	84.365A	16671001071902	100,247
Title III, Part A - English Language Acquisition	84.365A	17671001071902	1,280,298
Total CFDA Number 84.365A			1,380,545
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	16694501071902	232,258
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	17694501071902	4,442,225
Total CFDA Number 84.367A			4,674,483
Texas Literacy Initiative	84.371C	156460037110012	993,844
Texas Literacy Initiative	84.371C	166460037110012	2,956,815
Total CFDA Number 84.371C			3,950,659
Total Passed Through State Department of Education			\$ 50,294,910
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 54,229,207</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Direct Programs</u>			
Medicaid Administrative Claiming Program - MAC	93.778	NA	\$ 233,733
Total Direct Programs			\$ 233,733
<u>Passed Through Ysleta Independent School District</u>			
SSA-Temporary Assistance for Needy Families (TANF)	93.558	1014AEL1000	\$ 193
SSA-Temporary Assistance for Needy Families (TANF)	93.558	1016AEL1003	162,792
Total CFDA Number 93.558			162,985
Total Passed Through Ysleta Independent School District			\$ 162,985
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 396,718</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<u>Direct Programs</u>			
Fed COPS Anti-Gang Initiative (CAGI)	16.710	2015GVWX009	\$ 119,090
Fed COPS - Hiring	16.710	2015UMWX0161	29,715
Total CFDA Number 16.710			148,805
Total Direct Programs			\$ 148,805
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>\$ 148,805</b>

EL PASO INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2017

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Direct Programs</u>			
Child and Adult Care Food Program	10.558	176TX332N1099	\$ 22,637
Total Direct Programs			\$ 22,637
<u>Passed Through the State Department of Agriculture</u>			
**National School Breakfast Program	10.553	176TX332N1099	\$ 8,440,190
**National School Lunch Program - Cash Assistance	10.555	176TX332N1099	18,438,844
**National School Lunch Prog. - Non-Cash Assistance	10.555	176TX332N1099	2,355,694
Total CFDA Number 10.555			20,794,538
**Summer Feeding Program - Cash Assistance	10.559	176TX352N2020	702,116
Total Child Nutrition Cluster			29,936,844
Total Passed Through the State Department of Agriculture			\$ 29,936,844
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			\$ 29,959,481
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 86,044,178

\*, \*\* = Clustered Programs

# EL PASO INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

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### 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, 2017. 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.

### 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 net current assets.

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

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

**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.

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	Federal CFDA Number	Amount
ESEA, Title I, Part A, Improving Basic Programs	84.010A	\$ 487,246
IDEA - Part B Formula	84.027A	183,241
ESEA, Title II, Part A, Training and Recruiting	84.367A	88,245
Texas Literacy Initiative	84.371C	75,678
Title III, A - English Lang. Acquisition	84.365A	21,479
Carl D. Perkins - Career & Technical - Basic Grant	84.048A	17,696
IDEA - Part B, Preschool	84.173A	3,165
SSA - IDEA - Part B, Discretionary Deaf	84.027A	1,844
Prof. Development Partnerships Math & Science	84.366B	1,819
Texas Support for Homeless Education	84.196A	1,579
SSA - IDEA - Part B, Formula Deaf	84.027A	179
SSA - IDEA - Part B, Preschool Deaf	84.173A	23
Total Indirect Costs		\$ 882,194

(Continued)

**EL PASO INDEPENDENT SCHOOL DISTRICT**

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

**FOR THE YEAR ENDED JUNE 30, 2017**

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**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>Federal CFDA Number</u>	<u>Amount</u>
JROTC	12.357	\$ 560,582
Impact Aid	84.041	3,138,311
Impact Aid Severe Disability	12.558	15,550
Indirect Costs (See Note 3 for detail)	84.XXX	<u>882,194</u>
		4,596,637
SHARS (not included on Exhibit K-1)		<u>9,690,156</u>
Total General Fund		<u>\$ 14,286,793</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	\$ 86,044,178
School Health and Related Services (SHARS) reimbursements	<u>9,690,156</u>
Total federal revenue per Exhibit C-3	<u>\$ 95,734,334</u>

**5. PROGRAM INCOME**

The Child Nutrition Cluster generated program income in the amount of \$3,280,552 for the year ended June 30, 2017.





## EL PASO INDEPENDENT SCHOOL DISTRICT

Financial Services

Education Center • 6531 Boeing Dr. El Paso TX 79925  
Phn 915.230.2145 • Fax 915.230.0120 [www.episd.org](http://www.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 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 Verna Ball at 230-2829.*