

**EAGLE PASS
INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
AUGUST 31, 2020**

EAGLE PASS ISD
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2020

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CERTIFICATE OF BOARD

Eagle Pass

Independent School District

Name of School District

Maverick

County

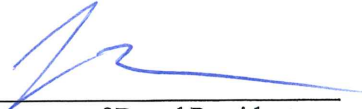
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Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2020 at a meeting of the Board of Trustees of such school district on the 8th day of December, 2020.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

(attach list as necessary)

LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Frank J. Leal, CPA
Roberto Carter, CPA

16011 University Oak
San Antonio, Texas 78249-1409
Telephone : (210) 696-6206
Facsimile : (210) 492-6209

Independent Auditor's Report

To the Board of Trustees
Eagle Pass ISD (the District)
Eagle Pass, Texas

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 the District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the 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 the District, as of August 31, 2020, 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 information and Texas Retirement System Information on pages 7 through 16, page 23 and pages 29 through 34, respectively 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (Exhibit K-1) is presented for purposes of additional analysis as required by Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and required Texas Education Agency schedules (Exhibits J-1 thru J-4, with the exception of J-2) 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section statistical section and Exhibit J-2 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 Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting and compliance.

Seal & Carter, P.C.

San Antonio, Texas
November 20, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The annual financial report of Eagle Pass Independent School District (the District) is presented in three sections, management's discussion and analysis (this part), basic financial statements, and required supplementary information. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the fiscal year ending August 31, 2020. Please read it in conjunction with the District's financial section, which follows.

Overview of the Basic Financial Statements

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

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

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

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

The two government-wide statements report the District's net assets and how they have changed. Net assets-the difference between the District's assets and liabilities is one way to measure the District's financial health or position.

Government-wide Statements (cont.)

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

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

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

The District has three kinds of funds:

- * *Governmental funds*-Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, then explain the relationship (or differences) between them.
- * *Proprietary funds*-Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
 - * We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities-such as the District's Self Insurance Fund.
- * *Fiduciary funds*-The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that because of a trust agreement-can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Financial Highlights

- * The District's combined net position was (\$33,338,727) at August 31, 2020.
- * During the year, the District's revenues were \$179,033,928 as reflected below:

	Governmental Activities	
	Current Year	Prior Year
a) Taxes	\$ 29,176,588	\$ 30,019,891
b) State Aid	120,293,259	111,167,196
c) Federal Aid	26,953,622	23,406,668
d) Investment Earnings	717,252	1,167,696
e) Charges for Services	689,458	919,832
f) Other	1,203,749	1,201,092
Total	<u>\$ 179,033,928</u>	<u>\$ 167,882,375</u>

- * During the year, the District's expenses were \$187,605,640 as reflected below:

	Governmental Activities	
	Current Year	Prior Year
a) Instruction and instructional related	\$ 95,046,384	\$ 93,177,133
b) Instructional leadership/school administration	18,514,275	10,344,661
c) Guidance, social work, health, transportation	14,806,119	13,766,428
d) Food services	12,608,239	11,760,206
e) Extracurricular activities	8,214,300	8,401,906
f) General administration	5,579,685	5,381,705
g) Plant maintenance and security	20,939,561	22,178,036
h) Data processing services	686,863	689,878
i) Community services	1,989,727	2,017,053
j) Debt services	1,536,014	1,380,202
k) Capital Outlay	6,874,155	1,049,388
l) Payments to fiscal agent/member districts - shared	176,295	124,379
m) Other Intergovernmental charges	634,023	582,901
Total Expenses	<u>\$ 187,605,640</u>	<u>\$ 170,853,876</u>

- * The general fund reported a fund balance this year of \$17,745,793 a decrease of \$2,220,606 from the prior year.

- * The District's combined net position was (\$33,338,727) at August 31, 2020, as reflected below:

	Governmental Activities	
	Current Year	Prior Year
Current and other assets	\$ 55,512,391	\$ 49,712,942
Capital and non-current assets	<u>77,395,468</u>	<u>76,760,135</u>
Total Assets	<u>\$132,907,859</u>	<u>\$126,473,077</u>
Deferred Outflows of Resources	<u>\$ 28,688,557</u>	<u>\$ 29,037,716</u>
Current liabilities	\$ 15,220,115	\$ 10,975,332
Long term liabilities	<u>149,062,195</u>	<u>148,789,077</u>
Total Liabilities	<u>\$164,282,310</u>	<u>\$159,764,409</u>
Deferred Inflows of Resources	<u>\$ 30,652,833</u>	<u>\$ 20,513,399</u>
Net Position:		
Invested in capital assets net of	\$ 32,995,228	\$ 29,450,245
Restricted	14,569,441	11,196,811
Unrestricted	<u>(80,903,396)</u>	<u>(65,414,071)</u>
Total Net Position	<u>\$(33,338,727)</u>	<u>\$(24,767,015)</u>

- * Property tax rates decreased \$ 0.09924 per \$100 for the past year. The tax base increased during the past year by \$148,792,358. The tax levy decreased \$612,929.
- * State aid increased for the year by \$9,126,063.
- * Federal aid increased for the year by \$3,546,954.
- * Deferred Outflows of Resources decreased for the year by \$349,159 (per GASB 68 & 75 implementation and reduction of bond refunding deferred charge).
- * Deferred Inflows of Resources increased for the year by \$10,139,434 (Per GASB 68 & 75 implementation).
- * Long Term Liabilities increased for the year by \$273,118 (per GASB 68 & 75 implementation).
- * Total Net Position decreased \$8,571,712 from the prior year (per GASB 68 & 75 implementation).
- * Operating transfers between all fund types netted to \$0.

Capital Assets and Debt Administration

Capital Assets

Capital assets for the District at the end of the fiscal year August 31, 2020 amounted to \$77,395,468. It is the District's policy to charge off as a current expenditure any purchases less than \$5,000. The total capital assets recorded were land and its improvements, buildings, equipment and vehicles as reflected below:

	<u>Governmental Activities</u>	
	<u>Current</u>	<u>Prior</u>
	<u>Year</u>	<u>Year</u>
Land	\$ 6,431,095	\$ 6,431,095
Buildings and improvements	168,740,249	164,890,962
Furniture and equipment	17,493,902	17,936,549
Construction in progress	<u>6,253,620</u>	<u>3,800,273</u>
Totals at historical cost	198,918,866	193,058,879
Total accumulated depreciation	<u>(121,523,398)</u>	<u>(116,298,744)</u>
Net capital assets	<u>\$ 77,395,468</u>	<u>\$ 76,760,135</u>

Debt Administration

Total Long Term Debt for the District at the end of fiscal year August 31, 2020 amounted to \$51,394,638. The District's Debt increased by \$4,075,412 which was primarily attributable to new bond issue in fiscal year 2020.

	<u>Governmental Activities</u>	
	<u>Current</u>	<u>Prior</u>
	<u>Year</u>	<u>Year</u>
Bonds payable	\$ 46,332,000	\$ 41,910,000
Compensated absences	474,971	367,573
Unamortized bond premium/discount	<u>4,587,667</u>	<u>5,041,653</u>
Total	<u>\$ 51,394,638</u>	<u>\$ 47,319,226</u>

Budgetary and District Highlights

The Eagle Pass Independent School District's (EPISD) initiative is to continue strengthening the quality of instructional and support services. This requires adjusting operations in an effort to ensure a more effective use of resources at all organizational levels, while at the same time complying with federal/state laws and regulations that impact our school district. EPISD is committed to improve the quality of education for our students and offer each and every student the best educational opportunities possible. Our purpose is to empower students through a strong instructional program that enables them to meet the demands of the 21st century.

The District's environment reflects the culture of our students and how we feel about their culture: from the print-rich environment to the way we communicate with students. We expect all students to succeed. Eagle Pass Independent School District values student's language, heritage, family, and most importantly students, because they are valued as a person. With our academic initiatives currently underway, our financial decision-making is to plan for the future of our students.

District's Financial Operation

In 2019-20, Eagle Pass Independent School District had expenditures of more than 173 million dollars. The District's revenue funding sources were as follows: 18% from other local and intermediate sources, 66% from state sources, and 16% from federal government sources.

Staff

Eagle Pass Independent School District takes pride in its administrative, instructional, and support staff. Ongoing training and a dedicated team of professionals make for an ideal learning situation for students. In the 2019-20 school year, the District employed a total staff of approximately 2,480 employees, where teachers accounted for more than 39%.

Academic Standards and Performance Status

Eagle Pass Independent School District (EPISD) emphasizes student progress and performance by enforcing accountability efforts to strengthen instructional methods and their content. EPISD met all academic standards for the district and all campuses based on the new state accountability requirements for 2019-20 school year.

Financial Standards and Performance Status

In 2019-20, Eagle Pass Independent School District earned a rating of “Superior” under Texas’ Schools FIRST (Financial Integrity Rating System of Texas). The Superior Rating demonstrates the quality of Eagle Pass Independent School District’s financial management and reporting system.

This is the fifteenth year of the Schools FIRST, which was developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature of 1999. The primary goal of Schools FIRST is to achieve quality amongst the complexity of accounting associated with Texas’ School Finance System. This System shows if districts are making the most of taxpayers’ dollars. School districts are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.

District Initiatives and Programs

The District’s Initiative has been to implement a well-rounded program of instruction to meet the academic needs of all students. A variety of specialized academic programs are designed to enable and inspire all students to achieve academic excellence preparing them for college, career and life.

Some examples of these programs are:

Renaissance Learning - This program allows students to select their own reading materials and acquire points for awards. Their knowledge of reading comprehension is tested using a computer-based system. Teachers get detailed and objective data to target instruction and ensure success for each student regardless of level, from emergent reader to college prep.

Extended Day, Week, and Year Programs - These are after-school, Saturday, and summer programs provide additional educational assistance to individual students determined to need help in meeting the challenging State academic standards, as well as credit accruals.

Gifted & Talented, Pre-Advanced Placement, & Advanced Placement - These programs offer courses with a challenging curriculum for college-bound students and possible advanced college credits

Inclusive Education Program - This program provides maximum extended education services to students with disabilities in the least restrictive environment at all of the District’s schools.

Title III Part A English Language Acquisition, Language Enhancement and Academic Achievement for Limited English Proficient (LEP) - This after-school and/or Saturday Oral Language Tutorial program assists LEP students identified as Bilingual/ESL to participate and focus on oral language instruction and vocabulary development in order to achieve language proficiency.

At-Risk Population

Eagle Pass Independent School District continues the development and implementation of “At Risk” Programs to reduce disparity in performance on assessment instruments or disparity in the rates of high school completion between educationally disadvantaged students, at-risk students, and all other students.

These programs concentrate on increasing academic achievement and reducing the dropout rate for these students by providing supplemental programs and services.

The District’s variety of programs includes tutorials, summer programs, Reading Intervention Programs, an optional extended year program, extended school year services, and individualized instruction for students. At-Risk Students also receive special services by using technology, which enhances learning and provides supplemental instruction. These services include instructional computer labs, E2020, BrainPop, STEMscopes, Flocabulary, Istation, Renaissance Learning, Imagine Learning, and IXL Learning to support instruction and enhance existing programs.

Career and Technology Education Programs

The Eagle Pass Independent School District prepares student through Career and Technology Education (CTE) programs for post-secondary employment by offering the following certification programs, dual credit enrollment courses and articulated courses with post-secondary institutions:

Certifications

Equine Management & Evaluation

Meat Evaluation

Quality Counts

OSHA -10 hr. General Industry

Texas Hunter Education

Veterinary Medical Application

You Tube Creative Essentials

Certified Nurse Assistant (CNA)

Certified Medical Assistant (CMA)

Certified Phlebotomy Technician

Start Safe, Stay Safe, Workplace Training

Dual Credit Courses

Certified Nurse Assistant

Certified Medical Assistant

Phlebotomy Technician

Electrocardiography

Articulated Courses

Accounting I

Automotive Technology I & II

Business Management

Bus. Info. Management I & II

Prin. of Info. Technology

Child Development

Engineering Science

Digital Electronics

Law Enforcement I & II

Lifetime Nutrition & Wellness

Instructional Practice

Career and Technology Education Programs (cont.)

Emergency Medical Technician

Practicum Education & Training

Certified Electrocardiography Technician

Practicum Human Services

Texas Food Handler

Practicum Marketing

Cosmetologist Operators License

Practicum Business Management

SW-Professional Communications

Digital Management

Private Security Entry Level

Business Office Technology

Career Preparedness

Cyber Safety Awareness

Basic Life Support (CPR & AED)

CompTia A+

CompTia IT Fundamentals

AWS-D1.1

U.S. Small Business Administration

EPA 609 MVAC

Automotive Fluids 101-Motor Oil 101

Automotive Chemicals 101

TABC Seller Certification

In addition, the Eagle Pass Independent School District program prepares students for post-secondary employment through work-based cooperative programs. The CTE program also gives students a hands-on-experience through courses in Agriculture, Construction Technology, Business, Marketing, Manufacturing, Building Trades, Welding, Auto Technology, Health Science Technology, Media Technology, and Human Services.

Staff Development

Eagle Pass Independent School District coordinates and provides research-based, job-embedded staff development to address challenging State academic standards, School Improvement, Career and Technology, End of Course assessments, and mental wellness.

The following are some of the training offered over the past and current school year:

Writing: Using Mentor Text	The Writing Process: 3 rd - 4 th / 6 th -8 th
Best Practices in Reading Comprehension	Study of the TEKS/ELA 3 rd - 8 th
Science Content & Technology Integration	ESC 20 Expository writing
Math-Sharon Wells (Grades 2-5)	ESC 20 Accountability Training
ESC-20- T-TESS and T-PSS Training	ESC 20 Google Classroom
ESC-20 Reading Comprehension Training	Pearlized Math
Engaging Strategies	Brain Based Engagement
Math and Science TEK Integration	Interactive Strategies
An Efficient & Effective Dynamics Prep and Speed	

Videoconference

The District's H.323 Videoconference System has increased the use of the District's facilities for our high school. High school students are able to enjoy visiting art museums from other cities without having to leave campus. Also, district staff has utilized the Videoconference System to interview teacher candidates from other cities. This has increased the efficiency of the District's operations for both instructional and administrative purposes.

Contacting the District's Financial Management

This Financial Report is designed for customers, investors, and creditors with a general overview of the District's finances. Its purpose is to demonstrate the District's accountability for the funds it receives

If you have questions about this report or need additional financial information, you may contact the District's Business and Finance Department.

EAGLE PASS ISD
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT A-1

Data		Primary Government	
Control		Governmental	
Codes		Activities	
ASSETS			
1110	Cash and Cash Equivalents	\$	44,081,463
1220	Property Taxes - Delinquent		6,542,184
1230	Allowance for Uncollectible Taxes		(3,185,613)
1240	Due from Other Governments		6,682,356
1267	Due from Fiduciary Funds		161
1290	Other Receivables, Net		368,421
1300	Inventories		700,057
1410	Prepayments		263,362
1490	Other Current Assets		60,000
	Capital Assets:		
1510	Land		6,431,095
1520	Buildings, Net		59,837,721
1530	Furniture and Equipment, Net		4,873,032
1580	Construction in Progress		6,253,620
1000	Total Assets		132,907,859
DEFERRED OUTFLOWS OF RESOURCES			
1705	Deferred Outflow Related to TRS Pension		20,739,256
1706	Deferred Outflow Related to TRS OPEB		7,949,301
1700	Total Deferred Outflows of Resources		28,688,557
LIABILITIES			
2110	Accounts Payable		3,473,219
2120	Short Term Debt Payable		1,652,120
2150	Payroll Deductions and Withholdings		1,228,553
2160	Accrued Wages Payable		2,600,711
2180	Due to Other Governments		5,386,271
2200	Accrued Expenses		443,164
2300	Unearned Revenue		436,077
	Noncurrent Liabilities:		
2501	Due Within One Year		3,440,971
2502	Due in More Than One Year		47,953,667
2540	Net Pension Liability (District's Share)		43,013,962
2545	Net OPEB Liability (District's Share)		54,653,595
2000	Total Liabilities		164,282,310
DEFERRED INFLOWS OF RESOURCES			
2603	Deferred Resource Inflow #3		23,643,957
2605	Deferred Inflow Related to TRS Pension		7,008,876
2600	Total Deferred Inflows of Resources		30,652,833
NET POSITION			
3200	Net Investment in Capital Assets		32,995,228
3820	Restricted for Federal and State Programs		2,418,029
3850	Restricted for Debt Service		789,715
3860	Restricted for Capital Projects		10,433,963
3890	Restricted for Other Purposes		927,734
3900	Unrestricted		(80,903,396)
3000	Total Net Position	\$	(33,338,727)

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

EAGLE PASS ISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	1	3	4	6	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11 Instruction	\$ 95,046,384	\$ 227,952	\$ 6,849,590	\$ (87,968,842)	
12 Instructional Resources and Media Services	1,835,969	7,124	49,496	(1,779,349)	
13 Curriculum and Instructional Staff Development	5,569,346	3,562	1,598,608	(3,967,176)	
21 Instructional Leadership	2,992,406	3,562	848,051	(2,140,793)	
23 School Leadership	8,116,554	21,370	23,369	(8,071,815)	
31 Guidance, Counseling and Evaluation Services	6,795,451	7,124	2,892,209	(3,896,118)	
32 Social Work Services	626,893	-	237,426	(389,467)	
33 Health Services	2,266,397	3,562	-	(2,262,835)	
34 Student (Pupil) Transportation	5,117,378	7,124	-	(5,110,254)	
35 Food Services	12,608,239	175,055	10,915,365	(1,517,819)	
36 Extracurricular Activities	8,214,300	172,473	161,548	(7,880,279)	
41 General Administration	5,579,685	10,686	-	(5,568,999)	
51 Facilities Maintenance and Operations	17,415,659	39,178	4,232,232	(13,144,249)	
52 Security and Monitoring Services	3,523,902	3,562	28,028	(3,492,312)	
53 Data Processing Services	686,863	7,124	-	(679,739)	
61 Community Services	1,989,727	-	1,085,567	(904,160)	
72 Debt Service - Interest on Long-Term Debt	1,437,798	-	-	(1,437,798)	
73 Debt Service - Bond Issuance Cost and Fees	98,216	-	-	(98,216)	
81 Capital Outlay	6,874,155	-	-	(6,874,155)	
93 Payments Related to Shared Services Arrangements	176,295	-	-	(176,295)	
99 Other Intergovernmental Charges	634,023	-	-	(634,023)	
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 187,605,640	\$ 689,458	\$ 28,921,489	(157,994,693)	

Data Control Codes	General Revenues: Taxes:	
MT	Property Taxes, Levied for General Purposes	26,788,107
DT	Property Taxes, Levied for Debt Service	2,388,481
GC	Grants and Contributions not Restricted	118,482,623
IE	Investment Earnings	717,252
MI	Miscellaneous Local and Intermediate Revenue	1,046,518
TR	Total General Revenues	149,422,981
CN	Change in Net Position	(8,571,712)
NB	Net Position - Beginning	(24,767,015)
NE	Net Position - Ending	\$ (33,338,727)

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

EAGLE PASS ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 39,773,069	\$ 538,412	\$ 881,535	\$ 41,193,016
1220 Property Taxes - Delinquent	5,977,525	-	564,659	6,542,184
1230 Allowance for Uncollectible Taxes	(3,014,877)	-	(170,736)	(3,185,613)
1240 Due from Other Governments	671,260	-	6,011,096	6,682,356
1260 Due from Other Funds	4,656,425	10,440,659	843,067	15,940,151
1290 Other Receivables	23,637	-	11	23,648
1300 Inventories	700,057	-	-	700,057
1410 Prepayments	263,362	-	-	263,362
1000 Total Assets	<u>\$ 49,050,458</u>	<u>\$ 10,979,071</u>	<u>\$ 8,129,632</u>	<u>\$ 68,159,161</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,810,753	\$ 501,179	\$ 1,006,181	\$ 3,318,113
2150 Payroll Deductions and Withholdings Payable	1,228,553	-	-	1,228,553
2160 Accrued Wages Payable	2,600,711	-	-	2,600,711
2170 Due to Other Funds	17,490,079	43,929	3,342,995	20,877,003
2180 Due to Other Governments	5,363,111	-	23,160	5,386,271
2300 Unearned Revenue	2,811,458	-	616,003	3,427,461
2000 Total Liabilities	<u>31,304,665</u>	<u>545,108</u>	<u>4,988,339</u>	<u>36,838,112</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	583,827	-	-	583,827
3430 Prepaid Items	263,362	-	-	263,362
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	146,996	-	2,271,033	2,418,029
3480 Retirement of Long-Term Debt	-	-	789,715	789,715
Committed Fund Balance:				
3510 Construction	-	10,433,963	-	10,433,963
3545 Other Committed Fund Balance	-	-	80,545	80,545
3600 Unassigned Fund Balance	16,751,608	-	-	16,751,608
3000 Total Fund Balances	<u>17,745,793</u>	<u>10,433,963</u>	<u>3,141,293</u>	<u>31,321,049</u>
4000 Total Liabilities and Fund Balances	<u>\$ 49,050,458</u>	<u>\$ 10,979,071</u>	<u>\$ 8,129,632</u>	<u>\$ 68,159,161</u>

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

EAGLE PASS ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 31,321,049
1 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.	5,979,843
2 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 \$193,058,879 and the accumulated depreciation was (\$116,298,744). 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.	29,440,909
3 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 2019 capital outlays and debt principal payments is to decrease net position.	3,775,802
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$20,739,256, a deferred resource inflow in the amount of \$7,008,876, and a net position liability in the amount of \$43,013,962. This resulted in an decrease in net position.	(29,283,582)
5 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$54,653,595, a deferred outflow of \$7,949,301 and a deferred inflow of \$23,643,957. This resulted in a decrease in net position.	(70,348,251)
6 The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(7,108,483)
7 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 increase net position.	2,883,986
19 Net Position of Governmental Activities	\$ (33,338,727)

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

EAGLE PASS ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-3

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 28,955,377	\$ -	\$ 2,643,405	\$ 31,598,782
5800 State Program Revenues	109,973,858	-	4,922,151	114,896,009
5900 Federal Program Revenues	9,234,796	-	17,718,826	26,953,622
5020 Total Revenues	148,164,031	-	25,284,382	173,448,413
EXPENDITURES:				
Current:				
0011 Instruction	78,110,791	-	6,845,303	84,956,094
0012 Instructional Resources and Media Services	1,495,012	-	49,495	1,544,507
0013 Curriculum and Instructional Staff Development	3,367,391	-	1,598,608	4,965,999
0021 Instructional Leadership	1,858,648	-	848,051	2,706,699
0023 School Leadership	7,213,683	-	23,369	7,237,052
0031 Guidance, Counseling, and Evaluation Services	3,046,160	-	2,892,209	5,938,369
0032 Social Work Services	322,406	-	237,425	559,831
0033 Health Services	2,031,799	-	-	2,031,799
0034 Student (Pupil) Transportation	4,300,411	-	-	4,300,411
0035 Food Services	8,872,667	-	3,029,843	11,902,510
0036 Extracurricular Activities	5,892,676	-	150,661	6,043,337
0041 General Administration	5,117,214	-	-	5,117,214
0051 Facilities Maintenance and Operations	15,583,535	-	1,759,648	17,343,183
0052 Security and Monitoring Services	3,241,578	-	28,028	3,269,606
0053 Data Processing Services	679,397	-	-	679,397
0061 Community Services	627,914	-	1,085,567	1,713,481
Debt Service:				
0071 Principal on Long-Term Debt	-	-	2,465,000	2,465,000
0072 Interest on Long-Term Debt	123,384	-	1,768,400	1,891,784
0073 Bond Issuance Cost and Fees	97,416	-	800	98,216
Capital Outlay:				
0081 Facilities Acquisition and Construction	2,119	12,016,919	-	12,019,038
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	176,295	-	-	176,295
0099 Other Intergovernmental Charges	634,023	-	-	634,023
6030 Total Expenditures	142,794,519	12,016,919	22,782,407	177,593,845
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	5,369,512	(12,016,919)	2,501,975	(4,145,432)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	5,162	-	-	5,162
7914 Non-Current Loans	6,887,000	-	-	6,887,000
7915 Transfers In	19,064,658	12,771,846	-	31,836,504
8911 Transfers Out (Use)	(33,604,401)	-	-	(33,604,401)
7080 Total Other Financing Sources (Uses)	(7,647,581)	12,771,846	-	5,124,265
EXTRAORDINARY ITEMS:				
7919 Extraordinary Item - Resource	57,463	-	-	57,463
1200 Net Change in Fund Balances	(2,220,606)	754,927	2,501,975	1,036,296
0100 Fund Balance - September 1 (Beginning)	19,966,399	9,679,036	639,318	30,284,753
3000 Fund Balance - August 31 (Ending)	\$ 17,745,793	\$ 10,433,963	\$ 3,141,293	\$ 31,321,049

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

EAGLE PASS ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 1,036,296
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 income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	392,730
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 2020 capital outlays and debt principal payments is to decrease net position.	3,775,802
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.	(7,108,483)
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.	18,242
Current year changes due to GASB 68 increased revenues in the amount of \$3,228,184 but also increased expenditures in the amount of \$6,214,529. The net effect on the change in the ending net position was a decrease in the amount of \$2,895,993.	(5,882,338)
Current year changes due to GASB 75 increased revenues in the amount of \$858,632 but also increased expenditures in the amount of \$843,449. The net effect on the change in the ending net position was a decrease in the amount of \$819,144.	(803,961)
Change in Net Position of Governmental Activities	<u>\$ (8,571,712)</u>

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

EAGLE PASS ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 29,437,111	\$ 29,437,111	\$ 28,955,377	\$ (481,734)
5800 State Program Revenues	119,513,620	119,919,289	109,973,858	(9,945,431)
5900 Federal Program Revenues	11,298,097	12,169,297	9,234,796	(2,934,501)
5020 Total Revenues	160,248,828	161,525,697	148,164,031	(13,361,666)
EXPENDITURES:				
Current:				
0011 Instruction	81,726,226	81,673,013	78,110,791	3,562,222
0012 Instructional Resources and Media Services	1,635,780	1,652,144	1,495,012	157,132
0013 Curriculum and Instructional Staff Development	3,403,036	3,643,168	3,367,391	275,777
0021 Instructional Leadership	2,077,257	2,345,780	1,858,648	487,132
0023 School Leadership	7,283,170	7,452,011	7,213,683	238,328
0031 Guidance, Counseling, and Evaluation Services	3,405,965	3,470,062	3,046,160	423,902
0032 Social Work Services	495,523	492,207	322,406	169,801
0033 Health Services	2,030,232	2,191,765	2,031,799	159,966
0034 Student (Pupil) Transportation	5,725,688	5,650,688	4,300,411	1,350,277
0035 Food Services	12,205,533	12,945,533	8,872,667	4,072,866
0036 Extracurricular Activities	6,873,386	7,127,351	5,892,676	1,234,675
0041 General Administration	5,671,276	5,922,999	5,117,214	805,785
0051 Facilities Maintenance and Operations	18,391,583	17,507,614	15,583,535	1,924,079
0052 Security and Monitoring Services	3,293,005	3,550,507	3,241,578	308,929
0053 Data Processing Services	700,840	760,540	679,397	81,143
0061 Community Services	791,280	901,055	627,914	273,141
Debt Service:				
0072 Interest on Long-Term Debt	-	123,385	123,384	1
0073 Bond Issuance Cost and Fees	-	99,031	97,416	1,615
Capital Outlay:				
0081 Facilities Acquisition and Construction	156,786	156,786	2,119	154,667
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	170,000	185,000	176,295	8,705
0099 Other Intergovernmental Charges	750,000	750,000	634,023	115,977
6030 Total Expenditures	156,786,566	158,600,639	142,794,519	15,806,120
1100 Excess of Revenues Over Expenditures	3,462,262	2,925,058	5,369,512	2,444,454
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	20,000	5,162	(14,838)
7914 Non-Current Loans	-	6,887,000	6,887,000	-
7915 Transfers In	24,294,828	24,017,197	19,064,658	(4,952,539)
8911 Transfers Out (Use)	(27,757,090)	(36,789,043)	(33,604,401)	3,184,642
7080 Total Other Financing Sources (Uses)	(3,462,262)	(5,864,846)	(7,647,581)	(1,782,735)
EXTRAORDINARY ITEMS:				
7919 Extraordinary Item - Resource	-	-	57,463	57,463
1200 Net Change in Fund Balances	-	(2,939,788)	(2,220,606)	719,182
0100 Fund Balance - September 1 (Beginning)	19,966,399	19,966,399	19,966,399	-
3000 Fund Balance - August 31 (Ending)	\$ 19,966,399	\$ 17,026,611	\$ 17,745,793	\$ 719,182

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

EAGLE PASS ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,888,447
Due from Other Funds	4,937,012
Other Receivables	344,773
Other Current Assets	60,000
	<hr/>
Total Assets	8,230,232
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	155,105
Short Term Debt Payable	1,652,120
Accrued Expenses	443,164
	<hr/>
Total Liabilities	2,250,389
	<hr/>
NET POSITION	
Unrestricted Net Position	5,979,843
	<hr/>
Total Net Position	\$ 5,979,843
	<hr/> <hr/>

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

EAGLE PASS ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 20,398,989
Total Operating Revenues	<u>20,398,989</u>
OPERATING EXPENSES:	
Professional and Contracted Services	1,001,522
Other Operating Costs	<u>20,772,634</u>
Total Operating Expenses	<u>21,774,156</u>
Income Before Transfers	(1,375,167)
Transfer In	<u>1,767,897</u>
Change in Net Position	392,730
Total Net Position September 1 (Beginning)	<u>5,587,113</u>
 Total Net Position August 31 (Ending)	 <u><u>\$ 5,979,843</u></u>

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

EAGLE PASS ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Governmental Activities -
	Total
	Internal
	Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 20,600,581
Cash Payments for Insurance Claims	(709,537)
Cash Payments for Other Funds	1,002,222
Cash Payments for Other Operating Expenses	(20,982,293)
	<hr/>
Net Cash Used for Operating Activities	(89,027)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Operating Transfer In	1,767,897
	<hr/>
Net Cash Provided by Non-Capital Financing Activities	1,767,897
Net Increase in Cash and Cash Equivalents	1,678,870
Cash and Cash Equivalents at Beginning of Year	1,209,577
	<hr/>
Cash and Cash Equivalents at End of Year	\$ 2,888,447
	<hr/>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,375,167)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	201,592
Decrease (increase) in Due From Other Funds	1,002,222
Increase (decrease) in Accounts Payable	146,586
Increase (decrease) in Expenses	(64,260)
	<hr/>
Net Cash Used for Operating Activities	\$ (89,027)
	<hr/>

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

EAGLE PASS ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2020

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 15,912	\$ 371,179
Total Assets	<u>15,912</u>	<u>\$ 371,179</u>
LIABILITIES		
Due to Other Funds	-	\$ 161
Due to Student Groups	-	371,018
Total Liabilities	<u>-</u>	<u>\$ 371,179</u>
NET POSITION		
Unrestricted Net Position	<u>15,912</u>	
Total Net Position	<u>\$ 15,912</u>	

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

EAGLE PASS ISD
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	Private Purpose Trust Fund
ADDITIONS:	
Contributions, Gifts and Donations	\$ 1,500
Total Additions	<u>1,500</u>
DEDUCTIONS:	
Other Deductions	<u>7,600</u>
Total Deductions	<u>7,600</u>
Change in Fiduciary Net Position	(6,100)
Total Net Position September 1 (Beginning)	<u>22,012</u>
Total Net Position August 31 (Ending)	<u><u>\$ 15,912</u></u>

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

EAGLE PASS ISD
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.082746008%	0.080433912%	0.079539206%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 43,031,962	\$ 44,272,777	\$ 25,432,353
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	64,460,259	70,535,869	43,024,847
Total	<u>\$ 107,492,221</u>	<u>\$ 114,808,646</u>	<u>\$ 68,457,200</u>
District's Covered Payroll	\$ 91,516,868	\$ 87,756,935	\$ 85,966,204
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	47.00%	50.45%	29.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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

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

FY 2017 Plan Year		FY 2016 Plan Year		FY 2015 Plan Year 2014	
0.078667574%		0.0816808%		0.0504808%	
\$	29,727,307	\$	28,873,076	\$	13,484,119
53,085,904		51,089,234		44,664,264	
\$	82,813,211	\$	79,962,310	\$	58,148,383
\$	81,675,235	\$	82,042,534	\$	82,290,181
36.40%		35.19%		16.39%	
78.00%		78.43%		83.25%	

EAGLE PASS ISD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 7,493,968	\$ 7,046,797	\$ 6,759,757
Contribution in Relation to the Contractually Required Contribution	(7,493,968)	(7,046,797)	(6,759,757)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 97,324,311	\$ 91,516,868	\$ 87,756,935
Contributions as a Percentage of Covered Payroll	7.70%	7.70%	7.70%

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

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

			2017	2016	2015
			\$ 6,619,562	\$ 6,090,958	\$ 5,496,853
			(6,619,562)	(6,090,958)	(5,496,853)
			\$ -	\$ -	\$ -
			\$ 81,675,235	\$ 82,042,534	\$ 82,290,181
			8.10%	7.42%	6.68%

EAGLE PASS ISD
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.115568155%	0.114552425%	0.112870117%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 54,653,595	\$ 57,197,074	\$ 49,082,980
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	72,622,405	70,370,109	62,987,526
Total	<u>\$ 127,276,000</u>	<u>\$ 127,567,183</u>	<u>\$ 112,070,506</u>
District's Covered Payroll	\$ 91,516,868	\$ 87,756,935	\$ 85,966,204
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	59.72%	65.18%	57.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

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

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

EAGLE PASS ISD
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	\$ 858,632	\$ 819,144	\$ 790,248
Contribution in Relation to the Contractually Required Contribution	(858,632)	(819,144)	(790,248)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 97,324,311	\$ 91,516,868	\$ 87,756,935
Contributions as a Percentage of Covered Payroll	0.88%	0.90%	0.90%

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

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

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eagle Pass 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 and other authoritative sources identified in *Statement of Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency’s *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

Pensions. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposed of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. REPORTING ENTITY

The Board of Trustees (the “Board”) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “The Financial Reporting Entity.” There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Eagle Pass Independent School District 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. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

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. Direct expenses are those that are clearly identifiable with a specific program. Depreciation expense, an indirect cost, is allocated to the functional expenses in the statement of activities on the basis of payroll expenditures. There are no other allocations of indirect 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 or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, 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. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The fund financial statements provide reports 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 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 nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and 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, only current assets, current liabilities 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 District considers all revenues available if they are collectible within 60 days after year end.

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. 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.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred 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. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

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. **Capital Projects Fund** - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by the District 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.
2. **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

Proprietary Funds:

1. **Internal Service Funds** - Operating revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. All other activity considered non-operating. The District's Internal Service Funds are the self-funded workers' compensation fund and medical insurance fund.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary Funds:

1. **Private Purpose Trust Fund** - This fund is used to account for contributions for scholarships received from various individuals and organizations. This District's private purpose trust fund is its scholarship fund.
2. **Agency Funds** - The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Funds is the Student Activity Account.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventories of supplies on the balance sheet are stated at moving average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed.
Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. Due to the short term maturities of its investments, (less than ninety days), the District records its investments in treasury bills, governmental agencies and external investment pools at fair value. Investments in certificates of deposits are recorded at cost.
4. Deferred revenue accounted for on the balance sheet of the general fund relates to uncollected property taxes less the amount of doubtful accounts and the remainder relates to excess funds received from the Texas Education Agency over earned amounts.
5. The District provides risk management obligations through commercial insurance policies, interlocal cooperatives, and self-funded workman's & unemployment compensation plans. The District retains partial risk of loss for the self-funded, worker's & unemployment compensation programs. The District provides a modified self-funded health insurance plan and has no liability or obligation to make up losses in a subsequent year.
6. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

7. 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 insure accuracy in building a Statewide data base for policy development and funding plans.
8. 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 assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

9. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government.

Since Internal Service Funds support the operations of governmental funds, they are consolidated with governmental funds in the governmental-wide financial statements.

10. Capital assets; which include land, buildings, furniture and equipment are reported in the applicable governmental 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 two years. 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Improvements	30
Land improvements	12 - 15
Vehicles	5 - 10
Office equipment	5 - 7
Equipment	7 - 15

11. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

12. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
13. In the government-wide financial statements interest expense has been calculated based on the last interest payment date prior to year-end and is not in default at August 31, 2020.
14. The District has a policy to record prepaid assets of any material unused balance as a reduction in expense and an increase in prepaid assets. Prepaid assets are then expensed pro-rata over months outstanding.
15. The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund which is included in the General Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit C-5 and the other two reports are in Exhibit J4 and J5.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 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. Prior to September 1, the budget is legally enacted through passage of a resolution 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.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

A. BUDGETARY DATA

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

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 pledges approved securities 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 dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The Depository Contract Law recognizes a Letter of Credit as an approved security. The District agreed to accept a \$10,000,000 letter of credit to secure funds from the District's depository bank.

At August 31, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,006,485. The bank balance for these accounts was \$8,402,399. The District's cash deposits at August 31, 2020, and during the year ended August 31, 2020 were entirely covered by FDIC insurance and a letter of credit which names the District as beneficiary.

In addition, as of August 31, 2020, the District has the following funds on deposit with fiscal agents but were not covered by the depository agreement. The funds were entirely covered by FDIC insurance at the fiscal agent's bank.

Tristar Risk Management, reserve account to pay claims	\$ 60,000
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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. The District is in substantial compliance with the requirements of the Act and with local policies.

Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

A. DEPOSITS AND INVESTMENTS - continued

These three levels of risk are:

- Category 1 - Cash or Investments that are insured, registered or held by the District or by its agent in the District's name.
- Category 2 - Cash or Investments that are uninsured and unregistered held by the counter-party's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the District's name.

Based on these three levels of risk, all of the District's cash deposits are classified as Category 1.

The District's investments at August 31, 2020 consist of deposits into public funds investment pools. The funds in the investment pools are not subject to categorization.

The District's temporary investments at August 31, 2020, are shown below:

Name	Carrying Amount	Fair Value	Custodial Risk Category*	Credit Quality Rating
Public Funds Investment Pool - Lone Star Investment Pool	\$39,244,264	\$39,244,264	N/A	AAA

Copies of the Lone Star Investment Pool separately issued financial statements may be obtained directly from them.

* Custodial Risk Assessment is not required for external investment pools.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

A. DEPOSITS AND INVESTMENTS – continued

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District's investing activities are managed under the custody of the District's Investment Officer. Investing is performed in accordance with investment policies adopted by the School Board, with State Statutes and with the District's policies.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer.

Public Funds Investment Pools

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

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

B. PROPERTY TAXES

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 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.

C. DELINQUENT TAXES RECEIVABLE

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

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

C. DELINQUENT TAXES RECEIVABLE- continued

without specific statutory authority from the Texas Legislature.

The tax rates levied for the year ended August 31, 2020, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.06835 and \$0.09325 per \$100 valuation, respectively, for a total of \$1.16160 per \$100 valuation.

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances at August 31, 2020 consisted of the following amounts and are attributable to payroll and disbursement clearing activities.

	Due From Other Funds	Due to Other Funds
General Fund	\$ 4,656,425	\$ 17,490,079
Capital Projects Fund	10,440,659	43,929
Other Non-Major Funds	843,067	3,342,995
Total Governmental Funds	15,940,151	20,877,002
Proprietary Funds	4,937,012	-
Fiduciary Funds	-	161
Total	\$ 20,877,163	\$ 20,877,163

Interfund transfers are necessary to record resources for interfund activities which otherwise have inadequate resources such as the athletic fund, transportation fund, gifted and talented, special education, instructional technology, state compensatory, career and technology, MAMA patrol and other special revenue funds for construction projects. A transfer was also made to properly reflect employee benefit activities.

E. DUE FROM OTHER GOVERNMENTS AND OTHER RECEIVABLES

The District receives entitlements from the State through the School Foundation and the Per Capita Programs. In addition to the State programs, the District participates in a variety of other Federal and State programs from which the funds are passed through TEA or other agencies. Amounts due from other governments and other receivables for the year are summarized below.

Due from Other Governments

Fund	State Entitlements	Federal Grants	Other Governments	Total
General Fund	\$ 611,725	4,428	\$ 55,107	\$ 671,260
Special Revenue Funds	-	5,974,655	36,441	\$ 6,011,096
Debt Service Fund	-	-	-	\$ -
Total	\$ 611,725	\$ 5,979,083	\$ 91,548	\$ 6,682,356

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

E. DUE FROM OTHER GOVERNMENTS AND OTHER RECEIVABLES- continued

Other Receivables

Other receivables as of August 31, 2020, for the District's major and non-major funds consist of sundry revenues collectible within one year. The amounts are comprised as follows:

	General Fund	Non Major Governmental Fund	Total
Other	23,637	11	23,648
	<u>\$ 23,637</u>	<u>\$ 11</u>	<u>\$ 23,648</u>

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended August 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Transfers		Ending Balance
				In	Out	
<u>Nondepreciable Capital Assets</u>						
Land	\$ 6,431,095	-	-	-	-	\$ 6,431,095
Construction in Progress	3,800,273	5,146,490	-		(2,693,143)	6,253,620
Total Nondepreciable Assets	10,231,368	5,146,490	-	-	(2,693,143)	12,684,715
<u>Depreciable Capital Assets</u>						
Buildings & Improvements	164,890,963	1,156,144		2,693,143		168,740,250
Vehicles, Furniture & Equipment	17,936,548	1,441,182	(1,883,829)	-	-	17,493,901
Total Depreciable Assets	182,827,511	2,597,326	(1,883,829)	2,693,143	-	186,234,151
Total	193,058,879	7,743,816	(1,883,829)	2,693,143	(2,693,143)	198,918,866
<u>Less Accumulated Depreciation for:</u>						
Buildings	102,720,533	6,181,996		-	-	108,902,529
Vehicles, Furniture & Equipment	13,578,211	926,487	(1,883,829)	-	-	12,620,869
Total Accumulated Depreciation	116,298,744	7,108,483	(1,883,829)	-	-	121,523,398
<u>Capital Assets</u>	<u>\$ 76,760,135</u>	<u>\$ 635,333</u>	<u>\$ -</u>	<u>\$ 2,693,143</u>	<u>\$ (2,693,143)</u>	<u>\$ 77,395,468</u>

Depreciation expense was charged to governmental activities as follows:

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

F. CAPITAL ASSET ACTIVITY – continued

Instructional	2,558,237.03
Instructional Resources and Media Services	149,340.24
Curriculum & Instructional Staff Development	66,692.64
Instructional Leadership	620.89
School Leadership	180,426.74
Guidance,Counseling & Evaluation Services	117,289.28
Social Work Services	9,059.17
Health Services	55,859.61
Student (Pupil) Transportation	495,510.25
Food Services	313,575.33
Co-curricular/Extracurricular Activities	2,318,710.42
General Administration	7,612.89
Plant Maintenance & Operations	702,720.78
Security & Monitoring	51,249.99
Data Processing	1,637.74
Community Services	79,939.89
	<u>\$ 7,108,483</u>

G. LONG-TERM LIABILITIES

Loan and capital lease indebtedness of the District is reflected in the General Long-Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the General Fund.

Bonded indebtedness of the District is reflected in the General Long-Term Account Group and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

G. LONG-TERM LIABILITIES - continued

A summary of changes in long-term liabilities for the year ended August 31, 2020 is as follows:

Description	Interest Rates Payable	Amount Original Issue	Amount Outstanding 09/01/19	Issued	Retired/ Refunded	Amount Outstanding 08/31/20	Due Within One Year
Unlimited Tax Refunding Bonds, Series 2015 , Matures 8/2022	3.00%	\$ 9,345,000	3,445,000	-	1,115,000	2,330,000	1,150,000
Unlimited Tax Refunding Bond, Series 2016, Matures 8/2038	3.00% - 5.00%	40,060,000	38,465,000	-	1,350,000	37,115,000	1,395,000
Maintenance Tax Note, Series 2109, Matures 8/2034	2.32%	6,887,000	-	6,887,000	-	6,887,000	421,000
Total Bonds Payable			41,910,000	6,887,000	2,465,000	46,332,000	2,966,000
Compensated Absences			367,573	474,971	367,573	474,971	474,971
TOTAL			\$ 42,277,573	\$ 7,361,971	\$ 2,832,573	\$ 46,806,971	\$ 3,440,971

Debt service requirements for bonds payable are as follows:

Year Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2021	2,966,000	1,854,228	4,820,228
2022	3,066,000	1,754,161	4,820,161
2023	1,946,000	1,650,562	3,596,562
2024	2,022,000	1,580,131	3,602,131
2025	2,092,000	1,506,844	3,598,844
2026 - 2030	11,859,000	6,134,373	17,993,373
2031 - 2035	14,001,000	3,406,254	17,407,254
2036 - 2040	8,380,000	679,200	9,059,200
Total	\$ 46,332,000	\$ 18,565,753	\$ 64,897,753

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

G. LONG-TERM LIABILITIES - continued

Reconciliation to Government-wide Financial Statement

Total bonded indebtedness per notes above	\$ 46,332,000
Total compensated absences per notes above	474,971
Add unamortized bond premium/discount	<u>4,587,667</u>
Long-term Debt Per Government-Wide Financial Statements, per Exhibit A-1	<u>\$ 51,394,638</u>

A summary of bond discounts premiums and accumulated amortization are as follows:

Description	Original Amount	9/1/2019	Additions (Deletions)	Current Year Amortization	Unamortized Premium/ Discount 8/31/2020
Series 2015 Premium	(633,816)	(202,049)	-	79,305	(122,744)
Series 2016 Premium	(6,033,393)	(4,839,604)	-	374,681	(4,464,923)
Total	<u>\$(6,667,209)</u>	<u>\$(5,041,653)</u>	<u>\$ -</u>	<u>\$ 453,986</u>	<u>\$(4,587,667)</u>

H. COMMITMENTS UNDER LEASES

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2020, as follows:

Year Ending <u>August 31,</u> 2020	\$ 867,232
Thereafter	<u>-</u>
Total Minimum Rentals	<u>\$ 867,232</u>
Rental Expenditures in Fiscal Year 2020	<u>\$ 867,232</u>

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

I. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

The State of Texas has created a minimum personal leave program consisting of five days per year leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas public schools.

Each district's local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. Eagle Pass Independent School District provides an additional seven days per employee which is cumulative up to forty-five days. Personal leave is not vested, therefore, upon resignation, termination or nonrenewal of contract, accumulated personal leave is not paid.

	COMPENSATED ABSENCES
BALANCE SEPTEMBER 1, 2019	\$ 367,573
ADDITIONS-NEW ENTRANTS AND SALARY INCREMENTS	\$ 474,971
DEDUCTIONS-PAYMENTS TO PARTICIPANTS	\$ (367,573)
BALANCE AUGUST 31, 2020	\$ 474,971

J. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued 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.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

J. DEFINED BENEFIT PENSION PLAN - continued

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

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 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2015 thru 2020. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2015 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2020.

Contribution Rates

	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer-Contributing-Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Eagle Pass ISD 2020 Employer Contributions		\$3,228,184
Eagle Pass ISD 2020 Member Contributions		\$7,493,968
Eagle Pass ISD 2020 NECE On-Behalf Contributions		\$4,340,046

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

J. DEFINED BENEFIT PENSION PLAN - continued

As the non-employer contributing entity for public education, 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 including public 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 source, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- 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.

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Inflation Rate	2.50%
Salary Increases*	3.5% to 9.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

J. DEFINED BENEFIT PENSION PLAN - continued

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 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 Geometric Basis	Long-Term Expected Real Rate of Return* Portfolio
Global Equity			
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%
Stable Value			
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%
Real Return			
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%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Alpha			1.0%
Total	100%		8.7%

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

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

J. DEFINED BENEFIT PENSION PLAN - 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 (7.25%) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
EPISD's proportionate share of the net pension liability:	\$ 66,118,708	\$ 43,013,962	\$ 24,294,658

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

At August 31, 2020, Eagle Pass ISD reported a liability of \$43,013,962 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Eagle Pass ISD.

The amount recognized by Eagle Pass ISD 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 Eagle Pass ISD were as follows:

District's Proportionate share of the collective net pension liability	\$ 43,013,962
State's proportionate share that is associated with the District	<u>64,460,259</u>
Total	<u>\$ 107,492,221</u>

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was .0827460078% which was an increase of .00023120959% from its proportion measured as of August 31, 2018.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

J. DEFINED BENEFIT PENSION PLAN - continued

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.

For the year ended August 31, 2020, Eagle Pass ISD recognized pension expense of \$19,236,321 and revenue of \$10,125,799 for support provided by the State.

At August 31, 2020, Eagle Pass ISD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$180,697	\$1,493,513
Changes in actuarial assumptions	13,345,043	5,514,803
Difference between projected and actual investment earnings	431,910	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,553,422	560
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	3,228,184	
Total	\$20,739,256	\$ 7,008,876

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

Year ended August 31:	Pension Expense Amount
2021	\$ 2,769,589
2022	2,251,296
2023	2,547,657
2024	2,405,092
2025	874,862
Thereafter	\$ (346,300)

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

K. MEDICARE PART D - ON BEHALF PAYMENTS

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 drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf to Eagle Pass Independent School District for fiscal years 2018, 2019 and 2020 were \$402,585, \$ 339,858 and \$459,443 respectively.

L. HEALTH CARE COVERAGE

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. Partial staff member contributions are required for personal coverage and total staff member contributions are required for coverage of dependents. The District obtained excess loss insurance which limited annual claims paid from the Fund for the year ended August 31, 2020, to \$250,000 for any individual participant and an aggregate limit equal to \$1,000,000. The District has no liability or obligation to make up losses in a subsequent year. As of August 31, 2020, the plan had no unfunded liability with respect to the District.

M. UNEARNED & UNAVAILABLE REVENUE

Unearned revenue at year end consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Governmental Fund Subtotal	Proprietary Fund	Total
Unavailable Tax Revenue	2,623,332	-	368,053	2,991,385	-	\$ 2,991,385
State Entitlements Grants	71,896	247,950	-	319,846	-	\$ 319,846.00
Federal Grants	116,231	-	-	116,231	-	\$ 116,230.57
Athletic Receipts	-	-	-	-	-	\$ -
Total	\$ 2,811,458	\$ 247,950	\$ 368,053	\$ 3,427,461	\$ -	\$ 3,427,461

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

N. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	Governmental Funds				Proprietary Funds			Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Fund Subtotal	Expendable Trust Fund	Internal Service Fund	
Property Taxes	\$ 26,839,366.73	\$ -	\$ 2,373,809.04	\$ -	\$ 29,213,175.77	\$ -	\$ -	\$ 29,213,175.77
Penalties, Interest and Other Tax Related Income	899,620.66	-	79,276.51	-	978,897.17	-	-	978,897.17
Investment Income	684,164.13	-	33,088.41	-	717,252.54	-	7,944.16	725,196.70
Food Sales	175,055.35	-	-	-	175,055.35	-	-	175,055.35
Co-curricular Income	157,927.02	-	-	-	157,927.02	-	-	157,927.02
Rent	300.00	-	-	-	300.00	-	-	300.00
Scholarship Contribution	-	-	-	-	-	1,500.00	-	1,500.00
Income from Sales	-	157,231.13	-	-	157,231.13	-	-	157,231.13
Quasi External Revenue	-	-	-	-	-	-	20,391,044.79	20,391,044.79
Other	198,943.16	-	-	-	198,943.16	-	-	198,943.16
	<u>\$28,955,377</u>	<u>\$157,231</u>	<u>\$2,486,174</u>	<u>\$0</u>	<u>\$31,598,782</u>	<u>\$1,500</u>	<u>\$20,398,989</u>	<u>\$51,999,271</u>

O. REVENUES FROM STATE PROGRAMS

	General Fund	Capital Fund	Non-Major Governmental Fund	Total
School Program Act Entitlement	\$ 98,285,095	\$ -	\$ -	\$ 98,285,095
Per Capita Apportionment	4,257,398	-	-	\$ 4,257,398
Special Education Services	-	-	-	\$ -
State Program Revenue	313,747	-	4,922,151	\$ 5,235,898
TRS On Behalf	7,117,618	-	-	\$ 7,117,618
	<u>\$ 109,973,858</u>	<u>\$ -</u>	<u>\$ 4,922,151</u>	<u>\$ 114,896,009</u>

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

P. LITIGATION

The District is a defendant in various lawsuits for claims filed against it. In the opinion of the District's council, the resolution of these matters will not have a material adverse effect on the financial condition of the District; and therefore, no loss contingency has been recorded.

Q. CONTINGENCIES

The District participates in numerous State and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2020 may be impaired. In the opinion of the District, 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 combined financial statements of such contingencies.

R. RELATED ORGANIZATIONS

The Maverick County Appraisal District is a "related organization" of the District as defined by *Government Accounting Standards Board Statement No. 14*, and amendments thereto. Three of the members of the Board of the Appraisal District are appointed by Eagle Pass Independent School District.

Eagle Pass Independent School District is one of the taxing units served by the Maverick County Appraisal District. The Appraisal District is charged with the appraisal process of Maverick County which includes, among other things, discovery and adding new real and personal properties to the appraisal rolls, administer all exemptions and open land applications, gather and check ownership data, utilize current sale data and prepare ownership maps for the entire County. The Eagle Pass Independent School District is responsible for assessing and collecting advalorem property tax based on appraised values, exemptions, and ownership information provided by the Appraisal District.

Board representation of the Appraisal District Board is relative to total taxable values of the taxing units served. The Eagle Pass Independent School District is represented by three of the five Board members on the Appraisal Board of Directors. Additionally, the School District funds 51.21% of the Appraisal District's budget. Each taxing unit's contributions to the operating budget is based on the relative size of the total tax levy of all taxing units.

Taxing Unit	Percentage of Contribution	Amount of Contribution
Eagle Pass Independent School District	51.21%	\$ 631,946
Maverick County	26.94%	332,497
Hospital District	7.37%	91,013
City of Eagle Pass	14.48%	178,646
2020 Budget of Maverick County Appraisal District	100%	<u>\$ 1,234,101</u>

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

S. WORKERS' COMPENSATION SELF-INSURANCE

The Eagle Pass Independent School District established a limited risk management program for workers' compensation effective December 1, 1990. Premiums are paid into the Internal Service Fund by General and Special Revenue funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year ended August 31, 2020 a total of \$274,587 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$400,000 for any one event up to a maximum limit of \$1,000,000. Claims payable of \$443,164 include claims incurred but not reported have been accrued as a liability based upon the District's actuary's estimate. Obligations for claims under this program are accrued based on estimates of the aggregate liability for claims made and claims incurred but not reported.

Changes in the fund's claims payable for the year ended August 31, 2020 and 2019 were:

	2020	2019
Claims payable, beginning balance	\$ 696,056	\$ 556,443
Current year claims and changes in estimates of claims incurred but not reported	\$ 21,695	\$ 448,021
Claims Payments	\$ (274,587)	\$ (308,407)
Claims payable, ending balance	<u>\$ 443,164</u>	<u>\$ 696,056</u>

T. FUND EQUITY

Beginning with fiscal year 2014, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined 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 nonspendable 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., School Board). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the School Board or by an official or body to which the School Board delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

T. FUND EQUITY - continued

Beginning fund balances for the District's governmental funds have been restated to reflect the above classifications. The School Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or 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 designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the School Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

As of August 31, 2020 fund balances are composed of the following:

Fund Number	Category/Description	General Fund	Non-Major Other Funds	Total Governmental Funds
<u>Non-Spendable</u>				
101	Inventories	\$ -	-	-
199	Inventories	583,827	-	583,827
199	Prepaid Items	263,362	-	263,362
<u>Restricted</u>				
169	Federal/State Programs	-	-	-
170	Federal/State Programs	146,996	-	146,996
174	Federal/State Programs	-	-	-
178	Federal/State Programs	-	-	-
242	Federal/State Programs	-	8,937	8,937
266	Federal/State Programs	-	2,257,585	2,257,585
397	Federal/State Programs	-	4,511	4,511
429	Federal/State Programs	-	-	-
518	Restirement of Long Term Debt	-	789,715	789,715
<u>Committed</u>				
616	Board Action Construction	-	9,939,480	9,939,480
617	Board Action Construction	-	494,483	494,483
461	Board Action CAF	-	80,545	80,545
<u>Unassigned</u>				
175	Available for Legal Expenditures	183,808	-	183,808
199	Available for Legal Expenditures	16,567,799	-	16,567,799
Total Fund Balances		\$ 17,745,792	\$ 13,575,256	\$ 31,321,049

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

T. FUND EQUITY - continued

GASB 54 doesn't apply to Proprietary Funds and Fiduciary Funds, which had unrestricted fund balances at year-end of \$5,979,843 and \$15,912, respectively.

U1. GENERAL FUND FEDERAL SOURCE REVENUES

Program or Source	CFDA Number	Amount
Air Force Jr. ROTC	12.357	87,713
Impact Aid	84.041	-
School Breakfast Program	10.553	2,727,674
National School Lunch Program (NSLP)	10.555	4,484,386
NSLP Equipment Grant	10.579	23,878
NSLP Training Grant	10.560	-
Commodity Supplemental Food	10.555	600,825
TMHP Medicaid Payment (SHARS)	-	936,301
Summer School LEP	84.369A	21,371
Indirect Cost:		
ESEA Title I, Part A	84.010A	194,827
ESEA Title I, Part C	84.011A	31,838
IDEA-B Formula	84.027A	78,544
ESEA Title III, Part A LEP	84.365A	12,781
ESEA Title II, Part A	84.367A	20,806
Carl D. Perkins - Basic Formula Grant	84.048A	8,004
ESSA Title V, B, SP2, Rural & Low Income	84.358B	3,908
ESSA Title IV, Part A Subpart 1	84.424A	1,941
Total		<u>9,234,796</u>

U2. RELATED PARTY TRANSACTIONS

In the ordinary course of business the District had transactions with a Board Member in Fiscal Year 2020. All TEA requirements for conflict of interest rules and regulations have been complied with. Payments for construction related services to related parties were \$3,361,550.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS 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-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Monthly Premium Rates

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates

	<u>2019</u>	<u>2020</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's 2020 FY Employer Contributions	\$	858,632
District's 2020 FY Member Contributions	\$	632,605
Measurement Year NECE On-Behalf Contributions	\$	1,089,815

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

Actuarial Assumptions. The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions: [Actuarial Assumptions can be found in the 2019 TRS CAFR, Note 10].

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those which were adopted by the Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date:	August 31, 2019
Actuarial Cost Method:	Individual Entry Age Normal
Inflation:	2.30%
Discount Rate:	2.63%
Aging Factors:	Based on Plan Specific Experience
Expenses:	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases:	3.50% - 9.50%
Healthcare Trend Rates:	4.50% - 12.00%
Election Rates: Normal Retirement:	70% participation prior to age 65 and 75% participation after age 65.
Ad-hoc Post Employment Benefit Changes:	None

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. The Discount Rate can be found in the 2018 TRS CAFR on page 83. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of the Net OPEB Liability:	\$ 65,984,427	\$ 54,653,595	\$ 45,789,477

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$ 44,584,487	\$ 54,653,595	\$ 68,141,580

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At August 31, 2020, Eagle Pass ISD reported a liability of \$ 54,653,595 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with Eagle Pass ISD were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 54,653,595
State's proportionate share that is associated with the District	<u>72,622,405</u>
Total	<u>\$ 127,276,000</u>

The Net OPEB Liability was measured as of August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was 0.1155681554% which was an increase of 0.0010157305% from its proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period: [These can be found in the TRS CAFR on page 83].

Changes in Actuarial Assumptions Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period: [These can be found in the TRS CAFR on page 71.]

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB liability (TOL).
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

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

For the year ended August 31, 2020, Eagle Pass ISD recognized OPEB expense of \$3,576,621 and revenue of \$1,914,028 for support provided by the State.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS - continued

V. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

At August 31, 2020, Eagle Pass ISD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$2,681,223	\$8,943,481
Changes in actuarial assumptions	3,035,581	14,700,476
Net Difference between projected and actual investment earnings	5,897	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,367,968	-
Total as of August 31, 2019 measurement date	\$7,090,669	\$23,643,957
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	858,632	-
Total	\$7,949,301	\$23,643,957

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows

Year ended August 31:	OPEB Expense Amount
2021	\$ (2,831,090)
2022	(2,831,090)
2023	(2,832,998)
2024	(2,834,090)
2025	(2,833,791)
Thereafter	(2,390,229)

U. EXTRAORDINARY ITEMS

In Fiscal Year 2020 the District had property and casualty insurance claim proceeds in the amount of \$57,463.

EAGLE PASS ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes		206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
ASSETS					
1110	Cash and Cash Equivalents	\$ 9	\$ 611	\$ 106	\$ 76
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	1,281	899,665	217,355	355,077
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 1,290</u>	<u>\$ 900,276</u>	<u>\$ 217,461</u>	<u>\$ 355,153</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 4,967	\$ 93	\$ 1,100
2170	Due to Other Funds	1,290	895,309	217,368	354,053
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>1,290</u>	<u>900,276</u>	<u>217,461</u>	<u>355,153</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,290</u>	<u>\$ 900,276</u>	<u>\$ 217,461</u>	<u>\$ 355,153</u>

225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	272 Medicaid Admin. Claim MAC
\$ -	\$ 855	\$ -	\$ 3,502	\$ 289	\$ -	\$ 772	\$ 219
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	102,580	20,403	4,239,958	115,136	36,441
-	586,367	-	-	-	-	-	5,000
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 587,222</u>	<u>\$ -</u>	<u>\$ 106,082</u>	<u>\$ 20,692</u>	<u>\$ 4,239,958</u>	<u>\$ 115,908</u>	<u>\$ 41,660</u>
\$ -	\$ 3,761	\$ -	\$ 2,600	\$ -	\$ 965,074	\$ -	\$ -
-	574,524	-	103,482	20,692	1,017,299	115,908	41,660
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	578,285	-	106,082	20,692	1,982,373	115,908	41,660
-	8,937	-	-	-	2,257,585	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,937	-	-	-	2,257,585	-	-
<u>\$ -</u>	<u>\$ 587,222</u>	<u>\$ -</u>	<u>\$ 106,082</u>	<u>\$ 20,692</u>	<u>\$ 4,239,958</u>	<u>\$ 115,908</u>	<u>\$ 41,660</u>

EAGLE PASS ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes		276 Title I - SIP Academy Grant	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 10	\$ -	\$ 11
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	23,200	-	-	-
1260	Due from Other Funds	-	-	-	4,500
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 23,200</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 4,511</u>
LIABILITIES					
2110	Accounts Payable	\$ 23,200	\$ -	\$ -	\$ -
2170	Due to Other Funds	-	10	-	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>23,200</u>	<u>10</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	4,511
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,511</u>
4000	Total Liabilities and Fund Balances	<u>\$ 23,200</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 4,511</u>

410 State Instructional Materials	427 State Funded Special Revenue Funds	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	518 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 750	\$ 19	\$ -	\$ 80,545	\$ 87,774	\$ 793,761	\$ 881,535
-	-	-	-	-	564,659	564,659
-	4,317	-	-	4,317	(175,053)	(170,736)
-	-	-	-	6,011,096	-	6,011,096
32,200	-	215,000	-	843,067	-	843,067
-	-	-	-	-	11	11
<u>\$ 32,950</u>	<u>\$ 4,336</u>	<u>\$ 215,000</u>	<u>\$ 80,545</u>	<u>\$ 6,946,254</u>	<u>\$ 1,183,378</u>	<u>\$ 8,129,632</u>
\$ -	\$ 2,936	\$ -	\$ -	\$ 1,003,731	\$ 2,450	\$ 1,006,181
-	1,400	-	-	3,342,995	-	3,342,995
-	-	-	-	-	23,160	23,160
32,950	-	215,000	-	247,950	368,053	616,003
<u>32,950</u>	<u>4,336</u>	<u>215,000</u>	<u>-</u>	<u>4,594,676</u>	<u>393,663</u>	<u>4,988,339</u>
-	-	-	-	2,271,033	-	2,271,033
-	-	-	-	-	789,715	789,715
-	-	-	80,545	80,545	-	80,545
-	-	-	80,545	2,351,578	789,715	3,141,293
<u>\$ 32,950</u>	<u>\$ 4,336</u>	<u>\$ 215,000</u>	<u>\$ 80,545</u>	<u>\$ 6,946,254</u>	<u>\$ 1,183,378</u>	<u>\$ 8,129,632</u>

EAGLE PASS ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
REVENUES:				
570 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
580 State Program Revenues	-	-	-	-
590 Federal Program Revenues	8,382	5,706,699	919,984	2,269,753
502 Total Revenues	8,382	5,706,699	919,984	2,269,753
EXPENDITURES:				
Current:				
001 Instruction	-	773,996	108,256	1,463,512
001 Instructional Resources and Media Services	-	49,489	-	-
001 Curriculum and Instructional Staff Development	-	1,532,878	-	2,180
002 Instructional Leadership	-	739,306	50,784	55,016
002 School Leadership	-	-	-	-
003 Guidance, Counseling, and Evaluation Services	-	1,970,651	168,612	749,045
003 Social Work Services	-	-	237,425	-
003 Food Services	-	-	-	-
003 Extracurricular Activities	-	-	-	-
005 Facilities Maintenance and Operations	-	42,453	1,212	-
005 Security and Monitoring Services	-	-	-	-
006 Community Services	8,382	597,926	353,695	-
Debt Service:				
007 Principal on Long-Term Debt	-	-	-	-
007 Interest on Long-Term Debt	-	-	-	-
007 Bond Issuance Cost and Fees	-	-	-	-
603 Total Expenditures	8,382	5,706,699	919,984	2,269,753
120 Net Change in Fund Balance	-	-	-	-
010 Fund Balance - September 1 (Beginning)	-	-	-	-
300 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

225 IDEA - Part B Preschool	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	270 ESEA VI, Pt B Rural & Low Income	272 Medicaid Admin. Claim MAC
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28,740	3,049,456	231,936	601,118	370,020	4,239,958	111,228	41,660
28,740	3,049,456	231,936	601,118	370,020	4,239,958	111,228	41,660
28,740	-	224,061	553,290	241,838	621,614	98,641	41,660
-	-	-	-	-	-	-	-
-	-	7,875	33,086	-	-	2,589	-
-	-	-	327	2,618	-	-	-
-	-	-	14,415	-	-	6,097	-
-	-	-	-	-	-	3,901	-
-	-	-	-	-	-	-	-
-	3,029,843	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	19,613	-	-	-	1,360,759	-	-
-	-	-	-	-	-	-	-
-	-	-	-	125,564	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,740	3,049,456	231,936	601,118	370,020	1,982,373	111,228	41,660
-	-	-	-	-	2,257,585	-	-
-	8,937	-	-	-	-	-	-
\$ -	\$ 8,937	\$ -	\$ -	\$ -	\$ 2,257,585	\$ -	\$ -

EAGLE PASS ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	276 Title I - SIP Academy Grant	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
REVENUES:				
570 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
580 State Program Revenues	-	-	10,080	4,288
590 Federal Program Revenues	23,200	116,692	-	-
502 Total Revenues	23,200	116,692	10,080	4,288
EXPENDITURES:				
Current:				
001 Instruction	23,200	113,835	10,080	-
001 Instructional Resources and Media Services	-	-	-	-
001 Curriculum and Instructional Staff Development	-	-	-	-
002 Instructional Leadership	-	-	-	-
002 School Leadership	-	2,857	-	-
003 Guidance, Counseling, and Evaluation Services	-	-	-	-
003 Social Work Services	-	-	-	-
003 Food Services	-	-	-	-
003 Extracurricular Activities	-	-	-	-
005 Facilities Maintenance and Operations	-	-	-	-
005 Security and Monitoring Services	-	-	-	-
006 Community Services	-	-	-	-
Debt Service:				
007 Principal on Long-Term Debt	-	-	-	-
007 Interest on Long-Term Debt	-	-	-	-
007 Bond Issuance Cost and Fees	-	-	-	-
603 Total Expenditures	23,200	116,692	10,080	-
120 Net Change in Fund Balance	-	-	-	4,288
010 Fund Balance - September 1 (Beginning)	-	-	-	223
300 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ 4,511

410 State Instructional Materials	427 State Funded Special Revenue Funds	429 Other State Special Revenue Funds	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	518 Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 157,231	\$ 157,231	\$ 2,486,174	\$ 2,643,405
2,662,580	4,317	263,645	-	2,944,910	1,977,241	4,922,151
-	-	-	-	17,718,826	-	17,718,826
2,662,580	4,317	263,645	157,231	20,820,967	4,463,415	25,284,382
2,542,580	-	-	-	6,845,303	-	6,845,303
-	-	6	-	49,495	-	49,495
20,000	-	-	-	1,598,608	-	1,598,608
-	-	-	-	848,051	-	848,051
-	-	-	-	23,369	-	23,369
-	-	-	-	2,892,209	-	2,892,209
-	-	-	-	237,425	-	237,425
-	-	-	-	3,029,843	-	3,029,843
-	4,317	-	146,344	150,661	-	150,661
100,000	-	235,611	-	1,759,648	-	1,759,648
-	-	28,028	-	28,028	-	28,028
-	-	-	-	1,085,567	-	1,085,567
-	-	-	-	-	2,465,000	2,465,000
-	-	-	-	-	1,768,400	1,768,400
-	-	-	-	-	800	800
2,662,580	4,317	263,645	146,344	18,548,207	4,234,200	22,782,407
-	-	-	10,887	2,272,760	229,215	2,501,975
-	-	-	69,658	78,818	560,500	639,318
\$ -	\$ -	\$ -	\$ 80,545	\$ 2,351,578	\$ 789,715	\$ 3,141,293

EAGLE PASS ISD
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2020

	753 Self Funded Workers Compensation	775 Self Funded Health/Dental Insurance	776 Self Funded Unemployment Insurance	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 2,888,447	\$ -	\$ 2,888,447
Due from Other Funds	2,073,495	1,767,897	1,095,620	4,937,012
Other Receivables	-	344,773	-	344,773
Other Current Assets	60,000	-	-	60,000
Total Assets	2,133,495	5,001,117	1,095,620	8,230,232
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,031	2,137	150,937	155,105
Short Term Debt Payable	-	1,652,120	-	1,652,120
Accrued Expenses	443,164	-	-	443,164
Total Liabilities	445,195	1,654,257	150,937	2,250,389
NET POSITION				
Unrestricted Net Position	1,688,300	3,346,861	944,682	5,979,843
Total Net Position	\$ 1,688,300	\$ 3,346,861	\$ 944,682	\$ 5,979,843

EAGLE PASS ISD
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

	753 Self Funded Workers Compensation	775 Self Funded Health/Dental Insurance	776 Self Funded Unemployment Insurance	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 684,716	\$19,714,273	\$ -	\$20,398,989
Total Operating Revenues	684,716	19,714,273	-	20,398,989
OPERATING EXPENSES:				
Professional and Contracted Services	127,994	709,536	163,992	1,001,522
Other Operating Costs	-	20,772,634	-	20,772,634
Total Operating Expenses	127,994	21,482,170	163,992	21,774,156
Income (Loss) Before Transfers	556,722	(1,767,897)	(163,992)	(1,375,167)
Transfer In	-	1,767,897	-	1,767,897
Change in Net Position	556,722	-	(163,992)	392,730
Total Net Position - September 1 (Beginning)	1,131,578	3,346,861	1,108,674	5,587,113
Total Net Position August 31 (Ending)	\$ 1,688,300	\$ 3,346,861	\$ 944,682	\$ 5,979,843

EAGLE PASS ISD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2020

	753	775	776	Total
	Self Funded Workers Compensation	Self Funded Health/Dental Insurance	Self Funded Unemployment Insurance	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 684,716	\$ 19,915,865	\$ -	\$ 20,600,581
Cash Payments for Insurance Claims	-	(709,537)	-	(709,537)
Cash Payments for Other Funds	(299,479)	1,288,646	13,055	1,002,222
Cash Payments for Other Operating Expenses	(385,237)	(20,584,001)	(13,055)	(20,982,293)
Net Cash Used For Operating Activities	-	(89,027)	-	(89,027)
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Operating Transfer In	-	1,767,897	-	1,767,897
Net Increase in Cash and Cash Equivalents	-	1,678,870	-	1,678,870
Cash and Cash Equivalents at Beginning of Year	-	1,209,577	-	1,209,577
Cash and Cash Equivalents at End of Year	\$ -	\$ 2,888,447	\$ -	\$ 2,888,447
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>				
Operating Income (Loss):	\$ 556,722	\$ (1,767,897)	\$ (163,992)	\$ (1,375,167)
Effect of Increases and Decreases in Current Assets and Liabilities:				
Decrease (increase) in Receivables	-	201,592	-	201,592
Decrease (increase) in Due From Other Funds	(299,479)	1,288,646	13,055	1,002,222
Increase (decrease) in Accounts Payable	(4,351)	-	150,937	146,586
Increase (decrease) in Expenses	(252,892)	188,632	-	(64,260)
Net Cash Used for Operating Activities	\$ -	\$ (89,027)	\$ -	\$ (89,027)

EAGLE PASS ISD
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 AUGUST 31, 2020

	BALANCE SEPTEMBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2020
STUDENT ACTIVITY CUSTODIAL FUND				
Assets:				
Cash and Temporary Investments	\$ 419,040	\$ 309,124	\$ 356,985	\$ 371,179
Liabilities:				
Due to Other Funds	\$ 1,056	\$ 317,574	\$ 318,469	\$ 161
Due to Student Groups	417,984	283,294	330,260	371,018
Total Liabilities	\$ 419,040	\$ 600,868	\$ 648,729	\$ 371,179

EAGLE PASS ISD
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	Various	Various	\$ Various
2012	1.040050	0.13132	1,639,819,952
2013	1.040050	0.11924	1,771,014,555
2014	1.040050	0.11711	1,944,257,563
2015	1.040050	0.11412	2,067,174,624
2016	1.040050	0.12186	2,058,999,199
2017	1.040050	0.11538	2,096,604,439
2018	1.170050	0.01038	2,207,624,106
2019	1.170050	0.09079	2,280,381,998
2020 (School year under audit)	1.068350	0.09325	2,429,174,356
100 TOTALS			

(10) Beginning Balance 9/1/2019		(20) Current Year's Total Levy		(31) Maintenance Collections		(32) Debt Service Collections		(40) Entire Year's Adjustments		(50) Ending Balance 8/31/2020	
\$	2,417,279	\$	-	\$	41,749	\$	4,399	\$	(2,640)	\$	2,368,491
	128,213		-		13,731		1,775		(508)		112,199
	109,591		-		18,768		2,235		(320)		88,268
	209,389		-		26,925		3,205		(336)		178,923
	242,185		-		37,394		4,203		(8,390)		192,198
	310,094		-		54,194		6,483		(8,274)		241,143
	501,015		-		123,567		14,068		(8,580)		354,800
	784,248		-		239,210		3,426		(36,107)		505,505
	1,638,578		-		630,677		51,813		(73,166)		882,922
	-		29,658,442		25,639,556		2,280,167		(120,984)		1,617,735
\$	6,340,592	\$	29,658,442	\$	26,825,771	\$	2,371,774	\$	(259,305)	\$	6,542,184

EAGLE PASS ISD
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2020

EXHIBIT J-2

UNAUDITED

1	Total General Fund Balance as of 8/31/20 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 17,745,793
2	Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)	\$ 847,189	
3	Total Restricted Fund Balance (from Exhibit C-1 - for the General Fund Only)	146,996	
4	Total Committed Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
5	Total Assigned Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
7	Estimate of two month's average cash disbursements during the fiscal	22,449,040	
8	Estimate of delayed payments from state sources (58xx).	-	
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-	
10	Estimate of delayed payments from federal sources (59xx)	-	
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
12	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)		23,443,225
13	Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 12)		<u>\$ (5,697,432)</u>

EAGLE PASS ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 299,551	\$ 299,551	\$ 202,428	\$ (97,123)
5800 State Program Revenues	50,669	50,669	48,759	(1,910)
5900 Federal Program Revenues	10,108,633	10,908,633	7,836,763	(3,071,870)
5020 Total Revenues	10,458,853	11,258,853	8,087,950	(3,170,903)
EXPENDITURES:				
Current:				
0035 Food Services	11,953,033	12,643,033	8,766,883	3,876,150
0051 Facilities Maintenance and Operations	48,356	158,356	73,744	84,612
0052 Security and Monitoring Services	25,980	25,980	8,624	17,356
6030 Total Expenditures	12,027,369	12,827,369	8,849,251	3,978,118
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,568,516)	(1,568,516)	(761,301)	807,215
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,568,516	1,568,516	761,301	(807,215)
1200 Net Change in Fund Balances	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

EAGLE PASS ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 2,378,109	\$ 2,378,109	\$ 2,486,174	\$ 108,065
5800 State Program Revenues	1,966,723	1,966,723	1,977,241	10,518
5020 Total Revenues	4,344,832	4,344,832	4,463,415	118,583
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	2,465,000	2,465,000	2,465,000	-
0072 Interest on Long-Term Debt	1,768,400	1,768,400	1,768,400	-
0073 Bond Issuance Cost and Fees	2,000	2,000	800	1,200
6030 Total Expenditures	4,235,400	4,235,400	4,234,200	1,200
1200 Net Change in Fund Balances	109,432	109,432	229,215	119,783
0100 Fund Balance - September 1 (Beginning)	560,500	560,500	560,500	-
3000 Fund Balance - August 31 (Ending)	\$ 669,932	\$ 669,932	\$ 789,715	\$ 119,783

LEAL & CARTER, P.C.

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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
Eagle Pas ISD (the District)
Eagle Pass, Texas

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 the District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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.

Seal & Carter, P.C.

San Antonio, Texas
November 20, 2020

LEAL & CARTER, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To Board of Trustees
Eagle Pass ISD
Eagle Pass, Texas

Report on Compliance for each Major Federal Program

We have audited the compliance of Eagle Pass ISD's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the 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 the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended August 31, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the type of requirements that could have a direct and material effect on a 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 the 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.

Seal & Carter, P.C.

San Antonio, Texas
November 20, 2020

EAGLE PASS ISD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

SECTION I -SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

Material weakness identified? *No*

Significant deficiencies identified? *No*

Noncompliance material to financial statements noted? *No*

Federal Awards

Internal control over major programs:

Material weakness (es) identified? *No*

Significant deficiencies identified? *No*

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

unmodified

Any audit findings disclosed that are required to
be reported in accordance with
2 CFR section 200.516 (a)?

No

Federal major programs:

10.553,10.555,10.559 Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

Yes

EAGLE PASS ISD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

***SECTION III – FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS
AUDIT***

NONE

EAGLE PASS ISD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2020

There were no prior audit findings reported in 2019.

EAGLE PASS ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
JROTC	12.357		\$ 87,713
Total Direct Programs			87,713
TOTAL U.S. DEPARTMENT OF DEFENSE			87,713
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Region 20 ESC</u>			
Texas Education for Homeless Children & Youth	84.196A	2956629006	8,382
Total Passed Through Region 20 ESC			8,382
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101159901	5,901,526
ESEA, Title I, Part C - Migratory Children	84.011A	20615001159901	951,822
*IDEA - Part B, Formula	84.027A	206600011599016600	2,348,297
*IDEA - Part B, Preschool	84.173A	206610011599016610	28,740
Total Special Education Cluster (IDEA)			2,377,037
Career and Technical - Basic Grant	84.048A	20420006159901	239,940
ESEA, Title V, Part B, SP2, RLIS	84.358B	20696001159901	115,136
Title III, Part A - English Language Acquisition	84.365A	20671001159901	382,801
ESEA, Title II, Part A, Teacher Principal Training	84.367A	20694501159901	621,924
Title I SIP Academy Grant	84.377A	17610740159901	23,200
Elementary & Secondary School Emergency Relief Fd	84.425D	20521001159901	1,982,373
Summer School LEP	84.369A	69551902	21,371
ESSA, Title IV, Part A, Subpart 1	84.424A	20680101159901	58,204
Total Passed Through State Department of Education			12,675,334
TOTAL U.S. DEPARTMENT OF EDUCATION			12,683,716
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00189	41,660
Healthy Futures of Texas	93.297		60,428
Total Passed Through Texas Health and Human Services Commission			102,088
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			102,088
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553		2,727,674
*National School Lunch Program - Cash Assistance	10.555		4,484,386
*National School Lunch Prog. - Non-Cash Assistance	10.555		600,825
Total CFDA Number 10.555			5,085,211
*Summer Feeding Program - Cash Assistance	10.559		3,030,216
*Non Cash Assistance - Summer Feeding Program	10.559		19,241
Total CFDA Number 10.559			3,049,457
Total Child Nutrition Cluster			10,862,342
National School Lunch Program Equipment Grant	10.579		23,878
Total Passed Through the State Department of Agriculture			10,886,220
TOTAL U.S. DEPARTMENT OF AGRICULTURE			10,886,220
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 23,759,737

EAGLE PASS ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures

*Clustered Programs

Schedule does not include federal revenues from SHARS \$936,301

EAGLE PASS ISD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2020

NOTE A – BASIS OF PRESENTATION

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 August 31, 2020. The information in this Schedule is presented in accordance with 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.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. 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 were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. All federal grant funds with the exception of the Impact Aid and indirect cost revenues were accounted for in a Special Revenue Fund, which is a Governmental Fund type.

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.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. 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 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Compliance Supplement.
4. Expenditures for the US Department of Defense (ROTC), and the Medicaid Administrative Claiming program are not specifically attributable to a federal revenue source and are shown on this schedule in an amount equal to revenue earned.
5. The District has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SCHOOLS FIRST QUESTIONNAIRE

Eagle Pass ISD

Fiscal Year 2020

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