Year Ended
June 30, 2020

ANNUAL FINANCIAL REPORT

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

ECISD

OUR students...THE future

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

PREPARED BY THE FINANCE DEPARTMENT

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Odessa, Texas

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Ector County Independent School District	Ector	068901
Name of School District	County	Co.-Dist. Number

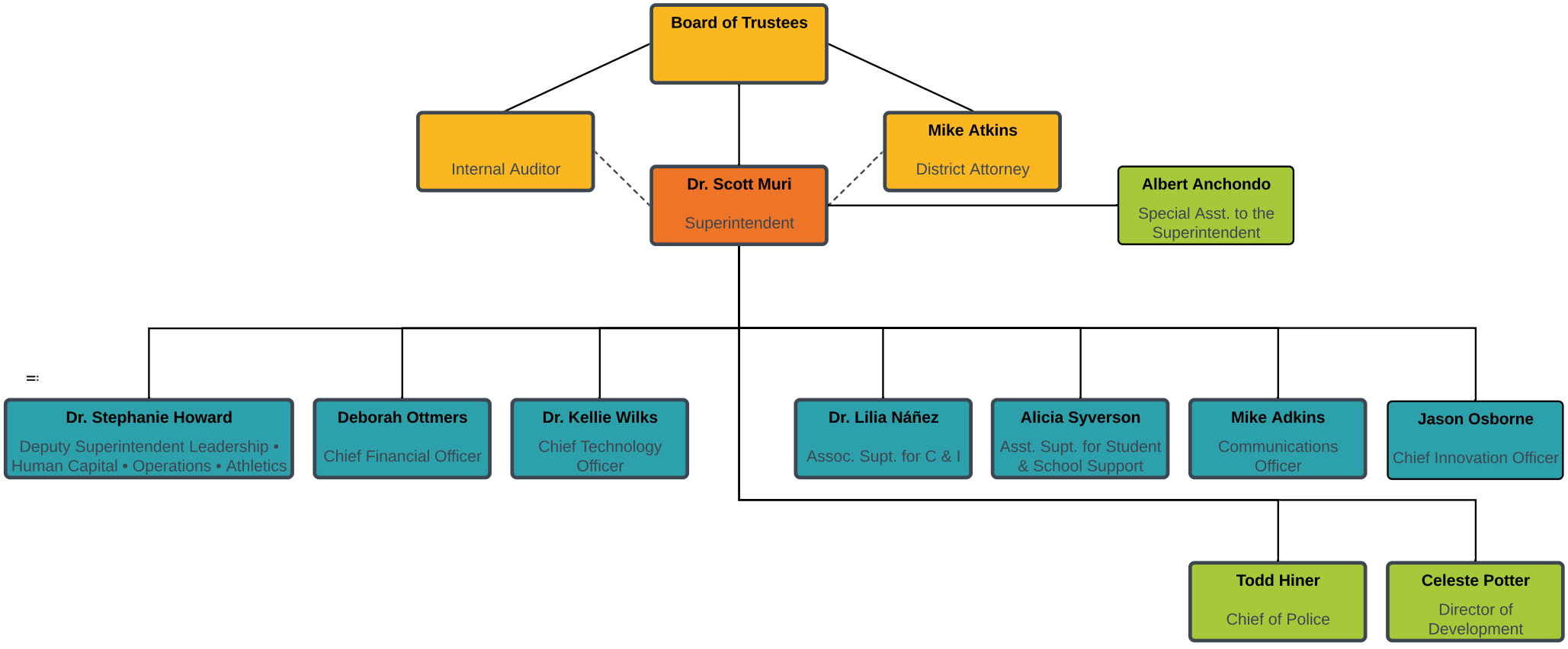
We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one): approved ✓ disapproved ____ for the year ended June 30, 2020 at a meeting of the Board of Trustees of such school district on the 15 day of December, 2020.

Signature of Board Secretary

Signature of Board Vice-President

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

Ector County ISD Organization Chart 2020-2021



ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Board of Trustees and Consultants and Advisors

Board of Trustees

Delma Abalos	President
Tammy Hawkins	Vice President
Steve Brown	Secretary
Carol Gregg	Member
Nelson Minyard	Member
Donna Smith	Member
Chris Stanley	Member

Consultants and Advisors

Whitley Penn LLP	Independent Auditors
Atkins, Hollman, Jones, Peacock, Lewis, and Lyon	General Counsel
McCall, Parkhurst & Horton, LLP	Bond Counsel
BOK Financial Securities, Inc.	Financial Advisor
Frost Bank	Official Depository

FINANCIAL SECTION

Odessa Office
2626 JBS Parkway
Suite A-200
Odessa, Texas 79761
432 362 3800 Main

whitleypenn.com

Independent Auditor's Report

To the Board of Trustees

Ector County Independent School District
Odessa, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ector County Independent School District, (the "District"), as of and for the year ended June 30, 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. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards* and those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

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.

A member of Nexia Internationa

Auditors' Responsibility (continued)

In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 Management's Discussion and Analysis on pages 4-13, Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-General Fund on page 66, Schedule of the District's Proportionate Share of the Net Pension Liability Teacher Retirement System of Texas on page 67, Schedule of District Contributions Teacher Retirement System of Texas on page 69, Schedule of the District's Proportionate Share of the Net OPEB Liability Teacher Retirement System of Texas (page 71), Schedule of the District's Contributions for Other Post – Employment Benefits Teacher Retirement System of Texas (page 72) and the notes to the required Supplementary Information (page 73) 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 Matters (Continued)

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 combining and individual nonmajor fund financial statements and Exhibits J-1 through J-5 and Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations Part 200,* Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards and Exhibits J-1 through J-5 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards and Exhibits J-1 through J-5 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Whitley Penn LLP

Odessa, Texas
December 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Ector County Independent School District, discuss and analyze the District's financial performance for the fiscal year ended June 30, 2020. Please read it in conjunction with the independent auditors' report on beginning on page 1, and the District's Basic Financial Statements which begin on page 14.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 14 and 16-17). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 18) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the services. The remaining statements and fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 28) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by the Texas Education Agency (TEA). The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 6. Its primary purpose is to show whether the District is more financially sound as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows as of the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, consideration should be given to nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District reports two kinds of activity:

Governmental Activities-All of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Component units-The District includes three separate legal entities in its report – ECISD Education Foundation, Permian High School Panther Paws Booster Club, and the Permian Band and Orchestra Booster Club. Although legally separate, these "component units" are important because the District is financially accountable for them.

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 18 and provide detailed information about the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the Every Student Succeeds Act and the IDEA laws from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds-governmental and proprietary-use different accounting approaches.

Governmental funds-Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

Proprietary funds-The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The internal service funds report activities that provide supplies and services for the District's other programs and activities-such as the District's self-insurance programs.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by the student activities. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 27. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Table I
Ector County Independent School District
NET POSITION

	Governmental Activities	
	2020	2019
Current and other assets	$ 188,782,125	$ 145,619,525
Capital assets	308,548,895	312,901,204
Total assets	497,331,020	458,520,729
Deferred charge on refunding	3,772,867	4,055,537
Deferred resource outflow for TRS	48,340,186	43,098,993
Deferred resource outflow for OPEB	17,801,991	9,715,573
Total deferred outflows of resources	69,915,044	56,870,103
Long-term liabilities	181,861,138	186,660,472
Net Pension liability	89,271,128	89,454,550
Net OPEB liability	119,423,267	122,426,875
Other liabilities	48,812,997	38,095,135
Total liabilities	439,368,530	436,637,032
Deferred resource inflow for TRS	17,603,340	8,767,818
Deferred resource inflow for TRS OPEB	56,822,244	44,605,093
Total deferred inflows of resources	74,425,584	53,372,911
Net position:		
Net Investment in Capital Assets	139,059,663	134,121,661
Restricted	21,750,764	13,517,332
Unrestricted	(107,358,477)	(122,258,104)
Total net position	$ 53,451,950	$ 25,380,889

Net position of the District's governmental activities increased approximately 110% from $25,380,889 to $53,451,950. Significant changes in net position from the prior year are explained as follows:

Current and other assets increased primarily because of an increase in investments. The increase in investments was primarily due to increases in property tax revenues and state aid revenues.

Net capital assets decreased primarily because of current year depreciation.

Deferred outflows, net pension liability, net other post-employment liability, and deferred inflows changed due to assignment of pension liability and other post-employment benefits liability from the Teacher Retirement System.

Other liabilities increased primarily from an increase in unearned revenue in fiscal year 2020.

Please see page 20 for a detailed explanation of changes in net position.

Table II
Ector County Independent School District
CHANGES IN NET POSITION

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	$ 8,471,736	$ 8,795,085
Operating grants and contributions	70,985,968	65,497,437
General revenues:		
Property taxes, levied for general purposes	158,310,697	151,138,935
Property taxes, levied for debt service	16,218,582	14,169,668
State aid – formula grants	113,414,183	94,704,118
Grants and contributions not restricted	103,359	147,994
Investment earnings	1,785,879	2,063,987
Miscellaneous local and intermediate revenue	7,576,603	7,014,579
Total revenue	376,867,007	343,531,803
Expenses:		
Instruction, curriculum and media services	199,069,688	182,246,891
Instructional and school leadership	28,924,898	25,584,404
Student support services	24,319,296	23,259,135
Child nutrition	16,250,153	16,446,966
Co-curricular activities	7,490,121	7,751,539
General administration	8,324,236	7,511,516
Facilities maintenance, security and data processing	55,898,039	45,175,333
Community services	1,431,690	1,328,407
Debt service	5,405,040	5,453,184
Other Intergovernmental charges	1,682,785	1,742,749
Total expenses	348,795,946	316,500,124
Increase in net position	28,071,061	27,031,679
Net position - beginning	25,380,889	6,105,010
Prior period adjustment to net position	-	(7,755,800)
Net position - ending	$ 53,451,950	$ 25,380,889

The District's total revenues increased by 9.7% – approximately $33.3 million from prior year revenues. Significant changes in revenue from the prior year are explained as follows:

Program revenues increased approximately $5.2 million, due to a net increase in operating grants and contributions and charges for services of approximately $5.2 million as a result of GASB 68 and GASB 75 recognition of the District's portion of the State's proportion of pension expense and other post-employment benefits.

Property tax revenue increased approximately $9.2 million due to a 15% increase in taxable property value from prior year.

State Aid – Formula Grants and Grants and contributions not restricted increased by a net of $18.6 million due to an increase funding as a result of House Bill 3.

Investment earnings and miscellaneous local revenue increased by a net of approximately $300,000 primarily due to miscellaneous collections throughout the year 2019-2020.

The District's total expenses increased by 10.2% – approximately $32.3 million from prior year expenses. Significant changes in expenses from the prior year are as follows:

- Instruction, curriculum and media services expenses increased during 2019-2020 approximately $16.8 million. The increase is attributed mainly from GASB 68 recognition of the District's portion of the State's proportion of pension expense and GASB 75 recognition of the District's portion of the State's proportion of other post-employment benefits. Payroll expenses increased by a total of approximately $13.5 million. Services expense increased approximately $900,000, and supplies and miscellaneous expenses increased by a net of approximately $2.4 million.
- Instructional and school leadership expenses increased approximately $3.3 million mostly due to the GASB 68 recognition of the District's portion of the State's proportion of pension expense and GASB 75 recognition of the District's portion of the State's proportion of other post-employment. Payroll, services, and supplies expense increased by approximately $2.5 million, $600,000, $300,000, respectively. Miscellaneous expense decreased by approximately $100,000.
- Student support services expense increased approximately $1.1 million due mainly to the GASB 68 recognition of the District's portion of the State's proportion of pension expense and GASB 75 recognition of the District's portion of the State's proportion of other post-employment. Payroll and service expenses increased by a total of approximately $1.7 million. Supplies and miscellaneous expense decreased by a total of approximately $600,000.
- School nutrition program expenses decreased approximately $200,000 due mainly to COVID 19 and additional funding through the Summer Food Service Program. Payroll and services expenses increased by a total of approximately $900,000. Supplies and miscellaneous expense decreased by a total of approximately $1.1 million.
- Co-curricular activities expenses decreased by approximately $200,000 due mainly to COVID 19 and less travel. Services expense increased by approximately $300,000. Payroll, supplies, and miscellaneous expenses decreased by a total of approximately $500,000.
- General administration expenses increased by approximately $800,000 from the prior year due mainly to the GASB 68 recognition of the District's portion of the State's proportion of pension expense and GASB 75 recognition of the District's portion of the State's proportion of other post-employment. Payroll and supplies expenses increased by a total of approximately $1 million. Service and miscellaneous expenses decreased by a total of approximately $200,000 combined.

- Facilities maintenance, security and data processing expenses increased approximately $10.7 million due mainly to due mainly to COVID 19 and purchasing student one-to-one devices. Payroll, services, supplies and miscellaneous expenses increased by approximately $900,000, $3.3 million, $6 million, and $500,000, respectively.
- Community services expense increased approximately $100,000 due mainly to the GASB 68 recognition of the District's portion of the State's proportion of pension expense and GASB 75 recognition of the District's portion of the State's proportion of other post-employment. Payroll, services, supplies and miscellaneous expenses increased by a total of approximately $300,000. Service expense decreased by approximately $200,000.
- Debt services expenses decreased by approximately $50,000 due to payment of debt obligations.
- Other intergovernmental charges decreased approximately $60,000 from a decrease in the tax appraisal fees.

In an effort to provide a better understanding of the impact the District has experienced as a result of implementing the reporting requirements of GASB 68 for the District's portion of the State's proportion of pension expense and GASB 75 for the District's portion of the State's proportion of other post-employment benefits, we have incorporated adjustments in net position (Table III). More detailed information about the District's benefits plans is presented in Notes J and K to the financial statements.

Table III
Ector County Independent School District
ADJUSTMENTS TO NET POSITION

Description	Fund Statements	GASB68	GASB75	All Other GASB 34	Entity Wide Statement
Revenues:					
Program revenues:					
Charges for services	$ -	$ -	$ -	$ 8,471,736	$ 8,471,736
Operating grants and contributions	-	-	-	70,985,968	70,985,968
General revenues:					-
Property taxes, levied for general purposes	158,340,056	-	-	(29,359)	158,310,697
Property taxes, levied for debt service	16,235,410	-	-	(16,828)	16,218,582
State aid – formula grants	173,965,924	8,307,587	1,994,581	(70,853,909)	113,414,183
Grants and contributions not restricted	-	-	-	103,359	103,359
Investment earnings	1,524,280	-	-	261,599	1,785,879
Miscellaneous local and intermediate revenue	16,479,470	-	-	(8,902,867)	7,576,603
Total Revenue	366,545,140	8,307,587	1,994,581	19,699	376,867,007
Expenses:					
Instruction, curriculum and media services	186,577,054	7,753,463	2,291,407	2,447,764	199,069,688
Instructional and school leadership	27,399,587	1,137,739	246,596	140,976	28,924,898
Student support services	23,357,771	1,020,554	215,379	(274,408)	24,319,296
Child nutrition	14,389,310	419,772	224,799	1,216,272	16,250,153
Co-curricular activities	5,521,012	117,185	31,217	1,820,707	7,490,121
General administration	8,070,840	317,445	28,077	(92,126)	8,324,236
Facilities maintenance, security and data processing	56,199,839	952,336	84,231	(1,338,367)	55,898,039
Community Services	1,406,904	-	-	24,786	1,431,690
Debt service	13,623,758	-	-	(8,218,718)	5,405,040
Facilities Acquisition and Construction	13,978	-	-	(13,978)	-
Other Intergovernmental Charges	1,682,785	-	-	-	1,682,785
Total Expenditures	338,242,838	11,718,494	3,121,706	(4,287,092)	348,795,946
Excess (Deficiency) of Revenues Over (Under)	28,302,302	(3,410,907)	(1,127,125)	4,306,791	28,071,061
Other Sources (Uses):					
Sale of Real and Personal Property	58,445	-	-	(58,445)	-
Transfers In	454,493	-	-	(454,493)	-
Transfers Out (Use)	(454,493)	-	-	454,493	-
Other (Uses)	(167,798)	-	-	167,798	-
Total Sources (Uses)	(109,353)	-	-	109,353	-
Change in Net Position	28,192,949	(3,410,907)	(1,127,125)	4,416,144	28,071,061
Net Position - Beginning as Previously Stated	84,265,783	(55,123,375)	(157,316,395)	153,554,876	25,380,889
Net Position - Ending	$ 112,458,732	$ (58,534,282)	$(158,443,520)	$ 157,971,020	$ 53,451,950

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 17) reported a combined fund balance of approximately $112.5 million, which is above last year's total of approximately $84.3 million. The primary reason for the increase is due to additional state funding as a result of House Bill 3 and due to the shutdown of some operations (transportation, student activities, substitutes) in March, April, and May due to COVID 19 remote instruction. Over the course of the year, the District recommended and the Board of Trustees approved revisions of the District's general fund budget for various reasons. The following is a summary of significant budget amendments made to estimated revenues:

	Estimated Revenues	
Beginning Estimated Revenues	$	299,169,982
Estimated increase for Foundation School Fund		1,287,677
Final Amended Estimated Revenues	$	300,457,659

The following is a summary of significant budget amendments made to appropriations:

	Appropriations	
Beginning Appropriations	$	297,534,572
Increase for 2017 Tax Ratification Election roofing projects		5,103,896
Increase for fiber optics installation and networking equipment		2,987,578
Increase for purchases of classroom portables		599,040
Increase for renovation of pool at Permian High School		460,000
Increase for consulting services related to fiber optics installation		384,509
Increase for Tax Ratification Election controlled access project		199,372
Increase for rollforward appropriations for pending orders		185,598
Increase for Hays Elementary 2019 hailstorm roofing deductible		180,000
Increase for weapon and bomb canine unit		176,441
Increase for Tax Ratification Election fencing project		110,447
Increase for Hays Elementary roof repairs		52,196
Increase for Zavala Elementary paving project		43,300
Increase for Permian High School athletics facilities		38,835
Increase for administration building furnishings and signage		14,817
Increase for Hays Elementary Art room remodel		14,772
Increase for Odessa High School electrical		14,582
Increase for Frost Building welding lab electrical		8,170
Final Amended Appropriations	$	308,108,125

Capital Asset and Debt Administration

Capital Assets

At the end of 2020, the District had approximately $309 million invested in a broad range of capital assets, (net of accumulated depreciation and amortization) including capital leases, facilities and equipment for instruction, transportation, athletics, administration, maintenance, and computer technology. This amount represents a net decrease of approximately $4 million, or 1.3% below last year.

This year's major additions included:	2019-2020 Capital Additions
Non-Bond Projects:	
Portable Classrooms	599,040
Permian High School Pool Renovation	473,544
Lamar Traffic Control	8,566
Textbook Building Taxes	5,328
Construction in Progress	24,070
Furniture, Fixtures and Equipment:	
Transportation Vehicles & Equipment	1,076,929
Maintenance Vehicles & Equipment	321,130
Police Vehicles & Equipment	281,030
Heating Ventilation and Air Conditioning Equipment	1,449,960
Custodial Vehicles	66,378
Technology Equipment	12,920
Musical Instruments	96,202
Athletic Equipment	165,150
Scoreboards	131,712
School Nutrition Equipment	91,843
Playground Equipment	339,815
Other Vehicles	56,515
Printing Equipment	15,479
Poster Maker Systems	32,718
Career & Technology Equipment	80,748
Software	39,286
Other Equipment	71,626
Land and Improvements	
Landscape Projects	632,788
Lease Property	
School Buses	3,058,330
Donated Property	
Scoreboard	12,000
Total Capital Additions	9,143,107

Debt Administration

At year-end, the District had approximately $171 million in bonds outstanding versus approximately $179 million last year for a decrease of $8 million. The decrease resulted primarily from bond principal payments.

Based on information provided by the Teacher Retirement System of Texas (TRS), the District recognized its proportionate share of TRS's net other post-employment benefits liability of $119,423,267.

Based on information provided by the Teacher Retirement System of Texas (TRS), the District recognized its proportionate share of TRS's net pension liability of $89,271,128.

Other obligations include accrued worker's compensation and sick leave. More detailed information about the District's long-term liabilities is presented in Notes G, I, J, K, L, M, and N to the financial statements.

Economic Factors and Next Year's Budgets and Rates

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced outside of the United States. In March 2020, the global economy was significantly impacted by the drastic response to the Coronavirus pandemic, and a large segment of commerce was temporarily suspended through governmental enforcement. This has led to unprecedented unemployment due to business closures; significant market declines; temporary closures of non-life sustaining business activities, including "stay-at-home" orders for certain areas. As a result, most schools closed and students did not return to school after spring break in March 2020 and the district limited their office staff and contact with the public in an attempt to slow the spread and impact of COVID-19. Additionally, the district was faced with providing remote educational services with limited staffing and availability of resources. While this disruption is anticipated to be temporary, with full operations and services resuming in the near future, the exact timing of a return to normal is uncertain. There have been significant increases of expenditures to address the issues at hand. Some of those unplanned costs will be refunded by the federal and state government in the next fiscal year, but some will not. The district continues to apply for all eligible funding to support the additional efforts. It is uncertain as to the effect on the fund balance in the next fiscal year, 2021.

The District's elected and appointed officials considered many factors when preparing the fiscal year 2021 budget: (1) the need to staff and operate campuses; (2) the anticipated change of student population within the campuses.

These factors were considered when adopting the General Fund budget for fiscal year 2021. Estimated revenues in the General Fund are $307.1 million, and estimated appropriations and other uses total $307.1 million. Budgeted appropriations have been increased by approximately $7.9 million from the 2020 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

GOVERNMENT WIDE STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

Data Control Codes		1 Primary Government Governmental Activities	4 Component Unit Component Unit
ASSETS			
1110	Cash and Cash Equivalents	$ 6,545,270	$ 709,609
1120	Current Investments	144,094,509	2,882,086
1220	Property Taxes - Delinquent	18,462,645	-
1230	Allowance for Uncollectible Taxes	(11,571,632)	-
1240	Due from Other Governments	27,336,836	-
1260	Internal Balances	971,677	-
1290	Other Receivables, Net	615,633	12,382
1300	Inventories	1,462,044	6,092
1410	Prepayments	865,143	42,899
	Capital Assets:		
1510	Land	11,275,489	-
1520	Buildings, Net	283,123,997	-
1530	Furniture and Equipment, Net	11,249,654	-
1550	Leased Property Under Capital Leases, Net	2,806,738	-
1560	Library Books and Media, Net	68,947	-
1580	Construction in Progress	24,070	-
1000	Total Assets	497,331,020	3,653,068
DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred Charge for Refunding	3,772,867	-
1705	Deferred Outflow Related to TRS Pension	48,340,186	-
1706	Deferred Outflow Related to TRS OPEB	17,801,991	-
1700	Total Deferred Outflows of Resources	69,915,044	-

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT EXHIBIT A-1
STATEMENT OF NET POSITION
JUNE 30, 2020

Data Control Codes		1 Primary Government Governmental Activities	4 Component Unit Component Unit
LIABILITIES			
2110	Accounts Payable	12,250,450	120,326
2120	Short Term Debt Payable	15,031	7,865
2130	Short Term Capital Leases Payable	70,237	-
2140	Interest Payable	2,027,656	-
2150	Payroll Deductions and Withholdings	2,845,929	-
2177	Due to Fiduciary Funds	971,677	-
2180	Due to Other Governments	76,901	-
2200	Accrued Expenses	17,568,360	68,162
2300	Unearned Revenue	12,986,756	-
	Noncurrent Liabilities:		
2501	Due Within One Year	7,512,785	-
2502	Due in More Than One Year	174,348,353	-
2540	Net Pension Liability (District's Share)	89,271,128	-
2545	Net OPEB Liability (District's Share)	119,423,267	-
2000	Total Liabilities	439,368,530	196,353
DEFERRED INFLOWS OF RESOURCES			
2605	Deferred Inflow Related to TRS Pension	17,603,340	-
2606	Deferred Inflow Related to TRS OPEB	56,822,244	-
2600	Total Deferred Inflows of Resources	74,425,584	-
NET POSITION			
3200	Net Investment in Capital Assets	139,059,663	-
	Restricted for:		
3850	Restricted for Debt Service	16,172,530	-
3870	Restricted for Campus Activities	6,038	-
3880	Restricted for Scholarships	27,032	404,623
3890	Restricted for School Nutrition	5,545,164	-
3900	Unrestricted	(107,358,477)	3,052,092
3000	Total Net Position	$ 53,451,950	$ 3,456,715

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		1	Program Revenues 3	4
		Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:				
	GOVERNMENTAL ACTIVITIES:			
11	Instruction	$ 184,039,092	$ 874,510	$ 35,273,886
12	Instructional Resources and Media Services	3,101,962	-	390,022
13	Curriculum and Instructional Staff Development	11,928,634	-	6,540,871
21	Instructional Leadership	5,481,214	-	739,640
23	School Leadership	23,443,684	-	3,117,589
31	Guidance, Counseling and Evaluation Services	12,252,563	-	2,211,729
32	Social Work Services	967,045	-	221,220
33	Health Services	2,952,128	-	535,352
34	Student (Pupil) Transportation	8,147,560	14,362	920,084
35	Food Services	16,250,153	3,202,418	13,917,602
36	Extracurricular Activities	7,490,121	469,391	463,166
41	General Administration	8,324,236	3,823,355	2,135,200
51	Facilities Maintenance and Operations	44,546,087	87,700	2,808,952
52	Security and Monitoring Services	3,739,313	-	787,728
53	Data Processing Services	7,612,639	-	622,755
61	Community Services	1,431,690	-	300,172
72	Debt Service - Interest on Long-Term Debt	5,396,540	-	-
73	Debt Service - Bond Issuance Cost and Fees	8,500	-	-
99	Other Intergovernmental Charges	1,682,785	-	-
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 348,795,946	$ 8,471,736	$ 70,985,968
Component Unit:				
1C	Nonmajor Component Unit	$ 1,392,107	$ -	$ 111,199
[TC]	TOTAL COMPONENT UNIT:	$ 1,392,107	$ -	$ 111,199

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position	
6 Primary Government	9 Component Unit
Governmental Activities	Component Unit
$ (147,890,696)	$ -
(2,711,940)	-
(5,387,763)	-
(4,741,574)	-
(20,326,095)	-
(10,040,834)	-
(745,825)	-
(2,416,776)	-
(7,213,114)	-
869,867	-
(6,557,564)	-
(2,365,681)	-
(41,649,435)	-
(2,951,585)	-
(6,989,884)	-
(1,131,518)	-
(5,396,540)	-
(8,500)	-
(1,682,785)	-
(269,338,242)	-
-	(1,280,908)
-	(1,280,908)
158,310,697	-
16,218,582	-
113,414,183	-
103,359	-
1,785,879	436,772
7,576,603	1,602,900
297,409,303	2,039,672
28,071,061	758,764
25,380,889	2,697,951
$ 53,451,950	$ 3,456,715

GOVERNMENTAL FUND FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		10 General Fund	40 Insurance Recovery Fund	50 Debt Service Fund
	ASSETS			
1110	Cash and Cash Equivalents	$ 4,992,331	$ -	$ 5,340
1120	Investments - Current	90,165,646	11,837,155	17,474,612
1220	Property Taxes - Delinquent	16,829,992	-	1,632,653
1230	Allowance for Uncollectible Taxes	(10,548,352)	-	(1,023,280)
1240	Due from Other Governments	25,381,893	-	-
1260	Due from Other Funds	1,802,144	3,204,428	145,306
1290	Other Receivables	615,633	-	-
1300	Inventories	36,458	-	-
1410	Prepayments	865,143	-	-
1000	Total Assets	$ 130,140,888	$ 15,041,583	$ 18,234,631
	LIABILITIES			
2110	Accounts Payable	$ 7,677,234	$ 2,403,733	$ -
2120	Other Current Liabilities	15,031	-	-
2150	Payroll Deductions and Withholdings Payable	2,845,929	-	-
2170	Due to Other Funds	8,156,648	-	-
2180	Due to Other Governments	-	-	34,445
2200	Accrued Expenditures	15,812,621	-	-
2300	Unearned Revenue	62,101	12,637,850	-
2000	Total Liabilities	34,569,564	15,041,583	34,445
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	6,281,639	-	609,373
2600	Total Deferred Inflows of Resources	6,281,639	-	609,373
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	36,458	-	-
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	-
3480	Retirement of Long-Term Debt	-	-	17,590,813
3490	Other Restricted Fund Balance	-	-	-
	Committed Fund Balance:			
3510	Construction	8,811,500	-	-
3530	Capital Expenditures for Equipment	6,514,000	-	-
3540	Self Insurance	1,000,000	-	-
3545	Other Committed Fund Balance	933,607	-	-
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	5,706,334	-	-
3600	Unassigned Fund Balance	66,287,786	-	-
3000	Total Fund Balances	89,289,685	-	17,590,813
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 130,140,888	$ 15,041,583	$ 18,234,631

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

Other Funds	Total Governmental Funds
$ 44,754	$ 5,042,425
1,011,530	120,488,943
-	18,462,645
-	(11,571,632)
1,954,943	27,336,836
8,993,034	14,144,912
-	615,633
1,425,586	1,462,044
-	865,143
$ 13,429,847	$ 176,846,949
$ 1,681,768	$ 11,762,735
-	15,031
-	2,845,929
5,351,612	13,508,260
42,456	76,901
362,772	16,175,393
413,005	13,112,956
7,851,613	57,497,205
-	6,891,012
-	6,891,012
1,425,586	1,462,044
4,119,578	4,119,578
-	17,590,813
33,070	33,070
-	8,811,500
-	6,514,000
-	1,000,000
-	933,607
-	5,706,334
-	66,287,786
5,578,234	112,458,732
$ 13,429,847	$ 176,846,949

Total Fund Balances - Governmental Funds	$	112,458,732
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.		22,933,227
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 $523,806,084 and the accumulated depreciation was ($214,309,032). In addition, long-term liabilities are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The beginning balance of the deferred charge for refunding of $4,055,537 and the beginning balance of long-term debt of ($183,841,140) will decrease net position. 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.		129,711,449
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 2020 capital outlays of $9,143,107, the debt principal payments of $4,143,299, and the capital lease liability of ($2,585,409) is to increase net position.		10,700,997
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. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of $48,340,186, a Deferred Resource Inflow in the amount of ($17,603,340) and a net pension liability in the amount of ($89,271,128).		(58,534,282)
The District included GASB 75 reporting requirements for the OPEB benefit plan through TRS. The District's share of the TRS plan resulted in a net OPEB liability of ($119,423,267), a deferred outflow of $17,801,991 and a deferred inflow of ($56,822,244).		(158,443,520)
The issuance of long-term debt is not due and payable within the current period and, therefore, is not reported in the governmental funds balance sheet. Also, governmental funds report the effect of premiums, discounts, and deferred gain/loss on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The District retired accretion on CABs of $1,831,557 and recorded net bond premium of $1,791,165 in the statement of activities.		3,622,722
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 $(46,186), sale of assets ($100,691), recognizing the current year depreciation ($13,307,721), recognizing the current year change in sick leave payable $(508,282), recognizing current year interest payable ($2,097,893), and recognizing the effect of the beginning balance of unearned revenue $7,063,398. The net effect of these reclassifications and recognitions is to decrease net position.		(8,997,375)
Net Position of Governmental Activities	$	53,451,950

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		10 General Fund	40 Insurance Recovery Fund	50 Debt Service Fund
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 165,509,475	$ 6,526,906	$ 16,607,204
5800	State Program Revenues	138,435,173	-	221,314
5900	Federal Program Revenues	2,791,272	-	-
5020	Total Revenues	306,735,920	6,526,906	16,828,518
	EXPENDITURES:			
	Current:			
0011	Instruction	159,833,910	-	-
0012	Instructional Resources and Media Services	2,813,258	-	-
0013	Curriculum and Instructional Staff Development	5,999,394	-	-
0021	Instructional Leadership	5,155,291	-	-
0023	School Leadership	21,872,684	-	-
0031	Guidance, Counseling, and Evaluation Services	11,154,449	-	-
0032	Social Work Services	854,838	-	-
0033	Health Services	2,712,845	-	-
0034	Student (Pupil) Transportation	7,872,188	-	-
0035	Food Services	82,680	-	-
0036	Extracurricular Activities	5,516,012	-	-
0041	General Administration	8,064,766	-	-
0051	Facilities Maintenance and Operations	38,517,150	6,526,906	-
0052	Security and Monitoring Services	3,222,023	-	-
0053	Data Processing Services	6,663,233	-	-
0061	Community Services	1,291,633	-	-
	Debt Service:			
0071	Principal on Long-Term Debt	472,921	-	4,143,299
0072	Interest on Long-Term Debt	8,468	-	8,990,570
0073	Bond Issuance Cost and Fees	-	-	8,500
	Capital Outlay:			
0081	Facilities Acquisition and Construction	13,978	-	-
	Intergovernmental:			
0099	Other Intergovernmental Charges	1,682,785	-	-
6030	Total Expenditures	283,804,506	6,526,906	13,142,369
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	22,931,414	-	3,686,149
	OTHER FINANCING SOURCES (USES):			
7912	Sale of Real and Personal Property	58,445	-	-
7915	Transfers In	10,686	-	-
8911	Transfers Out (Use)	(443,807)	-	-
8949	Other (Uses)	(167,798)	-	-
7080	Total Other Financing Sources (Uses)	(542,474)	-	-
1200	Net Change in Fund Balances	22,388,940	-	3,686,149
0100	Fund Balance - July 1 (Beginning)	66,900,745	-	13,904,664
3000	Fund Balance - June 30 (Ending)	$ 89,289,685	$ -	$ 17,590,813

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

Other Funds	Total Governmental Funds
$ 3,935,631	$ 192,579,216
4,653,329	143,309,816
27,864,836	30,656,108
36,453,796	366,545,140
12,617,353	172,451,263
10,489	2,823,747
5,302,650	11,302,044
78,279	5,233,570
293,333	22,166,017
511,689	11,666,138
122,508	977,346
129,254	2,842,099
-	7,872,188
14,306,630	14,389,310
5,000	5,521,012
6,074	8,070,840
857,984	45,902,040
397,543	3,619,566
15,000	6,678,233
115,271	1,406,904
-	4,616,220
-	8,999,038
-	8,500
-	13,978
-	1,682,785
34,769,057	338,242,838
1,684,739	28,302,302
-	58,445
443,807	454,493
(10,686)	(454,493)
-	(167,798)
433,121	(109,353)
2,117,860	28,192,949
3,460,374	84,265,783
$ 5,578,234	$ 112,458,732

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds	$	28,192,949
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.		4,075,529
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 of $9,143,107, the debt principal payments of $4,143,299, and the capital lease liability of ($2,585,409) is to increase net position.		10,700,997
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.		(13,307,721)
The issuance of long-term debt is not due and payable within the current period and, therefore, is not reported in the governmental funds balance sheet. Also, governmental funds report the effect of premiums, discounts, and deferred gain/loss on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The District retired accretion on CABs of $1,831,557 and recorded net bond premium of $1,791,165 in the statement of activities.		3,622,722
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include adjusting current year revenue to show the revenue earned from the current year's tax levy ($46,186), recognizing the current year change in sick leave payable ($508,282), recognizing the sale of assets ($100,691), recognizing the change in interest payable $50,013, and current year captial lease interest payable of $70,237. The net effect of these reclassifications and recognitions is to decrease net position.		(675,383)
Current year changes due to GASB 68 increased revenues in the amount of $8,307,587 but also increased expenditures in the amount of ($11,718,494).		(3,410,907)
The District included GASB 75 reporting requirements for the OPEB benefit plan through TRS. Current year changes due to GASB 75 increased revenues in the amount of $1,994,581 but also decreased expenditures in the amount of ($3,121,706).		(1,127,125)
Change in Net Position of Governmental Activities	$	28,071,061

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

PROPRIETARY FUND FINANCIAL STATEMENTS

EXHIBIT D-1

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Governmental Activities - Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,502,845
Investments - Current	23,605,566
Due from Other Funds	985,361
Total Current Assets	26,093,772
Noncurrent Assets:	
Capital Assets:	
Land	54,012
Buildings and Improvements	3,663,335
Depreciation on Buildings	(400,199)
Total Noncurrent Assets	3,317,148
Total Assets	29,410,920
LIABILITIES	
Current Liabilities:	
Accounts Payable	487,715
Due to Other Funds	1,622,013
Accrued Expenses	2,393,647
Total Current Liabilities	4,503,375
Noncurrent Liabilities:	
Other Long-Term Debt - Due in More than One Year	1,974,318
Total Noncurrent Liabilities	1,974,318
Total Liabilities	6,477,693
NET POSITION	
Unrestricted Net Position	22,933,227
Total Net Position	$ 22,933,227

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

EXHIBIT D-2

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities - Total Internal Service Funds
OPERATING REVENUES:	
Employee and Employer Premiums	$ 26,686,625
Rent Revenue	539,712
Stop Loss Reimbursement	29,838
Total Operating Revenues	27,256,175
OPERATING EXPENSES:	
Claims and Prescriptions	20,459,515
Professional and Contracted Services	526,298
Supplies and Materials	11,710
Other Operating Costs	2,372,048
Depreciation Expense	87,004
Total Operating Expenses	23,456,575
Operating Income	3,799,600
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	275,929
Total Nonoperating Revenues (Expenses)	275,929
Change in Net Position	4,075,529
Total Net Position - July 1 (Beginning)	18,857,698
Total Net Position - June 30 (Ending)	$ 22,933,227

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities - Total Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Rental Receipts	$ 723,392
Cash Received from Employees and Employer	26,658,601
Cash Received from Stop Loss Carrier	29,838
Cash Payments for Claims	(20,553,054)
Cash Payments for Other Operating Expenses	(2,701,964)
Net Cash Provided by Operating Activities	4,156,813
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	275,929
Net Cash Provided by Investing Activities	275,929
Net Increase in Cash and Cash Equivalents	4,432,742
Cash and Cash Equivalents at Beginning of Year	20,675,669
Cash and Cash Equivalents at End of Year	$ 25,108,411
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income:	$ 3,799,600
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	87,004
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	208,093
Increase (decrease) in Accrued Expenses	(93,540)
Increase (decrease) in Due To Other Funds	169,340
Increase (decrease) in Due From Other Funds	(13,684)
Net Cash Provided by Operating Activities	$ 4,156,813

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

FIDUCIARY FUND FINANCIAL STATEMENTS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Fund
ASSETS	
Restricted Assets	$ 1,172,630
Total Assets	$ 1,172,630
LIABILITIES	
Due to Student Groups	$ 1,172,630
Total Liabilities	$ 1,172,630

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

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ector County 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 on Auditing Standards No. 76*** 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 purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits. 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.

The District applies Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The District's investments are accounted for using the cost amortization method.

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." The District has component units, which are discretely presented in a separate column in a supporting schedule to the government-wide financial statements. The ECISD Education Foundation, Permian High School Panther Paws Booster Club, and Permian Band and Orchestra Booster Club are presented separately in one column to emphasize that they are legally separate from the District. If you have questions about this report or need additional financial information, contact the District’s business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District and its component units 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. 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.

Interfund activities between governmental funds and proprietary funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position 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 Position. All interfund transactions 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 froms 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 the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, 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 expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues 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, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. 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 Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

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

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

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.

Additionally, the District reports the following fund types:

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 Funds** – 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.

3. **Capital Projects Funds –** 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. The District has no capital projects funds.

4. **Permanent Funds –** The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no permanent funds.

Proprietary Funds:

5. **Enterprise Funds –** The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has no enterprise funds.

6. **Internal Service Funds –** 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. The District's internal service funds are the Medical Trust Fund, the Worker's Compensation Fund and the Housing Fund.

Fiduciary Funds:

7. **Private Purpose Trust Funds –** The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has no private purpose trust funds.
8. **Pension (and Other Employee Benefit) Trust Funds –** These funds are used to account for local pension and other employee benefit funds that are provided by the District in lieu of or in addition to the Teacher Retirement System of Texas. The District has no pension trust funds.

9. **Investment Trust Fund -** This fund is one in which the District holds assets in trust for other entities participating in an investment program managed by the district. The District has no investment trust funds.

10. **Agency Funds –** The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency funds are the Student Activity Funds.

E. OTHER ACCOUNTING POLICIES

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

2. The District reports inventories of supplies at weighted average cost. 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 value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

3. 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, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenses.

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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for unpaid accumulated sick leave based upon employees who meet the criteria established in the compensation and benefits local policy. All vacation pay is accrued when incurred in the government-wide and fund financial statements.

5. Capital assets, which include land, buildings, software, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and materially complete.

   Buildings, furniture, equipment, and software of the District and the component units are depreciated and amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	40
Musical instruments	20
School buses	10
Food service equipment	10
Furniture and equipment	7
Computer equipment	5
Software	5
Vehicles	5

6. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.

7. Restricted net position represents restrictions that are externally imposed or restrictions imposed by law through constitutional provisions or enabling legislation.

8. The District has self-insured health and worker's compensation plans which are accounted for as proprietary funds. Claims incurred but not reported (IBNR) are accrued if it is probable that a claim will be asserted and the loss can be reasonably estimated. The accrued liabilities for IBNR in the workers' compensation fund are actuarially estimated by Turner Consulting, Inc. Consultants and Actuaries. The accrued liabilities for IBNR in the medical trust fund are based on industry standards applied by underwriters when evaluating a plan.

9. In the fund financial statements, fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

   The fund balance of the General Fund, one of the governmental fund types, is of primary significance because the General Fund is the primary fund, which finances most functions in the District.

The order of spending and availability of the fund balance shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and then unassigned funds. Negative amounts shall not be reported for restricted, committed, or assigned funds.

The five classifications of fund balance of the governmental types are as follows:

Non-spendable fund balance shall mean that portion of the gross fund balance that is not expendable (such as inventories) or is legally earmarked for a specific use. Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include:

1. Inventories
2. Prepaid items
3. Long-term receivables

Restricted fund balance shall include amounts constrained to a specific purpose by the provider, such as a grantor. Examples of restricted fund balances include:

1. Child Nutrition Program
2. Technology Program
3. Construction Programs under a state funded program (i.e. IFA, EDA, PFC, financed bonds)
4. Resources from other granting agencies

Committed fund balance shall mean that portion of the fund balance that is constrained to a specific purpose by the Board of Trustees. Examples of committed fund balance include:

1. Potential litigation, claims, and judgments
2. Campus activity funds

Assigned fund balance shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose.

When it is appropriate for fund balance to be assigned, the Board delegates the responsibility to assign funds to the Superintendent or his designee.

In current practice, such plans or intent may change and may never be budgeted, or may result in expenditures in future periods of time.

Examples of assigned fund balances which the District may have tentative plans for expenditures in future periods include:

1. Capital replacement (expenditures for equipment, furniture, software)
2. Building construction, repair and renovation
3. Insurance deductibles
4. Program startup costs
5. Debt service reduction
6. Other legal uses

Unassigned fund balance shall include amounts available for any legal purpose. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

Unassigned fund balance shall mean the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance and assigned fund balance.

10. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

11. The District's investments are reported at cost which approximates fair value.

12. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

13. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position.

14. The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the ***Financial Accountability System Resource Guide***. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a State-wide data base for policy development and funding plans.

15. The District utilizes an encumbrance accounting system which is a method of ascertaining the availability of funds and then reserving funds to cover outstanding obligations. During the budgetary period, the District can determine the remaining amount of the new commitments that can be signed by comparing the amount of appropriations to the sum of expenditures recognized and encumbrances outstanding.

Encumbrance balances at June 30, 2020, consisted of the following amounts:

Fund Type	Amount
General Fund	$ 16,768,694
Special Revenue Fund	6,953,991
Internal Service Fund	77,872
Total	$ 23,800,557

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 School Nutrition Fund, which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in Exhibit J-4 and J-5.

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

1. Prior to June 20th the District prepares a budget for the next succeeding fiscal year beginning July 1st. 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 after ten days' public notice of the meeting has been given.
3. Prior to July 1st, the budget is legally enacted through passage of a resolution by the Board.
4. The adopted budget must be filed with the Texas Education Agency according to the Public Education Information Management System ("PEIMS") data standards, by Thursday of the second full week of December.

Once a budget is approved and adopted, any commitment that exceeds the available balance of the appropriation on the function level requires a budget amendment before the commitment is made. As dictated 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. All budget amendments enacted at the function level during fiscal year 2020 were legally approved.

Expenditures may not legally exceed budgeted appropriations at the function level within an individual fund for General Funds, Debt Service Funds, and the School Nutrition Fund, except when a budget amendment is approved by the Board. For Special Revenue Funds a budget amendment is required by the TEA when cumulative transfers among direct cost categories exceed or are expected to exceed twenty-five percent of the total current approved budget. The District may transfer resources among categories without submitting an amendment as long as the total amount of resources transferred is twenty-five percent or less of the total current approved budget. The total expenditures per funding source per fiscal year cannot exceed the total amount approved. The budget was amended during the year for certain supplementary appropriations as discussed in Management's Discussion and Analysis.

B. VARIANCES FROM FINAL ADOPTED BUDGET

Budgets are required to be adopted for the General Fund, the School Nutrition Fund, and the Debt Service Fund. Original and Final Budgets are compared with the actual amounts at fiscal year-end. Variances with the final budget are noted.

1. The General Fund is analyzed in Exhibit G-1. All variances were positive except federal funding and sale of real and personal property were less than anticipated.

2. The School Nutrition Fund is analyzed in Exhibit J-4. Most all variances were negative due to the COVID-19 issue. Beginning in March 2020, the source of funds changed from the National Breakfast and Lunch Program to the Summer Feeding Program. This shifted revenues and expenditures from Fund 240 to Fund 242. The net of the two funds resulted in positive variances for both revenues and expenditures.
3. The Debt Service Fund is analyzed in Exhibit J-5. All variances were positive except state revenue was slightly less than anticipated and interest on long term debt was slightly higher than anticipated. The net of all revenue and expenditures resulted in a positive variance.

C. DEFICIT FUND EQUITY

No deficits in fund equity occurred.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

The **Texas Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity 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.

Additional Contractual provisions governing deposits and investments for the District are as follows:

Policies Governing Deposits and Investments

In compliance with the **Texas Public Funds Investment Act**, the District has adopted a deposit and investment policy. That policy does address the following risks:

a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy regarding types of deposits allowed and collateral requirements is consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all District investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. Government and its agencies and instrumentalities. As required by Government Code 2257.022 the collateralization level will be 110% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC or FSLIC. Securities pledged as collateral shall be held by an independent third party with whom the District has a current custodial agreement. The Director of Finance is responsible for entering into collateralization agreements with third party custodians in compliance with this policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. Collateral shall be reviewed at least weekly to assure that the market value of the pledged securities is adequate.

The District is not exposed to custodial credit risk for its deposits as all are covered by depository insurance and collateralization by securities at 110% of the market value.

b. Custodial Credit Risk for Investments – The risk that the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party in the event of the failure of the counterparty. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, the District's positions in external investment pools are not subject to custodial credit risk.

c. Interest-Rate Risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average maturity limits and diversification.

d. Other Credit Risk Exposure – The District, in accordance with its investment policy, invests in external public fund investment pools, meeting the requirements of Government Code 2256.016 and 2256.019. These pools invest in U.S. Government agencies and repurchase agreements.

e. Concentration of Credit Risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy regarding diversity is as follows:

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer.

The District's investment portfolio consists of external investment pools and balances in savings accounts collateralized at 110% of their fair value by securities held by a third-party custodian of the District's depository bank in the name of the District.

While all of the District's investments are available on demand, the underlying weighted average maturity of investments of the external investment pools that the District invests in are listed below as of June 30, 2020:

Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
NexBank Money Market Savings	$ 9,981,729	7.22%	$ 9,981,729			N/A
Total Money Markets and FDIC Insured Accounts:	9,981,729		9,981,729	-	-	
Investment Pools:						
TexPool	54,539,880	39.47%	54,539,880	-	-	AAAm
TexPool Prime	50,355,968	36.45%	50,355,968			AAAm
Lone Star	687,350	0.50%	687,350	-	-	AAAm
TexStar	22,597,468	16.36%	22,597,468	-	-	AAAm
Total Investment Pools:	128,180,666		128,180,666	-	-	
Total Cash and Cash Equivalents:	$ 138,162,395	100%	$ 138,162,395	-	-	

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

In this discussion and in the table below, investments are defined according to GASB 72 as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. An asset initially reported as a capital asset and later held for sale would not subsequently be reclassified as an investment. GASB 79 allows entities to report external investment pools at amortized cost for financial reporting purposes.

As of June 30, 2020, the District’s had the following investments subject to the fair value measurement:

	Balance at	Fair Value Measurements		
	June 30, 2020	Level 1	Level 2	Level 3
TCG DIRECTED INVESTMENTS				
Fixed Income				
Municipal Bonds	$ 5,932,114	5,932,114	-	-
Total Fixed Income:	5,932,114	5,932,114	-	-
Total Invesments at Fair Value:	$ 5,932,114	5,932,114	-	-

The TCG Directed Investments at June 30, 2020 classified in Level 1 are valued using prices quoted in active markets for those securities.

Information regarding the District's investment pools may be obtained by contacting the following:

TexPool:
Internet: www.texpool.com
Phone: 1-866-839-7665
Address: TexPool Participant Services
c/o Federated Investors, Inc.
1001 Texas Avenue, Suite 1400
Houston, TX 77002

Lone Star:
Internet: www.firstpublic.com
Phone: 1-800-558-8875
Address: First Public
12007 Research Boulevard
Austin, TX 78759

TexSTAR
Internet: www.texstar.org
Phone: 1-800-839-7827
Address: TexStar Participant Services
1201 Elm Street, Suite 3500
Dallas, TX 75270

TCG Directed Investments:
Internet: www.tdameritrade.com
Phone: 1-800-454-9272
Address: TCG Investment Advisory Services
900 S Capital of Texas Hwy
Suite 350
Austin, TX 78746

NexBank Money Market Savings:
Internet: https://www.nexbank.com/
Phone: 1-800-827-4818
Address: NexBank
2515 McKinney Avenue, Suite 1100
Dallas, TX 75201

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 District's 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 without specific statutory authority from the Texas Legislature.

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2020, consisted of the following amounts:

		Due From Other Funds	Due To Other Funds
General Fund:			
	Debt Service Fund	$ -	$ 145,306
	Special Revenue Fund	180,131	7,025,982
	Capital Projects Fund	-	-
	Internal Service Fund	1,622,013	985,361
	General Fund	-	-
	Total General Fund	1,802,144	8,156,649
Debt Service Fund:			
	General Fund	145,306	-
	Total Debt Service Fund	145,306	-
Special Revenue Fund:			
	General Fund	7,025,982	180,131
	Special Revenue Fund	5,171,480	5,171,480
	Total Special Revenue Fund	12,197,462	5,351,611
Internal Service Fund:			
	General Fund	985,361	1,622,013
	Total Internal Service Fund	985,361	1,622,013
	Totals	$ 15,130,273	$ 15,130,273

The purpose of the interfund balances as of June 30, 2020, represents amounts owed to and from other funds, payroll and related benefits, and operations that will be cleared the following month when money is received from the granting agency or when subsequent transfers/repayments are made.

Interfund transfers for the year ended June 30, 2020 consisted of the following amounts:

Interfund transfers

	Transfers Out	Transfers In
General Fund:	$ 443,807	$ 10,686
Special Revenue Fund:	10,686	443,807
Totals	$ 454,493	$ 454,493

The transfer from the general fund was to fund the District's portion of the Regional Day School for the Deaf Program - $443,807

The transfer into the General fund was from unused local funds used as startup funding for Ector Success Academy Network - $10,686.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2020 were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	$ 16,829,992	$ 25,381,893	$ 1,802,144	$ 615,633	$ 44,629,662
Debt Service Fund	1,632,653	-	145,306	-	1,777,959
Other Funds	-	1,954,943	12,197,462	-	14,152,405
Internal Service Funds	-	-	985,361	-	985,361
Total - Governmental Activities	$ 18,462,645	$ 27,336,836	$ 15,130,273	$ 615,633	$ 61,545,387

Payables at June 30, 2020 were as follows:

	Accounts Payable	Other Governments	Payroll Deductions and Withholdings Payable	Due To Other Funds	Total Payables
Governmental Activities:					
General Fund	$ 7,677,234	$ -	$ 2,845,929	$ 8,156,648	$ 18,679,811
Debt Service Fund	-	34,445	-	-	34,445
Other Funds	4,085,501	42,456	-	5,351,612	9,479,569
Internal Service Funds	487,715	-	-	1,622,013	2,109,728
Total - Governmental Activities	$ 12,250,450	$ 76,901	$ 2,845,929	$ 15,130,273	$ 30,303,553

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2020, was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	$ 10,642,701	$ 632,788	$ -	$ 11,275,489
Buildings and Improvements	463,175,806	1,086,478	-	464,262,284
Equipment	49,460,833	4,302,155	(2,000,600)	51,762,388
Capital Bus Lease	-	3,058,330		3,058,330
Software	4,244,091	39,286	(8,500)	4,274,877
Construction in Progress	-	24,070	-	24,070
Totals at Historical Costs	527,523,431	9,143,107	(2,009,100)	534,657,438
Less accumulated depreciation and amortization for:				
Buildings and Improvements	(172,315,707)	(8,822,580)		(181,138,287)
All Equipment	(38,198,884)	(4,227,105)	1,899,909	(40,526,080)
Capital Bus Lease	-	(251,592)		(251,592)
Software	(4,107,636)	(93,448)	8,500	(4,192,584)
Total accumulated depreciation for:	(214,622,227)	(13,394,725)	1,908,409	(226,108,543)
Governmental activities capital assets, net	$ 312,901,204	$ (4,251,618)	$ (100,691)	$ 308,548,895

*Depreciation expense was charged to governmental functions as follows:

Instruction	$ 4,716,724
Instruction Resources & Media Services	169,601
Curriculum & Staff Development	173
Instructional Leadership	27,247
School Leadership	489,277
Guidance, Counseling & Evaluation Services	13,343
Health Services	1,395
Student Transportation	1,017,746
Food Service	1,402,362
Co-Curricular/Extracurricular Activities	2,193,649
General Administration	51,042
Plant Maintenance & Operations	2,180,848
Securities & Monitoring Services	293,396
Data Processing Services	798,485
Community Services	39,437
Total Depreciation Expense	$ 13,394,725

G. BONDS PAYABLE

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

On December 11, 2001, The District issued $55,868,558 of Unlimited Tax School Building and Refunding Bonds, Series 2001 (the "Bonds") maturing from August 15, 2004 through August 15, 2025. Interest rates vary from 3.55% to 5.75%. The Bonds were issued as part of an October 29, 2001 voter approved referendum of $89,500,000 to renovate schools within the District and to build a new early education center and a new elementary campus. In addition, the bonds defeased $3,755,000 of old bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. The refunding resulted in no economic gain or loss to the District.

On June 20, 2012, the District issued $4,690,000 of Unlimited Tax Refunding Bonds, Series 2012 (the "Bonds") maturing from August 15, 2012 through August 15, 2025. Interest rates vary from 2.00% to 3.00%. The Bonds were issued to advance refund a portion of the District's outstanding bonds to lower the District's debt service payments by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. The refunding resulted in an economic gain to the District of $637,628. The net cash flow decrease from the refunding over the life of the bond issue is $687,402. On June 30, 2020, $2,155,000 of bonds considered defeased by the series 2012 bonds are still outstanding.

On March 28, 2013, the District issued $121,595,000 of Unlimited Tax School Building Bonds, Series 2013 (the "Bonds") maturing from August 15, 2013 through August 15, 2038. Interest rates vary from 3.00% through 5.00%. The Bonds were issued for the construction and renovation and equipping of high school facilities, the construction and equipping of elementary school facilities and the acquisition of any necessary school sites and new school buses, and to fund capitalized interest on, and costs of issuance related to, the bonds.

On November 22, 2016, the District issued $49,235,000 of Unlimited Tax Refunding Bonds, Series 2016 (the "Bonds") maturing from August 15, 2017 through August 15, 2027. Interest rates vary from 2.00% to 5.00%. The Bonds were issued to advance refund a portion of the District's outstanding bonds to lower the District's debt service payments by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the District's financial statements. The refunding resulted in an economic gain to the District of $9,588,712. The net cash flow decrease from the refunding over the life of the bond issue is $8,469,818. On June 30, 2020, $53,100,000 of bonds considered defeased by the series 2016 are still outstanding.

A summary of changes in general long-term debt for the year ended June 30, 2020 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Outstanding 7/1/2019	Issued	Retired	Payable Outstanding 6/30/2020
ECISD Unlimited Tax School Building and Refunding Bonds, Series 2001	3.55,3.90, 4.20, 4.50, 4.68, 4.80, 4.90, 5.01, 5.13, 5.26, 5.36, 5.46, 5.56, 5.64, 5.7, 5.75%	$ 55,868,558	$ 1,851,701	$ 1,078,299	$ -	$ 1,078,299	$ -
ECISD Unlimited Tax Refunding Bonds, Series 2012	2.00, 3.00%	4,690,000	58,650	2,110,000	-	90,000	2,020,000
ECISD Unlimited Tax School Building Bonds, Series 2013	3.00, 3.125 3.25, 4.00 5.00%	121,595,000	4,751,819	113,685,000	-	980,000	112,705,000
ECISD Unlimited Tax Refunding Bonds, Series Series 2016	2.00, 4.00 5.00%	49,235,000	2,328,400	47,765,000		1,995,000	45,770,000
TOTAL		$ 231,388,558	$ 8,990,570	$ 164,638,299	$ -	$ 4,143,299	$ 160,495,000

Debt service requirements are as follows:

	General Obligations		
Year Ended June 30,	Principal	Interest	Total Requirements
2021	6,115,000	6,934,994	13,049,994
2022	6,400,000	6,639,769	13,039,769
2023	6,710,000	6,331,819	13,041,819
2024	7,020,000	6,008,894	13,028,894
2025	7,355,000	5,667,444	13,022,444
2026-2030	39,405,000	22,662,419	62,067,419
2031-2035	46,945,000	12,407,528	59,352,528
2036-2038	40,545,000	2,935,638	43,480,638
	$ 160,495,000	$ 69,588,505	$ 230,083,505

H. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (noncapitalized) lease agreements for copier equipment provide for minimum future rental payments as of June 30, 2020, are as follows:

Year Ending June 30,		Future Rental Payments
2021		684,287
2022		449,196
2023		166,965
2024		77,912
Total Minimum Rentals	$	1,378,360
Rental Expenditures in Fiscal Year 2020	$	1,114,036

I. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in a lump sum payment to such employee or his/her estate based upon the following criteria:

1. Hourly position employees not working a scheduled 40-hour week are not eligible to be paid for accrued leave.

2. Sick Leave: Any employee not mentioned above who retired after completing five consecutive years or resigns after completing 20 years of service with the District shall be paid for accrued sick leave. Accrued sick leave shall be computed at one-half the daily rate at the time of retirement or resignation times the number of accrued leave days, which shall not exceed one-half the number of working days in an annual contract. In order to receive payment for unused sick leave, retirement must occur at the end of the employee's contract period, or when retirement is necessitated by a medical disability as approved by the Teacher Retirement System. Exceptions to this provision were reviewed by the Board upon recommendation of the Superintendent. No benefits shall be calculated on a salary schedule exceeding that of a regular teacher's salary schedule. Individuals who are retiring and have worked less than 85 days of the contract year shall have accrued sick leave paid based on the previous year's salary schedule.

3. Vacation Leave: Any accrued vacation leave is paid upon separation at the employee's current daily rate of pay.

A summary of changes in the accumulated sick leave and vacation leave liability follows:

		Sick Leave		Vacation Leave
Balance June 30, 2019	$	5,405,371	$	1,632,103
Additions/Adjustments - New Entrants and Salary Increments		1,518,160		246,066
Deductions - Payments to Participants		(802,958)		(156,554)
Balance June 30, 2020	$	6,120,573	$	1,721,615

J. DEFINED BENEFIT PENSION PLAN

Plan Description. Ector County Independent School District participates in a cost-sharing multiple-employer defined benefit pension plan 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 https://www.trs.texas.gov; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the Legislature to consider a benefit enhancement, such as supplemental payment to the retirees. In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. These increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or $2,000, whichever was less.

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 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. SB12 in the 86th Legislature set higher contribution rates for fiscal year 2020 and fiscal year 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. This "surcharge" was previously only charged to employers not participating in social security. Contribution Rates can be found in the TRS 2019 CAFR, Note 11, on page 76.

Contribution Rates

	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

Employer 0576 - 2020 Employer Contributions	$3,233,829
Employer 0576 - 2020 Member Contributions	$13,529,285
Reporting Year 2019 NECE On-behalf Contributions	$18,080,479

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).

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 a federal funding source or a privately sponsored source.

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.
- Employers must contribute 1.5% of the member's salary ("Public Education Employer Surcharge").

Actuarial Assumptions.

Roll Forward – A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2018 and were adopted in July 2018.

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.

The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Rate	7.25%
Municipal Bond Rate as of August, 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield/Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the TRS actuarial valuation report dated November 9, 2018.

Discount Rate. The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the statutorily required rates set by the Legislature during the 2019 legislative session. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members.

Asset Class	Target Allocation*	New Targe Allocation**	Long-Term Expected Portfolio Real Rate of Return***
Global Equity			
U.S.	18.00 %	18.00 %	6.40 %
Non-U.S. Developed	13.00	13.00	6.30
Emerging Markets	9.00	9.00	7.30
Directional Hedge Funds	4.00	-	-
Private Equity	13.00	14.00	8.40
Stable Value			
U.S. Treasuries****	11.00	16.00	3.10
Stable Value Hedge Funds	4.00	5.00	4.50
Absolute Return (Including Credit Sensitive Investments	-	-	-
Real Return			
Global Inflation Linked Bonds****	3.00	-	-
Real Estate	14.00	15.00	8.50
Energy and Natural Resources and Infrastructure	5.00	6.00	7.30
Commodities	-	-	-
Risk Parity			
Risk Parity	5.00	8.00	5.8%/6.5%*****
Asset Allocation Leverage Cash	1.00	2.00	2.50
Asset Allocation Leverage	-	(6.00)	2.70
Expected Return		**7.23%**	

* *FY 2019 Target Allocations are based on the Strategic Asset Allocation dated 10/1/2018*

** *New target allocation based on the Strategic Asset Allocation dated 10/1/2019*

*** *10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%*

**** *New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds*

***** *5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility*

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2019 TRS CAFR, Note 11, page 77.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
ECISD proportionate share of the net pension liability:	$137,222,692	$89,271,128	$50,421,106

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the District reported a liability of $89,271,128 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

ECISD's Proportionate share of the collective net pension liability	$	89,271,128
State's proportionate share that is associated with ECISD		115,099,303
Total	$	204,370,431

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. 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 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was .1717309721% which was an increase of 0.0092117035% from its proportion measure as of August 31, 2018.

Changes Since the Prior Actuarial Valuation – Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.
- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a $2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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

For the year ended June 30, 2020, the District recognized pension expense of $18,080,479 and revenue of $18,080,479 for support provided by the State in the Government Wide Statement of Activities.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Actuarial experience	$375,019	$3,099,635
Changes in Actuarial Assumptions	$27,696,288	$11,445,417
Difference between projected and actual investment earnings	$896,385	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	$8,018,652	$3,058,288
Contributions paid to TRS subsequent to the measurement date (calculated by employer)	$11,353,842	$0
Total	$48,340,186	$17,603,340

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:

For the Year Ending June 30	Pension Expense Amount
2021	$4,794,230
2022	$3,789,177
2023	$4,944,930
2024	$4,480,533
2025	$1,997,675
Thereafter	($623,541)
Total	$19,383,004

K. 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 https://www.trs.texas.gov; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2019 are as follows:

NET OPEB Liability	Amount
Total OPEB Liability	$ 48,583,247,239
Less: Plan Fiduciary Net Position	(1,292,022,349)
Net OPEB Liability	$ 47,291,224,890
Net Position as percentage of Total OPEB Liability	2.66%

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS Care premiums at their current level through 2021. The 86th legislature also passed SB 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures.

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

TRS-Care Monthly Premium rates

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

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of salary. Section 1575.204 establishes a public school 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 employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2019. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates

	2019	2020
Active Employee	0.65%	0.65%
Non-Employer Contriuting Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Employer 0576 - 2020 Employer Contributions		$ 1,475,872
Employer 0576 - 2020 Member Contributions		$ 1,141,773
Reporting Year 2020 NECE On-behalf Contributions		$ 4,182,333

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.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $73.6 million in fiscal year 2019.

Actuarial Assumptions. The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

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 that was rolled forward to August 31, 2019:

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, 2018 Rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of $850/$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

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.

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06 percent in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 70. 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.

Sensitivity of the Net OPEB Liability:

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 (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
ECISD proportionate share of the net pension liability:	$144,182,202	$119,423,267	$100,054,328

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
ECISD proportionate share of the net pension liability:	$97,421,311	$119,423,267	$148,895,782

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2020, the District reported a liability of $119,423,266 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

ECISD's Proportionate share of the collective net OPEB liability	$ 119,423,267
State's proportionate share that is associated with ECISD	158,686,808
Total	$ 278,110,075

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.

At August 31, 2019 the employer's proportion of the collective Net OPEB Liability was 0.2525273266% compared to 0.2451925302% as of August 31, 2018. This is an increase of 0.0073347964%.

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:

- 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.

For the year ended June 30, 2020, the District recognized OPEB expenses of $4,182,333 and revenue of $4,182,333 for support provided by the State.

At June 30, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Actuarial experience	$5,858,726	$19,542,351
Changes in Actuarial Assumptions	$6,633,031	$32,121,928
Net Difference between projected and actual investment earnings	$12,884	$0
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	$4,058,213	$5,157,965
Contributions paid to TRS subsequent to the measurement date (calculated by employer)	$1,239,137	$0
Total	$17,801,991	$56,822,244

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:

For the Year Ending June 30		Pension Expense Amount
2021	$	(6,816,959)
2022		(6,816,959)
2023		(6,821,129)
2024		(6,823,514)
2025		(6,822,861)
Thereafter		(6,157,966)
Total		(40,259,388)

Medicare Part D. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended 2020, 2019, and 2018 the subsidy payments received by TRS-Care on-behalf of the District were $844,478, $628,315, and $515,292 respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements of the District.

L. RISK MANAGEMENT

Health Insurance

The District sponsors a self-funded plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Medical Trust Fund (the "Fund"), an internal service fund of the District. The District contributed $380 per month per employee for the period of July 2019 through June 2020. Each employee contributed $115 per month for the period of July through December 2019 and $125 per month for January through June 2020. Employees, at their option, authorized payroll withholding to pay contributions for dependents. Third party administrators paid all claims from the fund. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Sirius America Insurance Company, commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect in 2019 for individual claims exceeding $350,000 annually and aggregate coverage with an attachment point of $29,006,903. These amounts were $350,000 individual and $33,798,493 aggregate in 2020. Estimates of claims payable and of claims incurred, but not reported at June 30, 2020, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due.

For the fiscal year 2019-2020, no claims exceeded the $350,000 limit plus one one-time aggregating specific of $200,000. Changes in the balances of claims liabilities during the past year are as follows:

	Year Ended June 30, 2019	Year Ended June 30, 2020
Unpaid claims, beginning of the year	$ 2,242,651	$ 1,849,491
Incurred claims (including IBNR's)	20,366,921	19,683,250
Claim Payments	(20,760,081)	(19,725,535)
Unpaid claims, end of fiscal year	$ 1,849,491	$ 1,807,206

Worker's Compensation

The District sponsors a self-funded Worker's Compensation Fund. Claims exceeding $500,000 up to the State of Texas statutory limits per occurrence are covered by a stop loss plan through the Texas Association of School Boards, whose carrier is Safety National Casualty Corporation.

For the school year 2019-2020, no claims exceeded the $500,000 limit. Changes in the balances of the claims liability during the past year are as follows:

	Year Ended June 30, 2019	Year Ended June 30, 2020
Unpaid claims, beginning of the year	$ 3,018,595	$ 2,612,013
Incurred claims (including IBNR's)	233,745	776,265
Claim Payments	(640,327)	(827,519)
Unpaid claims, end of fiscal year	$ 2,612,013	$ 2,560,759

M. CAPITAL LEASES

The District entered into long-term lease agreements for the purchase of buses. Such leases are classified as capital leases for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease. As of June 30, 2020, the District had future minimum lease payments under capital leases as follows:

Year Ending June 30,	Future Rental Payments
2021	$ 481,389
2022	481,389
2023	481,389
2024	481,389
2025	481,389
Thereafter	481,389
Net Minimum Lease Payments	2,888,334
Less Amount Represeting Interest	(302,925)
Present Value of Minimum Lease Payments	$ 2,585,409

	General Obligations		
Year Ending June 30,	Principal	Interest	Total Requirements
2021	397,105	84,284	481,389
2022	410,050	71,339	481,389
2023	423,418	57,971	481,389
2024	437,221	44,168	481,389
2025	451,475	29,914	481,389
Thereafter	466,140	15,249	481,389
	$2,585,409	$ 302,925	$ 2,888,334

N. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
School Building and Refunding Bonds	$ 164,638,299	$ -	$ (4,143,299)	$ 160,495,000	$ 6,115,000
Accumulated Accretion	1,831,557	20,144	(1,851,701)	-	-
Net Bond Premium	12,173,232	-	(2,073,835)	10,099,397	-
Total Bonds and Notes Payable	178,643,088	20,144	(8,068,835)	170,594,397	6,115,000
Other Liabilities:					
Net Pension Liability	89,454,550	25,106,890	(25,290,312)	89,271,128	-
Net Other Post Employment Benefits (OPEB) Liability	122,426,875	17,962,718	(20,966,326)	119,423,267	-
Worker's Compensation (IBNR)	2,612,013	776,265	(827,519)	2,560,759	586,441
Capital Lease Liability	-	3,058,330	(472,921)	2,585,409	397,105
Sick Leave Benefits	5,405,371	1,518,160	(802,958)	6,120,573	414,239
Total Other Liabilities	219,898,809	48,422,363	(48,360,036)	219,961,136	1,397,785
Total Governmental Activities Long-Term Liabilities	$ 398,541,897	$ 48,442,507	$ (56,428,871)	$ 390,555,533	$ 7,512,785

O. UNEARNED REVENUES

Unearned revenues at year end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Insurance Recovery	$	$ 12,637,850	$	$ 12,637,850
Education Foundation Awards		111,178		111,178
Title IV, Part A, Subpart 1		107,135		107,135
Chiefs for Change COVID-19 Accelerator Fund Grant Award	50,000			50,000
Advanced Placement Incentives		47,640		47,640
Brown Agriculture Fund		45,060		45,060
Weldon Scholarship Fund		27,545		27,545
Odessa Regional School Clinic		23,978		23,978
Advanced Via Individual Determination		14,521		14,521
Ecolab - Lyndon B. Johnson Elementary		10,792		10,792
ICA Donation		6,284		6,284
Instructional Material Allotment		5,714		5,714
Memorial Scholarship Fund		5,028		5,028
Teen Parent Related Services Donation	5,024			5,024
Permian High School Giants Award		4,933		4,933
Junior League of Odessa Donation	4,780			4,780
Jason's Project Stem		2,586		2,586
Texas Comptroller LEOSE	2,296			2,296
Ecolab - Blackshear Elementary School		376		376
PICK Education		236		236
Total	$ 62,100	$ 13,050,856	$ -	$ 13,112,956

P. DUE FROM STATE AND FEDERAL AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2020, are summarized below.

Fund Name	State Entitlements	Federal Grants	Total
General Fund	$ 25,381,893	$	$ 25,381,893
Summer Feeding Program		508,668	508,668
IDEA - Part B, Formula		372,338	372,338
State Funded Special Revenue Funds		319,836	319,836
Child and Adult Care Food Program		240,651	240,651
Continuity Grant		132,909	132,909
ESEA Title I, Part A - Improving Basic Programs		130,305	130,305
Regional Day School - DEAF	118,707		118,707
ESEA Title III, Part A - English Language Acquisition		45,692	45,692
Career and Technical Basic Grant		45,436	45,436
IDEA - Part B, Preschool		40,149	40,149
IDEA - Part C, Early Intervention (DEAF)		252	252
Total	$ 25,500,600	$ 1,836,236	$ 27,336,836

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the year ended June 30, 2020, revenues from local and intermediate sources consisted of the following:

	General Fund	Insurance Recovery Fund	Debt Service Fund	Other Funds	Total
Property Taxes	$ 158,340,056	$ -	$ 16,235,410	$ -	$ 174,575,466
Penalties, Interest and Other Tax-Related Income	2,595,405	-	265,714	-	2,861,119
Investment Income	1,340,282	63,588	106,080	14,330	1,524,280
Food Sales	-	-	-	3,188,056	3,188,056
Co-Curricular Student Activities	469,391	-	-	-	469,391
Insurance Recovery	45,252	6,463,318			6,508,570
Other	2,719,089	-	-	733,245	3,452,334
Total	$ 165,509,475	$ 6,526,906	$ 16,607,204	$ 3,935,631	$ 192,579,216

R. CONTINGENT LIABILITIES

The District participates in numerous federally-funded programs, on both a direct and state pass-through basis, as well as on a service-provider basis. In connection with these grants, the District is required to comply with specific terms and agreements, as well as applicable federal and state laws, and regulations. Such compliance is subject to review and audit by the grantors and their representatives, including audits under the "Single Audit" concept and compliance examinations which build upon such audits.

In the opinion of management, the District has materially complied with all requirements. However, such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the District does not expect the resulting liability to have a material adverse effect on its combined financial statements at June 30, 2020.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable presently, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial statements of the District.

S. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement ("SSA") that provides deaf education services to member districts. In addition to the District, other member districts include Midland, Reagan County, Big Spring, Andrews, Ft. Stockton, Monahans, McCamey, Coahoma, and Kermit. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund 315, 340 and 435 using Model 3 in the SSA section. Expenditures of the SSA are summarized below:

Ector County Independent School District	$	621,604
Midland Independent School District		143,446
Reagan County Independent School District		79,692
Big Spring Independent School District		79,692
Andrews Independent School District		63,754
Ft. Stockton Independent School District		47,815
Monahans Independent School District		15,938
McCamey Independent School District		15,938
Coahoma Independent School District		15,938
Kermit Independent School District		15,938
Total	$	1,099,755

T. CONSTRUCTION COMMITMENT

The District had the following construction commitment as of June 30, 2020:

Name of Project	Contractor	Contract Amount
Permian HS Baseball Restroom Facility	Onyx General Contractor	$ 391,270

U. ARBITRAGE COMPLIANCE

The District is monitoring its compliance with Federal arbitrage regulations. As of June 30, 2020, the District is in compliance with Federal regulations, and the District has no liability for arbitrage rebates.

V. TAX ABATEMENTS

In compliance with GASB Statement No. 77, the District had one Chapter 313 Agreement with Oberon Solar 1A LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to the Chapter 313 of the Texas Tax Code, i.e., the Texas Economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations (M&O) for a period of years specified in statute. The project under the Chapter 313 agreement must be consistent with the state's goal to "encourage large scale capital investments in this state." Chapter 313 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for the value limitation agreement, the applicant is required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the project on December 18, 2018. The application, the agreements and state reporting requirement documentation can be viewed at the Texas Comptroller's website: https://comptroller.texas.gov/economy/local/ch313/agreement-docs.php.

The $30 million value limitation and payments due to the district will begin in the 2020-2021 fiscal year and will continue for M&O tax purposes for ten years. The entire project value will remain taxable for I&S purposes for the term of the agreement. The net payment due to the district in 2019-2020 is $0.

W. SUBSEQUENT EVENT

In November the District will issue $56,150,000 and $9,700,000, Unlimited Tax Refunding Bonds, Series 2020 to refund a portion of the District's Unlimited Tax School Building Bonds, Series 2013.

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the COVID-19, which disaster declaration he has subsequently extended.

TEA will institute the ADA hold harmless for the first two six-week attendance reporting periods as follows: if an LEA's Refined ADA counts during those first two six-week reporting periods are less than the ADA hold harmless projections (described in the paragraph below), the first two six-week attendance reporting periods for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. For purposes of the hold harmless calculation, TEA will not consider each six weeks attendance period independent of each other. TEA will replace attendance numbers for each eligible LEA's 2020-2021 first two six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020-2021 LPE projections. In the latter case, 2020- 2021 LPE counts will be used.

TEA will make available an ADA hold harmless for the third six weeks attendance reporting period, on the condition that LEAs allow on-campus instruction throughout the entire third six weeks period, as further described below. The ADA hold harmless methodology will be identical to the methodology used for the first two six weeks attendance reporting periods, except that the third six weeks will be examined independent of the first two six weeks attendance reporting periods. Specifically, if an LEA's refined ADA counts during the third six- weeks attendance reporting period is less than the ADA hold harmless projections (described in the prior question and available online), the third six-weeks attendance reporting period for 2020–2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. As noted above, this ADA hold harmless methodology will only apply to attendance-based counts and will not apply to enrollment-based FSP allotments such as the state compensatory education allotment and the dyslexia allotment.

The District has evaluated events subsequent to June 30, 2020 through December 15, 2020, the date the financial statements were available to be issued and concluded there are no other events requiring disclosure in the notes or recognition in the financial statements.

BUDGETARY COMPARISON REPORTING

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 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	$ 162,714,630	$ 162,714,630	$ 165,509,475	$ 2,794,845
5800	State Program Revenues	133,514,523	134,802,200	138,435,173	3,632,973
5900	Federal Program Revenues	2,940,829	2,940,829	2,791,272	(149,557)
5020	Total Revenues	299,169,982	300,457,659	306,735,920	6,278,261
	EXPENDITURES:				
	Current:				
0011	Instruction	172,722,023	169,850,290	159,833,910	10,016,380
0012	Instructional Resources and Media Services	2,970,587	2,945,587	2,813,258	132,329
0013	Curriculum and Instructional Staff Development	6,323,058	6,609,122	5,999,394	609,728
0021	Instructional Leadership	5,113,000	5,339,488	5,155,291	184,197
0023	School Leadership	21,424,681	23,104,749	21,872,684	1,232,065
0031	Guidance, Counseling, and Evaluation Services	12,053,100	12,040,288	11,154,449	885,839
0032	Social Work Services	942,952	969,952	854,838	115,114
0033	Health Services	2,775,291	2,793,291	2,712,845	80,446
0034	Student (Pupil) Transportation	9,774,633	9,754,633	7,872,188	1,882,445
0035	Food Services	101,300	116,300	82,680	33,620
0036	Extracurricular Activities	6,381,747	5,902,512	5,516,012	386,500
0041	General Administration	8,137,249	8,549,573	8,064,766	484,807
0051	Facilities Maintenance and Operations	34,737,896	42,521,595	38,517,150	4,004,445
0052	Security and Monitoring Services	3,295,190	3,516,793	3,222,023	294,770
0053	Data Processing Services	6,976,860	10,303,947	6,663,233	3,640,714
0061	Community Services	1,414,522	1,399,522	1,291,633	107,889
	Debt Service:				
0071	Principal on Long-Term Debt	400,000	473,000	472,921	79
0072	Interest on Long-Term Debt	100,000	27,000	8,468	18,532
	Capital Outlay:				
0081	Facilities Acquisition and Construction	15,000	15,000	13,978	1,022
	Intergovernmental:				
0099	Other Intergovernmental Charges	1,875,483	1,875,483	1,682,785	192,698
6030	Total Expenditures	297,534,572	308,108,125	283,804,506	24,303,619
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	1,635,410	(7,650,466)	22,931,414	30,581,880
	OTHER FINANCING SOURCES (USES):				
7912	Sale of Real and Personal Property	365,418	365,418	58,445	(306,973)
7915	Transfers In	-	-	10,686	10,686
8911	Transfers Out (Use)	(462,418)	(462,418)	(443,807)	18,611
8949	Other (Uses)	(1,538,410)	(1,538,410)	(167,798)	1,370,612
7080	Total Other Financing Sources (Uses)	(1,635,410)	(1,635,410)	(542,474)	1,092,936
1200	Net Change in Fund Balances	-	(9,285,876)	22,388,940	31,674,816
0100	Fund Balance - July 1 (Beginning)	66,900,745	66,900,745	66,900,745	-
3000	Fund Balance - June 30 (Ending)	$ 66,900,745	$ 57,614,869	$ 89,289,685	$ 31,674,816

REQUIRED SUPPLEMENTARY INFORMATION

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 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)	0.171730972%	0.162519269%	0.163010289%
District's Proportionate Share of Net Pension Liability (Asset)	$ 89,271,128	$ 89,454,550	$ 52,121,909
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	115,099,303	130,227,666	81,929,372
Total	$ 204,370,431	$ 219,682,216	$ 134,051,281
District's Covered Payroll	$ 166,363,097	$ 162,321,705	$ 164,691,543
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	53.66%	55.11%	31.64%
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 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.1779288%	0.1717072%	0.1256839%
$ 67,236,631	$ 60,696,210	$ 33,571,908
96,003,500	88,961,129	75,916,290
$ 163,240,131	$ 149,657,339	$ 109,488,198
$ 162,443,801	$ 150,542,332	$ 147,350,185
41.39%	40.32%	22.78%
78.00%	78.43%	83.25%

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2020

	2020	2019	2018
Contractually Required Contribution	$ 3,233,829	$ 3,339,028	$ 2,951,106
Contribution in Relation to the Contractually Required Contribution	(3,233,829)	(3,339,028)	(2,951,106)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 175,704,924	$ 164,417,160	$ 162,515,095
Contributions as a Percentage of Covered Payroll	1.84%	2.03%	1.82%

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
$ 2,792,264	$ 3,086,526	$ 2,819,306
(2,792,264)	(3,086,526)	(2,819,306)
$ -	$ -	$ -
$ 164,788,323	$ 160,914,812	$ 149,308,655
1.69%	1.92%	1.89%

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 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	0.252527327%	0.24519253%	0.25592559%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 119,423,267	$ 122,426,875	$ 111,292,438
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	158,686,808	135,999,016	126,511,621
Total	$ 278,110,075	$ 258,425,891	$ 237,804,059
District's Covered Payroll	$ 166,363,097	$ 162,321,705	$ 164,691,543
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	71.78%	75.42%	67.58%
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.

EXHIBIT G-5

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
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	$ 1,475,872	$ 1,373,728	$ 1,322,075
Contribution in Relation to the Contractually Required Contribution	(1,475,872)	(1,373,728)	(1,322,075)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 175,704,924	$ 164,417,160	$ 162,515,095
Contributions as a Percentage of Covered Payroll	-	0.84%	0.81%

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.

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

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

Changes of Assumptions.

There were no changes in the actuarial assumptions used in the determination of the Total Pension liability during the measurement period.

The single discount rate was a blended rate of 6.907% as of August 31, 2018 and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.

With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

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

Changes in Assumptions.

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the 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.

COMBINING SCHEDULES

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
	ASSETS				
1110	Cash and Cash Equivalents	$ 10,328	$ -	$ -	$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	130,305	372,338	40,149	-
1260	Due from Other Funds	315,456	2,845,654	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	$ 456,089	$ 3,217,992	$ 40,149	$ -
	LIABILITIES				
2110	Accounts Payable	$ 96,125	$ 72,009	$ -	$ -
2170	Due to Other Funds	358,183	3,104,060	40,149	-
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	1,781	41,923	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	456,089	3,217,992	40,149	-
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 456,089	$ 3,217,992	$ 40,149	$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 Title II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	276 Instructional Continuity Grant	289 Other Federal Special Revenue Funds
$ 34,426	$ -	$ -	$ -	$ -	$ -	$ -	$ -
902,798	-	-	-	-	-	-	-
240,651	508,668	45,436	-	45,692	-	132,909	-
4,503,620	-	37,387	95,665	42,541	-	-	200,294
1,425,586	-	-	-	-	-	-	-
$ 7,107,081	$ 508,668	$ 82,823	$ 95,665	$ 88,233	$ -	$ 132,909	$ 200,294
$ 452,903	$ -	$ 41,785	$ -	$ 500	$ -	$ 132,909	$ 31,272
792,224	508,668	41,038	54,969	87,607	-	-	61,783
-	-	-	40,696	-	-	-	-
316,790	-	-	-	126	-	-	104
-	-	-	-	-	-	-	107,135
1,561,917	508,668	82,823	95,665	88,233	-	132,909	200,294
1,425,586	-	-	-	-	-	-	-
4,119,578	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,545,164	-	-	-	-	-	-	-
$ 7,107,081	$ 508,668	$ 82,823	$ 95,665	$ 88,233	$ -	$ 132,909	$ 200,294

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 State Instructional Materials
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	252	-	-
1260	Due from Other Funds	9,542	-	47,640	684,172
1300	Inventories	-	-	-	-
1000	Total Assets	$ 9,542	$ 252	$ 47,640	$ 684,172
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ 678,458
2170	Due to Other Funds	7,782	252	-	-
2180	Due to Other Governments	1,760	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	47,640	5,714
2000	Total Liabilities	9,542	252	47,640	684,172
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 9,542	$ 252	$ 47,640	$ 684,172

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	462 Memorial Scholarship Fund	478 Pick Education Fund	479 Permanent Fund	482 Education Foundation	483 Citi Foundation Award	484 Ector Success Academy Network
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
319,836	118,707	-	-	-	-	-	-
1,036	-	5,028	1,249	10,792	128,959	14,521	-
-	-	-	-	-	-	-	-
$ 320,872	$ 118,707	$ 5,028	$ 1,249	$ 10,792	$ 128,959	$ 14,521	$ -
$ 142,983	$ 4,935	$ -	$ 1,013	$ -	$ 17,276	$ -	$ -
177,889	111,724	-	-	-	505	-	-
-	-	-	-	-	-	-	-
-	2,048	-	-	-	-	-	-
-	-	5,028	236	10,792	111,178	14,521	-
320,872	118,707	5,028	1,249	10,792	128,959	14,521	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 320,872	$ 118,707	$ 5,028	$ 1,249	$ 10,792	$ 128,959	$ 14,521	$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		486 Blackshear Ecolab Fund	489 Brown Agriculture Fund	490 Barbara Jordan Elem Trust	491 OHS Scholarship Fund
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1120	Investments - Current	-	52,173	1,983	26,002
1240	Due from Other Governments	-	-	-	-
1260	Due from Other Funds	376	-	1,703	-
1300	Inventories	-	-	-	-
1000	Total Assets	$ 376	$ 52,173	$ 3,686	$ 26,002
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2170	Due to Other Funds	-	4,761	-	-
2180	Due to Other Governments	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	376	45,060	-	-
2000	Total Liabilities	376	49,821	-	-
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	2,352	3,686	26,002
3000	Total Fund Balances	-	2,352	3,686	26,002
4000	Total Liabilities and Fund Balances	$ 376	$ 52,173	$ 3,686	$ 26,002

492 Jason's Project STEM	493 ICA Donation Fund	494 Chevron Project Lead the Way	496 Odessa Regional School Clinic	497 Weldon Scholarship Fund	498 PHS Science Giants Awards	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 44,754
-	-	-	-	28,574	-	1,011,530
-	-	-	-	-	-	1,954,943
2,586	6,284	9,618	23,978	-	4,933	8,993,034
-	-	-	-	-	-	1,425,586
$ 2,586	$ 6,284	$ 9,618	$ 23,978	$ 28,574	$ 4,933	$ 13,429,847
$ -	$ -	$ 9,600	$ -	$ -	$ -	$ 1,681,768
-	-	18	-	-	-	5,351,612
-	-	-	-	-	-	42,456
-	-	-	-	-	-	362,772
2,586	6,284	-	23,978	27,544	4,933	413,005
2,586	6,284	9,618	23,978	27,544	4,933	7,851,613
-	-	-	-	-	-	1,425,586
-	-	-	-	-	-	4,119,578
-	-	-	-	1,030	-	33,070
-	-	-	-	1,030	-	5,578,234
$ 2,586	$ 6,284	$ 9,618	$ 23,978	$ 28,574	$ 4,933	$ 13,429,847

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		211 Title I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	6,560,941	5,319,423	165,947	30,000
5020	Total Revenues	6,560,941	5,319,423	165,947	30,000
	EXPENDITURES:				
	Current:				
0011	Instruction	2,227,102	4,955,179	165,947	-
0012	Instructional Resources and Media Services	4,120	-	-	-
0013	Curriculum and Instructional Staff Development	3,948,370	54,818	-	-
0021	Instructional Leadership	57,353	19,343	-	-
0023	School Leadership	52,638	-	-	-
0031	Guidance, Counseling, and Evaluation Services	85,622	290,083	-	30,000
0032	Social Work Services	87,749	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	97,987	-	-	-
6030	Total Expenditures	6,560,941	5,319,423	165,947	30,000
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 Title II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	276 Instructional Continuity Grant	289 Other Federal Special Revenue Funds
$ 3,211,096	$ -	$ -	$ -	$ -	$ -	$ -	$ -
425,854	-	-	-	-	-	-	-
9,585,839	4,068,831	352,981	746,953	521,875	73,761	132,909	255,988
13,222,789	4,068,831	352,981	746,953	521,875	73,761	132,909	255,988
-	-	175,997	90	126,685	-	-	39,112
-	-	-	-	-	-	-	-
-	-	88,690	738,931	379,707	-	-	12,457
-	-	-	-	500	-	-	-
-	-	-	1,858	-	-	132,909	5,079
-	-	88,294	-	-	-	-	16,983
-	-	-	-	-	-	-	34,759
-	-	-	-	-	73,761	-	53,448
10,408,650	3,897,980	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	6,074	-	-	-	-
687,133	170,851	-	-	-	-	-	-
-	-	-	-	-	-	-	94,150
-	-	-	-	-	-	-	-
-	-	-	-	14,983	-	-	-
11,095,783	4,068,831	352,981	746,953	521,875	73,761	132,909	255,988
2,127,006	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,127,006	-	-	-	-	-	-	-
3,418,158	-	-	-	-	-	-	-
$ 5,545,164	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 State Instructional Materials
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ 237,631
5800	State Program Revenues	-	-	3,657	3,629,311
5900	Federal Program Revenues	47,473	1,915	-	-
5020	Total Revenues	47,473	1,915	3,657	3,866,942
	EXPENDITURES:				
	Current:				
0011	Instruction	45,775	1,915	-	3,866,942
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	1,698	-	3,657	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	47,473	1,915	3,657	3,866,942
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ -

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	462 Memorial Scholarship Fund	478 Pick Education Fund	479 Permanent Fund	482 Education Foundation	483 Citi Foundation Award	484 Ector Success Academy Network
$ -	$ 365,590	$ -	$ 1,203	$ -	$ 77,890	$ 2,332	$ -
353,537	240,970	-	-	-	-	-	-
-	-	-	-	-	-	-	-
353,537	606,560	-	1,203	-	77,890	2,332	-
-	940,055	-	120	-	56,751	-	-
-	-	-	-	-	6,369	-	-
35,144	8,787	-	-	-	9,770	-	-
-	-	-	1,083	-	-	-	-
-	100,849	-	-	-	-	-	-
-	375	-	-	-	-	332	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
303,393	-	-	-	-	-	-	-
15,000	-	-	-	-	-	-	-
-	301	-	-	-	-	2,000	-
353,537	1,050,367	-	1,203	-	77,890	2,332	-
-	(443,807)	-	-	-	-	-	-
-	443,807	-	-	-	-	-	-
-	-	-	-	-	-	-	(10,686)
-	443,807	-	-	-	-	-	(10,686)
-	-	-	-	-	-	-	(10,686)
-	-	-	-	-	-	-	10,686
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		486 Blackshear Ecolab Fund	489 Brown Agriculture Fund	490 Barbara Jordan Elem Trust	491 OHS Scholarship Fund
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ 1,868	$ 511	$ 260
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	-	1,868	511	260
	EXPENDITURES:				
	Current:				
0011	Instruction	-	1,300	-	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	-
6030	Total Expenditures	-	1,300	-	-
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	568	511	260
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	568	511	260
0100	Fund Balance - July 1 (Beginning)	-	1,784	3,175	25,742
3000	Fund Balance - June 30 (Ending)	$ -	$ 2,352	$ 3,686	$ 26,002

492 Jason's Project STEM	493 ICA Donation Fund	494 Chevron Project Lead the Way	496 Odessa Regional School Clinic	497 Weldon Scholarship Fund	498 PHS Science Giants Awards	Total Nonmajor Governmental Funds
$ -	$ -	$ 35,004	$ 2,045	$ 201	$ -	$ 3,935,631
-	-	-	-	-	-	4,653,329
-	-	-	-	-	-	27,864,836
-	-	35,004	2,045	201	-	36,453,796
-	-	14,383	-	-	-	12,617,353
-	-	-	-	-	-	10,489
-	-	20,621	-	-	-	5,302,650
-	-	-	-	-	-	78,279
-	-	-	-	-	-	293,333
-	-	-	-	-	-	511,689
-	-	-	-	-	-	122,508
-	-	-	2,045	-	-	129,254
-	-	-	-	-	-	14,306,630
-	-	-	-	-	-	5,000
-	-	-	-	-	-	6,074
-	-	-	-	-	-	857,984
-	-	-	-	-	-	397,543
-	-	-	-	-	-	15,000
-	-	-	-	-	-	115,271
-	-	35,004	2,045	-	-	34,769,057
-	-	-	-	201	-	1,684,739
-	-	-	-	-	-	443,807
-	-	-	-	-	-	(10,686)
-	-	-	-	-	-	433,121
-	-	-	-	201	-	2,117,860
-	-	-	-	829	-	3,460,374
$ -	$ -	$ -	$ -	$ 1,030	$ -	$ 5,578,234

COMBINING SCHEDULES – INTERNAL SERVICE FUNDS

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	715 Housing Fund	771 Workers Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 487,746	$ -	$ 1,015,099	$ 1,502,845
Investments - Current	-	7,498,743	16,106,823	23,605,566
Due from Other Funds	-	971,677	13,684	985,361
Total Current Assets	487,746	8,470,420	17,135,606	26,093,772
Noncurrent Assets:				
Capital Assets:				
Land	54,012	-	-	54,012
Buildings and Improvements	3,663,335	-	-	3,663,335
Depreciation on Buildings	(400,199)	-	-	(400,199)
Total Noncurrent Assets	3,317,148	-	-	3,317,148
Total Assets	3,804,894	8,470,420	17,135,606	29,410,920
LIABILITIES				
Current Liabilities:				
Accounts Payable	5,164	(102,411)	584,962	487,715
Due to Other Funds	183,680	1,438,333	-	1,622,013
Accrued Expenses	-	586,441	1,807,206	2,393,647
Total Current Liabilities	188,844	1,922,363	2,392,168	4,503,375
NonCurrent Liabilities:				
Other Long-Term Debt - Due in More than One Year	-	1,974,318	-	1,974,318
Total Noncurrent Liabilities	-	1,974,318	-	1,974,318
Total Liabilities	188,844	3,896,681	2,392,168	6,477,693
NET POSITION				
Unrestricted Net Position	3,616,050	4,573,739	14,743,438	22,933,227
Total Net Position	$ 3,616,050	$ 4,573,739	$ 14,743,438	$ 22,933,227

EXHIBIT H-4

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	715 Housing Fund	771 Workers Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
OPERATING REVENUES:				
Employee and Employer Premiums	$ -	$ 971,517	$ 25,715,108	$ 26,686,625
Rent Revenue	539,712	-	-	539,712
Stop Loss Reimbursement	-	29,838	-	29,838
Total Operating Revenues	539,712	1,001,355	25,715,108	27,256,175
OPERATING EXPENSES:				
Claims and Prescriptions	-	776,265	19,683,250	20,459,515
Professional and Contracted Services	436,213	57,085	33,000	526,298
Supplies and Materials	11,710	-	-	11,710
Other Operating Costs	7,455	-	2,364,593	2,372,048
Depreciation Expense	87,004	-	-	87,004
Total Operating Expenses	542,382	833,350	22,080,843	23,456,575
Operating Income (Loss)	(2,670)	168,005	3,634,265	3,799,600
NONOPERATING REVENUES (EXPENSES):				
Earnings from Temporary Deposits & Investments	-	106,294	169,635	275,929
Total Nonoperating Revenues (Expenses)	-	106,294	169,635	275,929
Change in Net Position	(2,670)	274,299	3,803,900	4,075,529
Total Net Position - July 1 (Beginning)	3,618,720	4,299,440	10,939,538	18,857,698
Total Net Position June 30 (Ending)	$ 3,616,050	$ 4,573,739	$ 14,743,438	$ 22,933,227

EXHIBIT H-5

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	715 Housing Fund	771 Workers Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash Received from Rental Receipts	$ 723,392	$ -	$ -	$ 723,392
Cash Received from Employees and Employer	-	957,177	25,701,424	26,658,601
Cash Received from Stop Loss Carrier	-	29,838	-	29,838
Cash Payments for Claims	-	(827,519)	(19,725,535)	(20,553,054)
Cash Payments for Other Operating Expenses	(458,080)	(159,496)	(2,084,388)	(2,701,964)
Net Cash Provided by Operating Activities	265,312	-	3,891,501	4,156,813
Cash Flows from Investing Activities:				
Interest and Dividends on Investments	-	106,294	169,635	275,929
Net Increase in Cash and Cash Equivalents	265,312	106,294	4,061,136	4,432,742
Cash and Cash Equivalents at Beginning of Year	222,434	7,392,449	13,060,786	20,675,669
Cash and Cash Equivalents at End of Year	$ 487,746	$ 7,498,743	$ 17,121,922	$ 25,108,411
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss):	$ (2,670)	$ 168,005	$ 3,634,265	$ 3,799,600
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	87,004	-	-	87,004
Effect of Increases and Decreases in Current Assets and Liabilities:				
Increase (decrease) in Accounts Payable	(2,702)	(102,411)	313,206	208,093
Increase (decrease) in Accrued Expenses	-	(51,254)	(42,286)	(93,540)
Increase (decrease) in Due To Other Funds	183,680	(14,340)	-	169,340
Increase (decrease) in Due From Other Funds	-	-	(13,684)	(13,684)
Net Cash Provided by Operating Activities	$ 265,312	$ -	$ 3,891,501	$ 4,156,813

REQUIRED TEA SCHEDULES

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2020

Last 10 Years		(1) Tax Rates	(2)	(3) Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2011	and prior years	Various	Various	$ 18,566,067,000
2012		1.040000	0.095000	10,232,624,000
2013		1.040000	0.079500	11,598,844,880
2014		1.040000	0.121000	13,401,694,166
2015		1.040000	0.121000	14,256,078,650
2016		1.040000	0.110000	13,190,683,066
2017		1.040000	0.110000	11,855,872,243
2018		1.040000	0.109600	12,190,897,339
2019		1.170000	0.109600	15,070,399,797
2020	(School year under audit)	1.068400	0.109600	15,115,268,777
1000	TOTALS			

(10) Beginning Balance 7/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2020
$ 2,813,058	$ -	$ 149,038	$ 13,614	$ (97,107)	$ 2,553,299
492,930	-	26,017	2,377	(3,279)	461,257
500,230	-	31,286	2,392	(3,079)	463,473
731,093	-	59,093	6,875	(1,591)	663,534
1,184,536	-	147,437	17,154	31,996	1,051,941
1,317,186	-	220,748	23,348	(35,264)	1,037,826
1,794,552	-	363,841	38,483	58,342	1,450,570
2,328,153	-	503,511	53,062	(30,968)	1,740,612
5,145,767	-	2,012,702	188,540	(285,430)	2,659,095
-	177,517,252	154,826,383	15,889,564	(420,267)	6,381,038
$ 16,307,505	$ 177,517,252	$ 158,340,056	$ 16,235,409	$ (786,647)	$ 18,462,645

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 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	$ 4,708,000	$ 4,708,000	$ 3,211,096	$ (1,496,904)
5800	State Program Revenues	370,000	370,000	425,854	55,854
5900	Federal Program Revenues	11,685,000	11,685,000	9,585,839	(2,099,161)
5020	Total Revenues	16,763,000	16,763,000	13,222,789	(3,540,211)
	EXPENDITURES:				
	Current:				
0035	Food Services	15,974,103	15,903,603	10,408,650	5,494,953
0051	Facilities Maintenance and Operations	788,897	859,397	687,133	172,264
6030	Total Expenditures	16,763,000	16,763,000	11,095,783	5,667,217
1200	Net Change in Fund Balances	-	-	2,127,006	2,127,006
0100	Fund Balance - July 1 (Beginning)	3,418,158	3,418,158	3,418,158	-
3000	Fund Balance - June 30 (Ending)	$ 3,418,158	$ 3,418,158	$ 5,545,164	$ 2,127,006

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 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	$ 16,232,012	$ 16,232,012	$ 16,607,204	$ 375,192
5800	State Program Revenues	268,836	268,836	221,314	(47,522)
5020	Total Revenues	16,500,848	16,500,848	16,828,518	327,670
	EXPENDITURES:				
	Debt Service:				
0071	Principal on Long-Term Debt	4,143,299	4,143,299	4,143,299	-
0072	Interest on Long-Term Debt	8,990,420	8,990,420	8,990,570	(150)
0073	Bond Issuance Cost and Fees	9,800	9,800	8,500	1,300
6030	Total Expenditures	13,143,519	13,143,519	13,142,369	1,150
1200	Net Change in Fund Balances	3,357,329	3,357,329	3,686,149	328,820
0100	Fund Balance - July 1 (Beginning)	13,904,664	13,904,664	13,904,664	-
3000	Fund Balance - June 30 (Ending)	$ 17,261,993	$ 17,261,993	$ 17,590,813	$ 328,820

FEDERAL AWARDS SECTION

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

To the Board of Trustees
Ector County Independent School District
Odessa, 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ector County Independent School District, (the "District") as of and for the year ended June 30, 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 December 15, 2020. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards* and those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

To the Board of Trustees
Ector County Independent School District

Compliance and Other Matters

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

Whitley Penn LLP

December 15, 2020
Odessa, Texas

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE *UNIFORM GUIDANCE*

To the Board of Trustees
Ector County Independent School District
Houston, Texas

Report on Compliance for Each Major Federal Program

We have audited Ector County Independent School District (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 June 30, 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

To the Board of Trustees
Ector County Independent School District

Report on Internal Control Over Compliance

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



December 15, 2020
Odessa, Texas

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

Identification of Major Programs:

Name of Federal Program	**CFDA Number**
U.S. Department of Education	
Title I, Part A – Improving Basic Programs	84.010A
Special Education Cluster:	
IDEA – Part B, Formula	84.027A
SSA – IDEA – Part B, Discretionary Deaf	84.027A
Evaluation Capacity Award	84.027A
IDEA – Part B, Preschool	84.173A
U.S. Department of Agriculture	
Child Nutrition Cluster	
School Breakfast Program	10.553
National School Lunch Program – Cash Assistance	10.555
National School Lunch Program – Non-Cash Assistance	10.555
Summer Feeding Program – Cash Assistance	10.559
Child & Adult Care Food Program – Cash Assistance	10.558

Dollar threshold used to distinguish Between Type A and Type B federal programs:	$856,371
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None reported

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year ended June 30, 2020

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

Finding 2019-001 was not repeated in the current year

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 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			
Direct Programs			
Junior Reserve Officer's Training Corps	12.000		$ 36,909
Total Direct Programs			36,909
TOTAL U.S. DEPARTMENT OF DEFENSE			36,909
U.S. DEPARTMENT OF EDUCATION			
Passed Through Education Service Center, Region 20			
*Evaluation Capacity Award	84.027A	2265431918001	30,000
Total Passed Through Education Service Center, Region 20			30,000
Passed Through The New Teacher Project, Inc.			
Supporting Effective Educator Development	84.423A	U423A170007	47,424
Total Passed Through The New Teacher Project, Inc.			47,424
Passed Through State Department of Education			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	19610101068901	1,262,731
ESEA, Title I, Part A - Improving Basic Programs	84.010A	20610101068901	5,369,574
ESEA, Title I, Part D - Improving Basic Programs	84.010A	19610103068901	6,773
ESEA, Title I, Part D - Improving Basic Programs	84.010A	20610103068901	64,686
Title 1 1003 School Improvement	84.010A	20610141068901	152,923
Total CFDA Number 84.010A			6,856,687
*IDEA - Part B, Formula	84.027A	186600010689016600	46,541
*IDEA - Part B, Formula	84.027A	196600010689016600	585,977
*IDEA - Part B, Formula	84.027A	206600010689016600	4,881,961
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	196600110689016673	7,918
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	206600110689016673	42,406
Total CFDA Number 84.027A			5,564,803
*IDEA - Part B, Preschool	84.173A	186610010689016610	5,162
*IDEA - Part B, Preschool	84.173A	196610010689016610	18,181
*IDEA - Part B, Preschool	84.173A	206610010689016610	151,741
Total CFDA Number 84.173A			175,084
Total Special Education Cluster (IDEA)			5,769,887
Career and Technical - Basic Grant	84.048A	20420006068901	352,981
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	203911010689013911	1,915
Title III, Part A - English Language Acquisition	84.365A	19671001068901	30,471
Title III, Part A - English Language Acquisition	84.365A	20671001068901	491,403
Total CFDA Number 84.365A			521,874
ESEA, Title II, Part A: Supporting Effective Instr	84.367A	19694501068901	162,209
ESEA, Title II, Part A: Supporting Effective Instr	84.367A	20694501068901	629,421
Total CFDA Number 84.367A			791,630
Instructional Continuity Grant	84.377A	17610740068901	132,909
Title IV, Part A, Subpart 1	84.424A	19680101068901	14,303
Title IV, Part A, Subpart 1	84.424A	20680101068901	250,030
Total CFDA Number 84.424A			264,333
Total Passed Through State Department of Education			14,662,216
TOTAL U.S. DEPARTMENT OF EDUCATION			14,739,640

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 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 HEALTH AND HUMAN SERVICES			
Passed Through Texas Health and Human Services Comm			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00014	73,761
Federal Child Care Tuition	93.556	09030C02FY20	40,724
Total Passed Through Texas Health and Human Services Comm			114,485
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			114,485
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the State Department of Agriculture			
*School Breakfast Program	10.553	714020	2,880,320
*National School Lunch Program - Cash Assistance	10.555	713020	4,800,302
*National School Lunch Prog. - Non-Cash Assistance	10.555	00327	710,258
Total CFDA Number 10.555			5,510,560
*Summer Feeding Program - Cash Assistance	10.559	00327	4,068,831
Total Child Nutrition Cluster			12,459,711
Child & Adult Care Food Program - Cash Assistance	10.558	00327	1,194,959
Total Passed Through the State Department of Agriculture			13,654,670
TOTAL U.S. DEPARTMENT OF AGRICULTURE			13,654,670
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 28,545,704

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal financial assistance programs of the Ector County Independent School District, Odessa, Texas (the District). The District reporting entity is defined in note I.A. of the notes to the District's general purpose financial statements. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies is included in the exhibit.

2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting that is described in note I.C. of the notes to the District's general purpose financial statements.

Indirect costs shown on the Schedule of Expenditures of Federal Awards are properly credited as revenues to the General Fund. These indirect cost revenues were determined by applying approved indirect cost rates to actual applicable expenditures of the projects. The District has elected not to use the 10% *de minimis* cost rate as covered in 200.414 Indirect (F&A) costs.

3) Relationship to General Purpose Financial Statements

Federal financial assistance revenues are reported in the District's general purpose financial statements as follows:

100-199	General Fund	2,791,272
200-499	Special Revenue Funds	27,864,836
		30,656,108
Less:	E-Rate revenue	(615,170)
Less:	SHARS revenue	(1,495,234)
	Schedule of Federal Awards	28,545,704

4) Relationship to Federal Financial Reports

Amounts reported in the accompanying exhibits agree with the amounts reported in the related Federal Financial Reports.

5) Amounts Passed Through by the District

During 2020, the District did not pass through any federal funding to sub-recipients.


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