Agenda of Regular Meeting

The Board of Trustees
McAllen Independent School District

VISION The McAllen Independent School District is a multicultural community in which students are enthusiastically and actively engaged in the learning process. Students demonstrate academic excellence in a safe, nurturing and challenging environment enhanced by technology and the contributions of the total community.

MISSION The mission of the McAllen Independent School District is to educate all students to become lifelong learners and productive citizens in a global society through a program of educational excellence utilizing technology and actively involving parents and the community.

GOALS
1. Student Achievement/Student Focus
2. People Development
3. Facility Priorities
4. Financial Priorities

STRATEGIES
1. Branding
2. Attract/Retain High Quality Staff
3. Engaging Learning Environment
4. Rigorous/World Class Standards to Customize for Every Learner
5. Partnerships with Business/Civic/Education/Organizations
6. Future Ready Students
7. Financial Priorities

A Regular Meeting of the Board of Trustees of the McAllen Independent School District will be held Monday, January 18, 2021, beginning at 5:00 PM by Video-conference or by Telephone call, www.mcallenisd.org or 956 618-6094, McAllen, TX 78501.

Due to health and safety concerns related to COVID 19 Coronavirus this meeting will be conducted by Videoconference or telephone call in accordance to Section 551.125 of the Texas Government Code.

Members of the public may access this meeting by videoconference at https://www.mcallenisd.org/page/school-board-meetings or by telephone call at 956 618-6094.

Public comments related to this meeting will be handled as follows: Public comments may be by use of the following video conference site: https://www.mcallenisd.org/page/public-comments or by telephone call to the following number 956 618-6094.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENT(S)**

3. **RECESS TO CLOSED SESSION: Board of Trustees may go into Closed Session pursuant to Section(s) 551.071, 551.072, and 551.074 Texas Government Code, to discuss the following:**

A) Human Resources Recommendation(s) for School Year 2020-2021

B) Human Resources Employee Resignation(s) for School Year 2020-2021

C) Pending and/or Potential Litigation

1. Consider and appoint a district representative to attend mediation on January 20, 2021 re: MISD v Ameresco etal., Cause No: C-4894-17-D

D) Possible Real Estate Acquisition

4. **RECONVENE IN OPEN SESSION**

5. **INVOCATION**

6. **PLEDGE OF ALLEGIANCE**

7. **PUBLIC HEARING FOR 2019-2020 DISTRICT TEXAS ACADEMIC PERFORMANCE REPORT(TAPR)** **7**
Item Submitted: Bridgette Vieh, Associate Superintendent Instructional Leadership

Presenter: Dr. J. A. Gonzalez, Superintendent

8. **SUPERINTENDENT'S REPORT(S)** - Get the McAllen ISD Advantage!

Presenter: Dr. J. A. Gonzalez, Superintendent

9. **RECOGNITION(S)**

10. **PROCLAMATION(S)**

A) Proclamation Regarding School Board Recognition Month (January 2021) 19
Item Submitted: Norma Zamora-Guerra, Director Community Information

Presenter: Dr. J. A. Gonzalez, Superintendent

B) Approval of Proclamation Regarding National School Counseling Week (February 1 - 5, 2021) 21
Item Submitted: Dr. Silvia Ibarra, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

C) Approval of Proclamation Regarding National Law Enforcement Appreciation Day (January 9, 2021) 23
Item Submitted: Norma Zamora-Guerra, Director Community Information

Presenter: Dr. J. A. Gonzalez, Superintendent

D) Approval of Proclamation Regarding Martin Luther King, Jr. Day (January 18, 2021) 25
Item Submitted: Norma Zamora-Guerra, Director Community Information

Presenter: Dr. J. A. Gonzalez, Superintendent

11. **DONATION(S)**

12. **BOARD MEMBER(S), BOARD COMMITTEE(S) AND DISTRICT REPORT(S)**

A) Board Committee Reports

1. Instructional Services Briefing - Chair - Sam Saldivar, Jr.

2. Human Resources Briefing - Chair - Tony Forina

3. District Operations Briefing - Chair - Debbie Crane Aliseda

4. Business Operations Briefing - Chair - Danny Vela

B) District Reports

1. Report Regarding COVID -19 Update and Plan for Vaccines 27
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

2. Report Regarding David Crockett – Administrative Annex Improvements by City of McAllen 42
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

3. Report Regarding Facilities, Maintenance & Operations Projects 52
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

4. Report Regarding the School Board Elections to be Held May 1, 2021 63
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

5. Report Regarding Blue Cross Blue Shield's (BCBS) Telehealth Expansion Option 70
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

6. Report Regarding the Monthly Financial and Quarterly Investment Report for November 2020 72
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

7. Report Regarding Taxes Collected for November 2020 100
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

13. **ACTION ON ITEM(S) IN CLOSED SESSION**

A) Approval of Human Resources Recommendation(s) for School Year 2020-2021 102
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

B) Human Resources Employee Resignation(s) for School Year 2020-2021 103
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

C) Pending and/or Potential Litigation

1. Consider and appoint a district representative to attend mediation on January 20, 2021 re: MISD v Ameresco etal., Cause No: C-4894-17-D

D) Possible Real Estate Acquisition

14. **CONSENT AGENDA ITEMS**

A) Approval of Request for Proposals No. 2021-1000R Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Catalog 104
Item Submitted: Dr. Silvia Ibarra, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

B) Approval of First Amendment to Real Estate Sales Contract and Deed No. 2021-152 with Domain Development Corp. 108
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

C) Approval of Request for Proposal No. 2018-157R7 Professional Development, Site Licenses, Supplemental Material, & Other Related Products and Services 110
Item Submitted: Dr. Silvia Ibarra, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

D) Approval of Competitive Sealed Proposal ("CSP") No. 2021-177 Memorial High School Roof Replacement Project 114
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

E) Approval of Amendment to Interlocal Cooperation Agreement Between The County of Hidalgo and McAllen Independent School District 184
Item Submitted: Arely Benavides, Assistant Superintendent District Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

F) Approval of Third Extension and Board Resolution No. 2015-013 with Frost Bank 201
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

15. **INSTRUCTIONAL SERVICES, INSTRUCTIONAL LEADERSHIP, HUMAN RESOURCES, DISTRICT OPERATIONS, BUSINESS OPERATIONS, AND BOARD OF TRUSTEES ITEMS**

A) **Instructional Services Item(s)** (Dr. Silvia Ibarra) **Instructional Leadership Item(s)** (Bridgette Vieh)

1. Approval of the 2021-2022 School Calendar 204
Item Submitted: Dr. Silvia Ibarra, Assistant Superintendent Instructional Services

Presenter: Dr. J. A. Gonzalez, Superintendent

B) **Human Resources Item(s)** (Todd Miller)

1. Approval of the Resolution Ordering the Election for Trustees in McAllen Independent School District to be held on Saturday, May 1, 2021 224
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

2. Approval of 2020-2021 Texas Teacher Evaluation and Support System (T-TESS) Appraisal and Texas Principal Evaluation and Support System (T-PESS) Appraisal Waiver 232
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

3. Approval of Resolution of the Board of Trustees of the McAllen Independent School District Regarding Extension of Leave for Employee Quarantine or Isolation 233
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

4. Approval of Resolution of the Board of Trustees of the McAllen Independent School District Regarding Texas Association of School Boards (TASB) 2020-2022 Advocacy Agenda Priorities 236
Item Submitted: Todd Miller, Assistant Superintendent Human Resources

Presenter: Dr. J. A. Gonzalez, Superintendent

C) **District Operations Item(s)** (Arely Benavides)

D) **Business Operations Item(s)** (Cynthia Medrano Richards)

1. Approval of the Comprehensive Annual Financial Report for the Year Ended June 30, 2020 240
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

2. Approval of the McAllen Independent School District December Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021 468
Item Submitted: Cynthia Medrano Richards, Assistant Superintendent Business Operations

Presenter: Dr. J. A. Gonzalez, Superintendent

E) **Board of Trustees Item(s)**

1. Discussion and Possible Nomination of McAllen ISD School Board Trustee to the Texas Association of School Boards (TASB) Board of Directors, Region 1, Positions A and B 476

2. Approval of Board of Education Meeting Minutes 477

a) Special Board Meeting - December 7, 2020 - 5:00 P.M.

b) Regular Board Meeting - December 14, 2020 - 5:00 P.M.

16. **SCHEDULE OF FUTURE MEETINGS**

A) Regular Board Meeting - February 9, 2021 - 5:00 P.M. - TBD

B) Regular Board Meeting - February 22, 2021 - 5:00 P.M. - TBD

17. **CLOSED SESSION: The Board of Trustees may reconvene in Closed Session for further discussion regarding the agenda item(s) listed.**

18. **OPEN SESSION: The Board of Trustees may reconvene into Open Session for discussion regarding the agenda item(s) listed.**

19. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on January 15, 2021 at 4:45 P.M.
Natalia Goza
For the Board of Trustees

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Public Hearing for 2019-2020 District Texas Academic Performance Report (TAPR)

REFERENCE: Goal 1: Student Achievement/Student Focus, Texas Education Code Section 39.306

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION: The Texas Academic Performance Report (TAPR) is the state's school district performance report. The TAPR provides the general public with a detailed accounting of a school district's performance in relation to the state and the Region One schools. The guidelines for the TAPR require the district's board of trustees to publish an annual report that includes the TAPR, campus performance objectives; information on violent or criminal incidents; and information on the performance of the previous year's graduates in their first year of college, as reported by the Texas Higher Education Coordinating Board (THECB). Guidelines also require a hearing for public discussion to be held within 90 days of the receipt of the TAPR materials and disseminate the report within the district. District breaks/holidays do not count toward the 90 days. The district received the TAPR on Nov. 20, 2020. The public notice of this hearing was posted on Jan. 1, 2021 in the Monitor.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS: An overview of the District Texas Academic Performance Report (TAPR) will precede the public hearing scheduled for January 18, 2021. In addition to distribution within the District, a copy of the District TAPR will be provided to the public library and the Chambers of Commerce.

LEGAL REVIEW: None

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION: This item is for information purposes only.

SUBMITTED BY: _____

SUPERVISOR: Bridgette Vieh (Jan 14, 2021 14:49 CST)

For further information contact:
Name: Bridgette Vieh
Office: 956-618-6053
eMail: bridgette.vieh@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 14, 2021

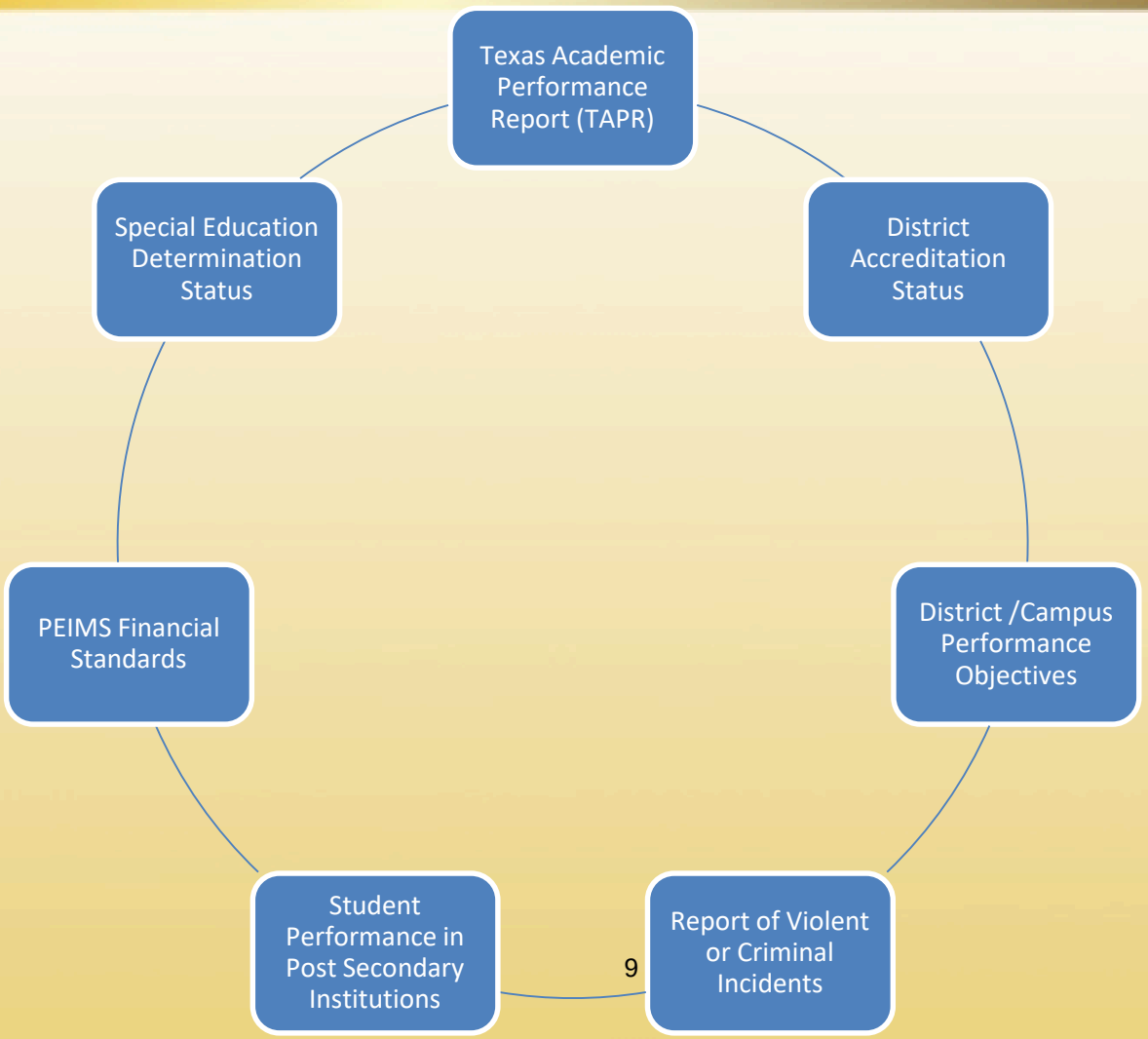
Public Hearing
of
McAllen Independent School District

2019-2020

Texas Academic Performance Report

McAllen ISD 2019-2020 Annual Report

Texas Education Code Section (TEC) § 39.306 § 39.362



2019-20 District Accreditation Status

FIRST Rating: **Superior**

Status: **Passed**

State Accountability Rating: ***Not Rated: Declared State of Disaster***

2020 Special Education Determination Status: **Needs Assistance**

Accreditation Status: **Accredited**

McAllen ISD Overview
2019 State Accountability Ratings

2019-2020 Data

- 22354 Students
- 31 Campuses
- 1700 Graduates (Class of Academic Year 2018-2019)

The district and all campuses were not rated due to the Declared State of Disaster (Academic Year 2019 – 2020)

STAAR 2019 at Approaches Grade Level or Above - All Grades

	STATE	REGION 1	DISTRICT
All Subjects	N/A	N/A	N/A
Reading	N/A	N/A	N/A
Mathematics	N/A	N/A	N/A
Writing	N/A	N/A	N/A
Science	N/A	N/A	N/A
Social Studies	N/A	N/A	N/A

Average SAT Score All Subjects

	STATE	REGION I	DISTRICT
Class of 2019	1027	979	**975**

Average SAT Score

Class of 2019	STATE	REGION I	DISTRICT
ELA	517	496	**494**
MATH	510	483	**481**

Average ACT Score All Subjects

	STATE	REGION I	DISTRICT
Class of 2019	20.6	17.9	**19.6**

Average ACT Score

Class of 2019	STATE	REGION I	DISTRICT
ELA	20.3	17.4	**19.2**
MATH	20.4	18.0	**19.4**

Student Performance in Post Secondary Institutions (2017-2018 Graduates attending 2018-2019 College)

	Total Graduates	GPA for 1st Year in Public Higher Education in Texas					
		< 2.0	2.0-2.49	2.5-2.99	3.0-3.49	> 3.5	Unknown
Four-Year Public University	571	97	80	91	125	174	4
Two-Year Public University	469	163	68	68	80	47	85
Independent Colleges and Universities	32						
Not Trackable	79						
Not Found	476						
Total HS Graduates 2017-2018	1621						

Report on Criminal and Violent Crimes 2019-2020

Campus	Incident Codes																
	11	12	13	14	16	17	18	19	29	30	31	32	36	37	46	47	48
McAllen High School													12				
Memorial High School													4				
Rowe High School													11				
Lamar Academy																	
Achieve ECHS																	
I & G Center																	
Brown Middle School													2				
Cathey Middle School													1				
De Leon Middle School																	
Fossum Middle School																	
Morris Middle School																	
Travis Middle School													1				
Alvarez Elementary																	
Bonham Elementary																	
Escandon Elementary																	
Fields Elementary																	
Garza Elementary																	
Gonzalez Elementary																	
Hendricks Elementary																	
Houston Elementary																	
Jackson Elementary																	
McAuliffe Elementary																	
Milam Elementary																	
Perez Elementary																	
Rayburn Elementary																	
Roosevelt Elementary																	
Sanchez Elementary																	
Seguin Elementary																	
Thigpen-Zavala Elementary																	
Wilson Elementary																	
Total													31				

Incident Code Description	
11	Used, Exhibited, or Possessed a Firearm
12	Used, Exhibited, or Possessed an Illegal Knife
13	Used, Exhibited, or Possessed and Illegal Club
14	Used, Exhibited ,or Possessed Weapon Under Penal Code Section 46 .05
16	Arson
17	Murder, Capital Murder, Criminal Attempt to Commit Murder, or Capital Murder
18	Indecency with a Child
19	Aggravated Kidnapping
29	Aggravated Assault Under Penal Code Section 22.02 Against District Employee
30	Aggravated Assault Under Penal Code Section 22.02 Against Someone Other
31	Sexual Assault Under Penal Code 22.011
32	Sexual Assault Under Penal Code 22.011 or Aggravated Sexual Assault of a Child
36	Felony Controlled Substance Violation
37	Felony Alcohol Violation
46	Aggravated Robbery
47	Manslaughter
48	Criminally Negligent Homicide

Violence Prevention Programs

- Zones of Regulation Curriculum
  - Self-regulation lessons for identified elementary students in need
- Counseling Department's Emotional Intelligence lessons
  - District wide every 6 weeks to all students
- Monthly Events
  - Highlighting Drug Prevention, Anti-Bullying, Military Connectedness…..

Dissemination of the McAllen ISD 2019-2020 Annual Report

The state prepared portions of the TAPR are available at:
https://tea.texas.gov/perfreport/tapr/index.html

The PEIMS Financial Standard reports of 2019-2020 Financial Actual Information at:
http://tea.texas.gov/financialstandardreports/

The District Accreditation Status report for 2019-20 at:
http://tea.texas.gov/accredstatus/

The Texas Higher Education Coordinating Board report for 2018-2019 High School Graduates at:
http://www.txhighereddata.org/Interactive/HSCollLinkFilters/HSGradAcademicPerformance.cfm

The TAPR is also available on the McAllen District website:
https://www.mcallenisd.org/apps/pages/index.jsp?uREC_ID=1078718&type=d&pREC_ID=1384669 Copies of the McAllen ISD District TAPR are also maintained at: Central Office, Every McAllen ISD Campus, Public Library, Chambers of Commerce

BOARD RECOGNITION FORM
McALLEN INDEPENDENT SCHOOL DISTRICT

Meeting Date (Recommended): January 18, 2021

Title of Recognition: Proclamation Regarding School Board Recognition Month (January 2021)

Person(s) Being Recognized (include names & description i.e student at X High School):
McAllen ISD Board of Trustees

Reason for Recognition: To proclaim January 2021 as School Board Recognition Month and to recognize the efforts of the McAllen Independent School District Board of Trustees.

Please note any items that will be presented: Superintendent will read aloud the proclamation and present to the Board of Trustees President.

Photographer Requested: Yes

AV needs: None

Name of Presenter: Norma Zamora-Guerra
Phone: (956)618-6023
eMail: norma.z.guerra@mcallenisd.net

Approved for Recognition: _____
Superintendent Jan 8, 2021

PROCEDURE FOR BOARD RECOGNITION
1. Fill out "Board Recognition Form" in its entirety at least 12 working days before the recommended date for presentation.
2. Submit completed form to Community Information Office with a cc to immediate supervisor and the Secretary to the Board of Trustees

Following the superintendent's executive team approval, confirmation of recognitions (year-at-a-glance) will be done via e-mail each week. Honorees are instructed to report to the Community Information office at 5:15 p.m. on their designated Board Meeting date.

STATE OF TEXAS
OFFICE OF THE GOVERNOR

As we continue to face the unprecedented challenges presented by the novel coronavirus (COVID-19) pandemic, the importance of ensuring a better tomorrow by securing our young peoples' bright and precious futures has never been greater.

This year has brought the indispensable value of education into sharp focus as school districts across Texas continue to dedicate time and resources to ensure Texas students receive the best education possible regardless of the circumstances. Though we have encountered many new trials, the fact remains that a rigorous and well-rounded education serves as the best foundation upon which young Texans can build successful lives out of their dreams.

School boards play a vital role in our efforts to improve education in the Lone Star State. Across Texas, dedicated school boards work with parents, educators, and community members to create successful learning environments. Our school boards have also been instrumental in our state's educational response to COVID-19 by leading their districts in implementing safety measures, coordinating and facilitating online learning, and providing support to administrative staff, teachers, parents, and students.

While school districts will always face new challenges as they serve the needs of students, Texans can count on their school board members, along with other dedicated school officials, to weather these trials, create opportunities to discuss important issues, develop innovative solutions, and empower educators while remaining focused on their students' futures.

At this time, I encourage all Texans to join in recognizing and celebrating the work and success of our many school board members across Texas, and to remember that the children we nurture today will become the leaders of our state and nation tomorrow.

Therefore, I, Greg Abbott, Governor of Texas, do hereby proclaim January 2021 to be

School Board Recognition Month

in Texas, and urge the appropriate recognition whereof.

In official recognition whereof,
I hereby affix my signature this the
14th day of December, 2020.

Governor of Texas

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Proclamation Regarding National School Counseling Week (February 1 - 5, 2021)

REFERENCE: Goal 2: People Development

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
National School Counseling Appreciation Week's theme "School Counselors: All In for All Students," will be celebrated from Feb. 1-5, 2021, to focus public attention on the unique contribution of school counselors within U.S. school systems.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
School counselors are employed in public and private schools to help students reach their full potential. They are actively committed to helping students reach their full potential by helping them explore their abilities, strengths, interests, and talents. Counselors help parents further the educational, personal and social growth of their children. School counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves as they seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society.

LEGAL REVIEW: None required.

BUDGETARY CONSIDERATIONS: None required.

RECOMMENDED BOARD ACTION: That the Board of Trustees approve the Proclamation Regarding National School Counseling Week (February 1 - 5, 2021).

SUBMITTED BY: Rosalba De Hoyos

SUPERVISOR: Silvia Ibarra (Jan 11, 2021 12:57 CST)

For further information contact:
Name: Rosalba De Hoyos
Office: (956) 618-6098
eMail: rosalba.dehoyos@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 11, 2021

McALLEN
INDEPENDENT SCHOOL DISTRICT

Proclamation

State of Texas
County of Hidalgo
McAllen Independent School District

Whereas, school counselors are actively committed to helping students explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development.

Whereas, school counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves; and seek to identify and utilize community resources that can enhance and complement the comprehensive school counseling programs.

Whereas, the comprehensive developmental school counseling programs is an integral part of the educational process that enables all students to achieve success in school;

Now Therefore, I, Larry Esparza, Member, Board of Trustees of McAllen ISD, do hereby proclaim the week of February 1-5, 2021 as

"National School Counselor Appreciation Week"

Resolved, that the American School Counselor Association celebrates and acknowledges the unique contribution of school counselors as they work to remove barriers to learning by addressing students' academic concerns, personal and social skills, and career development so they not only achieve success in school, but are prepared to lead fulfilling lives as responsible members of society.

IN WITNESS WHEREOF, I have here unto set my hand and caused the seal of the McAllen Independent School District to be affixed on this 18th day of January 2021.

_____
Larry Esparza., Member, Board of Trustees
McAllen Independent School District

Attest:

_____
Tony Forina, Secretary, Board of Trustees
McAllen Independent School District

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Proclamation Regarding National Law Enforcement Appreciation Day (January 9, 2021)

REFERENCE: Goal 2/Strategy 2: People Development

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION: National Law Enforcement Appreciation Day was created by multiple organizations in 2015 to express their gratitude for officers in the United States. In support of their services, citizens are encouraged to do their part in thanking the law enforcers on this day. The day also raises awareness on the importance of understanding that the difficult decisions taken by police officers are in the best interest of citizens and the law.

McAllen ISD created its Police Department in 1996. For the last 24 years, these dedicated men and women have protected our children, our teachers, staff, schools and property. They work many weekends and holidays because crime does not take a day off.

We want to show our deep appreciation for our 79 officers and staff who make up our McAllen ISD Police Department by recognizing their selfless hard work for our community.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS: N/A

LEGAL REVIEW: None Required

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION: That the Board of Trustees approve the Proclamation regarding National Law Enforcement Appreciation Day (January 9, 2021)

SUBMITTED BY: Norma Zamora-Guerra (Jan 15, 2021 10:35 CST)

SUPERVISOR: Norma Zamora-Guerra (Jan 15, 2021 10:35 CST)

For further information contact:
Name: Norma Zamora-Guerra
Office: (956)618-6023
EMail:norma.z.guerra@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 15, 2021

Proclamation

State of Texas
County of Hidalgo
McAllen Independent School District

Whereas, National Law Enforcement Appreciation Day, also known as L.E.A.D., is observed on Thursday, January 9th, 2020; and

Whereas, the McAllen ISD family sincerely appreciates the 79 officers on our staff who represent an invaluable force in our community; and

Whereas, these men and women work tirelessly to keep our students and our staff safe;

Now Therefore, I, Conrado Alvarado, President, Board of Trustees of McAllen ISD, do hereby proclaim January 9, 2021 as

"National Law Enforcement Appreciation Day"

I call upon all McAllen residents and public schools to observance of this day and encourages all citizens to thank your local police officers for their service and to continue to respect their profession

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the McAllen Independent School District to be affixed on this 18th day of January 2021.

_____
Conrado Alvarado, President, Board of Trustee
McAllen Independent School District

Attest:

_____
Tony Forina, Secretary, Board of Trustees
McAllen Independent School District

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Proclamation Regarding Martin Luther King, Jr. Day (January 18, 2021)

REFERENCE: Goal 1: Student Achievement/Student Focus

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION: Martin Luther King Jr. Day is a federal holiday in the United States Marking the birthday of Martin Luther King Jr. It is observed on the third Monday of January each year. King's birthday is January 15th.

Martin Luther King Jr. day celebrates the life and achievements of Martin Luther King Jr., an influential American civil rights leader.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS: N/A

LEGAL REVIEW: None Required

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION: That the Board of Trustees approve the Proclamation Regarding Martin Luther King, Jr. Day (January 18, 2021).

SUBMITTED BY: Norma Zamora-Guerra (Jan 15, 2021 10:36 CST)

SUPERVISOR:

For further information contact:
Name: Norma Zamora-Guerra
Office: (956)618-6023
EMail:norma.z.guerra@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 15, 2021

Proclamation

State of Texas
County of Hidalgo
McAllen Independent School District

Whereas, the Civil Rights movement profoundly shaped the trajectory of the United States of America; and

Whereas, one of the great leaders of the Civil Rights movement is Dr. Martin Luther King, Jr., whose dream continues to inspire our nation and is just as important today as it was in the 1960s; and

Whereas, Dr. King devoted his life to advancing equality, social justice, and opportunity for all, and challenged all Americans to participate in the never-ending work of building a more perfect union; and

Whereas, education continues to be the single most impactful avenue to advancing our communities with increased opportunity for all our citizens;

Whereas, as Martin Luther King, Jr. phrased it, "The function of education is to teach one to think intensively and to think critically. Intelligence plus character - that is the goal of true education."

Now Therefore, I, Sam Saldivar, Jr., Vice-President, Board of Trustees of McAllen ISD, do hereby proclaim January 18, 2021 – a National Holiday - as

"Martin Luther King, Jr. Day"

and urge our community to rededicate ourselves to achieving Dr. King's dream.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the McAllen Independent School District to be affixed on this 18th day of January 2021.

_____
Sam Saldivar, Jr., Vice-President, Board of Trustee
McAllen Independent School District

Attest:

_____
Tony Forina, Secretary, Board of Trustees
McAllen Independent School District

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding COVID-19 Update and Plan for Vaccines

REFERENCE: Goal 3: Facilities Priorities; Strategy 3: Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The district continues to tackle COVID-19 with the prevention, protection, mitigation, response and recovery strategies. In addition, contact tracing for positive COVID-19 cases continues to be led by campus nurses. The next stage of this effort is to secure the vaccine for employees. This report will include current state of operations regarding the vaccine and the district's efforts to participate in distribution.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

MISD is actively working with County, City and private entities to prepare for vaccine distribution.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

None required.

RECOMMENDED BOARD ACTION:

This report is submitted for information purposes only.

SUBMITTED BY: _____

SUPERVISOR: Arely Benavides (Jan 14, 2021 15:47 CST)

For further information contact:
Name: Arely Benavides
Office: 956.688.5445
eMail: arely.benavides@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

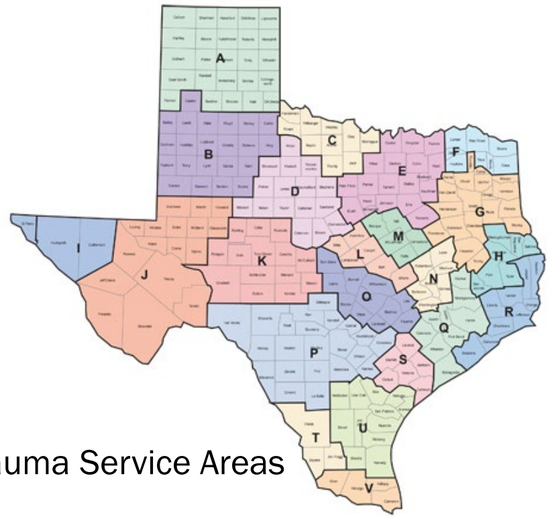
McALLEN ISD

COVID-19 Update and Vaccine Plan

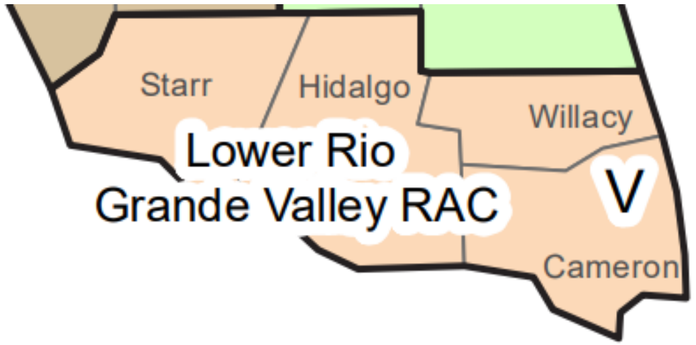
Board Meeting
January 18, 2021

COVID-19 Data

Trauma Service Area Map



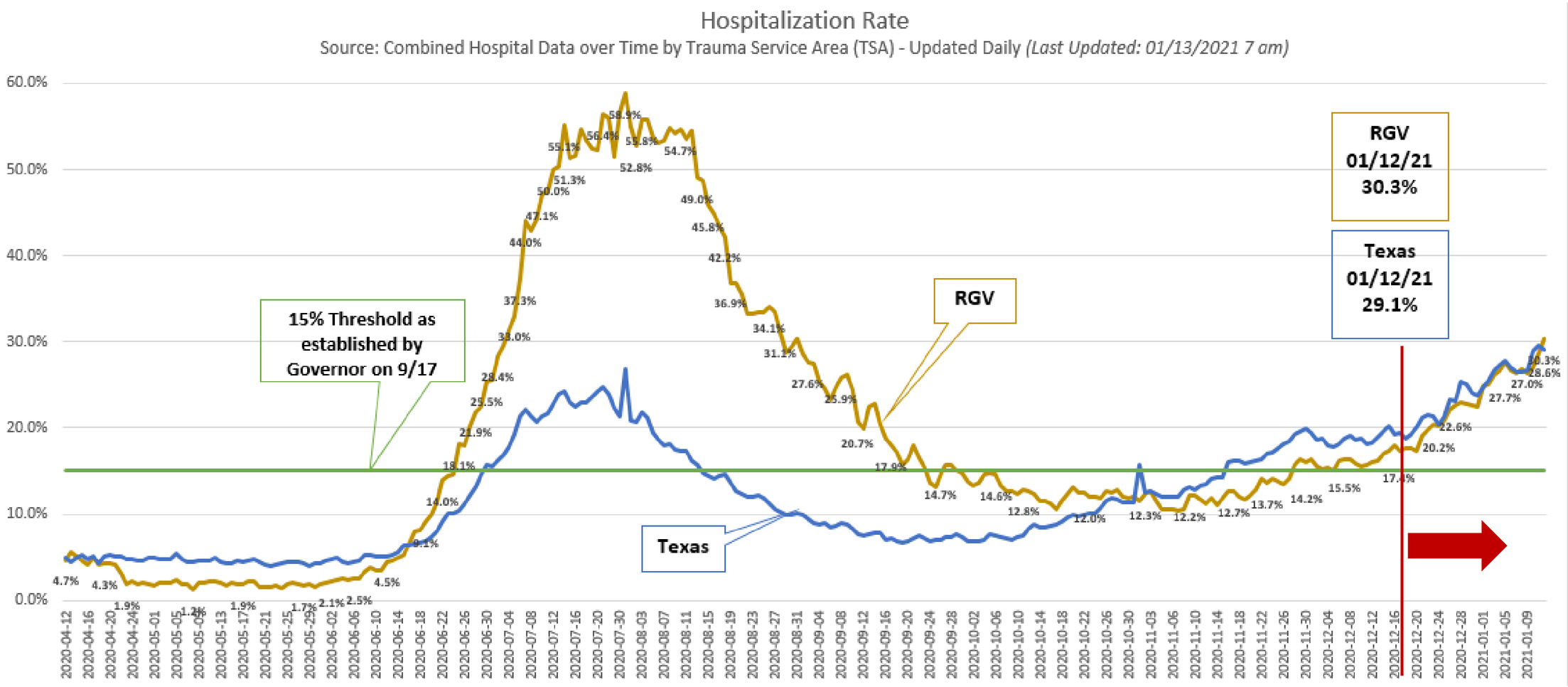
22 Trauma Service Areas



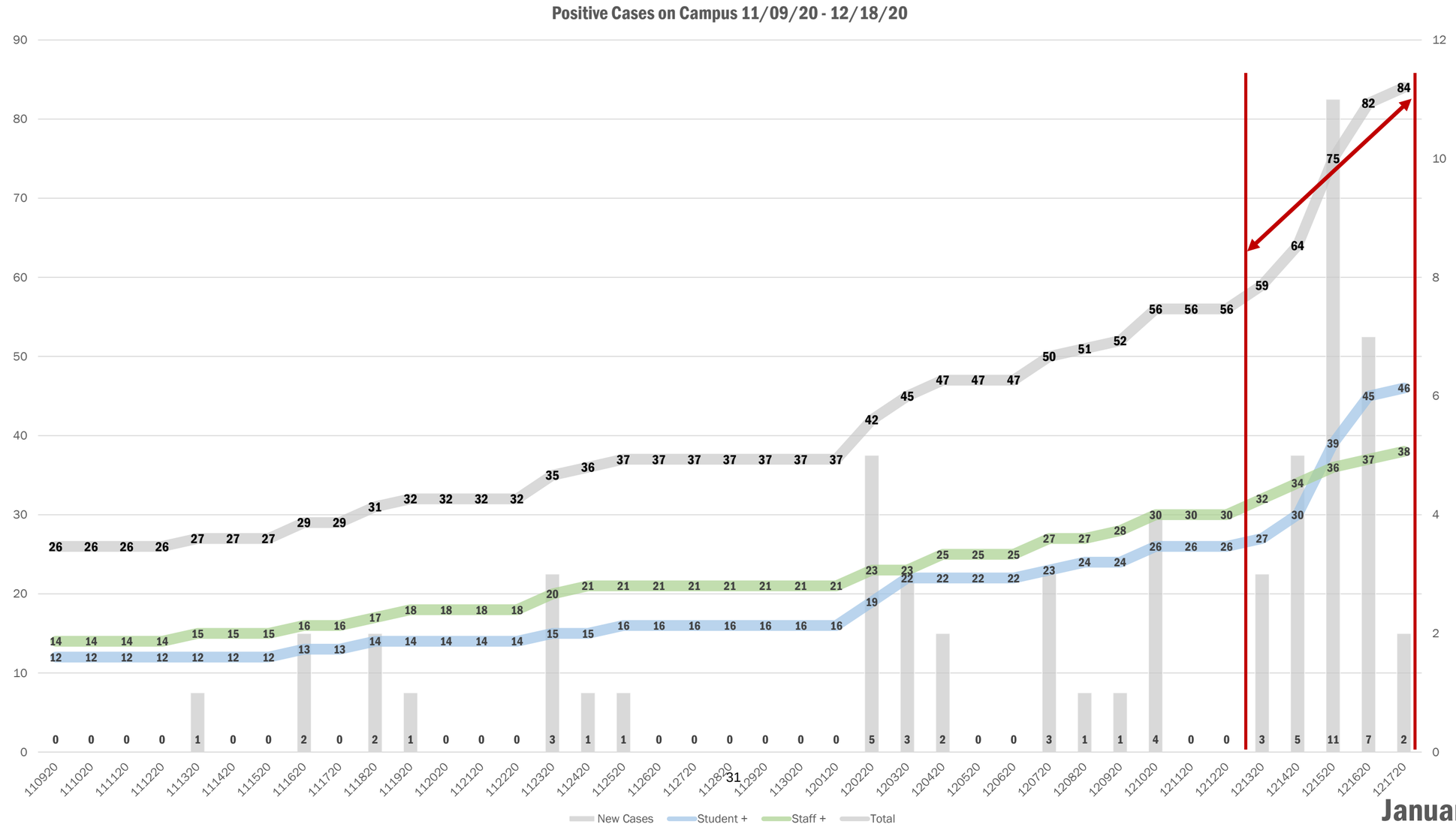
TSA ID	TSA AREA	2021-01-13	7-day trend	7-day trend
A.	Amarillo	37.3%		↑
B.	Lubbock	27.6%		↑
C.	Wichita Falls	16.5%		↓
D.	Abilene	32.3%		↑
E.	Dallas/Ft. Worth	29.6%		↑
F.	Paris	37.6%		↑
G.	Longview/Tyler	31.3%		↓
H.	Lufkin	38.0%		↑
I.	El Paso	26.5%		↑
J.	Midland/Odessa	20.7%		↓
K.	San Angelo	29.8%		↑
L.	Belton/Killeen	29.1%		↑
M.	Waco	41.2%		↑
N.	Bryan/College Station	38.2%		↑
O.	Austin	22.7%		↑
P.	San Antonio	28.9%		↑
Q.	Houston	24.2%		↑
R.	Galveston	24.2%		↑
S.	Victoria	38.4%		↑
T.	Laredo	53.9%		↑
U.	Corpus Christi	23.0%		↑
V.	Lower Rio Grande Valley	29.5%		↑
Total	Statewide Total	27.8%		↑

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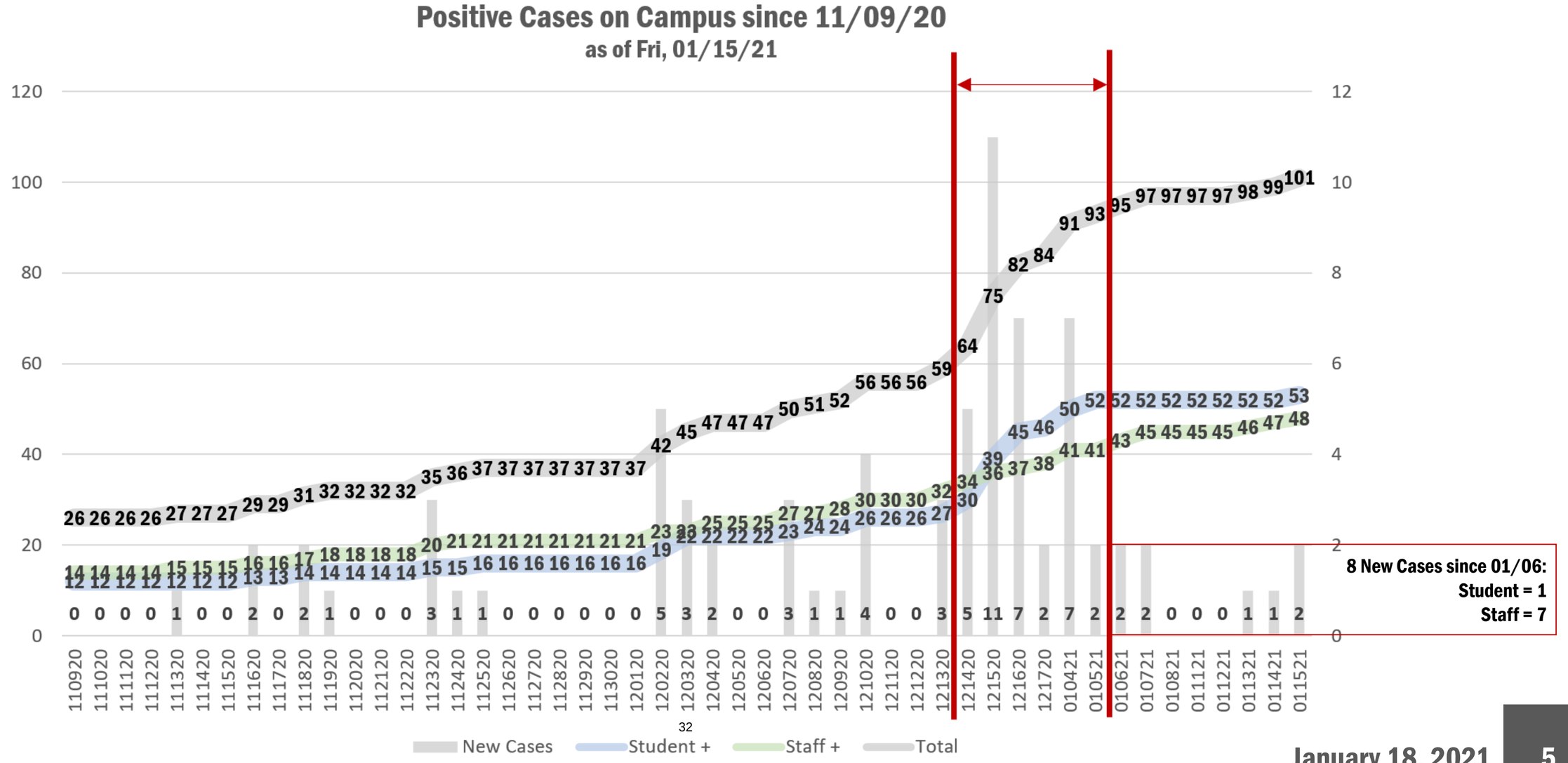
COVID-19 Data



Positive Cases on Campus



Positive Cases on Campus



Vaccine Populations

TEXAS Health and Human Services | Texas Department of State Health Services

What's Next with the COVID-19 Vaccine in Texas



"All providers that have received COVID-19 vaccine must immediately vaccinate healthcare workers, Texans over the age of 65, and people with medical conditions that put them at a greater risk of severe disease or death from COVID-19. No vaccine should be kept in reserve."

– DSHS Commissioner John Hellerstedt, M.D.

Texas continues to receive doses of the Pfizer and Moderna COVID-19 vaccines, and is distributing statewide to hospitals, pharmacies, local health departments, freestanding ERs and other clinics.

https://dshs.texas.gov/coronavirus/immunize/vaccine.aspx

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FDA Vaccine Information

Who can get the vaccine now?

Front-line healthcare workers and residents at long-term care facilities (called Phase 1A) plus people over 65 or with a chronic medical condition that puts them at increased risk for severe illness from COVID-19 (called Phase 1B) are currently eligible to receive the COVID-19 vaccine.

Phase 1B recipients include:

- People 65 years of age and older
- People 16 years of age and older with at least one chronic medical condition that puts them at increased risk for severe illness from the virus that causes COVID-19, such as but not limited to:
  - Cancer
  - Chronic kidney disease
  - COPD (chronic obstructive pulmonary disease)
  - Heart conditions, such as heart failure, coronary artery disease or cardiomyopathies
  - Solid organ transplantation
  - Obesity and severe obesity (body mass index of 30 kg/m2 or higher)
  - Pregnancy
  - Sickle cell disease
  - Type 2 diabetes mellitus

Vaccine Populations

EDUCATION

Texas State Teachers Association continues push to have school employees added to vaccine priority list

The group is also asking the governor to stop limiting school funding to schools based on attendance.



Author: **Drew Knight**
Published: **3:25 PM CST January 11, 2021**
Updated: **3:30 PM CST January 11, 2021**

AUSTIN, Texas — Gov. Greg Abbott on Monday was in Arlington, Texas, to provide an update on the State's efforts to expand access to the COVID-19 vaccine, namely announcing a strategy shift moving more vaccines to large vaccination hubs.

After his tour of an Arlington vaccine facility, the Texas State Teachers Association issued a response, asking the governor to end the policy requiring in-person instruction to receive state funding:

"The Texas State Teachers Association is disappointed that Gov. Greg Abbott has not added school employees to the COVID-19 vaccination priority list, and we continue to urge him to do so.

If TEA keeps the call on Thursday, Jan 14, 2021, we will update you if the Commissioner speaks to the vaccination plan for schools.

https://www.kcentv.com/article/news/education/texas-state-teachers-association-school-employees-vaccine-priority-list/269-68062acf-16ad-4195-bd02-c8ba67c06c63

Vaccine Allocations

TEXAS Health and Human Services | Texas Department of State Health Services

Final Week 1 Allocation December 12, 2020 11,700

UT Health RGV Edinburg	Edinburg	HIDALGO	1,950
Doctors Hospital at Renaissance	Edinburg	HIDALGO	5,850
South Texas Health System Mcallen	McAllen	HIDALGO	975
Rio Grande Regional Hospital	McAllen	HIDALGO	975
Mission Regional Medical Center	Mission	HIDALGO	1,950

Week 2 December 19 13,900

Heb Pharmacy 421	1211 Hwy 83e	Alamo	HIDALGO	100
Los Alamos Family Medical Center	427 E Duranta Ave	Alamo	HIDALGO	600
Cornerstone Regional Hospital	2302 Cornerstone Blvd	Edinburg	HIDALGO	200
Doctors Hospital at Renaissance	5501 South McColl Road	Edinburg	HIDALGO	3000
Edinburg Cisd School Based Health Center	1601 E Sprague St	Edinburg	HIDALGO	500
HEB Pharmacy 172	1212 S Closner Blvd	Edinburg	HIDALGO	100
HEB Pharmacy 431	2700 W Freddy Gonzalez Dr	Edinburg	HIDALGO	100
Lhd Hidalgo County Health Department (Re)	1304 S 25th Ave	Edinburg	HIDALGO	1100
Yvonne Bracamontes MD PA	3111 Center Pointe Drive Suit B	Edinburg	HIDALGO	100
HEB Pharmacy 677	512 East Edinburg Ave	Elsa	HIDALGO	100
Saenz Medical Center	1000 E. Exp 83	La Joya	HIDALGO	500
FAMILY PHYSICIANS CLINIC, LLP	606 S BROADWAY ST	McAllen	HIDALGO	500
HEB Pharmacy 212	3200 N 10th St	McAllen	HIDALGO	100
Heb Pharmacy 334	3601 Pecan Blvd	McAllen	HIDALGO	100
HEB Pharmacy 590	901 Trenton Rd	McAllen	HIDALGO	100
HEB Pharmacy 702	200 W Expressway 83	McAllen	HIDALGO	100
Hidalgo county health human service	300 East hackberry	McAllen	HIDALGO	1500
LONESTAR NEURO DIAGNOSTICS AND REHAB	4900 N 10TH ST.	McAllen	HIDALGO	100
Sanlucas Family Health Clinic	1720 Pecan Blvd	McAllen	HIDALGO	500
Valley Medical Art Clinic	5201 N 10th St	McAllen	HIDALGO	500
UTHEALTH RGV Family Health	2810 W. Expressway 83	Mercedes	HIDALGO	400
Heb Pharmacy 226	Conway And 8th St	Mission	HIDALGO	100
HEB Pharmacy 448	2206 W Palma Vista	Mission	HIDALGO	100
HEB Pharmacy 571	200 E Griffin Pkwy	Mission	HIDALGO	100
Heb Pharmacy 674	120 E Mile 3 Rd	Mission	HIDALGO	100
HEB Pharmacy 94	2409 East Expressway 83	Mission	HIDALGO	100
Hidalgo County Hhs Mission	211 N. Schuerbach Rd	Mission	HIDALGO	500
Medina Clinic - Mission	1924 E Griffin Pkwy	Mission	HIDALGO	100
Heb Pharmacy 642	1300 S Cage Blvd	Pharr	HIDALGO	100
Hidalgo County Health and Human Services Pharr	300 W. Hall Acres Rd	Pharr	HIDALGO	300
norma iglesias m.d. and assoc	712 SOUTH CAGE BLVD	Pharr	HIDALGO	500
PHARR CHILDRENS DAY AND NIGHT CLINIC	807 NORTH CAGE	Pharr	HIDALGO	100
HEB Pharmacy 38	901 W Expressway 83	San Juan	HIDALGO	100
Norma Igelsias Md And Associates	1205 N Raul Longoria Rd Ste H	San Juan	HIDALGO	500
Heb Pharmacy 231	1004 N Texas Ave	Weslaco	HIDALGO	100
HEB Pharmacy 485	310 N Westgate Dr	Weslaco	HIDALGO	100
Hidalgo County Hhs Weslaco	1901 N. Bridge Ave.	Weslaco	HIDALGO	100
Knapp Medical Center	1401 E 8th St	Weslaco	HIDALGO	600

https://dshs.texas.gov/coronavirus/immunize/vaccine.aspx

Week 3 December 26 2,575

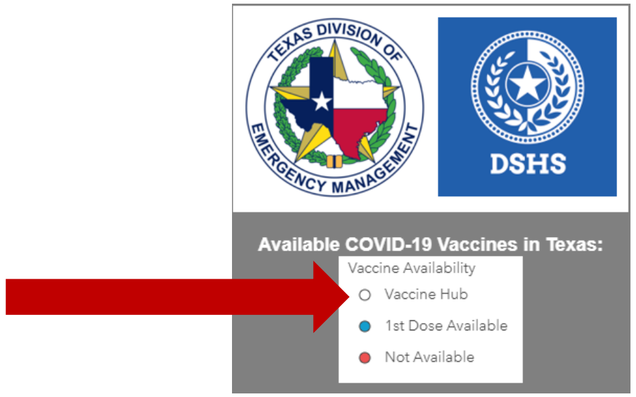
Cornerstone Regional Hospital	2302 Cornerstone Blvd	Edinburg	HIDALGO	100
Doctors Hospital at Renaissance	5501 South McColl Road	Edinburg	HIDALGO	800
Edinburg Regional Medical Center	1102 W. Trenton Road	Edinburg	HIDALGO	100
Hidalgo County Hhs Edinburg	3105 E. Richardson Road	Edinburg	HIDALGO	100
Ut Health Rgv Employee Health Edinburg	1210 W Schunior St	Edinburg	HIDALGO	975
Solara Speciality Hospitals McAllen	301 W. Expressway 83	McAllen	HIDALGO	200
Mission Regional Medical Center	900 S Bryan Rd	Mission	HIDALGO	300

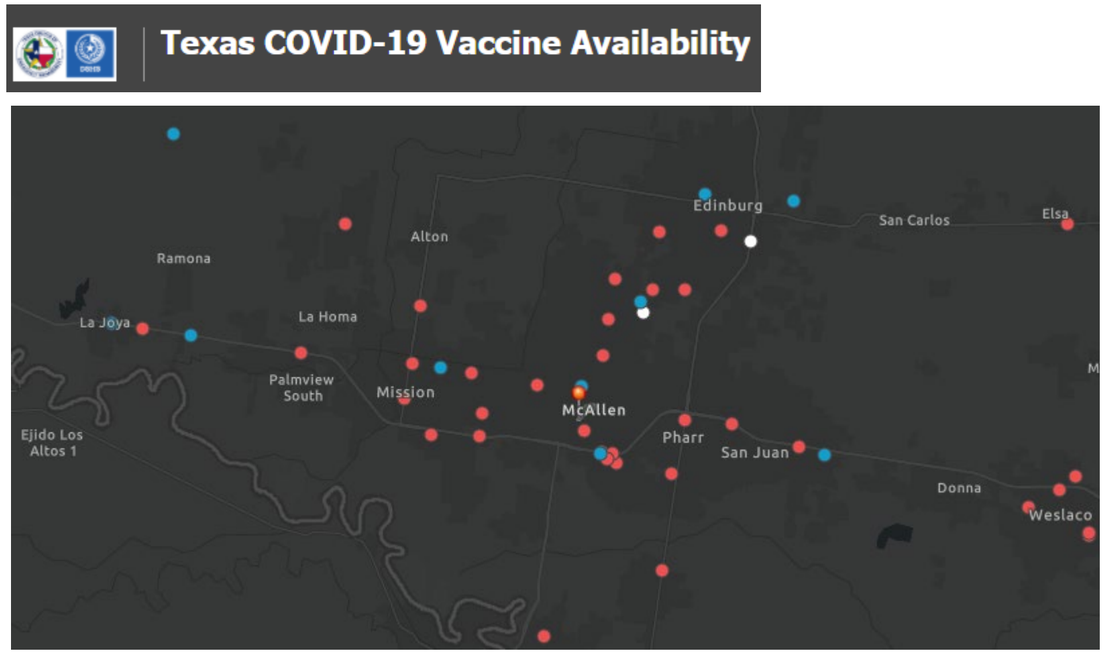
Week 4 January 2 4,450

Ut Health Rgv Employee Health Edinburg	1210 W Schunior St	Edinburg	HIDALGO	1950
Yvonne Bracamontes MD PA	3111 Center Pointe Drive Suit B	Edinburg	HIDALGO	500
Hidalgo County HHS Hidalgo	702 E Ramon Ayala Dr	Hidalgo	HIDALGO	100
Ashley Pediatrics Day And Night Clinic La Joya	328 A E. Expressway 83	La Joya	HIDALGO	100
Lees Pharmacy North	5120 N 10th St	McAllen	HIDALGO	100
Mcallen Oncology	5401 N G St	McAllen	HIDALGO	100
South Texas Health System Heart	1900 South D Street	McAllen	HIDALGO	400
Argenal Pediatrics And Family Care	516 N Shary Rd	Mission	HIDALGO	100
Clinica Sagrado Corazon	3401 W Mile 5 Rd Ste 1	Mission	HIDALGO	100
La Joya's Neighborhood Doctors	2121 E Griffin Pkwy	Mission	HIDALGO	100
Rawls Rx, LLC	1112 E. Griffin Pkwy	Mission	HIDALGO	100
Ashley Pediatrics Day And Night Clinic	17927 Washington Palm Dr	Penitas	HIDALGO	100
Eduardo Guzman Md	2308 Hwy 83 Ste F	Penitas	HIDALGO	100
Industrial Health Works	6201 South Cage Blvd	Pharr	HIDALGO	100
norma iglesias m.d. and assoc	712 SOUTH CAGE BLVD	Pharr	HIDALGO	100
Norma Iglesias Md And Associates	1205 N Raul Longoria Rd Ste H	San Juan	HIDALGO	200
Nuestra Clinica del Valle Inc.	801 W. 1st Street	San Juan	HIDALGO	100
Wellmed Management	1001 James St	Weslaco	HIDALGO	100

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Vaccine Allocations





https://dshs.texas.gov/coronavirus/immunize/vaccine.aspx

Vaccine Allocations

TEXAS Health and Human Services | Texas Department of State Health Services

COVID-19 Vaccination Hub Providers

The week of January 11, Texas will direct most COVID-19 vaccines received to large sites or hubs around the state to vaccinate more than 100,000 people. The goal of this plan is to provide more people the vaccine and a simpler way to sign up for an appointment.

All Phase 1A and 1B individuals are eligible to receive a vaccine at these hubs, regardless of where they reside.

- Phase 1A: Front-line healthcare workers and residents at long-term care facilities
- Phase 1B: People over 65 or with a chronic medical condition that puts them at increased risk for severe illness from COVID-19

Jan 11, 2021
Shift from small providers to larger scale hub providers

HIDALGO	Doctors Hospital at Renaissance	956-362-8800	https://www.dhrhealth.com/patients-and-visitors/coronavirus-advisory
HIDALGO	Hidalgo County Health and Human Services	956-292-7765	https://www.hidalgocounty.us/1032/Health-and-Human-Services

https://dshs.texas.gov/coronavirus/immunize/vaccine.aspx

Vaccine Allocations

TEXAS Health and Human Services | Texas Department of State Health Services

Week 5 January 9 11,500

Week 5 Texas COVID-19 Vaccine Allocation - Hub Providers

Doctors Hospital at Renaissance	5501 South McColl Road	Edinburg	HIDALGO	0	6500	6500
Hidalgo County Health and Human Services	1304 S 25th Ave	Edinburg	HIDALGO	0	5000	5000

non-Hub Providers 500

UTHealth RGV PRIMARY CARE	230 N. 86TH ST	Edinburg	HIDALGO	0	100	100
South Texas Health System Mcallen	301 W Expressway 83	McAllen	HIDALGO	0	200	200
Mission Regional Medical Center	900 S Bryan Rd	Mission	HIDALGO	0	200	200

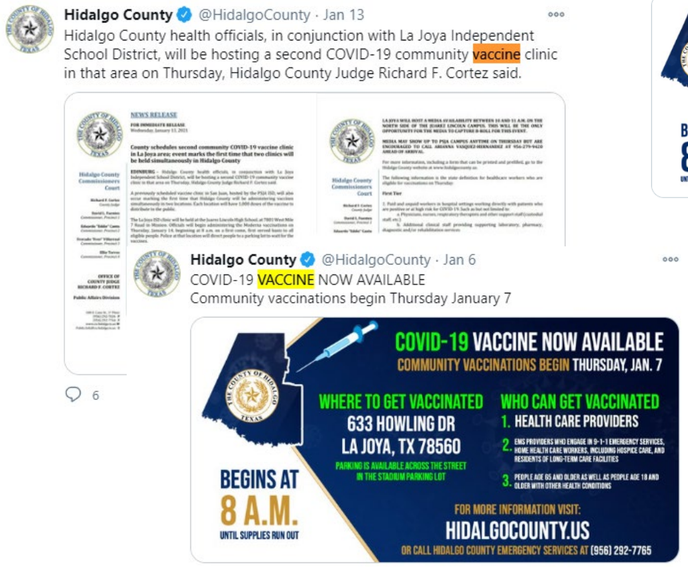
	Vaccines Allocated
Week 1 Dec 12	11,700
Week 2 Dec 19	13,900
Week 3 Dec 26	02,575
Week 4 Jan 02	04,450
Week 5 Jan 09	12,000
Total	44,625

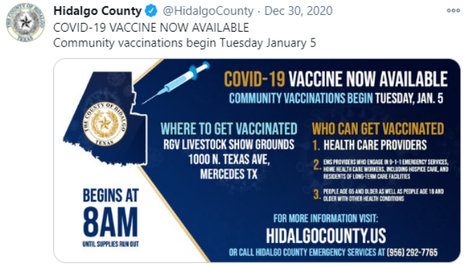
https://dshs.texas.gov/coronavirus/immunize/vaccine.aspx

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Vaccine Sites

- Vaccine Providers
- Vaccine Hubs
  - Hidalgo County
  - DHR





Doctors Hospital at Renaissance confirms they will be hosting a mass vaccine clinic on Tuesday, January 12, 2021 at Bert Odgen Arena, 4900 S. I-69. Registration for that event is required. More information about that event will be posted as soon as it becomes available.

Operation Lone Star provides free medical, dental and vision services during its annual emergency preparedness exercise -

Statesman

Operation Lone Star provides free medical, dental and vision services during its annual emergency preparedness exercise

Posted Jul 22, 2019 at 4:37 PM

MISSION – For over 20 years, residents of the Rio Grande Valley have come to rely on the free medical care provided during Operation Lone Star. With locations in Cameron, Hidalgo, Starr and Webb counties, the medical personnel see more than 1,000 people daily. For some, this annual emergency preparedness exercise is their only opportunity to see a physician.

The weeklong exercise will be held Monday through Thursday from 8 a.m. to 3:30 p.m. and from 8 a.m. to 2 p.m. on Friday, July 26. The free medical services include: immunizations for children; diabetic screening; blood pressure screening; dental and vision exams for prescription glasses for adults and children, and sports physicals.

The locations in Hidalgo County are Juarez-Lincoln High School, 7801 West Mile 7 Rd. in Mission and PSJA Early College High School, 805 West Ridge Rd in San Juan. In addition to medical services, the two Hidalgo County sites will also offer dental services and vision exams for adults and children.

Operation Lone Star is a public health emergency preparedness exercise. Held annually, it is a joint collaborative effort between local, state, federal and private partners, including Hidalgo County, the Texas Department of State Health Services, Texas Military Forces, Remote Area Medical Volunteer Corps, health departments from Hidalgo County, Cameron County, the City of Laredo; and the La Joya and PSJA school districts.

https://www.statesman.com/news/20190722/operation-lone-star-provides-free-medical-dental-and-vision-services-during-its-annual-emergency-preparedness-exercise

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Vaccine Plan

- Continue ongoing discussions and plans with county hubs (Hidalgo County & DHR) & City to assist with the distribution of vaccines.
  - MOU with County
  - 1A, 1B groups will include some school employees.
- Continue to advocate for school employees to be prioritized to receive vaccine.

Multiple strategies:

1. With vaccine allocation from the County - City provides site and logistics support. MISD provides personnel to administer vaccine.
2. With vaccine allocation from the County - MISD provides site, logistics and personnel to administer vaccine.
3. Submit proposal to have districts, that are willing, become vaccine providers. This model would have the school district as a provider with partnership with local hubs.
   - Ideally, district would be able to provide vaccines for all school employees.
   - At a minimum, district would be able to provide vaccines for 1A and 1B populations.

Stay Safe and Thank you.

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding David Crockett – Administrative Annex Improvements by City of McAllen

REFERENCE: Goal 3: Facilities Priorities; Strategy 3: Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

McAllen ISD signed a interlocal agreement with City of McAllen on March, 2014, designating the park at the David Crockett-Administrative Annex as a City School Park. The building is currently used by the Police Department and various Instructional Services departments including but not limited to Fine Arts, Special Education, and the Migrant Program.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

City of McAllen representatives will present a proposal for planned improvements to the Crockett City School Park.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

None required.

RECOMMENDED BOARD ACTION:

This report is submitted for information purposes only.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (Jan 13, 2021 14:26 CST)

For further information contact:
Name: Arely Benavides
Office: 956.688.5445
eMail: arely.benavides@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

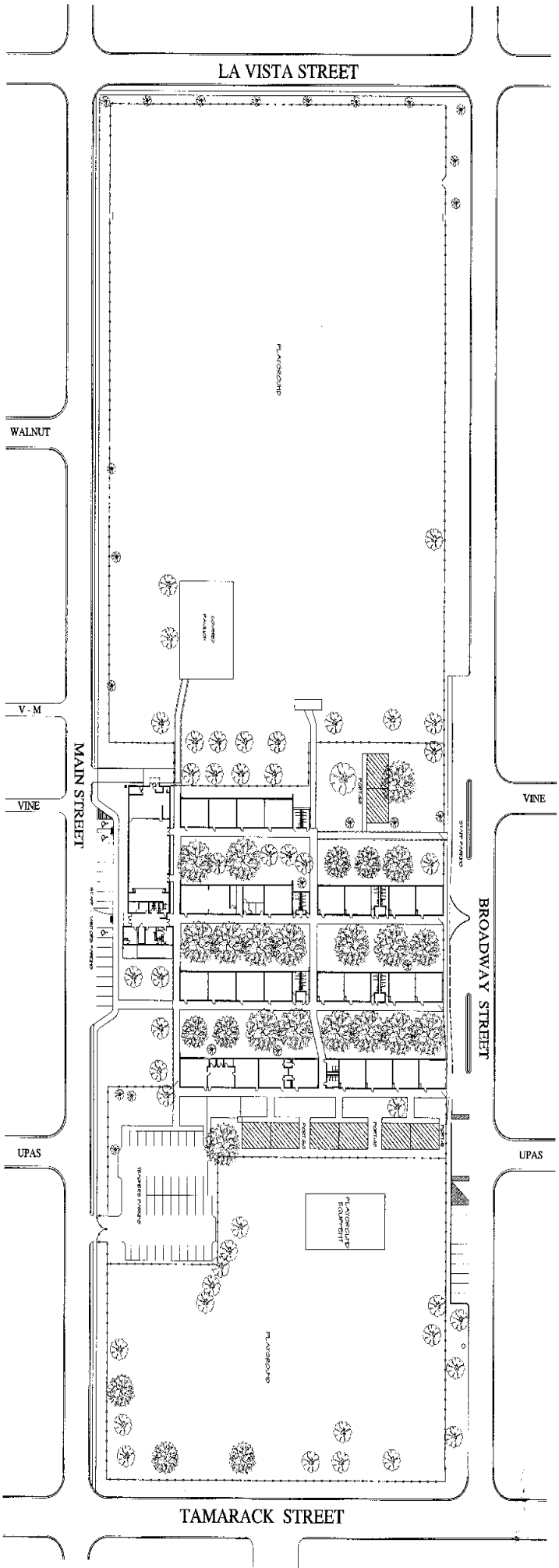
Crockett Park 2021

City of McAllen

Parks and Recreation

District 5

C:\MCISYS\SCHOOLS\Elementary Schools\Crockett\cro site.dwg Thu Dec 29 09:08:24 1999 Plot by Lionel Frederick



EXISTING SITE PLAN
SCALE : 1" = 50'
NORTH

CROCKET

SHEET NO. 1 OF

PROJECT NAME
CROCKETT ELEMENTARY SCHOOL
2112 N. MAIN STREET
McALLEN, TEXAS
DRAWING NAME:
EXISTING SITE PLAN

McALLEN
INDEPENDENT SCHOOL DISTRICT
FACILITY PLANNING SERVICES

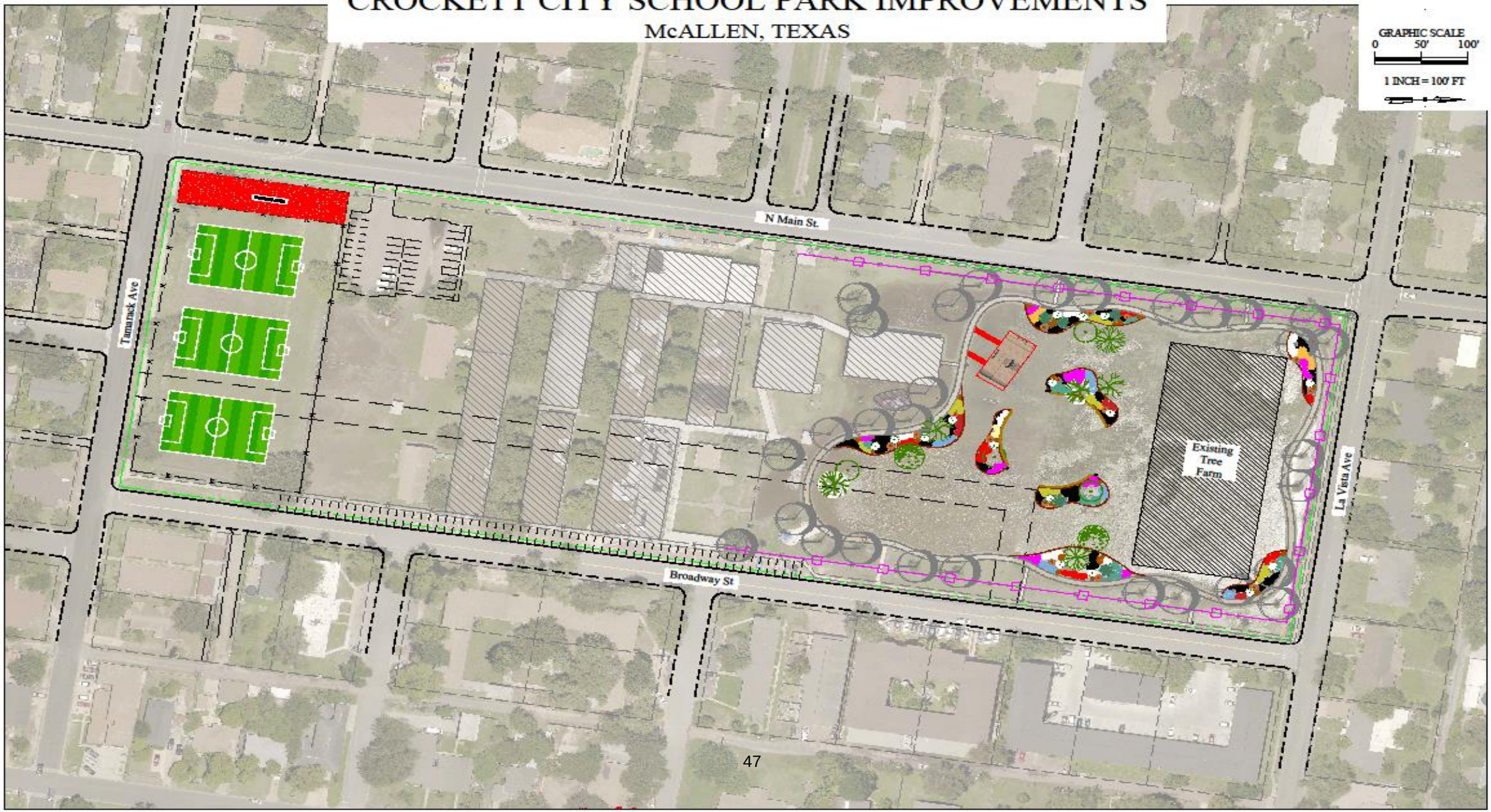
DESIGN BY:	DRAWING BY: LIONEL FREDERICK	SCALE: AS SHOWN	DATE DRAWN:
DATE	REVISIONS		




Crockett Elementary School
Vine Ave
N 12th St
N Broadway St
Lavista Ave
Image Landsat / Copernicus
Google Earth
26°13'31.08" N 98°13'55.03" W elev 146 ft eye alt 987 ft

CROCKETT CITY SCHOOL PARK IMPROVEMENTS

McALLEN, TEXAS



CROCKETT CITY SCHOOL PARK IMPROVEMENTS

McALLEN, TEXAS



CROCKETT CITY SCHOOL PARK IMPROVEMENTS

McALLEN, TEXAS







SPOHN RANCH SKATEPARKS

CITY OF McALLEN

CROCKETT PARK SKATEPARK
CONCEPT DESIGN - OPTION 3

COPYRIGHT 2020

CROCKETT CITY SCHOOL PARK IMPROVEMENTS

McALLEN, TEXAS



LANDSCAPE SCHEDULE			
SYMBOL	COMMON NAME	SCIENTIFIC NAME	QUANTITY
	TEXAS PERSIMMON	DIOSPYROS TEXANA	2 EA
	ANACUA TREE	EHRETIA ANACUA	2 EA
	TEXAS EBONY	EBENOPSIS EBANO	2 EA
	CEDAR ELM TREE	ULMUS CRASSIFOLIA	4 EA
	HUISACHE TREE	VACHELLIA FARNESIANA	2 EA
	SABAL PALM	SABAL PALMETTO	5 EA
	GRANJENO	CELTIS EHRENBERGIANA	16 EA
	FIDDLEWOOD	CITHAREXYLUM SPINOSUM	16 EA
	TEXAS LANTANA	LANTANA URTICOIDES	AS PER PLAN
	MEXICAN BUSH SAGE	SALVIA LEUCANTHA	AS PER PLAN
	SCARLET SAGE	SALVIA SPLENDENS	AS PER PLAN
	TURK'S CAP	MALVAVISCUS ARBOREUS	AS PER PLAN
	WHITE PLUMBAGO	PLUMBAGO AURICULATA	AS PER PLAN
	BLUE MISTFLOWER	CONOCLINIUM COELESTINUM	AS PER PLAN
	WHITE BRUSH	VERVAIN	AS PER PLAN
	YELLOW SOPHORA	SOPHORA TOMENTOSA	AS PER PLAN
	VIOLET WILD PETUNIA	RUELLIA SIMPLEX	AS PER PLAN
	BOULDER	—	AS PER PLAN
	BOULDER	—	AS PER PLAN

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding Facilities, Maintenance & Operations Monthly Projects

REFERENCE: Goal 3: Facilities Priorities; Strategy 3: Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
A monthly report from Facilities, Maintenance & Operations Department about various projects throughout the District is presented every month. Topics highlighted this month include:

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
Ongoing Projects: Lamar Phase II Restroom Partition Replacements and Painting Second Floor
McAuliffe Front Office Remodel in Progress
Memorial Tennis Courts
Intercom Replacements (9)
Veterans Memorial Stadium Press Box
Lamar Old Nurses Office Remodel
Fire Alarm Replacements (6)
Staff Development Portable Remodel In Progress
Agricultural Learning Center In Progress

Projects Completed: -McHigh Baseball Fence - Memorial HS Ag Welding Shop
Upcoming Projects: -Culinary Arts Lab - McHigh HVAC Upgrades Ph II
-McHigh Door Replacements - Houston ES Playground Upgrades
-Memorial Roof -HVAC Upgrades Rowe & Lamar
-Rowe Softball Lighting -Travis MS & Houston ES Roof

Hidalgo County WiFi Project at Blanca E. Sanchez ES
FMO Warehouse Supporting Remote Learning Devices Delivered: Total 172
Air Purification Systems
Submitted/Completed Workorders: December 541 / 1,250

LEGAL REVIEW:
None required.

BUDGETARY CONSIDERATIONS:
None required.

RECOMMENDED BOARD ACTION:
The Report Regarding Facilities, Maintenance & Operations is submitted for information purposes only.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (Jan 13, 2021 15:42 CST)

For further information contact:
Name: Ruben Trevino
Office: (956) 632-3200
eMail: ruben.trevino@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

Report Regarding

Facilities Maintenance & Operations Projects



53

January 18, 2021

Report Regarding
Facilities Maintenance & Operations Projects

Ongoing Projects:

- Lamar Phase II Restroom Partition Replacements and Painting Second Floor
- McAuliffe Front Office Remodel In Progress
- Memorial Tennis Courts
- Intercom Replacements (9)
- Veterans Memorial Stadium Press Box
- Lamar Old Nurses Office Remodel
- Fire Alarm Replacements (6)





Report Regarding
Facilities Maintenance & Operations Projects

Staff Development Portable Remodel In Progress





Report Regarding
Facilities Maintenance & Operations Projects

Agricultural Learning Center In Progress









Report Regarding
Facilities Maintenance & Operations Projects

Projects Completed

- McHi Baseball Fence
- Memorial HS Ag Welding Shop





57

Report Regarding
Facilities Maintenance & Operations Projects

Upcoming Projects:

- Culinary Arts Lab
- McHi Door Replacements
- Memorial Roof
- Rowe Softball Lighting
- McHi HVAC Upgrades Ph II
- Houston ES Playground Upgrades
- HVAC Upgrades Rowe & Lamar
- Travis MS & Houston ES Roof
- Possible New Board Room at Staff Development

Report Regarding
Facilities Maintenance & Operations Projects

Hidalgo County WiFi Project
at
Blanca E. Sanchez ES





Report Regarding
Facilities Maintenance & Operations Projects

FMO Warehouse Supporting Remote Learning

Devices Delivered

Thursday, January 7, 2021	49
Friday, January 8, 2021	31
Monday, January 11, 2021	37
Tuesday, January 12, 2021	30
Wednesday, January 13, 2021	25
Total [60]	172



Report Regarding
Facilities Maintenance & Operations Projects

Air Purification Systems









Report Regarding
Facilities Maintenance & Operations Projects

Work Orders Submitted/Completed

December

541 / 1,250





BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding the School Board Elections to be held May 1, 2021

REFERENCE: None

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The McAllen Independent School District Board of Trustees consists of seven members serving terms of four years, with elections held biennially. The Election for places 1, 2, 4, and 5 shall be held in 2023, 2027 and in four-year intervals thereafter. The Election for places 3, 6, and 7 shall be held in 2021, 2025, and 2029 and in four-year intervals thereafter. School Board Elections for Places 3, 6, and 7 will be held on May 1, 2021.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The District has begun accepting applications for candidacy on Wednesday, January 13, 2021 at 8:00 a.m. and will end on Friday, February 12, 2021 at 5:00 p.m. Applications may be filed in person.

LEGAL REVIEW:

None

BUDGETARY CONSIDERATIONS:

None

RECOMMENDED BOARD ACTION:

This Report Regarding the School Board Elections to be held May 1, 2021 is submitted to the Board for informational purposes only and requires no Board action.

SUBMITTED BY: _____ **SUPERVISOR:** _____

For further information contact:
Name: John L. Wilde
Office: Student Support Services (956) 618-6031
eMail: john.wilde@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 12, 2021

Report Regarding the School Board Elections to be held May 1, 2021

Report Regarding the School Board Elections to be held May 1, 2021

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The McAllen Independent School District Board of Trustees consists of seven members serving terms of four years, with elections held biennially.

1. The Election for places 1, 2, 4, and 5 shall be held in 2023, 2027 and in four-year intervals thereafter.
2. The Election for places 3, 6, and 7 shall be held in 2021, 2025, and 2029 and in four-year intervals thereafter. School Board Elections for Places 3, 6, and 7 will be held on May 1, 2021.

McALLEN INDEPENDENT SCHOOL DISTRICT

Report Regarding the School Board Elections to be held May 1, 2021

Candidate Filing Date:

Opens – Wednesday, January 13, 2021	8:00 am at 2200 Tamarack Ave., Portable #69
Closes – Friday, February 12, 2021	5:00 pm at 2200 Tamarack Ave., Portable #69

Early Voting:

Opens – Monday, April 19, 2021
Closes – Tuesday, April 27, 2021

Early Voting Schedule:

Monday, April 19, 2021 to Saturday, April 24, 2021	7:00 am – 7:00 pm
Sunday, April 25, 2021	CLOSED
Monday, April 26, 2021 to Tuesday, April 27, 2021	7:00 am – 7:00 pm

Early Voting Locations:

Fireman's Pumphouse	Lark Community Center	Palm View Community Center
201 North 1st Street	2601 Lark Avenue	3401 Jordan Road

66

Report Regarding the School Board Elections to be held May 1, 2021

Election Day:

Saturday, May 1, 2021	7:00 am – 7:00 pm

Election Day Polling Locations

○ Leonelo H. Gonzalez Elementary	201 East Martin Avenue
○ McAllen High School	2021 La Vista Avenue
○ Victor Fields Elementary	500 West Dallas Avenue
○ Achieve Early College High School at Lincoln	1601 N 27th Street
○ Lark Community Center	2601 Lark Avenue
○ Palm View Community Center	3401 Jordan Road

Report Regarding the School Board Elections to be held May 1, 2021

Elections Timeline:

○ Post Notice for Candidacy	Monday, December 14, 2020
○ Hidalgo County Elections Questionnaire Filled out and Submitted	Wednesday, December 16, 2020
○ First Day to File for Place on Ballot at 2200 Tamarack Ave., Portable #69	Wednesday, January 13, 2021 @ 8:00 am
○ Post Notice of Drawing for Ballot at Central Office and Website	Friday, February 12, 2021
○ Last Day to File for Place on Ballot at 2200 Tamarack Ave., Portable #69	Friday, February 12, 2021 @ 5:00 pm
○ Last Day to Order General Election	Friday, February 12, 2021 @ 5:00 pm
○ First Day to Apply for Ballot by Mail	Tuesday, January 1, 2021
○ Candidate withdrawal deadline	Friday, February 19, 2021 @ 5:00 pm
○ Drawing for Place on Ballot	Wednesday, February 17, 2021 @ 5:00 pm
○ Last Day to Register to Vote	Thursday, April 1, 2021
○ First Campaign Finance Report (C/OH – Candidate/Officeholder) due	Thursday, April 1, 2021
○ First Day of Early Voting	Monday, April 19, 2021
○ Second Campaign Finance Report (C/OH - Candidate/Officeholder) due	Friday, April 23, 2021
○ Last Day of Early Voting	Tuesday, April 27, 2021
○ Election Day	Saturday, May 1, 2021
○ Board of Trustees meet to Canvass Elections, New Trustees are Sworn In	Date Pending

Additional Election Information can be found at: https://www.mcallenisd.org/page/2021-school-board-elections

Report Regarding the School Board Elections to be held May 1, 2021

Hidalgo County Elections Cost:

- 2021 - Pending (Projected cost +/- $51,000.00)
- 2019 - $51,185.30 (Polling Site hours were changed to 7:00 am – 7:00 pm)
- 2017 - $39,334.05 (Polling Site hours were only from 8:00 am – 5:00 pm)
- 2015 - $71,811.10 (Bond Election)

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding Blue Cross Blue Shield's (BCBS) Telehealth Expansion Option

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
McAllen ISD currently offers telehealth services to its employees via MDLive, and has since January 1, 2019. This MDLive option was included as part of Salazar's Insurance and Colonial Life's package of supplemental insurance products awarded via Request for Proposals, and offers employee's and non-covered dependents zero cost virtual office visits.

Prior to the COVID-19 Pandemic, the district's health plan through BCBS did not offer a telehealth benefit. Starting on April 1, 2020, in response to the COVID-19 pandemic, BCBS offered self-funded groups the option to include telehealth coverage temporarily. This provided our employees with coverage when they visited with their Doctor via a computer or phone (versus a typical office visit). Telehealth visits were covered at 100% by the district's self-funded plan. Effective December 31, 2020, the BCBS telehealth expansion option for self-funded plans expired.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
Administration is currently coordinating with both BCBS, and with Valley Risk Consulting, to possibly amend our health care agreement with BCBS to include telehealth services. Administration is expecting to receive communications from BCBS very soon to let us know if we will be able to amend our health plan document, timeline of any changes, and if the change is subject to plan benefits (co-pay, etc.).

LEGAL REVIEW:
None

BUDGETARY CONSIDERATIONS:
None

RECOMMENDED BOARD ACTION:
This Report Regarding Blue Cross Blue Shield's (BCBS) Telehealth Expansion Option is submitted to the Board of Trustees for informational purposes only and requires no Board action.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools Jan 15, 2021

Report Regarding Blue Cross Blue Shield (BCBGS) Telehealth Expansion Option

MDLive:

- District has offered telehealth services through MDLive since January 1, 2019
- Offers employees and non-covered dependents zero cost virtual office visits

Pre-COVID-19:

- Health plan through BCBS did not offer a telehealth option
- April 1, 2020: BCBS started offering self-funded groups option for telehealth coverage temporarily.
  - Visits were covered at 100% by the district's self-funded plan
- December 31, 2020: BCBS telehealth expansion option for self-funded plans expired

Current actions:

- Coordinating with BCBS and VRC to amend our health care agreement to include telehealth services

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding the Monthly Financial and Quarterly Investment Report for November 2020

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

CDA Local requires the submission of an investment report at least quarterly. In addition, the District has a Board directive to supply monthly financial information.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The monthly financial reflects the following:

-General Fund Comparison of Budget to Revenues, Expenditures and Encumbrances

-Quarterly Investment Report

LEGAL REVIEW:

Not required.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

The Report Regarding the Monthly Financial and Quarterly Investment Report for November 2020 is submitted to the Board for information purposes only and requires no Board action.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
Email: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

COMPARISON OF BUDGET TO REVENUES, EXPENDITURES AND ENCUMBRANCES
FOR THE MONTH OF NOVEMBER 30, 2020

	A APPROVED BUDGET 2019-20 11/30/19	B YTD ACTUAL 07/01/19 TO 11/30/19	C APPROVED BUDGET 2020-21 11/30/20	D YTD ACTUAL 07/01/20 TO 11/30/20	E DIFFERENCE C - D	F OUTSTANDING ENCUMBRANCES 12/01/20 TO 06/30/21	G YTD REVENUES, EXPENSES AND ENCUMBRANCES D + F	H BUDGET LESS EXPENSES AND ENCUMBRANCES C - G
REVENUES:								
LOCAL AND INTERMEDIATE SOURCES	$5,114,028	$2,292,611	$4,438,089	$896,505	$3,541,584		$896,505	$3,541,584
PROPERTY TAXES	80,312,155	8,570,398	79,823,682	8,511,579	71,312,103		8,511,579	71,312,103
STATE PROGRAM REVENUES	141,082,125	72,422,018	137,774,797	69,824,116	67,950,681		69,824,116	67,950,681
FEDERAL PROGRAM REVENUES	20,310,258	7,105,530	21,266,401	6,708,764	14,557,637		6,708,764	14,557,637
OTHER RESOURCES/NON-OPERATING REVENUES	5,873,624	890,701	4,296,271	4,242,974	53,297		4,242,974	53,297
SUB TOTAL	$252,692,190	$91,281,259	$247,599,240	$90,183,938	$157,415,302		$90,183,938	$157,415,302
EXPENDITURES:								
11 INSTRUCTION	$139,608,107	$47,264,097	$130,660,492	$49,847,586	$80,812,906	$65,504,174	$115,351,760	$15,308,732
12 INST. RES. & MEDIA SERVICES	3,674,080	1,393,208	3,611,778	1,477,644	2,134,134	1,814,345	3,291,988	319,790
13 CURRICULUM DEV. & INST. STAFF DEV.	4,453,868	1,354,397	5,056,335	1,696,757	3,359,578	1,753,739	3,450,495	1,605,840
21 INST. LEADERSHIP	3,364,109	1,042,428	3,344,970	1,073,909	2,271,061	1,416,982	2,490,891	854,079
23 SCHOOL LEADERSHIP	13,478,013	5,482,897	13,799,679	5,719,071	8,080,608	7,034,721	12,753,792	1,045,887
31 GUID., COUNSELING & EVAL. SER.	10,278,590	3,624,624	9,971,408	3,741,319	6,230,089	5,064,815	8,806,133	1,165,275
32 SOCIAL WORK SERVICES	1,734,483	597,490	1,943,243	763,055	1,180,188	1,009,585	1,772,640	170,603
33 HEALTH SERVICES	3,117,966	1,138,942	3,114,048	1,169,808	1,944,240	1,566,998	2,736,806	377,242
34 STUDENT (PUPIL) TRANS.	5,021,596	1,614,714	4,814,124	1,505,938	3,308,186	1,506,402	3,012,340	1,801,784
35 FOOD SERVICES	17,604,428	5,595,212	19,276,464	8,143,374	11,133,090	6,053,249	14,196,623	5,079,841
36 CURRICULAR/EXTRACURRICULAR ACT.	10,082,793	3,481,014	9,971,478	2,674,110	7,297,368	2,990,453	5,664,563	4,306,915
41 GENERAL ADMINISTRATION	7,973,171	3,278,362	8,690,663	3,344,605	5,346,058	3,448,418	6,793,023	1,897,641
51 PLANT MAINT. & OPERATIONS	21,583,156	8,710,570	22,459,613	8,127,516	14,332,097	7,243,318	15,370,833	7,088,780
52 SECURITY AND MONITORING SERV.	4,725,085	1,868,828	5,086,247	1,661,149	3,425,098	2,250,592	3,911,741	1,174,506
53 DATA PROCESSING SERVICES	5,967,002	1,900,336	6,611,878	2,412,865	4,199,013	2,233,195	4,646,060	1,965,818
61 COMMUNITY SERVICES	42,469	13,470	42,286	13,514	28,772	25,086	38,600	3,686
71 DEBT SERVICE	4,727,335	843,399	7,078,589	2,310,574	4,768,015	0	2,310,574	4,768,015
81 FAC. ACQUISITION & CONST.	8,586,972	3,195,524	938,018	332,552	605,466	199,542	532,093	405,925
95 PMT. TO JUV. JUSTICE ALT. ED. PRG.	40,000	20,000	40,000	20,000	20,000	0	20,000	20,000
99 OTHER INTERGOVERNMENTAL CHARGES	839,000	409,435	891,975	440,836	451,139	445,634	886,470	5,505
00 OTHER USES/NON-OPERATING EXPENSES	2,308,632	0	2,285,330	$500,000	1,785,330	0	500,000	1,785,330
SUB TOTAL	$269,210,855	$92,828,949	$259,688,618	$96,976,180	$162,712,438	$111,561,245	$208,537,425	$51,151,193
REVENUES OVER (UNDER) EXPENDITURES		($1,547,690)		($6,792,242)				
PRELIMINARY BEGINNING FUND BALANCE		98,070,422		97,700,231				
PRELIMINARY ENDING FUND BALANCE		$96,522,732		$90,907,989				
PRELIMINARY OPTIMUM FUND BALANCE FOR UNFORESEEN EVENTS		$83,408,833		$103,042,102				

McALLEN
INDEPENDENT SCHOOL DISTRICT

Monthly Investment Report

November 30, 2020

PATTERSON & ASSOCIATES
P&A
INVESTMENT PROFESSIONALS

Transition Begins But Uncertainty Remains

Whew..the elections are over. Investors heaved a sigh of relief but also appear delighted with a divided Congress, which all but eliminates prospects of violent tax increases, sweeping regulatory reform and the New Green Deal. It's a source of frustration for the winners perhaps but a welcome situation for investors.

Also driving equities to a stellar month and new historic risk-on highs was news of the potential release of a Covid vaccine.

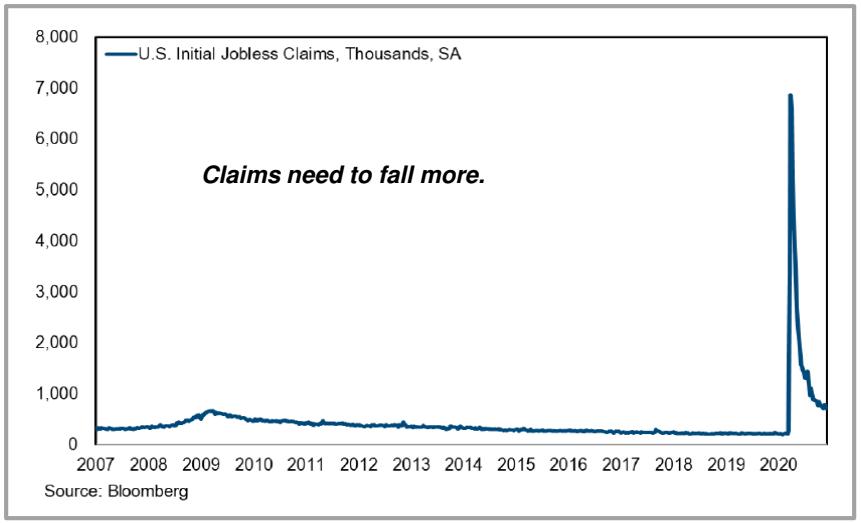
The UK will start to use the vaccine in December with the US not far behind. The US's Operation Warp Speed with its January and May milestones are great news, but production and distribution hurdles remain to be overcome.

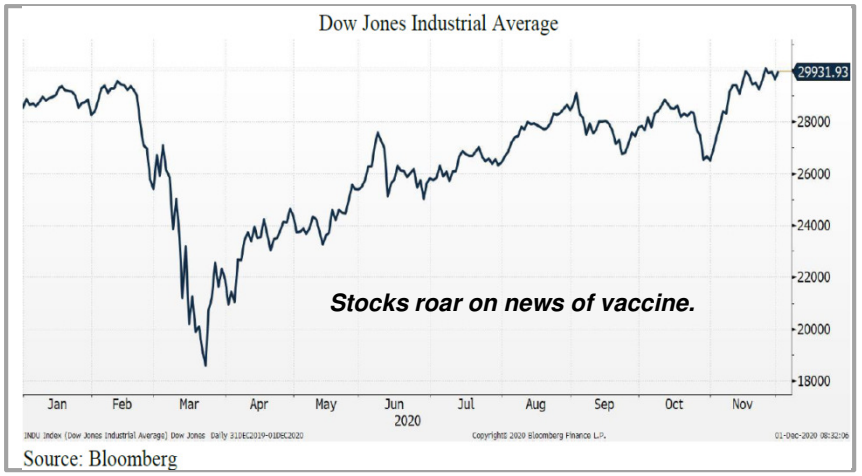
Europe has moved back to major lockdowns and social restrictions and the block's economy is set to shrink for the third quarter this year. It is likely to see a double dip recession in 2021.

Even with the optimism, the much-hoped for 2021 future expansion is not a forgone conclusion. The US is seeing a waning momentum especially from the consumer. The consumer has slowed her consumption and retail sales. The cause of that action clearly comes primarily from the job situation. November added less jobs than expected although jobless claims themselves fell, which might be partly due to seasonal employment. Black Friday sales were robust – although a large percentage were online sales which don't help local businesses.

With Federal assistance and forbearance opportunities expiring in January, there is increasing risk of additional layoffs and business closings. ISM (purchasing managers projections) fell to a two month low on a backlog of orders and a decrease in new orders.

Unless the five months of fruitless negotiations and political stonewalling end in a new stimulus program, the US could slide back to a negative growth in 2021 extending the recession. The potential fifth round of CARES Act funding is uncertain. Even Fed Chair Powell has typified the situation as *"extraordinarily uncertain."* The Fed continues to call for additional stimulus programs from Congress.





Vaccine versus Lockdown

The Federal Reserve's call for additional stimulus has been backed by their own back-stop programs for much of the year.

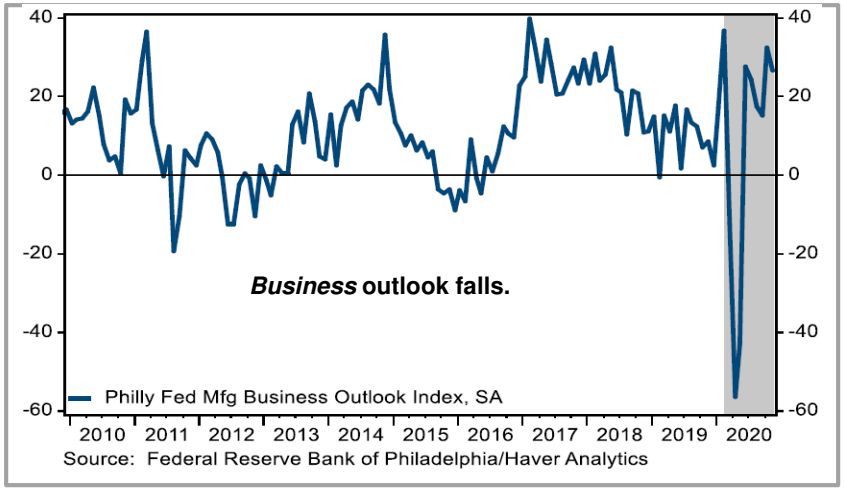
The FOMC met in November with no major changes and will meet again in December. No major changes were or are expected however. Investors were watching for a change in the asset purchase programs (QE) which had been effective in keeping rates low for lenders and buyers, but it is likely the program will not change although they may adjust guidance – which of course is as important to investors.

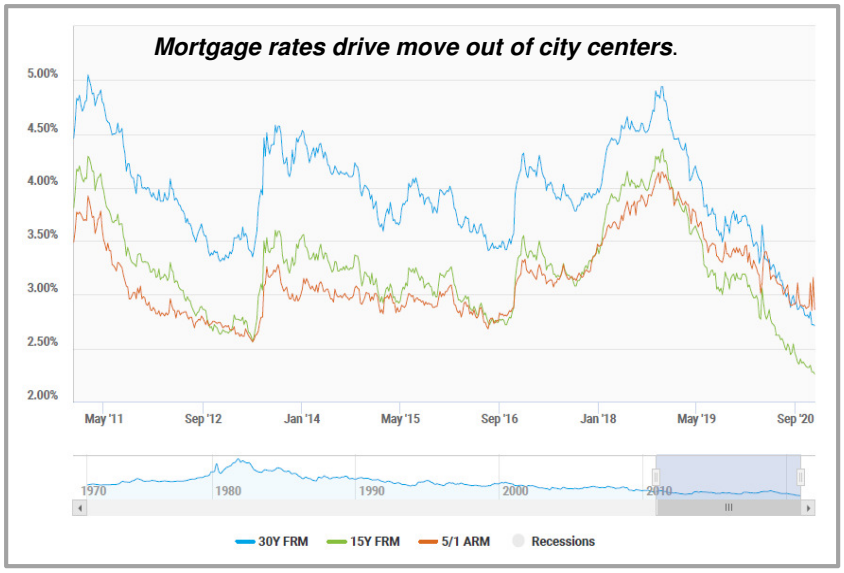
The Fed's backstops were little used but provided major confidence to the markets and investors. The Fed still has plenty of arrows in its quiver however with asset purchases, explicit forward guidance and yield curve targeting. Much will depend on the new Treasury Secretary's role and coordination with the Fed, which she (Janet Yellen) knows well having been the Fed Chair before Powell.

The emergency lending programs from Treasury are expiring 12/31/2020. Sec'y Mnuchin has hinted at letting the Main Street Lending expire with no renewal as it has *"clearly achieved its goal".*

One area that has disproportionately gained from the pandemic is housing. As people begin to think of their homes as workplaces and schools as well as refuge, they are commuting much less. There is move afoot from the expensive downtown rental centers to the roomier and less expensive suburbs. Home sales outside the city centers have soared while vacancies in the major city downtown rentals have fallen. The sales have been helped by the low mortgage rates which are at record lows. Freddie Mac is reporting 30-year fixed rates at 2.71% and 15-year at 2.26%.

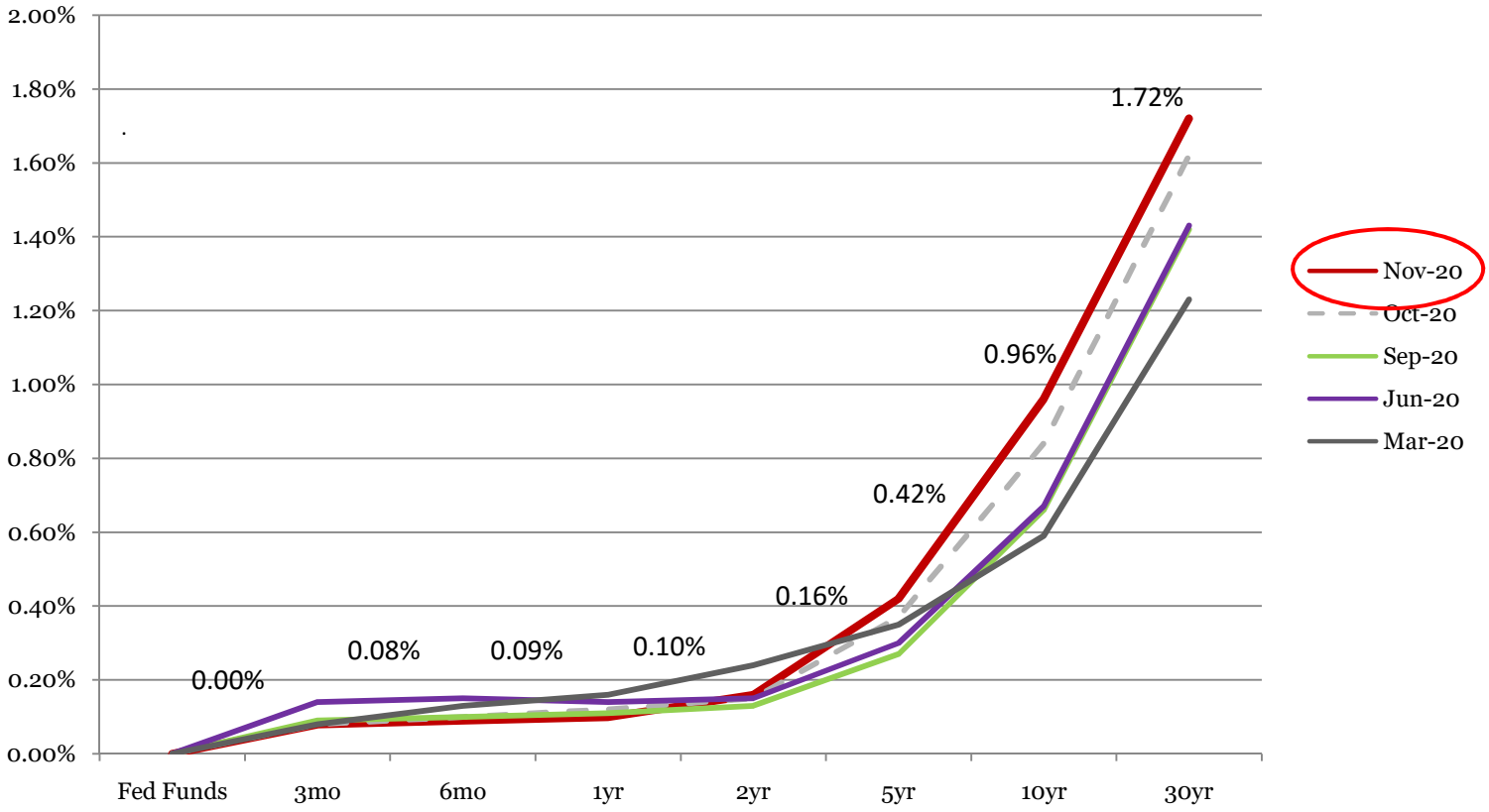
It is a conundrum why some treasury yields are increasing.
Potentially, with a weakening job situation Congress will be forced to act – which stocks love- but to fund those stimulus programs Treasury will have to issue more securities driving up supply on the long end. It is a herculean struggle and puzzle that only time, and perhaps the vaccine, will solve.





Range Bound

- The curve continues to fight the virus and though the long end has moved up slightly in yield, the short end remains almost stationary.
- Some additional long end supply has raised the long end slightly.
- The potential covid vaccine has been a major boost to confidence, but until it is disseminated and recovery begins, the impact is more of a confidence builder than a reality.
- The Fed has stated its intention to stay at 0.0% Fed Funds through 2022.
- The absence of agreement on the next stimulus package remains a major drag on all markets.



End of Month Rates - Full Yield Curve – Fed Funds to 30yr

McAllen Independent School District
Monthly Investment Report
November 1, 2020 –November 30, 2020

Portfolio Summary Management Report

This report and investment portfolio of the District is in compliance with the District investment strategy as expressed in the District's investment policy and relevant provisions of the Government Code, Chapter 2256, the Public Funds Investment Act.

Portfolio as of 10/31/20:		**Portfolio as of 11/30/20:**	
Beginning Book Value	$ 130,683,178	Ending Book Value	$ 141,468,386
Beginning Market Value	$ 130,720,660	Ending Market Value	$ 141,490,435
		Unrealized Gain/Loss	$ 22,049
WAM at Beginning Period Date[1]	57 days	WAM at Ending Period Date[1]	53 days
(Increase in market value is due to seasonal cash inflows)		Change in Market Value[2]	$ 10,769,775

Average Yield to Maturity for period **0.240%**
Average Yield 180-Day Treasury Bill for period **0.100%**

Cynthia Medrano-Richards, Asst. Superintendent for Bus. Operations
McAllen ISD

Iris Luna, Director of Accounting
McAllen ISD

Dyanira Diaz, Coordinator for Accounting
McAllen ISD

Adelita Felix, CFO
McAllen ISD

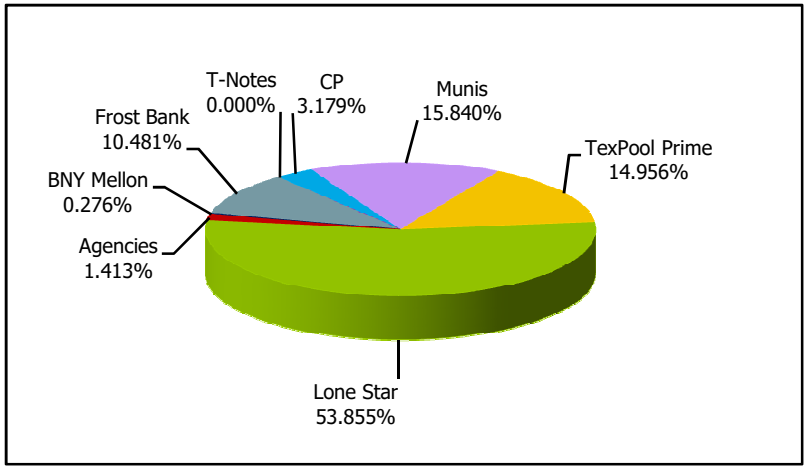
1 WAM – weighted average maturity

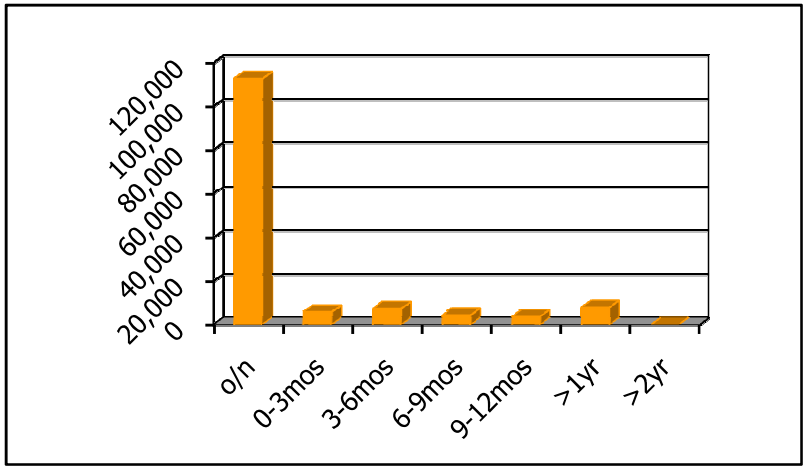
2 "Change in Market Value" is required data, but will primarily reflect the receipt and expenditure of the District's funds from month to month.
Patterson & Associates has assisted in the preparation of this consolidated investment report, with additional input provided by McAllen ISD.

Your Portfolio

As of November 30, 2020

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions. These are unusual times and where extensions can be made it is important to make them for any value in the markets.
- The graphs below show asset allocations by market sector and by maturity in your portfolio. Liquidity will not be attractive but as the curve flattens it also is sometimes the only sector available as year end expenditures loom. Our expectation is of continuing low rates but we will attempt to find value in all authorized sectors to capture yield available.
- Hopefully Fed actions will return us to some normalcy and a vaccine will be found This is what we are watching for and acting on.
- The non-cash portion of your portfolio is yielding 0.74%.





PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

McAllen ISD
Portfolio Management
Portfolio Summary
November 30, 2020

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
BNY Mellon	389,953.71	389,953.71	389,953.71	0.28	1	1	0.000
Frost Bank	14,826,890.69	14,826,890.69	14,826,890.69	10.48	1	1	0.010
Commercial Paper Disc. -Amortizing	4,500,000.00	4,497,000.00	4,497,000.00	3.18	180	50	0.488
Federal Agency Coupon Securities	2,000,000.00	2,000,029.72	1,999,033.61	1.41	727	597	0.258
Municipal Bonds	22,143,000.00	22,430,380.19	22,409,327.47	15.84	419	268	0.837
Texpool/Texpool Prime	21,157,837.90	21,157,837.90	21,157,837.90	14.96	1	1	0.143
Lone Star	76,188,342.59	76,188,342.59	76,188,342.59	53.86	1	1	0.123
Investments	**141,206,024.89**	**141,490,434.80**	**141,468,385.97**	**100.00%**	**83**	**53**	**0.240**
Cash and Accrued Interest							
Accrued Interest at Purchase		6,003.06	6,003.06				
Subtotal		6,003.06	6,003.06				
Total Cash and Investments	**141,206,024.89**	**141,496,437.86**	**141,474,389.03**		**83**	**53**	**0.240**

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	27,032.47	188,473.35

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of McAllen ISD of the position and activity within the District's portfolio of investment. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Jan 7, 2021

Adelita Felix, Chief Financial Officer

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Summary by Type
November 30, 2020
Grouped by Fund

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Activity Fund						
Frost Bank	1	1,567,552.72	1,567,552.72	1.11	0.010	1
Subtotal	**1**	**1,567,552.72**	**1,567,552.72**	**1.11**	**0.010**	**1**
Fund: Clearing Fund						
Frost Bank	1	3,751,844.44	3,751,844.44	2.65	0.010	1
Subtotal	**1**	**3,751,844.44**	**3,751,844.44**	**2.65**	**0.010**	**1**
Fund: Capital Projects Fund						
Frost Bank	2	961,110.05	961,110.05	0.68	0.010	1
Lone Star	4	21,472,038.05	21,472,038.05	15.18	0.110	1
Municipal Bonds	2	5,728,000.00	5,784,093.56	4.09	1.157	169
Subtotal	**8**	**28,161,148.10**	**28,217,241.66**	**19.95**	**0.321**	**35**
Fund: Debt Service Fund						
Frost Bank	1	3,616.91	3,616.91	0.00	0.010	1
Lone Star	2	1,430,818.84	1,430,818.84	1.01	0.122	1
Subtotal	**3**	**1,434,435.75**	**1,434,435.75**	**1.01**	**0.122**	**1**
Fund: General Fund						
Commercial Paper Disc. -Amortizing	1	2,000,000.00	1,998,666.67	1.41	0.488	50
Municipal Bonds	6	11,045,000.00	11,196,163.17	7.91	0.477	285
Frost Bank	1	6,821,098.69	6,821,098.69	4.82	0.010	1
Lone Star	3	45,539,230.06	45,539,230.06	32.19	0.131	1
Texpool/Texpool Prime	2	21,157,837.90	21,157,837.90	14.96	0.143	1
Subtotal	**13**	**86,563,166.65**	**86,712,996.49**	**61.29**	**0.177**	**39**
Fund: Plan 457 Fund						
Frost Bank	1	20,321.20	20,321.20	0.01	0.010	1
Subtotal	**1**	**20,321.20**	**20,321.20**	**0.01**	**0.010**	**1**
Fund: Proprietary Fund						

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Proprietary Fund						
Frost Bank	1	1,701,346.68	1,701,346.68	1.20	0.010	1
Lone Star	2	7,746,255.64	7,746,255.64	5.48	0.112	1
Subtotal	**3**	**9,447,602.32**	**9,447,602.32**	**6.68**	**0.093**	**1**
Fund: QSCB - Reserve Fund						
Commercial Paper Disc. -Amortizing	1	2,500,000.00	2,498,333.33	1.77	0.488	50
BNY Mellon	1	389,953.71	389,953.71	0.28	0.000	1
Federal Agency Coupon Securities	1	2,000,000.00	1,999,033.61	1.41	0.258	597
Municipal Bonds	3	5,370,000.00	5,429,070.74	3.84	1.238	339
Subtotal	**6**	**10,259,953.71**	**10,316,391.39**	**7.30**	**0.820**	**306**
Fund: QSCB - Debt Service						
BNY Mellon	1	0.00	0.00	0.00	0.000	0
Subtotal	**1**	**0.00**	**0.00**	**0.00**	**0.000**	**0**
Total and Average	**37**	**141,206,024.89**	**141,468,385.97**	**100.00**	**0.240**	**53**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
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McAllen ISD
Fund ACT - Activity Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999915	10020	Frost Bank Public Checking	07/01/2020	1,567,552.72	1,567,552.72	1,567,552.72	0.010	0.009	0.010	1
		Subtotal and Average		**1,567,552.72**	**1,567,552.72**	**1,567,552.72**		**0.010**	**0.010**	**1**
		Total Investments and Average		**1,567,552.72**	**1,567,552.72**	**1,567,552.72**		**0.010**	**0.010**	**1**

Fund CLEAR - Clearing Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999914	10019	Frost Bank Public Checking	07/01/2020	3,751,844.44	3,751,844.44	3,751,844.44	0.010	0.009	0.010	1
		Subtotal and Average		**3,751,844.44**	**3,751,844.44**	**3,751,844.44**		**0.010**	**0.010**	**1**
		Total Investments and Average		**3,751,844.44**	**3,751,844.44**	**3,751,844.44**		**0.010**	**0.010**	**1**

Fund CP - Capital Projects Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999922	10103	Frost Bank Public Checking	07/01/2020	737,056.15	737,056.15	737,056.15	0.010	0.009	0.010		1
SYS10109	10109	Frost Bank Public Checking	07/01/2020	224,053.90	224,053.90	224,053.90	0.010	0.009	0.010		1
		Subtotal and Average		**961,110.05**	**961,110.05**	**961,110.05**		**0.010**	**0.010**		**1**
Municipal Bonds											
114727VW7	10118	Broome County NY	04/30/2020	3,424,974.33	3,418,000.00	3,429,040.14	1.750	1.233	1.250	04/30/2021	150
95639PBF9	10116	West Virginia State Eco Dev	04/28/2020	2,359,119.23	2,310,000.00	2,365,578.60	5.000	1.006	1.020	06/15/2021	196
		Subtotal and Average		**5,784,093.56**	**5,728,000.00**	**5,794,618.74**		**1.141**	**1.157**		**168**
Lone Star											
108906G	10101	Lone Star Corporate Overnight	12/18/2019	2,251,531.91	2,251,531.91	2,251,531.91	0.140	0.138	0.140		1
108906I	10108	Lone Star Corporate Overnight	02/21/2020	8,485,561.61	8,485,561.61	8,485,561.61	0.140	0.138	0.140		1
108906H	10102	Lone Star Government ON	12/18/2019	2,251,099.68	2,251,099.68	2,251,099.68	0.080	0.078	0.080		1
108906J	10113	Lone Star Government ON	03/12/2020	8,483,844.85	8,483,844.85	8,483,844.85	0.080	0.078	0.080		1
		Subtotal and Average		**21,472,038.05**	**21,472,038.05**	**21,472,038.05**		**0.108**	**0.110**		**1**
		Total Investments and Average		**28,217,241.66**	**28,161,148.10**	**28,227,766.84**		**0.317**	**0.321**		**35**

Fund DS - Debt Service Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999918	10023	Frost Bank Public Checking	07/01/2020	3,616.91	3,616.91	3,616.91	0.010	0.009	0.010	1
		Subtotal and Average		**3,616.91**	**3,616.91**	**3,616.91**		**0.010**	**0.010**	**1**
Lone Star										
108906B	10032	Lone Star Corporate Overnight	10/22/2015	1,008,352.28	1,008,352.28	1,008,352.28	0.140	0.138	0.140	1
108906C	10089	Lone Star Government ON	08/05/2019	422,466.56	422,466.56	422,466.56	0.080	0.078	0.080	1
		Subtotal and Average		**1,430,818.84**	**1,430,818.84**	**1,430,818.84**		**0.121**	**0.122**	**1**
		Total Investments and Average		**1,434,435.75**	**1,434,435.75**	**1,434,435.75**		**0.120**	**0.122**	**1**

Fund GEN - General Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Frost Bank											
999917	10022	Frost Bank Public Checking	07/01/2020	6,821,098.69	6,821,098.69	6,821,098.69	0.010	0.009	0.010		1
		Subtotal and Average		**6,821,098.69**	**6,821,098.69**	**6,821,098.69**		**0.010**	**0.010**		**1**
Commercial Paper Disc. -Amortizing											
05990CNL4	10120	Banco Credito MIA CP	07/24/2020	1,998,666.67	2,000,000.00	1,998,666.67		0.481	0.487	01/20/2021	50
		Subtotal and Average		**1,998,666.67**	**2,000,000.00**	**1,998,666.67**		**0.481**	**0.488**		**50**
Municipal Bonds											
010609FV2	10127	Alabama St Public Sch&Clg Auth	11/04/2020	1,000,000.00	1,000,000.00	1,000,430.00	0.253	0.249	0.253	09/01/2021	274
096575KZ7	10125	Boces NY Sole Supervisory	10/29/2020	4,014,850.61	4,000,000.00	4,015,520.00	1.250	0.346	0.351	04/30/2021	150
186523DZ6	10128	Cleveland TN	11/10/2020	1,224,125.86	1,170,000.00	1,224,358.20	5.000	0.356	0.361	12/01/2021	365
64971WJ35	10123	NYC Trans Finance Auth	10/13/2020	2,542,317.20	2,500,000.00	2,534,900.00	1.650	0.443	0.449	05/01/2022	516
720424D31	10126	Pierce County WA SD	11/02/2020	500,000.00	500,000.00	500,075.00	0.279	0.275	0.278	12/01/2021	365
95639PBF9	10117	West Virginia State Eco Dev	04/28/2020	1,914,869.50	1,875,000.00	1,920,112.50	5.000	1.006	1.020	06/15/2021	196
		Subtotal and Average		**11,196,163.17**	**11,045,000.00**	**11,195,395.70**		**0.471**	**0.477**		**285**
Texpool/Texpool Prime											
999921	10092	Texpool	08/05/2019	10,557,820.63	10,557,820.63	10,557,820.63	0.123	0.121	0.123		1
999920	10034	Texpool Prime	11/03/2015	10,600,017.27	10,600,017.27	10,600,017.27	0.163	0.160	0.162		1
		Subtotal and Average		**21,157,837.90**	**21,157,837.90**	**21,157,837.90**		**0.141**	**0.143**		**1**
Lone Star											
108906F	10099	Lone Star Corporate Overnight+	11/18/2019	0.00	0.00	0.00					1
108906	10003	Lone Star Corporate Overnight	11/01/2014	38,706,061.87	38,706,061.87	38,706,061.87	0.140	0.138	0.140		1
108906D	10090	Lone Star Government ON	08/05/2019	6,833,168.19	6,833,168.19	6,833,168.19	0.080	0.078	0.080		1
		Subtotal and Average		**45,539,230.06**	**45,539,230.06**	**45,539,230.06**		**0.129**	**0.131**		**1**
		Total Investments and Average		**86,712,996.49**	**86,563,166.65**	**86,712,229.02**		**0.175**	**0.177**		**38**

Fund PLAN457 - Plan 457 Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999916	10021	Frost Bank Public Checking	07/01/2020	20,321.20	20,321.20	20,321.20	0.010	0.009	0.010	1
		Subtotal and Average		**20,321.20**	**20,321.20**	**20,321.20**		**0.010**	**0.010**	**1**
		Total Investments and Average		**20,321.20**	**20,321.20**	**20,321.20**		**0.010**	**0.010**	**1**

Fund PROP - Proprietary Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
Frost Bank										
999919	10024	Frost Bank Public Checking	07/01/2020	1,701,346.68	1,701,346.68	1,701,346.68	0.010	0.009	0.010	1
		Subtotal and Average		**1,701,346.68**	**1,701,346.68**	**1,701,346.68**		**0.010**	**0.010**	**1**
Lone Star										
108906A	10025	Lone Star Corporate Overnight	08/05/2015	4,095,004.73	4,095,004.73	4,095,004.73	0.140	0.138	0.140	1
108906E	10091	Lone Star Government ON	08/05/2019	3,651,250.91	3,651,250.91	3,651,250.91	0.080	0.078	0.080	1
		Subtotal and Average		**7,746,255.64**	**7,746,255.64**	**7,746,255.64**		**0.110**	**0.112**	**1**
		Total Investments and Average		**9,447,602.32**	**9,447,602.32**	**9,447,602.32**		**0.092**	**0.093**	**1**

Fund QSCB - QSCB - Reserve Fund
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
BNY Mellon											
882521	10014	BNY Mellon - Cash	07/01/2020	389,953.71	389,953.71	389,953.71					1
		Subtotal and Average		**389,953.71**	**389,953.71**	**389,953.71**		**0.000**	**0.000**		**1**
Commercial Paper Disc. -Amortizing											
05990CNL4	10121	Banco Credito MIA CP	07/24/2020	2,498,333.33	2,500,000.00	2,498,333.33	0.480	0.481	0.487	01/20/2021	50
		Subtotal and Average		**2,498,333.33**	**2,500,000.00**	**2,498,333.33**		**0.481**	**0.488**		**50**
Federal Agency Coupon Securities											
3133ELW67	10122	FFCB Call Note	07/24/2020	1,999,033.61	2,000,000.00	2,000,029.72	0.220	0.254	0.257	07/21/2022	597
		Subtotal and Average		**1,999,033.61**	**2,000,000.00**	**2,000,029.72**		**0.254**	**0.258**		**597**
Municipal Bonds											
64971WP38	10124	NYC Trans Finance Auth	10/13/2020	1,611,225.00	1,575,000.00	1,606,389.75	1.850	0.456	0.462	08/01/2022	608
796815ZF8	10119	San Bernardino County CA	05/27/2020	2,511,159.86	2,490,000.00	2,521,772.40	2.030	0.986	1.000	10/01/2021	304
9143013U8	10083	University of Houston	02/27/2019	1,306,685.88	1,305,000.00	1,312,203.60	3.300	2.614	2.650	02/15/2021	76
		Subtotal and Average		**5,429,070.74**	**5,370,000.00**	**5,440,365.75**		**1.221**	**1.238**		**339**
		Total Investments and Average		**10,316,391.39**	**10,259,953.71**	**10,328,682.51**		**0.808**	**0.820**		**306**

Fund QSCBDS - QSCB - Debt Service
Investments by Fund
November 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Days To Date Maturity
BNY Mellon										
882520	10040	BNY Mellon - Cash	07/01/2020	0.00	0.00	0.00				1
			Subtotal and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**
			Total Investments and Average	**0.00**	**0.00**	**0.00**		**0.000**	**0.000**	**0**

PATTERSON & ASSOCIATES

INVESTMENT PROFESSIONALS

McAllen ISD
Cash Reconciliation Report
For the Period November 1, 2020 - November 30, 2020
Grouped by Fund

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Fund											
11/01/2020	10114	GEN	Interest	235036YT1	2,795,000.00	DFWAIR 2.8M 5.00% Mat.	11/01/2020	0.00	69,875.00	0.00	69,875.00
11/01/2020	10123	GEN	Interest	64971WJ35	2,500,000.00	NYTRAN 2.5M 1.65% Mat.	05/01/2022	0.00	20,625.00	0.00	20,625.00
11/01/2020	10114	GEN	Maturity	235036YT1	2,795,000.00	DFWAIR 2.8M 5.00% Mat.	11/01/2020	0.00	0.00	2,795,000.00	2,795,000.00
11/02/2020	10126	GEN	Purchase	720424D31	500,000.00	PIERCO 0.5M 0.28% Mat.	12/01/2021	-500,000.00	0.00	0.00	-500,000.00
11/04/2020	10127	GEN	Purchase	010609FV2	1,000,000.00	ALABST 1.0M 0.25% Mat.	09/01/2021	-1,000,000.00	0.00	0.00	-1,000,000.00
11/10/2020	10128	GEN	Purchase	186523DZ6	1,170,000.00	CLEVTN 1.2M 5.00% Mat.	12/01/2021	-1,227,283.20	0.00	0.00	-1,227,283.20
							Subtotal	**-2,727,283.20**	**90,500.00**	**2,795,000.00**	**158,216.80**
							Total	**-2,727,283.20**	**90,500.00**	**2,795,000.00**	**158,216.80**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

McAllen ISD
Purchases Report
Sorted by Fund - Fund
November 1, 2020 - November 30, 2020

Patterson & Associates
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Austin, TX 78746
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CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Fund													
720424D31	10126	GEN	MC2	PIERCO	500,000.00	11/02/2020	06/01 - 12/01	500,000.00		0.279	12/01/2021	0.279	500,000.00
010609FV2	10127	GEN	MC2	ALABST	1,000,000.00	11/04/2020	03/01 - 09/01	1,000,000.00		0.253	09/01/2021	0.253	1,000,000.00
186523DZ6	10128	GEN	MC2	CLEVTN	1,170,000.00	11/10/2020	12/01 - 06/01	1,227,283.20		5.000	12/01/2021	0.361	1,224,125.86
				Subtotal	**2,670,000.00**			**2,727,283.20**	**0.00**				**2,724,125.86**
				Total Purchases	**2,670,000.00**			**2,727,283.20**	**0.00**				**2,724,125.86**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
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McAllen ISD
Maturity Report
Sorted by Maturity Date
Receipts during November 1, 2020 - November 30, 2020

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
235036YT1	10114	GEN	MC2	DFWAIR	2,795,000.00	11/01/2020	04/07/2020	5.000	2,795,000.00	69,875.00	2,864,875.00	69,875.00
			Total Maturities		**2,795,000.00**				**2,795,000.00**	**69,875.00**	**2,864,875.00**	**69,875.00**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

McAllen ISD
Interest Earnings
Sorted by Fund - Fund
November 1, 2020 - November 30, 2020
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: Activity Fund												
999915	10020	ACT	LA2	1,567,552.72	1,569,252.97	1,569,196.29		0.010	0.009	11.53	0.00	11.53
			Subtotal	**1,567,552.72**	**1,569,252.97**	**1,569,196.30**			**0.009**	**11.53**	**0.00**	**11.53**
Fund: Clearing Fund												
999914	10019	CLEAR	LA2	3,751,844.44	4,475,472.07	4,451,351.15		0.010	0.008	28.23	0.00	28.23
			Subtotal	**3,751,844.44**	**4,475,472.07**	**4,451,351.15**			**0.008**	**28.23**	**0.00**	**28.23**
Fund: Capital Projects Fund												
108906I	10108	CP	RR2	8,485,561.61	8,484,601.87	8,484,633.86		0.140	0.138	959.74	0.00	959.74
108906G	10101	CP	RR2	2,251,531.91	2,251,277.26	2,251,285.75		0.140	0.138	254.65	0.00	254.65
999922	10103	CP	LA2	737,056.15	800,014.68	772,730.37		0.010	0.009	5.70	0.00	5.70
SYS10109	10109	CP	LA2	224,053.90	367,814.88	273,426.18		0.010	0.009	2.02	0.00	2.02
108906H	10102	CP	RR2	2,251,099.68	2,250,956.14	2,250,960.92		0.080	0.078	143.54	0.00	143.54
108906J	10113	CP	RR2	8,483,844.85	8,483,303.89	8,483,321.92		0.080	0.078	540.96	0.00	540.96
95639PBF9	10116	CP	MC2	2,310,000.00	2,366,714.98	2,362,790.51	06/15/2021	5.000	1.045	9,625.00	-7,595.75	2,029.25
114727VW7	10118	CP	MC2	3,418,000.00	3,426,378.56	3,425,653.04	04/30/2021	1.750	1.272	4,984.59	-1,404.23	3,580.36
			Subtotal	**28,161,148.10**	**28,431,062.26**	**28,304,802.56**			**0.323**	**16,516.20**	**-8,999.98**	**7,516.22**
Fund: Debt Service Fund												
108906B	10032	DS	RR2	1,008,352.28	488,154.20	757,976.19		0.140	0.136	84.98	0.00	84.98
999918	10023	DS	LA2	3,616.91	3,090.66	3,272.95		0.010	0.007	0.02	0.00	0.02
108906C	10089	DS	RR2	422,466.56	422,439.62	422,440.52		0.080	0.078	26.94	0.00	26.94
			Subtotal	**1,434,435.75**	**913,684.48**	**1,183,689.66**			**0.115**	**111.94**	**0.00**	**111.94**
Fund: General Fund												
999921	10092	GEN	RRP	10,557,820.63	10,556,752.57	10,556,788.17		0.123	0.123	1,068.06	0.00	1,068.06
108906	10003	GEN	RR2	38,706,061.87	27,873,941.54	30,267,165.69		0.140	0.137	3,412.51	0.00	3,412.51
999917	10022	GEN	LA2	6,821,098.69	6,215,550.46	6,235,735.40		0.010	0.009	48.64	0.00	48.64
999920	10034	GEN	RRP	10,600,017.27	10,598,601.37	10,598,648.57		0.163	0.163	1,415.90	0.00	1,415.90
108906D	10090	GEN	RR2	6,833,168.19	6,832,732.48	6,832,747.00		0.080	0.078	435.71	0.00	435.71
05990CNL4	10120	GEN	ACP	2,000,000.00	1,997,866.67	1,998,280.00	01/20/2021		0.487	0.00	800.00	800.00

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings: Interest Earned	Adjusted Interest Earnings: Amortization/ Accretion	Adjusted Interest Earnings: Adjusted Interest Earnings
Fund: General Fund												
235036YT1	10114	GEN	MC2	0.00	2,795,000.00	0.00	11/01/2020	5.000		0.00	0.00	0.00
95639PBF9	10117	GEN	MC2	1,875,000.00	1,921,034.89	1,917,849.44	06/15/2021	5.000	1.045	7,812.50	-6,165.39	1,647.11
64971WJ35	10123	GEN	MC2	2,500,000.00	2,544,806.45	2,543,520.34	05/01/2022	1.650	0.454	3,437.50	-2,489.25	948.25
096575KZ7	10125	GEN	MC2	4,000,000.00	4,017,840.66	4,016,295.80	04/30/2021	1.250	0.356	4,166.66	-2,990.05	1,176.61
720424D31	10126	GEN	MC2	500,000.00	0.00	483,333.33	12/01/2021	0.279	0.283	112.38	0.00	112.38
010609FV2	10127	GEN	MC2	1,000,000.00	0.00	900,000.00	09/01/2021	0.253	0.257	189.75	0.00	189.75
186523DZ6	10128	GEN	MC2	1,170,000.00	0.00	857,940.55	12/01/2021	5.000	0.362	3,412.50	-3,157.34	255.16
			Subtotal	**86,563,166.65**	**75,354,127.09**	**77,301,470.96**			**0.181**	**25,512.11**	**-14,002.03**	**11,510.08**
Fund: Plan 457 Fund												
999916	10021	PLAN457	LA2	20,321.20	20,321.05	20,321.06		0.010	0.009	0.15	0.00	0.15
			Subtotal	**20,321.20**	**20,321.05**	**20,321.06**			**0.009**	**0.15**	**0.00**	**0.15**
Fund: Proprietary Fund												
108906A	10025	PROP	RR2	4,095,004.73	5,251,500.73	4,441,617.53		0.140	0.138	504.00	0.00	504.00
999919	10024	PROP	LA2	1,701,346.68	696,863.12	730,345.91		0.010	0.011	6.36	0.00	6.36
108906E	10091	PROP	RR2	3,651,250.91	3,651,018.09	3,651,025.85		0.080	0.078	232.82	0.00	232.82
			Subtotal	**9,447,602.32**	**9,599,381.94**	**8,822,989.29**			**0.102**	**743.18**	**0.00**	**743.18**
Fund: QSCB - Reserve Fund												
882521	10014	QSCB	LA1	389,953.71	389,953.71	389,953.71				0.00	0.00	0.00
3133ELW67	10122	QSCB	FAC	2,000,000.00	1,998,907.56	1,998,972.69	07/21/2022	0.220	0.300	366.67	126.05	492.72
9143013U8	10083	QSCB	MC2	1,305,000.00	1,307,369.35	1,307,016.23	02/15/2021	3.300	2.704	3,588.75	-683.47	2,905.28
05990CNL4	10121	QSCB	ACP	2,500,000.00	2,497,333.33	2,497,850.00	01/20/2021	0.480	0.487	0.00	1,000.00	1,000.00
796815ZF8	10119	QSCB	MC2	2,490,000.00	2,513,275.84	2,512,182.58	10/01/2021	2.030	1.015	4,212.25	-2,115.98	2,096.27
64971WP38	10124	QSCB	MC2	1,575,000.00	1,613,036.25	1,612,100.43	08/01/2022	1.850	0.466	2,428.12	-1,811.25	616.87
			Subtotal	**10,259,953.71**	**10,319,876.04**	**10,318,075.64**			**0.839**	**10,595.79**	**-3,484.65**	**7,111.14**
			Total	**141,206,024.89**	**130,683,177.90**	**131,971,896.61**			**0.249**	**53,519.13**	**-26,486.66**	**27,032.47**

PATTERSON & ASSOCIATES
INVESTMENT PROFESSIONALS

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

McAllen ISD
Amortization Schedule
November 1, 2020 - November 30, 2020
Sorted By Fund - Fund

Investment # / Issuer	Fund	Maturity Date / Amort. Date	Beginning Par Value / Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 11/01/2020	Amount Amortized This Period	Amt Amortized Through 11/30/2020	Amount Unamortized Through 11/30/2020
Capital Projects Fund										
10118	CP	04/30/2021	3,418,000.00	3,434,850.74	16,850.74	3,424,974.33	-8,472.18	-1,404.23	-9,876.41	6,974.33
Broome County NY			1.750				8,378.56			
10116	CP	06/15/2021	2,310,000.00	2,413,049.10	103,049.10	2,359,119.23	-46,334.12	-7,595.75	-53,929.87	49,119.23
West Virginia State Eco Dev			5.000				56,714.98			
			Subtotal	**5,847,899.84**	**119,899.84**	**5,784,093.56**	**-54,806.30**	**-8,999.98**	**-63,806.28**	**56,093.56**
							65,093.54			
General Fund										
10120	GEN	01/20/2021	2,000,000.00	1,995,200.00	-4,800.00	1,998,666.67	2,666.67	800.00	3,466.67	-1,333.33
Banco Credito MIA CP							-2,133.33			
10125	GEN	04/30/2021	4,000,000.00	4,018,040.00	18,040.00	4,014,850.61	-199.34	-2,990.05	-3,189.39	14,850.61
Boces NY Sole Supervisory			1.250				17,840.66			
10128	GEN	12/01/2021	1,170,000.00	1,227,283.20	57,283.20	1,224,125.86	0.00	-3,157.34	-3,157.34	54,125.86
Cleveland TN			5.000				57,283.20			
10123	GEN	05/01/2022	2,500,000.00	2,546,300.00	46,300.00	2,542,317.20	-1,493.55	-2,489.25	-3,982.80	42,317.20
NYC Trans Finance Auth			1.650				44,806.45			
10117	GEN	06/15/2021	1,875,000.00	1,958,643.75	83,643.75	1,914,869.50	-37,608.86	-6,165.39	-43,774.25	39,869.50
West Virginia State Eco Dev			5.000				46,034.89			
			Subtotal	**11,745,466.95**	**200,466.95**	**11,694,829.84**	**-36,635.08**	**-14,002.03**	**-50,637.11**	**149,829.84**
							163,831.87			
QSCB - Reserve Fund										
10121	QSCB	01/20/2021	2,500,000.00	2,494,000.00	-6,000.00	2,498,333.33	3,333.33	1,000.00	4,333.33	-1,666.67
Banco Credito MIA CP			0.480				-2,666.67			
10122	QSCB	07/21/2022	2,000,000.00	1,998,500.00	-1,500.00	1,999,033.61	407.56	126.05	533.61	-966.39
FFCB Call Note		07/21/2021	0.220				-1,092.44			
10124	QSCB	08/01/2022	1,575,000.00	1,614,123.00	39,123.00	1,611,225.00	-1,086.75	-1,811.25	-2,898.00	36,225.00
NYC Trans Finance Auth			1.850				38,036.25			
10119	QSCB	10/01/2021	2,490,000.00	2,524,137.90	34,137.90	2,511,159.86	-10,862.06	-2,115.98	-12,978.04	21,159.86
San Bernardino County CA			2.030				23,275.84			
10083	QSCB	02/15/2021	1,305,000.00	1,321,129.80	16,129.80	1,306,685.88	-13,760.45	-683.47	-14,443.92	1,685.88
University of Houston			3.300				2,369.35			
			Subtotal	**9,951,890.70**	**81,890.70**	**9,926,437.68**	**-21,968.37**	**-3,484.65**	**-25,453.02**	**56,437.68**
							59,922.33			
			Total	**27,545,257.49**	**402,257.49**	**27,405,361.08**	**-113,409.75**	**-26,486.66**	**-139,896.41**	**262,361.08**
							288,847.74			

PATTERSON & ASSOCIATES

INVESTMENT PROFESSIONALS

McAllen ISD
Projected Cashflow Report
Sorted by Monthly
For the Period December 1, 2020 - June 30, 2021

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
December 2020										
12/01/2020	10128	GEN	186523DZ6	Interest	Cleveland TN	0.00	0.00	0.00	3,412.50	3,412.50
12/15/2020	10116	CP	95639PBF9	Interest	West Virginia State Eco Dev	0.00	0.00	0.00	57,750.00	57,750.00
12/15/2020	10117	GEN	95639PBF9	Interest	West Virginia State Eco Dev	0.00	0.00	0.00	46,875.00	46,875.00
					Total for December 2020	**0.00**	**0.00**	**0.00**	**108,037.50**	**108,037.50**
January 2021										
01/20/2021	10120	GEN	05990CNL4	Maturity	Banco Credito MIA CP	2,000,000.00	1,995,200.00	2,000,000.00	0.00	2,000,000.00
01/20/2021	10121	QSCB	05990CNL4	Maturity	Banco Credito MIA CP	2,500,000.00	2,494,000.00	2,500,000.00	0.00	2,500,000.00
01/21/2021	10122	QSCB	3133ELW67	Interest	FFCB Call Note	0.00	0.00	0.00	2,200.00	2,200.00
					Total for January 2021	**4,500,000.00**	**4,489,200.00**	**4,500,000.00**	**2,200.00**	**4,502,200.00**
February 2021										
02/01/2021	10124	QSCB	64971WP38	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	14,568.75	14,568.75
02/15/2021	10083	QSCB	9143013U8	Maturity	University of Houston	1,305,000.00	1,321,129.80	1,305,000.00	21,532.50	1,326,532.50
					Total for February 2021	**1,305,000.00**	**1,321,129.80**	**1,305,000.00**	**36,101.25**	**1,341,101.25**
March 2021										
03/01/2021	10127	GEN	010609FV2	Interest	Alabama St Public Sch&Clg Auth	0.00	0.00	0.00	822.25	822.25
					Total for March 2021	**0.00**	**0.00**	**0.00**	**822.25**	**822.25**
April 2021										
04/01/2021	10119	QSCB	796815ZF8	Interest	San Bernardino County CA	0.00	0.00	0.00	25,273.50	25,273.50
04/30/2021	10118	CP	114727VW7	Maturity	Broome County NY	3,418,000.00	3,434,850.74	3,418,000.00	59,815.00	3,477,815.00
04/30/2021	10125	GEN	096575KZ7	Maturity	Boces NY Sole Supervisory	4,000,000.00	4,018,040.00	4,000,000.00	25,277.78	4,025,277.78
					Total for April 2021	**7,418,000.00**	**7,452,890.74**	**7,418,000.00**	**110,366.28**	**7,528,366.28**
May 2021										
05/01/2021	10123	GEN	64971WJ35	Interest	NYC Trans Finance Auth	0.00	0.00	0.00	20,625.00	20,625.00
					Total for May 2021	**0.00**	**0.00**	**0.00**	**20,625.00**	**20,625.00**
June 2021										
06/01/2021	10126	GEN	720424D31	Interest	Pierce County WA SD	0.00	0.00	0.00	809.88	809.88
06/01/2021	10128	GEN	186523DZ6	Interest	Cleveland TN	0.00	0.00	0.00	29,250.00	29,250.00
06/15/2021	10116	CP	95639PBF9	Maturity	West Virginia State Eco Dev	2,310,000.00	2,413,049.10	2,310,000.00	57,750.00	2,367,750.00
06/15/2021	10117	GEN	95639PBF9	Maturity	West Virginia State Eco Dev	1,875,000.00	1,958,643.75	1,875,000.00	46,875.00	1,921,875.00

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
					Total for June 2021	4,185,000.00	4,371,692.85	4,185,000.00	134,684.88	4,319,684.88
					GRAND TOTALS:	17,408,000.00	17,634,913.39	17,408,000.00	412,837.16	17,820,837.16

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Report Regarding Taxes Collected for November 2020

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Hidalgo County Tax Office has been collecting the District's current taxes since 1996.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Tax roll modifications are due to late homestead exemptions, properties under protest, omitted properties and rollbacks. These modifications resulted in a monthly net decrease to taxes receivable of $89,763.60 for November 2020. Modifications are posted to the general ledger on a monthly basis and are included as part of the monthly tax report.

The November 2020 Tax Collections Report is attached. The amount collected in November was $6,434,381.17

November:

Local Maintenance Collection $5,908,000.95
Debt Service Collection $526,380.22

LEGAL REVIEW:

Not required.

BUDGETARYCONSIDERATIONS:

Not required.

RECOMMENDED BOARD ACTION:

The Report Regarding Taxes Collected for November 2020 is submitted to the Board for information purposes only and requires no Board action.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix CPA, CFE
Office: Business Office (956) 618-6016
eMail: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools

PREPARED BY: M.A.M MARK MARTINEZ

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
MCALLEN I.S.D. TAXES COLLECTED FOR:
NOVEMBER 2020

COMPARATIVE RATE OF COLLECTIONS

MCALLEN I.S.D. SML - 47	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2020/2021	COLLECTED 2019/2020
2020 TAX ROLL	88,388,374.05	7,869,267.76		912,516.50	81,431,622.79	8.81%	9.30%
2019 & PRIOR YRS	7,532,806.64	1,364,385.60	(182,936.50)	(260,949.95)	5,724,534.59	19.25%	15.76%
ROLLBACK	54,273.83	22,272.60		25,737.99	57,739.22	27.84%	66.36%
TOTALS	95,975,454.52	9,255,925.96	(182,936.50)	677,304.54	87,213,896.60		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF NOVEMBER 2020

	MCALLEN ISD	MONTHLY MODIFICATIONS	
CURRENT YEAR-BASE TAX	6,274,140.43	(80,250.43)	CURRENT
CURRENT YEAR-P&I	-		
PRIOR YEARS-BASE TAX	160,240.74	(35,251.16)	PRIOR
PRIOR YEARS-P&I	61,233.80		
ROLLBACK	-	25,737.99	ROLLBACK
ROLLBACK P&I	-		
ATTORNEY FEES	33,970.78	-	PURGED
TOTAL COLLECTIONS	6,529,585.75	(89,763.60)	
LESS TRANSFERRED	4,822,703.36		
LESS IN TRANSIT	1,692,995.51		
LESS DUE TO HCAD COMM FEES	691.88		
LESS DUE TO CO TREASURER	13,195.00		
BALANCE	(0.00)		

**********AFFIDAVIT**********

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE MCALLEN I.S.D., DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF NOVEMBER IS CORRECT.

Pablo (Paul) Villarreal Jr.

ASSESSOR-COLLECTOR OF TAXES FOR MCALLEN I.S.D., TEXAS

HIDALGO COUNTY ASSESSOR & COLL. OF TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 8TH DAY OF DECEMBER 2020 A.D.

Jose E Jaramillo

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS

NOTARY PUBLIC
Jose Edgar Jaramillo
Notary ID# 12911866-7
My Comm. Exp. 9-10-2024
STATE OF TEXAS

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Human Resources Recommendation(s) for School Year 2020-2021

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

McAllen Independent School District utilizes a comprehensive hiring system that screens, evaluates and recommends the "best" candidates with the skill sets to maximize student learning. All recommended candidates meet compliance with State Law requirements, that is to increase the academic achievement of all students by helping campuses and district improve teacher quality.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Considerations are made in accordance with Board Policy DC (LEGAL) and District Staffing Guidelines. Individual(s) to be identified under separate cover.

LEGAL REVIEW: Not Applicable

BUDGETARY CONSIDERATIONS:

Provided with individuals identified under separate cover.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve Human Resources recommendations for School Year 2020-2021.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 12, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Human Resources Employee Resignation(s) for School Year 2020-2021

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Employees desiring to voluntarily separate from the school district for reasons such as retirement, relocation or other such reasons provide written notice to their immediate supervisor and the Human Resources Department. All resignations include current position, work site and date resignation is to be effective.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Human Resources Department shall notify all appropriate personnel of the resignation, including the Payroll Department. All vacant positions will be closely reviewed by corresponding department administration, along with aligning to staffing guidelines and addressing staffing needs in determining position status.

LEGAL REVIEW: Not Applicable

BUDGETARY CONSIDERATIONS: Not Applicable

RECOMMENDED BOARD ACTION:

This item is for information only. No Board action required.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: todd.miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools Jan 12, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Request for Proposals No. 2021-1000R Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Catalog

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The District purchases library books, e-books, audiovisual materials, and instructional reading materials for students and staff, for instructional purposes, on an as-needed basis. This RFP is an extended response period multiple award contract, solicited in accordance with FASRG, section 3.16 titled Multiple/Catalog/Discount-from-List Contract Awards. This will allow vendors to submit responses throughout the year through the contract term. Vendors will be awarded on an incremental basis, upon Board approval.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One hundred forty-nine (149) vendors were invited to submit responses, and thirty-five (35) vendors responded. Administration recommends that the District award this RFP to all qualified vendors to ensure availability of library books, e-books, audiovisual materials, instructional reading materials for students and staff, for instructional purposes.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Funds for these purchases are budgeted through local, state, federal, and grant funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Request for Proposals No. 2021-1000R Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Catalog to vendors on the attached list, for a term of one (1) year with the option to renew for three (3) additional 1-year terms, using budgeted funds.

SUBMITTED BY: Jenny Ann Vega

SUPERVISOR: Silvia Ibarra (Dec 18, 2020 13:33 CST)

For further information contact:
Name: J. Ann Vega
Office: 956-972-5600
eMail: JennyAnn.Vega@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

Event Number	2021-1000R
Event Title	RFP - Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List
Event Type	RFP
Issue Date	11/16/2020 04:15:51 PM (CT)
Close Date	1/17/2022 03:00:00 PM (CT)

1 Library Books

Supplier	Percentage	Supplier Notes
Books By The Bushel, LLC	75.0%	
BOUND TO STAY BOUND BOOKS, INC.	30.0%	30% DISCOUNT FROM PUBLISHER LIST PRICE IN EFFECT AT TIME OF SHIPMENT PLUS PREBINDING CHARGE OF $8.65 PER BOOK FIRM THROUGH JANUARY 15, 2024. SHORT DISCOUNT TITLES ARE REDUCED BY 10%. (DEDUCT 60 FROM BTSB CATALOG PRICE.) WHEN USING OUR ONLINE CATALOG AT WWW.BTSB.COM, YOUR ACTUAL DISCOUNT WILL BE SHOWN.
Rourke Educational Media (Carson-Dellosa Publishing LLC)	30.0%	30% discount off List Price on hardcover library books
DBA Cherry Lake Publishing/DBA Sleeping Bear Press (CBM LLC)	30.0%	30% Off List Price
The Child's World, Inc	30.0%	
Knowbuddy Resources (Thomas J Peterson LLC)	30.0%	
Smart Apple Media (Thomas J Peterson LLC)	30.0%	
Mrs. Nelson's Book Company, LLC	30.0%	
Broad Reach (Thomas J Peterson LLC)	30.0%	
Lookout Books (Thomas J Peterson LLC)	30.0%	
ABDO Publishing Company	30.0%	This 30% discount from list price is already reflected in catalogs and online at abdobooks.com
Capstone (Coughlan Companies)	25.0%	Library Division-Hard Cover & eBooks: 25% off List Price is reflected in the catalog and on the website as School/Library Price (S/L).
Express Booksellers, LLC	25.0%	Express Booksellers is a book distributor able to procure any publication in print: trade books, textbooks, instructional materials, library books, professional development, classroom sets, and children's books. We do not offer a catalog or price list. We offer a discount range for trade publications in print 25%-40% off publisher's list price. Textbooks, library books, instructional materials and professional publications discounts range from 0%-25% off the publisher's list price. The discount offered is based on the type of publication and quantity ordered. Purchase orders and quote requests can be emailed to Jule Maxwell at jule@expressbooksellers.com. We offer free shipping and there is no minimum order required.
Kaplan Early Learning Company	15.0%	Discount applied to current catalog pricing in effect at time of order. Some exclusions apply
Salem Press (Grey House Publishing)	10.0%	
Mackin Educational Resources (Mackin Book Company)	7.0%	Mackin is offering an ADDITIONAL 7% discount off Mackin.com (which is already discounted up to 45% off List price) for PRINT. EBOOKS and DIGITAL AUDIOBOOKS receive an ADDITIONAL 5%. Databases, multimedia (DVDs, BluRay, CDs, MP3s), Makerspace products, Playaway devices, and streaming video are excluded from this additional discount.
PRESTWICK HOUSE, INC.	0.0%	Discounts up to 35% based on order total- please email us at bid-quotes@prestwickhouse.com and we will prepare a quote providing the largest possible discount.
Gumdrop Books (Central Programs Inc.)	0.0%	Library books are prediscounted off list price up to 70%
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Cengage Learning, Inc	0.0%	
Crabtree Publishing Company	0.0%	Catalog already discounted, 25% off list price
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	Prices on Perma-Bound website are pre-discounted up to 35% on all books. We offer McAllen ISD an additional 3% off the already discounted prices on all books in Perma-Bound bindings.
Frog Publications, Inc.	0.0%	

Event Number	2021-1000R
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Issue Date	11/16/2020 04:15:51 PM (CT)
Close Date	1/17/2022 03:00:00 PM (CT)

2 e-Books

Supplier	Percentage	Supplier Notes
ABDO Publishing Company	30.0%	This 30% discount from list price is already reflected in catalogs and online at abdobooks.com
DBA Cherry Lake Publishing/DBA Sleeping Bear Press (CBM LLC)	30.0%	30% Off List Price
The Child's World, Inc	30.0%	
Capstone (Coughlan Companies)	25.0%	Library Division-Hard Cover & eBooks: 25% off List Price is reflected in the catalog and on the website as School/Library Price (S/L).
Pioneer School of Real Estate (Pioneer School of Real Estate, LLC)	20.0%	
Mackin Educational Resources (Mackin Book Company)	5.0%	Mackin is offering an ADDITIONAL 5% discount off Mackin.com (which is already discounted up to 45% off List price) for EBOOKS and DIGITAL AUDIOBOOKS. PRINT receive an ADDITIONAL 7%. Databases, multimedia (DVDs, BluRay, CDs, MP3s), Makerspace products, Playaway devices, and streaming video are excluded from this additional discount.
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	
Corwin Press Inc	0.0%	Discount schedule escalates with volume of each order from 0% to 30%. 0-9 books (0%); 10-49 (10%); 50-99 (15%); 100-299 (20%); 300-499 (25%) 500+ (30%) Required Resource Guides (workbooks) for professional learning do not qualify for any discount.
Doylene & Assocoiates, Inc (Doylene & Associates, Inc)	0.0%	0 to 10 %
RALLY! EDUCATION	0.0%	All prices in our catalog as well as on our website reflect a school discount of at least 25% off the list price
Crabtree Publishing Company	0.0%	Catalog already discounted, 25% off list price
Gumdrop Books (Central Programs Inc.)	0.0%	
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Cengage Learning, Inc	0.0%	
Rourke Educational Media (Carson-Dellosa Publishing LLC)	0.0%	EBOOKS ARE $19.95 EACH, NO ADDITIONAL DISCOUNT.HOWEVER, WE DO OFFER BEST OF BOTH WORLDS WHICH IS HARDCOVER, EBOOK, AND QR CODE LABEL FOR $25 PER TITLE (MINIMUM OF 20 TITLES ON THIS PROMOTION)
Zaner-Bloser, Inc.	0.0%	Educational Catalog prices already reflect a 25% school discount off retail list prices.

3 Textbooks

Supplier	Percentage	Supplier Notes
Mrs. Nelson's Book Company, LLC	30.0%	
Express Booksellers, LLC	25.0%	Express Booksellers is a book distributor able to procure any publication in print: trade books, textbooks, instructional materials, library books, professional development, classroom sets, and children's books. We do not offer a catalog or price list. We offer a discount range for trade publications in print 25%-40% off publisher's list price. Textbooks, library books, instructional materials and professional publications discounts range from 0%-25% off the publisher's list price. The discount offered is based on the type of publication and quantity ordered. Purchase orders and quote requests can be emailed to Jule Maxwell at jule@expressbooksellers.com. We offer free shipping and there is no minimum order required.
Pioneer School of Real Estate (Pioneer School of Real Estate, LLC)	20.0%	
Zaner-Bloser, Inc.	0.0%	Educational Catalog prices already reflect a 25% school discount off retail list prices.
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	Prices on Perma-Bound website are pre-discounted up to 35% on all books.
Open Up Resources	0.0%	
PRESTWICK HOUSE, INC.	0.0%	Textbooks are special order items for us however if you will email us at bid-quotes@prestwickhouse.com we will be glad to quote the textbooks providing a discount if possible.

4 Audiovisual Materials

Supplier	Percentage	Supplier Notes
Books By The Bushel, LLC	75.0%	
Mrs. Nelson's Book Company, LLC	30.0%	
AiSYS Consulting	5.0%	
PRESTWICK HOUSE, INC.	0.0%	
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Crabtree Publishing Company	0.0%	Catalog already discounted, 25% off list price
Mackin Educational Resources (Mackin Book Company)	0.0%	Mackin is offering an ADDITIONAL 7% discount off Mackin.com (which is already discounted up to 45% off List price) for PRINT. EBOOKS and DIGITAL AUDIOBOOKS receive an ADDITIONAL 5%. Databases, multimedia (DVDs, BluRay, CDs, MP3s), Makerspace products, Playaway devices, and streaming video are excluded from this additional discount.
Doylene & Assocoiates, Inc (Doylene & Associates, Inc)	0.0%	0-10%
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	

Event Number	2021-1000R
Event Title	RFP - Library Books, e-Books, Textbooks, Audiovisual Materials and Instructional Reading Materials Discount-from-List
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Issue Date	11/16/2020 04:15:51 PM (CT)
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5 Instructional Reading Materials

Supplier	Percentage	Supplier Notes
Books By The Bushel, LLC	75.0%	
Mrs. Nelson's Book Company, LLC	30.0%	
Express Booksellers, LLC	25.0%	Express Booksellers is a book distributor able to procure any publication in print: trade books, textbooks, instructional materials, library books, professional development, classroom sets, and children's books. We do not offer a catalog or price list. We offer a discount range for trade publications in print 25%-40% off publisher's list price. Textbooks, library books, instructional materials and professional publications discounts range from 0%-25% off the publisher's list price. The discount offered is based on the type of publication and quantity ordered. Purchase orders and quote requests can be emailed to Jule Maxwell at jule@expressbooksellers.com. We offer free shipping and there is no minimum order required.
Kaplan Early Learning Company	15.0%	Discount applied to current catalog pricing in effect at time of order. Some exclusions apply
Zaner-Bloser, Inc.	0.0%	Educational Catalog prices already reflect a 25% school discount off retail list prices.
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Mackin Educational Resources (Mackin Book Company)	0.0%	Mackin is offering an ADDITIONAL 7% discount off Mackin.com (which is already discounted up to 45% off List price) for PRINT. EBOOKS and DIGITAL AUDIOBOOKS receive an ADDITIONAL 5%. Databases, multimedia (DVDs, BluRay, CDs, MP3s), Makerspace products, Playaway devices, and streaming video are excluded from this additional discount.
Rourke Educational Media (Carson-Dellosa Publishing LLC)	0.0%	
Open Up Resources	0.0%	
PRESTWICK HOUSE, INC.	0.0%	
Renaissance Learning, Inc.	0.0%	
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	
Corwin Press Inc	0.0%	Discount schedule escalates with volume of each order from 0% to 30%. 0-9 books (0%); 10-49 (10%); 50-99 (15%); 100-299 (20%); 300-499 (25%) 500+ (30%) Required Resource Guides (workbooks) for professional learning do not qualify for any discount.
Scholastic Book Fairs	0.0%	Profit structure varies depending upon a number of factors for book fairs / books bought from branch - 25% discount
Crabtree Publishing Company	0.0%	Catalog already discounted, 25% off list price
RALLY! EDUCATION	0.0%	All prices in our catalog as well as on our website reflect a school discount of at least 25% off the list price.
Frog Publications, Inc.	0.0%	
Capstone (Coughlan Companies)	0.0%	Classroom Division-Paperback: Various programs are discounted 5-10%. Catalog and website pricing reflects discount.PebbleGo and Capstone Connect Products: multi-site, multi-database discounts available. Call Customer Service or your sales consultant for quote.
Doylene & Assocoiates, Inc (Doylene & Associates, Inc)	0.0%	0-10%

6 Other textbooks, magazine sub, newspapers (MUST be related to categories above).

Supplier	Percentage	Supplier Notes
Mrs. Nelson's Book Company, LLC	30.0%	
Frog Publications, Inc.	0.0%	
Capstone (Coughlan Companies)	0.0%	PebbleGo, PebbleGo Next, and Capstone Connect are educational digital products available from Capstone. Quotes are available via Customer Service or your direct sales representative. Multi-database and multi-site discounts are availalabe.
Renaissance Learning, Inc.	0.0%	
Youthlight, Inc.	0.0%	Volume Discounts$500.00-$749.99 Save 5%$750.00-$999.00 Save 10%$1,000.00-$2,499.99 Save 15%$2,500.00+ Save 20%
Perma-Bound Books/Hertzberg-New Method, Inc.	0.0%	Perma-Bound Books does not offer magazines or newspapers

Signature: J.A. Gonzalez, Ed. D.
J.A. Gonzalez, Ed. D. (Jan 4, 2021 15:15 CST)

Email: jose.gonzalez@mcallenisd.net

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of First Amendment to Real Estate Sales Contract and Deed No. 2021-152 with Domain Development Corp.

REFERENCE: Goal 4 - Financial Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

On September 28, 2020, the Board of Trustees approved Bid No. 2021-108 Sale of Real Property (Jackson) and Resolution No. 2021-152 with Domain Development Corp.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The buyer, Domain Development Corp., has requested that the District extend the closing date by two weeks, from January 15, 2021 to January 29, 2021, in an effort for the buyer to receive an updated survey, to include easements, as required by their lender.

LEGAL REVIEW:

The amendment was prepared by legal counsel.

BUDGETARY CONSIDERATIONS:

None

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve the First Amendment to Real Estate Sales Contract and Deed No. 2021-152 with Domain Development Corp.

SUBMITTED BY: Arely Benavides (Jan 12, 2021 15:46 CST)

SUPERVISOR: Arely Benavides (Jan 12, 2021 15:46 CST)

For further information contact:
Name: Arely Benavides
Office: (956) 688-5445
email: Arely.Benavides@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

FIRST AMENDEMENT TO REAL ESTATE SALES CONTRACT

This First Amendment to Real Estate Sales Contract by and between the Board of Trustees of the McAllen Independent School District ("Seller") and Domain Development Corp ("Buyer") executed by the Board of Trustees of the McAllen Independent School District on October 6, 2020 (the "Contract") is made this 18th day of January, 2021 as follows:

WHEREAS, the Seller executed the Contract on October 6, 2020; and

WHEREAS, the Buyer has requested to extend the Closing Date as defined in the Contract by fourteen (14) calendar days.

NOW THEREFORE, for and in consideration of the extension of the Closing Date (as defined in the Contract) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree to the following amendment to the Contract;

1. Paragraph A.9. of the Contract is deleted in its entirety and the following is substituted in lieu thereof:

   A.9. **Closing Date:** January 29, 2021.

2. Except as modified herein, all terms and conditions of the Contract, as amended, remain in full force and effect. Seller and Buyer ratify and confirm the terms and provisions of the Contract as amended.

EXECUTED IN DUPLICATE ORIGINALS on January 18, 2021.

Seller:	Buyer:
MCALLEN INDEPENDENT SCHOOL DISTRICT	DOMAIN DEVELOPMENT CORP.
By:_____ Conrado "Ito" Alvarado	By:_____ Name: _____ Title: _____

ATTEST:

_____
Tony Forina
Secretary, Board of Trustees

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Request for Proposal No. 2018-157R7 Professional Development, Site Licenses, Supplemental Material, & Other Related Products and Services

REFERENCE: Goal 1 - Student Achievement/Student Focus; Strategy 3 - Engaging Learning Environment

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The District solicited proposals for professional development, site licenses, supplemental material, & other related products and services. Request for Proposal ("RFP") is a "Rolling RFP" and allows for additional vendors to be added on a quarterly basis during the three (3) year coterminous term. The Board of Trustees approved Request for Proposal No. 2018-157 Professional Development, Site Licenses, Supplemental Material, & Other Related Products and Services on January 21, 2019, April 8, 2019, June 17, 2019, September 24, 2019, January 13, 2020, April 13, 2020, and June 22, 2020. These products/services are purchased by campuses and departments. Three hundred thirty-three (333) vendors were previously awarded through this RFP.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

One thousand six hundred seventy (1,670) vendors were invited to submit proposals. Thirty two (32) vendors responded, including four (4) no-bids; one (1) non-responsive; and three (3) previously awarded vendors with updated proposals. The evaluation committee comprised of Rudy Salinas, Buyer; Elizabeth Cabrera, Coordinator for Purchasing Services; and Alejandra Gonzalez, Director of Purchasing Services met to evaluate the proposals. Administration is recommending the twenty-seven (27) vendors listed on the attached list be awarded for a total of three hundred sixty (360) vendors on this RFP.

LEGAL REVIEW:

Standard Contracts will be generated for services, as needed.

BUDGETARY CONSIDERATIONS:

Funds for these purchases have been budgeted through the federal, state, and local funds.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve 2018-157R7 Professional Development, Site Licenses, Supplemental Material, & Other Related Products and Services to the vendors on the attached list, for a coterminous term through January 21, 2022.

SUBMITTED BY: Alejandra Gonzalez (Purchasing)
Alejandra Gonzalez (Purchasing) (Dec 16, 2020 11:22 CST)

SUPERVISOR: Silvia Ibarra
Silvia Ibarra (Dec 16, 2020 14:36 CST)

For further information contact:
Name: Alejandra Gonzalez
Office: 956-657-4480
eMail: alejandra.gonzalez@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

	ID	Vendor	Contact Information	Awarded/Discount
1		Academy Global Learning 610 Rozelle Ave. Sugar Land, TX 77498	Phone: 832-588-7762 Angeles Chavez angeles@acgloballearning.org	Recommended
2		Academy in Manayunk dba AIM Academy 1200 River Road Conshohocken, PA 19428	Phone: 215-948-9363 Karen Keesey kkeesey@aimpa.org	Recommended
3		Argument-Driven Inquiry, LLC 12707 Nutty Brown Rd Suite C-200 Austin, TX 78737	Phone: 512-777-4099 Krista Sampson krista@argumentdriveninquiry.com	Recommended
4		CodeHS, Inc. 42A Dore St. San Francisco, CA 94103	Phone: 415-889-3376 Adrianne Mikes hello@codehs.com	Recommended
5		Creative Education Institute (CEI) 4567 Lake Shore Dr. Waco, TX 76710	Phone: 888-511-4194 Lesley Mullen lesleym@ceilearning.com	Recommended
6		Digital Respons-Ability 586 N. 290 E. Vineyard, UT 84059	Phone: 801-953-5675 Carrie Rodgers-Whitehead carrie@respons-ability.net	Recommended
7		Edhesive LLC 33 W. 17th St., 7th Fl New York, NY 10011	Phone: 513-312-0537 Will Selnick wselnick@edhesive.com	Recommended
8		Gina Lydia Garza-Reyna dba Elite Teacher Preparation Academy 2501 San Gabriel St. Edinburg, TX 78539	Phone: 956-393-7896 Dr. Gina Garza-Reyna eliteteacherprep@gmail.com	Recommended
9		ExploreLearning, LLC 17855 Dallas Parkway, Suite 400 Dallas, TX 75287-6857	Phone: 866-882-4141 Amy Otis elbidscontracts@explorelearning.com	Recommended

10		Friesens Corporation 572 South 5th Street Pembina, ND 58271	Phone: 832-691-1361 Kevin Somers kevins@friesens.com	Recommended
11		Great Minds PBC 55 M St. SE., STE 340 Washington, DC 20003	Phone: 804-855-3981 Erin Faltermeier Erin.faltermeier@greatminds.org	Recommended
12		Houston Education Leadership Partners, LLC 12602 Summer Lake Ranch Dr. Houston, TX 77044-2646	Phone: 281-830-6667 Cecilia Hawkins chawkins@leadershippartnerstx.com	Recommended
13		Kickboard, Inc. P.O. Box 15829 New Orleans, LA 70175	Phone: 206-778-8329 Andrea Rance andrea@kickboardforschools.com	Recommended
14		Lectura, Inc. dba The Latino Family Literacy Project, dba Lectura Books 1107 Fair Oaks Avenue, Suite 225 South Pasadena, CA 91030	Phone: 626-799-7341 Katherine Del Monte info@LatinoLiteracy.com	Recommended
15		Lexia Learning Systems LLC 300 Baker Ave., Ste 320 Concord, MA 01742-2131	Phone: 800-435-3942 Nick Gaehde bidteam@lexialearning.com	Recommended
16		Guadalupe Lloyd dba Lupe Lloyd & Associates, Inc. 12910 Legend Field Dr. San Antonio, TX 78230	Phone: 210-872-1960 Lupe Lloyd lupelloydinc@sbcglobal.net	Recommended
17		Maneuvering the Middle LLC P.O. Box 81066 Austin, TX 78708	Phone: 512-819-1781 Michael Pickering schools@maneuveringthemiddle.com	Recommended
18		National Restaurant Association Solutions, LLC 233 S. Wacker Drive #3600 Chicago, IL 60606-6383	Phone: 312-715-5358 Jill Arnett jarnett@restaurant.org	Recommended
19		New Teacher Center 1205 Pacific Ave., Ste 301 Santa Cruz, CA 95060	Phone: 831-600-2200 Nicole Cooley rfp@newteachercenter.org	Recommended

20		Janelle Chisholm dba No Teacher Left Behind PD 6820 W. Donald Drive Glendale, AZ 85310	Phone: 602-919-0215 Janelle Chisholm noteacherleftbehindpd@gmail.com	Recommended
21		PresenceLearning, Inc. 530 7th Avenue, Suite M1 New York, NY 10018	Phone: 361-779-8960 Sam Elizondo sam.elizondo@presencelearning.com	Recommended
22		Psychological Assessment Resources, Inc. dba PAR, Inc. 16204 N. Florida Avenue Lutz, FL 33549	Phone: 813-576-8120 Theo Miron tmiron@parinc.com	Recommended
23		Ready Bodies, Learning Minds LLC 20540 State Hwy 46, Suite 115-144 Spring Branch, TX 78070	Phone: 866-865-3781 Mary Jane Jahnsen info@readybodies.com	Recommended
24		Seesaw Learning, Inc. dba Seesaw 180 Montgomery Street, Suite 750 San Francisco, CA 94104	Phone: 415-870-4468 Karim Sabuwalla accounting@seesaw.me	Recommended
25		SilkWeb Consulting and Development LLC 36595 N. Montalcino Rd. Scottsdale, AZ 85262	Phone: 513-515-1612 Laurel Silk-Shaw lshaw@silkweb.com	Recommended
26		TinyEYE Technologies Corporation 105 -116 Research Drive Saskatoon, SK, S7N-3R3	Phone: 877-846-9393 Greg Sutton gsutton@tinyeye.com	Recommended
27		UnboundEd Learning, Inc. 228 Park Ave. South, ECM 90834 New York, NY 10003	Phone: 347-497-0809 Laura Smith, COO Laura.smith@unbounded.org	Recommended

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2020

SUBJECT: Approval of Competitive Sealed Proposal ("CSP") No. 2021-177 Memorial High School Roof Replacement Project

REFERENCE: Goal 3 - Facility Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The District solicited proposals for roof replacement at McAllen Memorial High School.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Six hundred forty-one (641) contractors were invited to submit proposals, and seven (7) contractors responded. On January 11, 2021, the evaluation committee, comprised of Ruben Trevino, Executive Director of Facilities Maintenance & Operations; Melissa Ortiz, Project Manager for Facilities Maintenance & Operations; Roel Moroles, Assistant Director of Facilities Maintenance & Operations; Alejandra Gonzalez, Director of Purchasing Services; Elizabeth Cabrera, Purchasing Services Coordinator; and Sandra Zamora, Senior Buyer, evaluated the proposals and is recommending that the Board award this contract to American Contracting U.S.A., Inc. from Rio Hondo, TX, the highest ranked contractor.

LEGAL REVIEW:

A draft copy of the AIA contract is attached. The AIA contract is pending receipt of payment and performance bonds and final legal review.

BUDGETARY CONSIDERATIONS:

The contract price for this project is $1,702,000.00, which includes a contingency in the amount of $75,000.00. Funds for this project are available through the District Maintenance Tax Note. Administration is currently in negotiations for BAFO.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Competitive Sealed Proposal ("CSP") No. 2021-177 Memorial High School Roof Replacement Project to American Contracting U.S.A., Inc.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (Jan 13, 2021 15:47 CST)

For further information contact:
Name: Ruben Treviño
Office: (956) 632-3200
email: ruben.trevino@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

Competitive Sealed Proposal No. 2021-177 CSP - Memorial High School Roof Replacement Project

		Vendor:	American Contracting U.S.A.	ARGIO Roofing and Construction	CS Advantage USAA, Inc.	RG Enterprises LLC dba G&G Contractors	Knight Commercial Roofing	SLR Building Contractors	Tadco LLC dba Tadco Roofing
		Rank➡➡	**1**	**2**	**3**	**7**	**4**	**6**	**5**
		Total Points➡	97.5	96.1	83.9	69.5	78.8	69.9	71.9
1	**AMOUNT/BASE BID (CONTINGENCY INCLUDED)**	Max. Pts⬇	**$1,702,000.00**	**$1,727,264.64**	**$2,046,000.00**	**$2,245,222.00**	**$2,036,200.00**	**$2,767,536.00**	**$2,729,500.00**
	Proposed construction contract price (Base price). Contract price shall include both base price and total alternate price. Final weighting distribution between base Price and total of alternates will be a calculated percentage.	60	60.0	59.1	49.9	45.5	50.2	36.9	37.4
2	**List three (3) references** of current or past projects completed within the past five (5) years of similar scope and size • The quality of the work provided by bidder. • The bidder's history of providing warranty documents. • The bidder's history of timeliness in completing warranty work. • The bidder's history of staying on schedule. • The bidder's cooperative attitude when working with the owner and its architect in resolving construction issues. • The bidder's history of providing detailed documentation and a fair assessment of change order pricing. • The bidder's history of repeat business with owner(s).	3	**3**	**2.5**	**3**	**0.5**	**1.5**	**2.5**	**3**
	Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)			3 scope / 2 size		0 scope / 1 size	insufficient scope details / 3 size	3 scope / 2 size	
3	**List any claims**, judgments, arbitration proceedings or suits pending or outstanding against your company or its officers. If any, summarize the nature of the claims.	1	**1**	**1**	**1**	**1**	**1**	**1**	**1**
4	List current or past **MISD projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	1	**1**	**1**	**0**	**0**	**1**	**0**	**0**
	Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)				none listed (2012)	none listed		none listed	none listed
5	List three (3) current or past **K-12 projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	3	**3**	**3**	**3**	**0.5**	**0**	**2**	**2.5**
	Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)					0 scope / 1 size	0 scope/ 0 size	3 scope / 1 size	3 scope / 2 size
6	List current or past **Non K-12 projects** completed within the past five (5) years of similar scope and size where you have been the "Prime Contractor".	3	**2.5**	**1.5**	**0**	**2**	**0**	**0.5**	**1.5**
	Similar scope and size (0.5 pts for scope; 0.5 pts for size per reference)		3 scope / 2 size	3 scope / 0 size	0 scope / 0 size	3 scope / 1 size	0 scope / 0 size	1 scope / 0 size	2 scope / 1 size
7	**List** and **attach** three **(3) references** from major suppliers and/or sub-contractors within the past two (2) years which specifically address a) history of paying sub-contractors b) providing materials on time (Reference letters must be dated).	3	**2**	**3**	**3**	**3**	**2**	**3**	**2.5**
			3 ref / 1 letter				3 ref/ 1 letter		3 ref/ 2 letters
8	List your company's history of **on-time project completion** (based on responses stated in questions 4-6)	3	**3**	**3**	**3**	**0**	**1.5**	**3**	**3**
						3 scope / 0 size	0 scope / 3 size		
9	List your company's history of **repeat business** with project owner(s) for similar scope and size.	1	**1**	**1**	**1**	**1**	**1**	**1**	**1**
10	Attach **"Workers Compensation Experience Rating"** for the **last three (3) years** (2017-2019)**.**	3	**3**	**3**	**3**	**2**	**3**	**1**	**3**
			2016, 2017, 2018, 2019	2017, 2018, 2019	2016, 2017, 2018, 2019, 2020	2017, 2018		2021	2017, 2018, 2019
11	**Attach "OSHA Form 300 Log** of Work-Related Injuries and Illnesses" for the **last three (3) years (2017-2019)** addressing the following: Number of injuries and illnesses; Number of lost time accidents; Number of recordable cases; Number of fatalities; Number of employee direct hire fixed hours worked (round to 1,000's)	3	**3**	**3** 115	**3**	**0**	**3**	**3**	**3**
			2017, 2018, 2019	2017-, 2018, 2019	2018, 2019, 2020	none submitted	2017, 2018, 2019	2015-2019	2017, 2018, 2019

MCALLEN

Competitive Sealed Proposal No. 2021-177 CSP - Memorial High School Roof Replacement Project

		Vendor:	American Contracting U.S.A.	ARGIO Roofing and Construction	CS Advantage USAA, Inc.	RG Enterprises LLC dba G&G Contractors	Knight Commercial Roofing	SLR Building Contractors	Tadco LLC dba Tadco Roofing
12	**Attach** your company's **safety program manual and/or procedures for current and new employees**.	2	2	2	2	2	2	2	2
13	**State the frequency** safety inspections are conducted for projects	1	1	1	1	0	1	1	1
						did not specify			
14	**Attach** your company's **drug/alcohol prevention policy and/or procedures.**	1	1	1	1	1	1	1	1
15	**Select** the correct statement: • General Contractor and will utilize 100% of your own forces. Describe the sufficient resources your company has to manage staff and successfully perform the work • Joint venture or other type of arrangement. Describe type of arrangement. If using subcontractors, list the subcontractors by trade that will be assigned to this project.	1	1	1	1	1	1	1	1
16	**List names** of the individuals who will be assigned for the duration of the project (i.e., Project Manager, Assistant Project Manager, Project Superintendent, Assistant Project Superintendent and MEP Quality Control Specialist). Include their **job titles, job descriptions/responsibilities, and attach details listed in section 11.16 of the CSP.**	2	2	2	2	2	1.6	2	2
17	**Attach a letter from your surety** company addressing the following points. **1) Surety Company** • Listed in the State Board of Insurance, Bond Department's "List of Insurance Companies Licensed to Write Fidelity and Surety Bonds in Texas (http://www.tdi.texas.gov/commercial/pcbond.html) https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570_a-z.htm • Is authorized to do business in Texas and is authorized to do business up to the limit of the contract. • Holds a certificate of authority from the U.S. Secretary of Treasury or has obtained reinsurance for any liability in excess of $100,000. • AM Best Rating **2) Contractor** • Maximum bonding limit for the contractor • Aggregate/total available limit of coverage. • Years doing business with surety	2	2	2	2	2	2	2	2
18	**List projects** that your company **currently** has **in progress**. For each project listed address the following points: • Name of project; • Owner's contact person and phone number; • Architect, Architect's contact person and phone number; • Contract amount; • Percent complete; • Scheduled completion date; • List total worth of work in progress and under contract	1	1	1	1	1	1	1	1
19	**Attach** a **CURRENT** financial statement • Balance and income statement (indicating current assets, net fixed assets, other assets, current liabilities and other liabilities) • Financial statement (indicating name and address of firm preparing financial statement, and date thereof; • If the financial statement is not for the identical organization submitting offer, explain the relationship and financial responsibility of the organization whose financial statement is provided (parent, subsidiary, etc.)	2	2	2	2	2	2	2	2
20	Select your company's Dun & Bradstreet risk indicator and attach documentation (risk indicator 1 – 4): (1 pt.)	1	0	0	1	0	0	1	1
			did not specify	did not specify		did not specify	did not specify		
21	**Bid Bond**	1	1	1	1	1	1	1	1
22	**Attach** a proposed **project schedule/timeline**	2	2	1	0	2	2	2	0
					did not submit				did not submit

AIA® Document A101™ – 2017

Standard Form of Agreement Between Owner and Contractor *where the basis of payment is a Stipulated Sum*

AGREEMENT made as of the day of in the year 202__
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

and the Contractor:
(Name, legal status, address and other information)

for the following Project:
(Name, location and detailed description)

The Architect:
(Name, legal status, address and other information)

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101™–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), all sections of the Project Manual, Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of this Agreement.

[X] A date set forth in a notice to proceed issued by the Owner.

[ ] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

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§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall diligently prosecute and achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[ ] By the following date:

Final Completion shall be 30 calendar days after the date of Substantial Completion, subject to adjustments of the Contract Time as provided in the Contract Documents.

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be ($), subject to additions and deductions as provided in the Contract Documents. The Contract Sum consists of two portions, the budgeted amount of [ ] Dollars and [ ] Cents ($[ ]) and a contingency of [ ] Dollars ($[ ]) as specified in Section 4.3 below. This contingency is for the sole use of the Owner to be used for changes in the scope of the Work and for the betterment of the Project. Contractor acknowledges and agrees that the contingency portion of the Contract Sum set forth in Section 4.3 shall not be due or payable unless and to the extent that Owner authorizes such expenditure in writing If the Owner's Contingency is not expended or not fully expended, then any unused portion shall belong to the Owner and shall be credited to the Owner in calculating final payment.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
Contingency	$[ ]

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

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[Unit prices for certain components are specified in the bidding form attached hereto as part of Exhibit B. Such prices are only applicable in the event Owner opts to increase or decrease the number of required components.]

Item	Units and Limitations	Price per Unit ($0.00)

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

§ 4.5.1 Substantial Completion. Owner and Contractor recognize that time is of the essence in this Agreement and that Owner will suffer financial loss if the Work is not completed within the time specified in Article 3, plus any extension thereof in accordance with Article 8 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Substantial Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.2 Final Completion. In addition, timely Final Completion is an essential condition of this Agreement. Contractor agrees to achieve Final Completion of the Work within 30 calendar days of the Substantial Completion date (subject to adjustment of such date in accordance with the terms hereof). It is specifically understood and agreed by and between Owner and Contractor that time is of the essence in the Final Completion of the Project and Owner shall sustain additional damages as a result of Contractor's failure, neglect or refusal to achieve said deadline. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Contractor and Owner also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring such proof, Owner and Contractor agree that as liquidated damages for delay (but not as penalty) Contractor shall pay Owner [ ] Dollars and Zero Cents ($[ ].00) per calendar day for each day after the Final Completion date noted in Article 3 until the Work is substantially complete.

§ 4.5.3 ***It is expressly understood that the said sum per day set forth in this Section 4.5 is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by the Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult, and in no sense shall be considered a penalty.*** It is expressly agreed as a part of the consideration inducing the Owner to execute this Agreement that the Owner may deduct from any Payment made to the Contractor any sums due from Contractor to Owner pursuant to Section 4.5 above.

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

§ 4.6.1 Commitment of Current Revenues Only. In the event that during any term hereof, the governing body of any local government party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each government party hereto pursuant to the provisions of Texas Local Governmentt Code §271.903.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

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§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the first day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the fifth day following approval by the Board of Trustees or as otherwise required by applicable law .
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum less any unused Owner's contingency among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Owner and the Architect may require. This schedule of values, unless objected to by the Architect or the Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

.1 That portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values;

.2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and

.3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified to the extent approved by the Owner in writing, as provided in Section 7.3.9 of AIA Document A201.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

.1 The aggregate of any amounts previously paid by the Owner;

.2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201;

.3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;

.4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201 or amounts certified by the Architect and disputed by the Owner; and

.5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner shall withhold the following amount, as retainage, from the payment otherwise due:
(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five percent (5%) if the amount set forth in Section 4.1 above for the Contract Sum is at least Four Hundred Thousand Dollars ($400,000.00) and ten percent (10%) if such amount is less than Four Hundred Thousand Dollars ($400,000.00).

(Paragraphs deleted)

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

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(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

None.

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage upon Substantial Completion.)

Retainage on any incomplete Work and Unsettled claims.
(Paragraph deleted)
§ 5.1.9 Except with the Owner's prior written approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.1.10 If Owner is entitled to deduct liquidated damages, or any other damages or amounts provided in the Contract Documents, including clean-up fees, then Owner shall be entitled to deduct such liquidated damages, amounts and fees at any time.

§ 5.1.11 If Contractor fails or refuses to complete the Work, or has unsettled claims with Owner, any payment to Contractor shall be subject to deduction for such amounts as the Architect if applicable, shall determine as the cost for completing incomplete Work and the value of unsettled claim.

§ 5.2 Final Payment
§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum minus disputed sums, authorized deductions and liquidated damages, shall be made by the Owner to the Contractor after

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct nonconformingWork as provided in Article 12 of AIA Document A201, and to satisfy other requirements, if any, which extend beyond final payment;

.2 the Contractor has provided all documents required by Sections 3.5 et seq. and 9.10.2 et seq. of AIA Document A201;

.3 the Contractor has provided the following documents:

.1 Written certifications that no materials used in the Work contain lead or asbestos materials in them in excess of amounts allowed by federal, state or local standards, laws, codes, rules and regulations; the Federal Environmental Protection Agency (EPA) standards; and/or the Federal Occupational Safety and Health Administration (OSHA) standards, whichever is most restrictive. The Contractor shall provide this written certification as part of submittals under the Section in the Project Manual related to Contract Closeout;

.2 Final list of subcontractors (AIA Document G705);

.3 Contractor's certification in Texas Education Agency's Certification of Project Compliance, located at: www.tea.state.tx.us/school.finance/facilities/cert_2004. pdf;

.4 Contractor's warranties, organized as required elsewhere in the Contract Documents;

.5 Maintenance and Instruction Manuals;

.6 Owner's Final Completion Certificate; and

.7 "As-constructed record drawings". At the completion of the Project, the Contractor shall submit one complete set of "as-constructed" record drawings, with all changes made during construction, including concealed mechanical, electrical, and plumbing items. The Contractor shall submit these as electronic, sepia, or other acceptable medium, in the discretion of the Owner. The "as-constructed" record drawings shall delete the seal of the

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Architect and/or the Engineer and any reference to those firms providing professional services to the Owner, except for historical or reference purposes;

.4 a final Certificate for Payment has been issued by the Architect; and

.5 Owner's Board of Trustees has voted to accept the Work and approve the Final Payment.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, and upon acceptance by the Owner and Architect, and after satisfactory evidence has been given by the Contractor that all of the Contractor's bills have been paid and the entire Project is free from liens.

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest pursuant to Texas Government Code §2251.025.
(Insert rate of interest agreed upon, if any.)

[ ] %

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.
(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

[ ] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

[X] Litigation in a court of competent jurisdiction

[ ] Other *(Specify)*

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201.

(Paragraphs deleted)

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 All references to AIA Document A201-2017, AIA Document A201-2007, AIA Document A201 or the A201, shall mean to the modified A201-2007 attached hereto as Exhibit "A". Similarly, references to AIA Document A101-2017, AIA Document A101-2007 or to the A101 shall mean to this A101-2017. Where reference is made in this

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Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Mr. Ruben Trevino
McAllen Independent School District
20000 N. 23rd St.
McAllen, TX 78501-6126

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds
§ 8.5.1 The Contractor shall purchase and maintain insurance as set forth in Article II of the AIA Document A201. The Contractor's insurance certificates are attached hereto as Exhibit "D".

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A201. The original bonds required pursuant to Section 11.4 of the A201 and this Section 8.5 are attached to the Owner's execution original of this Agreement as Exhibit "C" with a copy of the bonds attached as Exhibit "C" to the Contractor's execution original.

(Paragraphs deleted)
§ 8.7 Other provisions:

§ 8.7.1 The Agreement shall be governed by the laws of the State of Texas, and any litigation shall be conducted in state district court. Mandatory and exclusive venue shall be in Hidalgo County, Texas.

§ 8.7.2 As a material consideration of the making of this Agreement, the modifications to this Agreement shall not be construed against the maker of said modifications.

§ 8.7.3 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors. As part of that responsibility, Contractor shall enforce the Owner's alcohol-free, drug-free, tobacco-free, harassment-free and weapon-free policies and zones, which will require compliance with those policies and zones by Contractor's employees, subcontractors, and all other persons carrying out the Contract.

§ 8.7.4 Contractor acknowledges that the Owner retained the party set forth above under "Architect" above to provide certain design, contract administration and/or other services for the Project, and may not have used an AIA document for the contract with such party. All references in the Contract Documents to the Architect shall be to the entity named on the first page as the "Architect". The parties acknowledge and agree that, notwithstanding any other provision in the Contract Documents, the Owner is not obligated to retain an architect for the Project and the Owner makes no representations about the party set forth above under "Architect" being an architect.

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§ 8.7.5 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to wear identification tags on the front of their persons during all times that they are on Owner's property. Such identification tags shall contain a current photograph and the worker's full name in a typeface large enough to be seen from a reasonable distance.

§ 8.7.6 Contractor shall require all construction workers, whether Contractor's own forces or the forces of Contractor's subcontractors, to park their personal motor vehicles on Owner's property only in the parking places designated by the Owner's campus principal. Any vehicles not parked in the appropriate locations shall be towed at the vehicle owner's sole expense.

§ 8.7.7 Contractor shall institute a theft deterrence program designed to restrict construction worker access to properties of Owner that are currently in use, to maintain supervision of Contractor's and Contractor's subcontractor's forces, and to reimburse the Owner or those persons suffering a theft loss which results from Contractor's forces or Contractor's subcontractor's forces' actions, omissions, or failure to secure the Work or connecting or adjacent property of Owner.

§ 8.7.8 The Contractor may not assign its responsibilities, duties, obligations and rights under this Agreement, without the express written consent of the Owner. This does not prevent Contractor from engaging subcontractors to perform various phases of the Project, but Contractor shall be fully responsible to Owner for the work, actions and omissions of all such subcontractors.

§ 8.7.9 This Agreement is subject to all applicable federal and state laws, rules, and regulations. Invalidity of any portion of this Agreement under the laws of the State of Texas or of the United States shall not affect the validity of the remainder of this Agreement.

§ 8.7.10 By signing this Agreement, the undersigned certifies as follows: Under Section 231.006, Texas Family Code, the vendor or applicant certifies that the individual or business entity named in the contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated, and payment may be withheld if this certification is inaccurate.

§ 8.7.11 No delay or omission by Owner in exercising any right or power accruing upon the noncompliance or failure of performance by Contractor of any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by Owner of any of the covenants, conditions or agreements hereof to be performed by Contractor shall not be construed to be a waiver of any subsequent breach thereof or of any other covenant, condition or agreement herein contained.

§ 8.7.12 Contractor stipulates that Owner is a political subdivision of the State of the Texas, and, as such, enjoys immunities from suit and liability as provided by the constitution and laws of the State of Texas. By entering into this Agreement, Owner does not waive any of its immunities from suit and/or liability, except as otherwise specifically provided herein, and as specifically authorized by law.

§ 8.7.13 By executing this Agreement, Contractor verifies that it does not boycott Israel, and it will not boycott Israel during the terms of this Contract.

§ 8.7.14 Contractor verifies and affirms that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If Contractor has misrepresented its inclusion on the Comptroller's list, such omission or misrepresentation will void this Contract.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 This executed AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor

.2 AIA Document A201™–2007, General Conditions of the Contract for Construction

(Paragraphs deleted)

(as modified and attached hereto as Exhibit "A")

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(Paragraph deleted)

.3 Drawings attached hereto as part of Exhibit "E".

Number	Title	Date

.4 Specifications attached hereto as part of Exhibit "E".

Section	Title	Date	Pages

.5 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.6 The following Exhibits, which are attached hereto:

.1	Exhibit A	The modified AIA Document A201–2007, General Conditions of the Contract for Construction.
.2	Exhibit B	Contractor's Proposal
.3	Exhibits C	Payment and Performance Bonds
.4	Exhibit D	Contractor's Insurance Certificates
.5	Exhibit E	Plans and Specifications

This Agreement entered into as of the day and year first written above.

OWNER:

McALLEN INDEPENDENT SCHOOL DISTRICT

By: _____

CONTRACTOR:

[ ]

By: _____
Printer Name:
Title:

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

DRAFT

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EXHIBIT A

to

(Paragraph deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Modified AIA Document A201-2007 General Conditions of the Contract for Construction

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User Notes: (1413695541)

EXHIBIT B

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])
Contractor's Proposal

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EXHIBIT C

to

(Table deleted)

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Payment Bond

and

Performance Bond

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(Table deleted)

EXHIBIT D

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Contractor's Insurance Certificates

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EXHIBIT E

to

Agreement dated [, 20], between
McAllen Independent School District and [ ]
(CSP 20__-__ [ ])

Plans and/or Specifications

(Table deleted)

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AIA® Document A201™ – 2007

General Conditions of the Contract for Construction

for the following PROJECT:
(Name and location or address)

THE OWNER:
(Name, legal status and address)

McALLEN INDEPENDENT SCHOOL DISTRICT
2000 North 23rd Street
McAllen, Texas 78501

THE ARCHITECT:
(Name, legal status and address)

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12 UNCOVERING AND CORRECTION OF WORK

13 MISCELLANEOUS PROVISIONS

14 TERMINATION OR SUSPENSION OF THE CONTRACT

15 CLAIMS AND DISPUTES

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect pursuant to Section 7.4. At the Owner's option, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.1.1 Contractor acknowledges and warrants that it has closely examined all the Contract Documents and is unaware of any instance where the documents are not suitable or are insufficient to enable the Contractor to complete the Work in a timely manner for the Contract sum, and that they include all Work, whether or not shown or described, which reasonably may be inferred or useful for the completion of the Work in full compliance with all applicable codes, laws, ordinances, and regulations.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor (except as provided in Sections 5.3 and 5.4 hereof), (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations of the Contractor under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.3.1 The Work shall include the obligation of the Contractor to visit the site of the Project before submitting a proposal. Such site visit shall be for the purpose of familiarizing Contractor with the conditions as they exist and the character of the operations to be carried on under the Contract Documents, including all existing site conditions, access to the site, physical characteristics of the site and surrounding areas. It also includes all supplies, skill, supervision, transportation services and other facilities and things necessary, proper or incidental to the carrying out and completion of the terms of the Contract and all other items of cost or value needed to produce, construct and fully complete the public work identified by the Contract Documents.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams wherever located and whenever issued.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

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§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. Any differences between the requirements of the Drawings and the Specifications or any differences noted within the Drawings themselves or within the Specifications themselves have been referred to Owner and Architect by Contractor prior to the submission of bids and have been clarified by an Addendum issued to all bidders.

If such differences or conflicts were not called to Owner's and Architect's attention prior to submission of bids, Architect shall decide which of the conflicting requirements will govern based upon the following: the most stringent of the requirements will take precedence over the less stringent; the most expensive item will take precedence over the less expensive, and subject to the approval of Owner, Contractor shall perform the Work at no additional cost and/or time to Owner in accordance with the Architect's decision. Work not covered in the Contract Documents will not be required unless it is consistent therewith and is reasonably inferable as being necessary to produce the intended results.

§ 1.2.1.1 In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following priorities:

.1 The Agreement;
.2 Addenda, with those of later date having precedence over those of earlier date;
.3 Supplemental Conditions, if any;
.4 The General Conditions of the Contract for Construction;
.5 Specifications
.6 Drawings, in the case of inconsistency between the Drawings and Specifications or within either document, not clarified by Addendum, the better quality or greater quantity of Work shall be included in the Contract Documents. Clarifications of the inconsistency will be accomplished with the Contractor and, if necessary, an appropriate reduction in the contract will be accomplished by Change Order. Figures given on drawings govern scale measurements. Large scale drawings take precedence over small sale drawings. Written words take precedence over numbers. Handwritten documents take precedence over typewritten documents. Existing conditions take precedence over drawings and specifications for dimensions and shall be verified by the Contractor. The Contractor proceeds at his own risk if conflicts or discrepancies are not resolved prior to the execution of the Work.

§ 1.2.1.2 If Work is required in a manner to make it impossible to produce Work of the quality required by or reasonably inferred from the Contract Documents, or should discrepancies appear among the Contract Documents, Contractor shall request in writing an interpretation from Architect before proceeding with the Work. If Contractor fails to make such request, no excuse will thereafter be entertained for failure to carryout Work in the required manner or provide required guarantees, warranties, or bonds, and Contractor shall not be entitled to any change in the Contract Sum or the Contract Time on account of such failure.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

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§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 Instruments of Service, including the Drawings, Specifications, and other similar or related documents and copies thereof are furnished to Contractor for the purpose of performing the Work and are, and shall remain, the property of Owner and Owner will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's or Owner's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Board of Trustees of Owner, by majority vote, is the only representative of Owner, having the power to enter into a Contract, to execute a change order requiring an increase in the Contract Sum, or agree to an extension of the contractual completion date. The Board shall designate, as appropriate, an authorized representative(s) to act on its behalf during the course of construction. In the event that an emergency changes the scope of the Work before the Board's next regular meeting or in order to facilitate and expedite the timely completion of the Work, the Board's authorized representative(s) may approve construction changes that do not exceed $5,000.00 in increased costs. Any such changes shall be confirmed in writing between the Contractor and the Board's authorized representative(s) and notice of such approved changes shall be given to the Board at its next regular meeting. The Board will act as soon as reasonably possible to avoid undue delays in the construction completion date.

§ 2.1.2 DELETED.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

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§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics and legal limitations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. In connection with the foregoing, Contractor shall be solely responsible for locating (and shall locate prior to performing any Work) all utilities lines, telephone company, cable, sewer lines, water pipes, gas lines, and electrical lines, including without limitation, all buried pipelines and buried telephone cables and shall perform the Work in such a manner so as to avoid damaging any such lines, cables, pipes and pipelines. Under this provision the Architect and Engineer are in no way relieved of their responsibilities outlined in the Contract or other attached contracts for identification of existing conditions.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2 for use on this Project. All costs of reproduction are the responsibility of Contractor.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents or fails to remove and discharge (within ten (10) days) any lien filed upon Owner's or, if applicable landlord's, property by anyone claiming by, through, or under Contractor, or disregards the instructions of Architect or Owner when based on the requirements of the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3 and any delay resulting from such Work stoppage shall not extend any Milestone Date identified in the Contract for Construction or the required dates of Substantial or Final Completion.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

§ 2.4.1 The rights stated in Article 2 shall be in addition to and not in limitation of any other rights of Owner granted in the Contract Documents or at law or in equity.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express

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authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect and Owner in writing any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect and Owner in writing any nonconformity discovered by or made known to the Contractor as a request for design information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities unless the Contractor recognized or reasonably should have recognized such error, inconsistency, omission or difference and knowingly failed to report it to the Architect and Owner.

§ 3.2.5 The Contractor shall not be entitled to additional compensation for the "rework portion" of any additional work caused by his failure to carefully study and compare the Contract Documents prior to execution of the Work.

§ 3.2.6 The Contractor shall make reasonable attempt to interpret the Contract Documents before asking the Architect for assistance in interpretation. The Contractor shall not ask the Architect for observation of work prior to the Contractor's field superintendent's personal inspection of the work and his determination that the work complies with the Contract Documents.

§ 3.2.7 If, in the opinion of the Architect, the Contractor does not make a reasonable effort to comply with the above requirements of the Contract Documents and this causes the Architect or Architect's consultants to expend an unreasonable amount of the time in the discharge of the duties imposed on Architect by the Contract Documents, then the Contractor shall bear the cost of compensation for the Architect's additional services made necessary by such failure. The Architect will give the Contractor prior notice of intent to bill for additional services related to Sections 3.2.6, 3.2.7, and 3.12 before additional services are performed.

§ 3.2.8 If the Contractor has knowledge that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor his Warranty, Contractor shall promptly

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notify the Architect in writing, providing substantiation for the position. Any necessary changes, including substitutions of materials, may only be accomplished by an appropriate Modification.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 Contractor shall be responsible to Owner for acts and omissions of Contractor's employees, Subcontractors, and their agents and employees, and other persons performing portions of the Work under Contract Documents or other arrangements with Contractor.

§ 3.3.5 Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the Work, including those with respect to the safety of persons and property and their protection from damages, injury, or loss. Contractor shall promptly remedy damage and loss to property at the site caused in whole or in part by Contractor, its Subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts they may be liable, except for damage or loss attributable solely to acts or omissions of Owner or Architect or by anyone for whose acts either of them may be liable and not attributable to the fault or negligence of Contractor, its Subcontractor, or anyone directly or indirectly employed by them. The foregoing obligations of Contractor are in addition to Contractor's obligations under other provisions hereunder.

§ 3.3.6 Contractor shall be responsible for inspection of portion of Work already performed under the Contract for Construction to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.7 Contractor has the responsibility to ensure that all material suppliers and Subcontractors, their agents, and employees adhere to the Contract Documents, and that they order materials on time, taking into account the current market and delivery conditions, and that they provide materials on time. Contractor shall coordinate its Work with that of all others on the Project, including of construction utilities.

§ 3.3.8 Contractor shall establish and maintain bench marks and all other grades, lines, and levels necessary for the Work; report errors or inconsistencies to Owner and Architect before commencing Work; and, if applicable, review the placement of the buildings and permanent facilities on the site with Owner and Architect after all lines are staked out and before foundation Work is started. Contractor shall provide access to the Work for Owner, Architect, other persons designated by Owner, and governmental inspectors. Any encroachments made by Contractor or its Subcontractors on adjacent properties caused by construction as revealed by an improvements survey, except for encroachments arising from errors or omissions not reasonably discoverable by Contractor in the Contract Documents, shall be the sole responsibility of Contractor, and Contractor shall correct such encroachments within thirty (30) days of the improvement survey (or as soon thereafter as reasonably possible), at Contractor's sole cost and expense, either by the removal of the encroachment (and subsequent reconstruction on the Project site) or agreement with the adjacent property owner (s) (in form and substance satisfactory to Owner in its sole discretion) allowing the encroachments to remain.

§ 3.3.9 Contractor shall verify at the Work site the measurements indicated on the Drawings and Specifications and shall establish correctly the lines, levels, and positions for the Work and be responsible for their accuracy and proper

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correlation with control lines, monuments, and data, as established by surveys furnished by Owner. Work shall be erected square, plumb, level, true to line and grade, in the exact plane and to the correct elevation and/or sloped to drain as indicated. To ensure the proper execution of its subsequent Work, Contractor shall measure all Work already in place (including but not limited to utilities and grades installed or prepared by others) and shall at once report to Architect and Owner any discrepancy between said Work and the Drawings and Specifications for the Work.

§ 3.3.10 Any discrepancy or omission in the dimensions or elections shown on the Drawings and Specifications or found in previous Work which may prevent accurate layout or construction of the Work, shall immediately be reported by Contractor to Owner and Architect. If Contractor performs, permits, or causes performance of any Work when Contractor knows or reasonably should have known that such discrepancy or omission exists, without first obtaining further instruction from Architect or Owner, Contractor shall bear any and all costs arising therefrom including, without limitation, the costs of correction thereof without increase or adjustment in the Contract Sum. Omissions from the Drawings or Specifications, or the misdescription of details of Work which are reasonably inferable in order to carry out the intent of the Drawings and Specifications, or which are customarily performed, shall not relieve contractor from performing such omitted or mis-described details of the Work, and they shall be performed as if fully and correctly set forth and described in the Drawings and Specifications, at no additional cost to Owner.

§ 3.3.11 Contractor shall engage workers who are skilled in performing the Work, and all Work shall be performed with care and skill and in a good workmanlike manner under the full-time supervision of an approved engineer or foreman. Contractor shall be liable for all property damage, including repairs and replacements of the Work and economic losses, which proximately result from the breach of this duty. Contractor shall advise Architect:

.1 if a specified product deviates from good construction practices;
.2 if following the Specifications will affect any warranties; or
.3 any objections which Contractor may have with the Specifications.

Nothing contained in Section 1.1.3 shall alter the responsibilities established in this Section.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive. By making requests for substitutions based on Section 3.4.2, Contractor:

.1 represents that Contractor has personally investigated the proposed substitute product and determined that it is equal or superior in all respects to that specified;
.2 represents that Contractor will provide the same warranty for the substitution that Contractor would for that specified;
.3 certifies that the cost data presented is complete and includes all related costs under this Contract except Architect's redesign costs, and waives all claims for additional costs related to the substitution which subsequently become apparent; and
.4 will coordinate the installation for the accepted substitute, making such changes as may be required for the Work to be complete in all respects.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them. Contractor shall also be responsible for labor peace on the Project and shall at all times make its best efforts and judgments as an experienced Contractor to adopt and implement policies and practices designed to avoid Work stoppages, slowdowns, disputes, or strikes where reasonably possible and practical under the circumstances and shall at all times maintain Project-wide labor harmony. Except as specifically provided in Section 8.3 hereof, Contractor shall be liable to Owner for all damages suffered by Owner.

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§ 3.4.4 Materials shall conform to manufacturer's standards in effect at the date of execution of the Agreement and shall be installed in strict accordance with manufacturer's directions. Contractor shall, if required by Owner or Architect, furnish satisfactory evidence as to the kind and quality of any materials. All packaged materials shall be shipped to the site in the original containers clearly labeled, and delivery slips shall be submitted with bulk materials identifying thereon the source, and warranting quality and compliance with Contract Documents.

§ 3.4.5 When the Contract Documents require the Work, or any part of same, to be above the standards required by applicable laws, ordinances, rules and regulations, and other statutory provisions pertaining to the Work, such Work shall be performed and completed by Contractor in accordance with the Contract Documents.

§ 3.4.6 When the manufacturer's name, patent numbers, underwriter's labels, model numbers or similar identifying marks are required, such markings shall be located as inconspicuously as possible.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of the best quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from faults and defects. Work, materials, or equipment not conforming to these requirements may be considered defective. If required by the Architect or Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 ALL WARRANTIES SHALL INCLUDE LABOR AND MATERIALS AND THE MANUFACTURER'S WARRANTY SHALL BE SIGNED BY SUBCONTRACTOR AND COUNTERSIGNED BY CONTRACTOR. ALL WARRANTIES SHALL BE ADDRESSED TO OWNER AND DELIVERED TO ARCHITECT UPON COMPLETION OF THE WORK AND BEFORE OR WITH THE SUBMISSION OF REQUEST FOR FINAL PAYMENT.

§ 3.5.3 Contractor shall issue in writing to Owner as a condition precedent to final payment a "general warranty" reflecting the terms and conditions of this Section 3.5 for all Work under the Contract.

§ 3.5.4 The warranties provided in Section 3.5 shall be in addition to and not in limitation of any other warranty or remedy required by law or by the Contract Documents, and such warranty or remedy required by law or by the Contract Documents, and such warranty shall be interpreted to require Contractor to replace defective materials and equipment and re-execute defective Work which is disclosed to the Contractor by the Owner within a period of one (1) year after final completion of the entire Work unless a longer time is specifically called for in the specifications. The Contractor shall assign all components, equipment and fixture warranties to the Owner and will deliver all manuals to the Owner at the completion of construction.

§3.5.5 Except when a longer warranty time is specifically called for in the Specification Sections or is otherwise provided by law, the General Warranty shall be for twelve (12) months and shall be in form and content otherwise satisfactory to Owner.

§3.5.6 Warranties shall become effective on a date established by Owner and Architect in accordance with the Contract Documents. This date shall be the Date of Substantial Completion of the entire Work, unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties.

§3.5.7 If Architect considers it impractical, because of unsuitable test conditions or some other factors, to execute simultaneous final acceptance of all equipment, portions of properly installed and functioning equipment may be certified by Architect for final acceptance, subject to Owner's approval, when that portion of the system is complete and ready for operation as called for under Section 9.8.1.

§3.5.8 Contractor shall warrant for a period of twelve (12) months that the building(s) shall be watertight and leak proof at every point and in every area, except where leaks can be attributed to damage to the building(s) by external forces beyond Contractor's control. Contractor shall, immediately upon notification by Owner of water penetration, determine the source of water penetration and, at its own expense, do any Work necessary to make the building(s)

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watertight. Contractor shall also, at its own expense, repair or replace any other damaged material, finishes, and furnishings, damaged as a result of this water penetration, to return the building(s) to its (their) original condition.

§3.5.9 In addition to the foregoing stipulations, Contractor shall comply with all other warranties referred to in any portions of the Contract Documents or otherwise provided by law or in equity, and where warranties overlap, the more stringent requirement shall govern.

§3.5.10 If for any reason Contractor cannot warrant any part of the Work using material or construction methods that have been specified, or shown, it shall notify Owner and Architect in writing before the Contract is signed, giving reasons, together with the name of product and data on a substitution it can warrant.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall make application, secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract, including without limitation, street openings, sidewalk, and other obstructions, access over public ways and storage necessary for proper execution and which are, legally required at the time bids are received or negotiations concluded.

§3.7.1.1 The Contractor shall also obtain all permits and approvals, and pay all fees and expenses, if any, associated with National Pollutant Discharge Elimination System (NPDES) regulations administered by the Environmental Protection Agency and state and local authorities, that require completion of documentation and/or acquisition of all permits for the Project. Contractor's obligations under this Section do not require it to perform engineering services during the pre-construction phase to prepare proper drainage for the construction sites. However, any drainage alterations made by Contractor during construction phase which modifies the original site drainage plan and requires the issuance of a permit shall be at Contractor's sole cost.

a. The Owner shall pay directly to the governing authority the cost of all permanent property utility assessments and similar utility connection charges.

b. The Contractor shall be responsible for obtaining and paying for all City and County Building Permits, Inspection Fees and Plan Checking Fees; temporary utility charges, tap charges and water meter charges and any other similar fees assessed by jurisdictional authorities having control over the Project.

c. The Owner shall pay fees payable to the Texas Department of Licensing and Regulations (TDLR) for document review relative to the Elimination of Architectural Barriers Act and the Architect will submit the documents to the TDLR for review and approval.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders and all other requirements of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work (including, without limitation, the installation of any materials or equipment) that it knows or reasonably should have known would be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions. If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the

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Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend to the Owner in writing an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15. . No adjustment in the Contract Time or Contract Sum shall be permitted in connection with a concealed or unknown condition that does not differ materially from those conditions disclosed or based on data provided to Contractor and by the Contractor's prior inspections, tests, reviews, and pre-construction services for the Project; or by the Contractors inspections, tests, reviews and pre-construction services that Contractor had the opportunity and obligation to make in connection with the Project but did not do so.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect in writing. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- **.1** Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- **.2** Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- **.3** Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness. If a decision is needed to avoid a delay, Contractor shall notify Architect and Owner in writing sufficiently in advance of needed date to allow reasonable time for selections to be made.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The superintendent shall be satisfactory to the Owner and shall not be changed except with the consent of the Architect, unless the superintendent leaves the employment of the Contractor. No increase in Contract Time or Contract Sum shall be allowed in the event the Owner or Architects object to any nominated superintendent. Such approval by the Owner shall not be unreasonably withheld.

§ 3.9.3 DELETED.

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§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's I review and approval a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised as required herein and at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. The schedule shall indicate the proposed starting and completion dates for the various subdivisions of the Work as well as the totality of the Work. The schedule shall be updated every thirty (30) days and submitted to Architect with Contractor's Applications for Payment. Each schedule shall contain a comparison of actual progress with the estimated progress for such point in time stated in the original schedule. If any schedule submitted sets such a date for Substantial Completion for the Work or any phase of the Work beyond the date(s) of Substantial Completion established in the Contract (as the same may be extended as provided in the Contract Documents), then Contractor shall submit to Architect and Owner for their review and approval a narrative description of the means and methods that Contractor intends to employ to expedite the progress of the Work to ensure timely completion of the various phases of the Work as well as the totality of the Work. To ensure such timely completion, Contractor shall take all necessary action including, without limitation, increasing the number of personnel and labor on the Project and implementing overtime and double shifts. In that event, Contractor shall not be entitled to an adjustment in the Contract Sum or the schedule.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's and Owner's approval. The Architect's and Owner's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.10.4 The process of approving Contractor's schedules and updates to Contractor's schedule shall not constitute a warranty by the Owner that any non-Contractor milestones or activities will occur as set out on Contractor's schedule. Approval of a Contractor's schedule does not constitute a commitment by the Owner to furnish any Owner-furnished information or material any earlier than Owner would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work, which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will hold resulting additional time and cost to a minimum. The construction schedule shall be in a detailed format satisfactory to the Owner and the Architect and shall also:

.1 provide a graphic representation of all activities and events that will occur during performance of the Work;
.2 identify each phase of construction and occupancy; and
.3 set forth dates that are critical in ensuing the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents hereinafter referred to as Milestone Dates.

§ 3.10.5 The Owner shall have the right to reschedule the time of day for the performance of any part of the Work that may interfere with the operation of the Owner's premises or any tenants or invitees thereof. The Contractor shall, upon the Owner's request, reschedule any portion of the Work affecting operation of the premises during hours when the premises are not in operation. Any rescheduling of performance of the Work under this Section 3.10.5 may be grounds for an extension of the Contract Time, if permitted under Section 8.3.1 and an equitable adjustments in the Contract Sum, if: (1) the performance of the Work was properly scheduled by the Contractor in compliance with the requirements of the Contract Documents, (2) such rescheduling is required for the convenience of the Owner and is not attributable to any act of omission of Contractor, and (3) if Owner agrees to the Contract Sum adjustment prior to any rescheduling.

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§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections (all changes and selections to be approved by Owner and Architect in advance) made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.11.1 At the Date of Substantial Completion and as a condition precedent to final payment, Contractor shall furnish the following documents to Architect for submittal to Owner: Record Drawings showing the field changes and selections (all changes and selections to be approved by Owner and Architect in advance) affecting the general construction, mechanical, electrical, plumbing, and all other Work, and indicating the Work as actually installed. These shall consist of carefully drawn markings on a set of reproducible prints of Architect's Drawings obtained and paid for by Contractor. Contractor shall maintain at the job site one (1) set of Architect's Drawings and indicate thereon each field change as it occurs. The Contractor shall post all Addenda on Construction Documents prior to commencing work on the site.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. If, in the opinion of the Architect, the Shop Drawings, Product Data, Samples and similar submittals are incomplete, indicate an inadequate understanding of the work covered by the submittals, or indicate a lack of study and review by the Contractor prior to submittal to the Architect, the submittals will be returned, unchecked, to the Contractor for correction of these three deficiencies and subsequent re-submittal. Additional service charges as outlined in Section 3.2.7 may be charged by the Architect in this event.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop

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Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional who shall comply with requirements of Owner regarding qualifications and insurance, and whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.12.11 The Contractor shall submit Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents to the Architect at least 30 days prior to the date the Contractor needs the reviewed submittals returned. Where colors are to be selected by the Architect, the Contractor shall submit all Samples in adequate time to allow the Architect to prepare a complete selection schedule. In general, all submittals requiring color selection shall be submitted to the Architect within four weeks of the date of the Contract for construction.

§3.12.12 The Contractor shall submit the number of copies of Shop Drawings, Product Data, Samples and similar submittals which the Contractor and his Subcontractors need for their use plus two additional sets for the Architect and one additional set for each of the Architect's consultants involved with the particular section of work. Where shop drawings are involved, the Contractor shall submit one high quality reproducible transparency and one opaque print of the shop drawing for the Architect plus one additional opaque print for each of the Architect's consultants involved with the particular section of work. The reproducible transparency will be marked by the Architect and/or his consultants and returned to the Contractor for his use, distribution, correction or re-submittal as required. The Architect and his consultants will retain the marked up prints. After final review and correction of the submittal, the Contractor shall send two corrected sets to the Architect, and one to each of the Architect's consultants involved with the particular section of work.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§3.13.1 Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. After equipment is no longer required for the Work, it shall be promptly removed from the Project site. Protection of construction materials and equipment stored at the Project site from weather, theft, damage and all other adversity is solely the responsibility of the Contractor.

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§3.13.2 The Contractor and any entity for whom the Contractor is responsible shall not erect any sign on the Project site without written consent of the Owner.

§3.13.3 Contractor shall ensure that the Work, at all times, is performed in a manner that affords reasonable access, both vehicular and pedestrian, to the site of the Work and all adjacent areas. The Work shall be performed to the fullest extent reasonably possible, in such a manner that public areas adjacent to the site of the Work shall be free from all debris, building materials and equipment likely to cause hazardous conditions. Without limitation of any other provision on the Contract Documents, Contractor shall use its best efforts to minimize any interference with the occupancy or beneficial use of: (1) any area and buildings adjacent to the site or the Work or (2) the Building in the event of partial occupancy.

§3.13.4 Without prior approval of the Owner, the Contractor shall not permit any workers to use any existing facilities at the Project site, including without limitation, lavatories, toilets, entrance and parking areas other than those designated by Owner. Without limitation of any other provisions of the Contract Documents, the Contractor shall use its best efforts to comply with all rules and regulations promulgated by the Owner in connection with the use and occupancy of the Project site and the Building, as amended from time to time.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.15.3 Prior to the Architect's inspection for Submittal Completion the Contractor shall clean exterior and interior surfaces exposed to view; remove temporary labels, stains, and foreign substances; polish transparent and glossy surfaces; clean equipment and fixtures to a sanitary condition; replace air filters in mechanical equipment; clean roof, gutters and downspouts; remove obstructions and flush debris from drainage systems; clean site; sweep paved areas and rake clean other surfaces; remove trash and surplus materials from the site.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

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§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless Owner, the Board of Trustees of Owner, all elected officials, employees and agents of Owner and of any of the above mentioned parties (the "Indemnified Parties") from and against any and all loss, cost, expense, damage, injury, liability, claim, demand, penalty, or cause of action (including attorneys' fees), directly or indirectly arising out of, resulting from, or related to (in whole or in part), (1) the Work performed hereunder, (2) the Contract, or (3) the act or omission of Contractor, a Subcontractor, or an individual, partnership, joint venture, corporation or other entity (a) directly or indirectly employed by Contractor or a Subcontractor, or (b) for whose acts or omissions Contractor or a Subcontractor may be liable (excluding property damage to the Work itself, covered by Owner's all-risk builder's risk insurance, subject to Contractor's liability for any deductible amounts thereunder). The obligations of Contractor under this indemnification shall apply to all matters except those arising solely from the wanton and willful negligence or the malicious acts or omissions of Owner. Further, the obligations of Contractor under this indemnification shall not extend to the liability of Architect, its agents, or employees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs, or Specifications, (2) the giving of or failure to give directions or instructions by Architect, its agents, or employees, provided such giving or failure to give is the primary cause of the injury or damage, or (3) any matter prohibited by Section 130.002, Texas Civil Practice and Remedies Code. Contractor shall promptly advise Owner in writing of any action, administrative or legal proceeding, or investigation as to which this indemnification may apply, and Contractor, at Contractor's expense, shall assume on behalf of Owner and conduct with due diligence and in good faith the defense thereof with counsel satisfactory to Owner; provided, Owner shall have the right to be represented therein by advisory counsel of its own selection and at its own expense; and provided further, that if the defendants in any such action include both Contractor and Owner, and Owner shall have reasonably concluded that there may be legal defenses available to it that are different from, or additional to, or inconsistent with, those available to Contractor, then Owner shall have the right to select separate counsel to participate in the defense of such action on its own behalf at Contractor's expense. In the event of failure by Contractor to fully perform in accordance with this indemnification Section, then Owner, at its option, and without relieving Contractor of its obligations hereunder, may so perform, but all costs and expenses so incurred by Owner in that event shall be reimbursed by Contractor to Owner, together with interest on the same from the date any such expense was paid by Owner until reimbursed by Contractor, at the rate of interest provided to be paid on judgments by the law of the jurisdiction to which the interpretation of the Contract is subject. The obligations of Contractor under this Section shall survive the expiration of the Contract and specifically shall survive the limitations contained in Section 15.1 hereof.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.19 SUBSTITUTIONS OF PRODUCTS AND SYSTEMS, "OR EQUAL" BRANDS

§ 3.19.1 The materials, products and the systems covered by these specifications have been selected as a standard because of quality, particular suitability, or record of satisfactory performance. It is not intended to preclude the use of equivalent or better materials, products or systems provided that it meet the requirements of the particular project and have been approved in an addendum as a substitution prior to the submission of bids. If prior written approval in an addendum has not been obtained, it will be assumed that the Bid is based upon the materials, products, and systems described in the Bidding Documents and no substitutions will be permitted, except as provided hereinafter.

§3.19.2 If, after award of contract, the Contractor or one of his Subcontractors or Suppliers determines that any of the products or systems specified will perform in a manner that will limit the Contractor's ability to satisfactorily perform the work or to honor the Warranty, the Contractor shall promptly notify the Architect, in writing, providing detailed substantiation for his position. Any changes deemed necessary by the Owner and Architect, including substitution of materials and change in Contract Sum, either upward or downward, if any, shall be accompanied by appropriate modification.

§3.20 RECORD DRAWINGS

§3.20.1 At the completion of the project, the Contractor shall submit one complete set of blue lines showing all changes and routing of utilities made during construction, excluding Architect made CAD changes, to the Architect. Drafting

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shall be legible to the Architect's satisfaction. The Contractor shall pay for the cost of the required recording/drafting. The record set shall be kept up to date on a daily basis and the Architect shall review its status at the project meetings. The Architect shall furnish the Contractor with a blueline set at contract award which shall have all Addenda incorporated. The Owner will pay for the printing of the blueline set. The Architect will incorporate any record information into the construction (CAD) documents and provide the Owner with an electronic copy of the record information on the Construction documents that have all bid and construction changes incorporated. The cost for incorporating the record information into the CD will be paid for by the Owner. The Architect will transmit the electronic CD to the Owner with a copy of the transmittal to the Contractor's construction manager.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect whose status under the Contract Documents shall be that of the former Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect, as representative of the Owner,will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. The Architect will be required to make on-site inspections as necessary to keep the Owner informed of the progress of the Work and as necessary to guard the Owner against defects and deficiencies in the Work. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect shall not have control over or charge of and shall not be responsible for safety precautions and programs in connection with the Work. Architect shall be responsible for promptly notifying Contractor of the failure of Contractor, Subcontractors or any other persons performing any of the Work, in failing to use proper construction means, methods, techniques, sequences, procedures, safety precautions and programs, but only to the extent Architect becomes aware of, or should, exercising due professional diligence, be aware of, same. Architect shall also promptly notify Owner in writing of the failure of any of the foregoing parties to carry out the Work in accordance with the Contract Documents.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

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§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority and responsibility to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve or reject, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 DELETED.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

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ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site or to otherwise furnish labor, material or other services with respect to a portion of the Work. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, but no later than 10 days prior to the submittal date for the Contractor's first Application for Payment shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection. Failure of the Contractor to submit the subject names in a timely manner may delay processing of the Contractor's Application for Payment.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.1 All subcontracts shall be in written form and shall specifically provide that Owner is an intended third-party beneficiary of the subcontract.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

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.1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

.2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

§ 5.5 Contractor shall promptly notify Owner and Architect of any material defaults by any Sub-contractor. Notwithstanding any provision contained in Article 5 to the contrary, it is hereby acknowledged and agreed that Owner has in no way agreed, expressly or implicitly, nor will Owner agree, to allow any Sub-contractor or other materialman or workman employed by Contractor the right to obtain a personal judgment or to create a lien against Owner for the amount due from the Contractor.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

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§ 6.2.3 DELETED.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may only be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents and is subject to the approval of the Owner.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect and is subject to the approval of the Owner.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work. Except as permitted in Section 7.3 and 9.7, a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order. Accordingly, no course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work and no claim that Owner has been unjustly enriched by any alteration of or addition to the Work, whether or not there is, in fact, any unjust enrichment to the Work, shall be the basis of any claim to an increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- **.1** The change in the Work;
- **.2** The amount of the adjustment, if any, in the Contract Sum; and
- **.3** The extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work that is the subject of the Change Order, including, but not limited, to all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the construction schedule.

§7.2.3 Contractor shall keep and periodically submit to Owner copies of a log for all Change Orders.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Contractor shall keep and periodically submit to Owner copies of a log for all Construction Change Directives and a log for all requests for information.

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§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation in writing between the Owner and the Contractor;

.2 Unit prices stated in the Contract Documents or subsequently agreed upon in writing between the Owner and the Contractor;

.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee, in each case in writing between the Owner and the Contractor; or

.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit not to exceed a total maximum of **fifteen** percent **(15%)** for all Work, and further limited to as follows, not to exceed five percent (5%) for Work done by Contractor's employees and **ten** percent **(10%)** of such Work's actual cost to be apportioned between any and all Subcontractors and Sub-subcontractor. "*Actual cost*" does not include any item that could be deemed to be a general conditions cost or overhead, such as, but not limited to, the cost of Contractor and Subcontractor supervisory personnel assigned to the Work, and field office and related expenses. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

.1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;

.2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;

.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;

.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and

.5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be

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reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority after having obtained Owner's approval to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.1.1 The Work shall be fully completed within the time limit and/or date stated in the Contract between Owner and Contractor.

§ 8.1.1.2 Liquidated Damages: If the Contractor should fail to fully complete the Work within the stated time (subject however to extension of time duly granted in the manner and for the causes specified in the General Conditions), Contractor shall be charged by and shall pay to Owner, as liquidated damages, the sum specified in Article 3 of the AIA document A101 – 2017 by and between Owner and Contractor to which this document is attached as Exhibit A per calendar day that the Work remains incomplete beyond the time fixed for completion. Contractor hereby agrees that from the nature of the project it would be impracticable and extremely difficult to fix the actual damage that would or will be suffered in the event that Contractor should fail to fully complete the Work by the time limit or date stated and the amount of the liquidated damages are fair and reasonable. The parties agree that the liquidated damages are a reasonable forecast of just compensation for the harm done to Owner that would be caused by Contractor's failure to timely complete the Work. Contractor agrees that the amount of liquidated damages due Owner may be deducted by Owner from any monies that might otherwise be or become payable to Contractor.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes

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beyond the Contractor's control; or by delay authorized by Owner pending mediation, or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine provided, however, that such extension of Contract Time shall be net of any delays caused by or due to the fault or negligence of Contractor or that are otherwise the responsibility of Contractor and shall also be net of any contingency or "float" time allowance included in Contractor's construction schedule. Contractor shall, in the event of any occurrence likely to cause a delay, cooperate in good faith with Architect and Owner to minimize and mitigate the impact of any such occurrence and do all things reasonable under the circumstances to achieve this goal.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents. Contactor shall not be entitled to damages of any type for delays caused by Owner, his servant, agents, employees, or separate Contractors hired or retained by Owner. Contractor may receive an extension or extensions for additional time in which to complete the Contract but shall not receive any damages of any type for such delays. Changes in the Work, regardless of the extent or number of such Changes or Owner's exercise of any of its remedies of suspension of the Work or requirement of correction or re-execution of any defective Work, shall not under any circumstances be construed as intentional interference with Contractor's performance of the Work.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.1 Commitment of Current Revenues Only. As reflected in Section 4.5 of the modified AIA document A101 – 2017 Edition by and between Owner and Contractor to which this document is attached as Exhibit A, in the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Contract, then any party may terminate this Contract upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Owner and to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work, which in the aggregate equals the total Contract Sum, divided so as to facilitate payments to Subcontractors, supported by such evidence of correctness as Architect may direct or as required by Owner. This schedule, when approved by Architect and Owner, shall be used to monitor the progress of the Work and as a basis for Certificates for Payment. All items with entered values will be transferred by Contractor to the "Application and Certificate for Payment," and shall include the latest approved Change Orders and Construction Change Directives. Change Order values and Construction Change Directives values shall be broken down to show the various subcontracts. The Application for Payment shall be on a form as provided by Architect and approved by Owner. Each item shall show its total scheduled value, value of previous applications, value of the application, percentage completed, value completed, and value yet to be completed. All blanks and columns must be filled in, including every percentage complete figure. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents. Any

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allowances included in the Application for Payment shall be separately itemized with supporting data attached. The Application for Payment shall be accompanied by a certification by an office of Contractor to the effect that:

> There are no known mechanics', materialman's or laborers' liens or claims, or any other liens or claims, legal or equitable, contractual, statutory, or constitutional, outstanding or known to exist at the date of this Application; all due and payable bills with respect to the Work have been paid to date or are included in the amount requested in the current Application and there is no known basis for the filing of any mechanics', materialman's or laborers' lien or claim, or any other lien or claim, legal or equitable, contractual, statutory, or constitutional, on the Work; and waivers and releases from all Subcontractors, laborers, and material men for Work done and materials furnished have been obtained in such form as to constitute an effective waiver and release of all such liens and claims under the laws of the state within which the Project is located and shall be delivered to Architect together with Contractor's waiver and release of liens and claims at the time of submission of the Application for Payment.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing by the Owner and Surety. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site. Under no circumstances will the Owner reimburse the Contractor for down payments, deposits, or other advance payments for materials or equipment.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work. The vesting of such title shall not impose any obligations on Owner or relieve Contractor of any of its obligations under the Contract, that Contractor shall remain responsible for damage to or loss of the Work, whether completed or under construction, until responsibility for the Work has been accepted by Owner in the manner set forth in the Contract Documents.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and on all other information available to Architect including, without limitation, the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and

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inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified and that the aggregate amount theretofore paid to Contractor plus any applicable retention does not exceed the value of the completed portion of the Work. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, or (3) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- **.1** defective Work not remedied;
- **.2** third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- **.3** failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- **.4** reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- **.5** damage to the Owner or a separate contractor;
- **.6** reasonable evidence that the Work will not be completed within the Contract Time, or that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- **.7** failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.5.4 Notwithstanding any provision contained within this Article, if the Work has not attained Substantial Completion within the Contract Time, subject to extensions of time allowed under these Conditions, Architect may withhold any further payment to Contractor to the extent necessary to preserve sufficient funds to complete the construction of the Project and to cover liquidated damages assessed against Contractor up to the time of the Application for Payment and to the time it is reasonably anticipated that Substantial Completion will be achieved.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Owner may refuse to make payment on any Certificate for Payment for any default of the Contract, including, but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7. Owner shall not be deemed in default by reason of withholding payment while any of such defaults remain uncured.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

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§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 DELETED.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not, for reasons other than a default of the Contract, including but not limited to, those defaults set forth in Sections 9.5.1.1 through 9.5.1.7 pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.7.1 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents, such payment shall be made promptly upon demand by Owner. Notwithstanding anything contained in the Contract Documents to the contrary, if Contractor fails to promptly make any payment due Owner, or if Owner incurs any costs and expenses to cure any default of Contractor or to correct defective Work, Owner shall have an absolute right to offset such amount against the Contract Sum and may, in Owner sole discretion, elect either to (i) deduct an amount equal to that which Owner is entitled from any payment then or thereafter due Contractor from Owner, or (ii) issue a written notice to Contractor reducing the Contract Sum by an amount equal to that which Owner is entitled.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof (which Owner agrees to accept separately) is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

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§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of issuance of the certificate of final payment by Architect unless otherwise provided in the Certificate of Substantial Completion. The Work will not be considered suitable for Substantial Completion review until all Project systems included in the Work are operational as designed and scheduled, all designated or required governmental inspections and certifications have been made and posted, designated instruction of Owner's personnel in the operation of systems has been completed, and all final finishes within the Contract are in place. In general, the only remaining Work shall be minor in nature, so that Owner and/or Owner's employees and if applicable, the public, could occupy the building on that date and the completing of the Work by Contractor would not materially interfere or hamper Owner's or Owner's employees and if applicable, the public, (or those claiming by, through, or under Owner) from normal County operations. As a further condition of Substantial Completion acceptance, Contractor shall certify that all remaining Work will be completed within thirty (30) consecutive calendar days or as agreed upon following the Date of Substantial Completion. If Contractor requests a Substantial Completion review, and Architect, after performing the Substantial Completion review, finds that the Project was not ready for the Substantial Completion review, then Contractor shall pay the Architect's fees for any additional Substantial Completion reviews.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§9.8.6 In order for the project or a major portion thereof to be considered substantially complete, the following conditions must be met: (1) All inspections by governmental authorities have jurisdiction over the project must have been finalized, any remedial work required by those authorities must have been completed, and Certificates of Occupancy and similar governmental approval forms must have been issued and copies delivered to the Owner and Architect. (2) All work, both interior and exterior, shall have been completed and cleaned except minor items which if completed after occupancy, will not, in the Owner's opinion, cause interference to the Owner's use of the building or any portion thereof. A significantly large number of items to be completed or corrected will preclude the Architect from issuing a Certificate of Substantial Completion. The Owner and Architect will be the sole judge of what constitutes a significantly large number of items.

§9.8.7 After the date of Substantial Completion of the Project is evidenced by the Certificate of Substantial Completion, the Contractor will be allowed a period of thirty (30) days, unless extended by mutual agreement or provision of the Contract, within which to correct all deficiencies attached to the Certificate of Substantial Completion. Failure of the Contractor to complete such corrections within the stipulated time will be reported to the Contractor's surety. In this report, the Contactor and surety will be informed that, should correction remain incomplete for fifteen (15) days, the Owner may initiate action to complete corrective work out of the remaining Contract funds in accordance with Article 14.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any portion of the Work authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

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§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- **.1** liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- **.2** failure of the Work to comply with the requirements of the Contract Documents;
- **.3** terms of special warranties required by the Contract Documents; or
- .4 faulty or defective Work appearing after Substantial Completion.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

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.1 employees on the Work and other persons who may be affected thereby;

.2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and

.3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. The Contractor shall also be responsible, at the Contractor's sole cost and expense, for all measures necessary to protect any property adjacent to the project and improvements therein. Any damage to such property or improvements shall be promptly repaired by the Contractor.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons

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or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 DELETED.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 DELETED.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor and Owner from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- **.1** Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- **.2** Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- **.3** Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- **.4** Claims for damages insured by usual personal injury liability coverage;
- **.5** Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- **.6** Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- **.7** Claims for bodily injury or property damage arising out of completed operations; and
- **.8** Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

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§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.1.5 SCHEDULE OF INSURANCE COVERAGES

§ 11.1.5.1 Contractor shall carry and keep in full force for the duration of the project the following Coverage.

Coverage	**Minimum Amounts and Limits**
Worker's Compensation	
Employer's Liability:	Statutory Limits
Bodily Injury by Accident	$500,000.00/each accident
Bodily Injury by Disease	$500,000.00/each employee
Bodily Injury by Disease	$500,000.00/Policy Limit
Commercial General Liability	
Bodily Injury/Property Damage	$1,000,000.00 per occurrence $2,000,000.00 aggregate

(Premises Operations, Independent Contractors, Product/Completed Operations, Personal Injury, Contractual Liability, Explosion, Collapse, Underground and Broad Form Property Damage).

Comprehensive Automobile Liability	$1,000,000.00 Combined Single Limit per Occurrence

Auto liability insurance shall be on a standard form written to cover all owned, hired, and non-owned automobiles. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insured, contain cross-liability and severability of interest endorsements, and state that this insurance is primary insurance as regards to any other insurance carried by the Indemnified Parties (see Section 3.18).

§11.1.5.2 All policies shall contain special endorsements to include:

.1 The Owner as an additional insured (except for Worker's Compensation) and all other parties identified in Section 3.18 (Indemnified Parties);

.2 Wavier of Subrogation in favor of Owner under the Worker's Compensation and Employer's Liability policies.

.3 A statement that a notice shall be given to Owner by certified mail thirty (30) days prior to cancellation or upon any material changes in coverage.

4. Contain cross-liability and severability of interest endorsements;

5. state that this insurance is primary insurance in regard to any other insurance carried by an Indemnified Party (see Section 3.18);

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.6 the following coverage:

a. Premises/Operations;
b. Independent Contractors;
c. Completed Operations for a period of two years following the acceptance of Contractor's Work;
d. Comprehensive General Liability Endorsement to include Blanket Contractual Liability (specifically covering, but not limited to, the contractual obligations assumed by Contractor, Broad Form Property Damage, and Personal Injury Liability with employee and contractual exclusions removed);
e. Deletion of exclusions relative to Collapse, Explosion, and Underground Property Damage Hazards;
f. Personal Injury Liability with the contractual exclusions removed;
g. Cross Liability Endorsement.

§11.1.5.6 Umbrella Excess Liability Insurance

Bodily Injury and	$2,000,000.00 per occurrence
Property Damage	$2,000,000.00 aggregate

This policy shall be written on an umbrella excess basis above, the coverage described in this Article 11. The policy shall be endorsed to include the Indemnified Parties (Section 3.18) as additional insureds. The policy shall contain cross-liability and severability of interest endorsements and shall state, as regard the Indemnified Parties that the insurance is primary insurance as to any other insurance carried by any Indemnified Party. The policy shall be endorsed to provide the defense coverage obligation.

§11.1.6 Further, Contractor shall require all Subcontractors to carry similar insurance coverage and limits of liability as required under this Article 11, adjusted to the nature of Subcontractor's operations and submit same to Owner for approval before any Work commences.

§11.1.7 In the event Contractor fails to obtain the required certificates of insurance from the Subcontractor and a claim is made or suffered, Contractor shall indemnify, defend, and hold harmless the indemnified parties from any and all claims for which the required insurance would have provided coverage.

§11.1.8 Workers' Compensation Insurance Coverage.

§11.1.8.1 Definitions:

.1 Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

.2 Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

.3 Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

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§11.1.8.2 The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the contractor providing services on the project, for the duration of the project.

§11.1.8.3 The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

§11.1.8.4 If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

§11.1.8.5 The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

.1 a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

.2 no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

§11.1.8.6 The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

§11.1.8.7 The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

§11.1.8.8 The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

§11.1.8.9 The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

.1 provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

.2 provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

.3 provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

.4 obtain from each other person with whom it contracts, and provide to the contractor:

(a) a certificate of coverage, prior to the other person beginning work on the project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

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.5 retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

.6 notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

.7 contractually require each person with whom it contracts, to perform as required by paragraphs .1 - .7, with the certificates of coverage to be provided to the person for whom they are providing services.

§11.1.8.10 By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.1.8.11 The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.2.1 By signing the Contract or providing or causing to be provided a Certificate of Coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that coverage will be based on proper reporting or classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

§11.2.2 Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Article 11.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Contractor shall obtain a builder's risk "all-risk" or equivalent policy in the amount of the initial Contract Sum (or if applicable Guaranteed Maximum Price), plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. The policy must also name its subcontractors and the Owner as additional insured, as their respective interests may appear. Coverage shall include material stored on-site and in transit. Such insurance will be with a company or companies lawfully authorized to do business in Texas. The policy must have the following endorsement: "This insurance shall be specific as to coverage and not considered as contributing insurance with any permanent insurance maintained on the present premises."

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework,

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testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.1.1 For any claim made against Contractor's Builder's Risk Insurance, the deductible shall not exceed $2,500.00 for a Contract Sum of less than $4 million. For a Contract Sum of $4 million or more, the deductible shall not exceed $5,000.00.

§11.3.1.1.2 The Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents, and employees, and (2) the Architect, Architect's consultants, separate contractors, if any, and any of their Subcontractors, Sub-subcontractors, agents, and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Section or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as a fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents, and employees of any of them by appropriate written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§11.3.1.1.3 The Contractor as fiduciary shall have power to adjust and settle a loss with insurers. The Contractor shall pay all Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements shall require Subcontractors to make payment to their Sub-subcontractors in similar manner. If required in writing by a party in interest, the Contractor as fiduciary shall, upon occurrence of insured loss, give bond for proper performance of the Contractor's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Contractor shall deposit in a separate account proceeds so received, which the Contractor shall distribute in accordance with such agreement as the parties in interest may reach. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor under the insurance proceeds.

§ 11.3.1.2 DELETED.

§ 11.3.1.3 DELETED.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use shall not affect the validity or coverage of property insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE DELETED.

§ 11.3.3 LOSS OF USE INSURANCE DELETED.

§ 11.3.4 DELETED.

§ 11.3.5 DELETED.

§ 11.3.6 DELETED.

§ 11.3.7 WAIVERS OF SUBROGATION

Contractor waives all rights against (1) Owner, the Subcontractors, Sub-subcontractors, agents and employees, and (2) the Architect, Architect's consultants, separate contractors if any, and any of their Subcontractors, Sub-subcontractors, agents and employees, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Article 11or other property insurance applicable to the Work, except such rights as Contractor has to proceeds of such insurance held by the Contractor as fiduciary. The Contractor, as appropriate, shall require of any separate contractors, Subcontractors, Sub-subcontractors, agents and employees of any of them, by appropriate

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written agreements, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 DELETED.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Contractor shall furnish a Performance Bond in an amount equal to one hundred percent (100%) of the Contract Sum, as security for the faithful performance of the Contract and also a one hundred percent (100%) Payment Bond, as security for the payment of all persons performing labor on the Project under this Contract and furnishing materials in connection with the Contract. The Performance Bond and the Payment Bond may be in one or in separate instruments in accordance with local law. Surety companies must be authorized to write surety bonds in Texas and any such surety bond must comply with the requirements of Subchapter A of Chapter 3503 of the Texas Insurance Code.

§11.4.1.1 The Contractor shall deliver the required Bonds to the Owner not later than the date of the preconstruction meeting. All Bonds will be reviewed by the Architect for compliance with the Contract Documents prior to the execution of the Contract. In the event that Architect has any questions concerning the sufficiency of the bonds, Architect shall refer the bonds to Owner or Owner's representative for decision.

§11.4.1.2 All bonds shall be originals. The Contractor shall require the attorney-in-fact who executes the required Bonds on behalf of the Surety to affix thereto a certified and current copy of the power-of-attorney. The name, address, and telephone number of a contact person for the Bonding Company shall be provided.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.4.3 The Bonds shall be provided to comply with the terms and provisions of Chapter 2253 of the Texas Government Code. Bonds shall be signed by an agent resident in the State of Texas and date of bond shall be on or after the date of execution of the Contract but prior to the date of the notice to proceed. If at any time during the continuance of the Contract, the surety of the Contractor's bonds becomes insufficient, the Owner shall have the right to require additional and sufficient sureties which the Contractor shall furnish to the satisfaction of the Owner within ten (10) days after notice to do so. In default thereof, the Contractor may be suspended, and all payment or money due to the Contractor withheld until sufficient bonds are provided by Contractor.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time or Contract Sum.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs

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and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect as incomplete, defective, or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the entire Work (unless otherwise provided in any Certificate of Partial Substantial Completion approved by the parties), or within such longer period of time as may be prescribed by law or in equity, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be defective or otherwise not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This corrective period shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. Corrective Work shall be warranted to be free from defects for a period equal to the longer of six (6) months after the completion of the corrective Work or one (1) year after the Date of Substantial Completion (subject to extension as previously described) or such longer period of time as may be prescribed by law or in equity, or expiration of the term of any applicable special warranty, if applicable, required by the Contract Documents. Any defect in such Work shall be corrected again by Contractor promptly upon notice of the defect from Owner. This obligation under this Section 12.2.2.1 shall survive acceptance of the Work under the Contract and termination of the Contract by the Owner. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§12.2.2.4 Just before the termination of the various guarantee periods, Contractor shall accompany Owner's agent and Architect on an inspection tour of the building and shall note any defects and shall start remedying these defects within ten (10) days of the inspection tour and shall prosecute the Work without interruption until accepted by Owner and Architect, even though such prosecution should extend beyond the limit of the guarantee period.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused in whole or in part by the Contractor's correction or removal of Work that is defective or otherwise not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents or under law or in equity. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

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§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is defective or otherwise not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

§13.3.1 Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice or if delivered by facsimile to the offices of the person or corporation for which it was intended. Facsimiles received after 5:00 p.m. on a business day, or on a weekend or legal holiday on which the recipient's offices are closed, notice shall be deemed to have been duly served on the next business day.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law or in equity or by any other agreement, and any such rights and remedies shall survive the acceptance of the Work and/or any termination of the Contract Documents.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Architect, Owner and Contractor shall be afforded a reasonable opportunity to attend, observe, and witness all inspections and tests of the Work. Architect or Owner may at any time request and receive from Contractor satisfactory evidence that materials, supplies, or equipment are in conformance with the Contract Documents. The conduct of any inspection or test and the receipt of any approval shall not operate to relieve Contractor from its obligations under the Contract Documents unless specifically so stated by Owner in writing.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures.

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§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, or reveal faulty or otherwise defective Work, or if the necessity of any such testing, inspection, or approval procedures arises out of the fault, neglect, or omission of Contractor, Contractor shall bear all costs of such testing, inspection, and approval procedures and all other costs made necessary by Contractor's failures, including, without limitation, those costs of repeated and additional procedures and compensation for Architect's services and expenses of Owner's personnel and consultant fees and expenses. Such costs shall be paid by Contractor within ten (10) days of receipt of invoice from Owner with supporting data attached.

§ 13.5.4 Required certificates of testing, inspection or approval shall, be secured by the Contractor and delivered to the Owner, unless such testing or inspection services are arranged by Owner.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

An overdue payment bears interest at the legal rate established by the Texas Government Code, currently in Section 2251.025, or in the event no rate is so established, at the rate of one percent (1%) each month. Any such payment shall be deemed overdue on the thirty-first (31st) day after Owner receives an invoice from Contractor.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract within the time period specified by applicable law.

§ 13.8.1 The Contractor shall maintain policies of employment as follows: "The Contractor and the Contractor's Subcontractors shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, promotion, demotion, or transfer; recruitment, or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants, notices setting forth the nondiscrimination policies."

§13.8.1.1 The Contractor and the Contractor's Subcontractors shall, in all solicitations or advertisements for employees placed by them or on their behalf; state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, or national origin.

§13.9 CERTIFICATION OF ASBESTOS-FREE PROJECT

§13.9.1 Contractor shall submit to the Architect a letter addressed to the Owner certifying that all materials used in the construction of this Project contain less than 0.10 by weight of asbestos and for which it can be demonstrated that, under reasonably foreseeable job site conditions, will not release asbestos fibers in excess of 0.1 fibers per cubic centimeter. Certification letters shall be dated, shall reference this specific Project, and shall be signed by not less than two (2) officers of the construction company.

§13.9.2 Certification shall further state that should asbestos fibers be found at this Project in concentrations greater than 0.1 fibers per cubic centimeter, that Contractor shall be responsible for determining which materials contain asbestos fibers and shall take corrective action to remove those materials from the Project at no additional cost to the Owner.

§13.9.3 Final payment shall not be made until this letter of certification has been received.

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ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of sixty (60) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; or

.2 An act of government, such as a declaration of national emergency that requires all Work to be

(Paragraphs deleted)

stopped.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon fourteen (14) days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work properly executed in accordance with the Contract Documents.

§ 14.1.4 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Sections 14.1.1 and 14.1.2.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

.1 refuses or fails to supply enough properly skilled workers or proper materials and equipment;

.2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

.3 disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;

.4 disregards the instructions of Architect or Owner (when such instructions are based on the requirements of the Contract Documents);

.5 is adjudged bankrupt or insolvent, or makes a general assignment for the benefit of Contractor's creditors, or a trustee or receiver is appointed for Contractor or for any of its property, or files a petition to take advantage of any debtor's act, or to reorganize under bankruptcy or similar law; or

.6 otherwise does not fully comply with the Contract Documents**.**

§ 14.2.2 When any of the above reasons exist, the Owner, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

.1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

.2 Accept assignment of subcontracts pursuant to Section 5.4; and

.3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 To the extent the costs of completing Work, including compensation for additional professional services and expenses, exceed those costs that would have been payable to Contractor to complete the Work except for

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Contractor's default, Contractor will pay the difference to Owner, and this obligation for payment shall survive termination of the Contract. Such costs incurred by Owner will be determined by Owner and confirmed by Architect.

§14.2.5 In addition to Owner's right to remove Contractor from any part of Work pursuant to the Contract Documents, Owner may, at any time, at will and without cause, terminate any part of Work or any subcontract or all remaining Work for any reason whatsoever by giving seven (7) days' prior written notice to Contractor specifying the part of Work or subcontract to be terminated and the effective date of termination. Contractor shall continue to prosecute the part of Work not terminated. If any part of Work or subcontract is so terminated, Contractor shall be entitled to payment for Work properly executed in accordance with the Contract Documents (the basis for such payment shall be as provided in the Contract) and for costs directly related to Work thereafter performed by Contractor in terminating such Work or subcontract including reasonable demobilization and cancellation charges provided said Work is authorized in advance by Architect and Owner. No payment shall be made by Owner, however, to the extent that such Work or subcontract is, was, or could have been terminated under the Contract Documents or an equitable adjustment is made or denied under another provision of the Contract. In case of such termination, Owner will issue a Construction Change Directive or authorize a Change Order making any required adjustment to the Date of Substantial Completion and/or the Contract Sum. For the remainder of the Work, the Contract Documents shall remain in full force and effect.

§14.2.6 Owner shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Section 14.2.5.

§14.2.7 Upon a determination by a court of competent jurisdiction that termination of Contractor pursuant to Section 14.2.1 was wrongful, such termination will be deemed converted to a termination for convenience pursuant to Section 14.2.5 and Contractor's remedy for wrongful termination shall be limited to the recovery of the payments permitted for termination for convenience as set forth in Section 14.2.5.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- **.1** that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- **.2** that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- **.1** cease operations as directed by the Owner in the notice;
- **.2** take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- **.3** except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, without any overhead or profit on the Work not executed.

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ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right adjustment, or interpretation of the Contract Terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. Claims must be by written notice.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Said written notice of claims shall state specifically the reason for the claim, the date or dates of the cause or causes of the claim, and if any extension of time is requested, the number of days of extension requested.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Said notice shall itemize all claims and shall contain sufficient detail and substantiating data to permit evaluation of same by Owner and Architect. No such claim shall be value unless so made. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction. Extensions of time may be requested for any month of construction for days lost due to adverse weather in excess of the normally expected lost time; provided, however, if Architect determines that the seasonal average of adverse weather days during construction is less than would be normally expected, no Change Order shall be issued and the request for extension of time shall be denied.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

(Paragraph deleted)

Contractor shall not be entitled to claims for additional time and/or increase in Contract Price due to a problem or non-performance of a subcontractor.

§ 15.1.7 In the event the Contractor fails to achieve substantial completion by the date indicated in the Contract, and extended by approved Change Order, the Owner shall be entitled to liquidated damages in the amount as stated in Section 3.1.1 of the modified AIA document A 101 – 2007 Edition by and between Owner and Contractor to which this document is attached as Exhibit A per day until the Work is substantially completed. It is expressly understood that the said sum per day is agreed upon as a fair estimate of the pecuniary damages, which will be sustained by Owner in the event that the Work is not completed within the agreed time, or within the legally extended time, if any. Said sum shall be considered as liquidated damages only, the exact ascertainment of which is difficult and in no sense be considered a penalty.

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This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim in whole or in part, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to litigation.

§ 15.2.6 DELETED.

§ 15.2.6.1 DELETED.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 DELETED.

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract may be subject to mediation as a condition precedent to litigation.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation.

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§ 15.3.3 The parties shall share the mediator's fee. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

The parties expressly agree that disputes or claims arising under the Contract Documents shall not be subject to arbitration unless mutually agreed by the parties in writing.

OWNER:	**CONTRACTOR:**
McALLEN INDEPENDENT SCHOOL DISTRICT	[_____]
By: _____	By: _____ Printed Name: _____ Title: _____
_____ Date	_____ Date

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

(Paragraphs deleted)

DRAFT

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BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Amendment to Interlocal Cooperation Agreement Between the County of Hidalgo and McAllen Independent School District

REFERENCE: Goal 2: People Development; Strategy 5: Partnerships with Business/Civic Education/Organizations

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

On February 10, 2020 the Board of Trustees approved the Emergency Preparedness agreement between McAllen ISD and Hidalgo County Health and Human Services Department (HCHHSD) for the purpose of operating Medical Points of Dispensing (MPODs) sites. HCHHSC recognizes that McAllen ISD has the skills necessary to fully and independently operate MPODs sites in the event of a public health emergency to safeguard its community.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The partnership between HCHHSD and MISD would allow our organizations to continue to build community resiliency and make an import on those we serve. The schools selected to operate as Medical Points of Dispensing (MPODs) site in the event of a public health emergency would be McAllen High School as primary site with McAllen Memorial High School and James "Nikki" Rowe High School as the alternate sites. Sites may change depending on the nature and scope of the event.

LEGAL REVIEW:

Interlocal Agreement reviewed by legal counsel.

BUDGETARY CONSIDERATIONS:

None.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the Amendment to Interlocal Cooperation Agreement Between the County of Hidalgo and McAllen Independent School District.

SUBMITTED BY: _____ **SUPERVISOR:** Arely Benavides (Jan 14, 2021 17:34 CST)

For further information contact:
Name: Arely Benavides
Office: 956-688-5445
eMail: arely.benavides@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

INTERLOCAL COOPERATION AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT BETWEEN THE COUNTY OF HIDALGO AND MCALLEN INDEPENDENT SCHOOL DISTRICT

THIS Interlocal Cooperation Agreement and incorporated Business Associate Agreement are made on this the ____day of _____, 20____, by and between MCALLEN INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as the "District," and the COUNTY OF HIDALGO, TEXAS, hereinafter referred to as the "County" pursuant to the provisions of the Texas Interlocal Cooperation Act, Texas Gov't Code 791.001 et seq., as follows:

WITNESSETH:

WHEREAS, McAllen Independent School District is a school district located in Hidalgo County, Texas;

WHEREAS, County is a county in the State of Texas;

WHEREAS, County is the recipient of a Public Health Emergency Preparedness grant from the Department of State Health Services ("DSHS") to be used to improve local bioterrorism preparedness, and response to outbreaks of infectious disease and other public health threats and emergencies;

WHEREAS, the parties recognize the vulnerability of citizens in the County to a public health emergency that may result from natural or man-made causes;

WHEREAS, during such public health emergencies, it may be necessary to immunize or treat a large number of people in the area served by the County Public Health and Human Services Department;

WHEREAS, school facilities are well-suited to conduct mass immunizations because facility locations are usually known to large numbers of individuals, and the facilities have large assembly areas and other necessities, such as refrigeration, parking, and restrooms;

WHEREAS, public health preparedness and response can be exercised, if necessary, at or in cooperation with educational institutions to include Drills, Table-Top Exercises, and/or Full-Scale Exercises such as Operation Lone Star;

WHEREAS, the parties are committed to the health, welfare and safety of its constituents and the general public and believe these projects will assist in this regard;

WHEREAS, the parties acknowledge that this exchange of governmental functions or services results in an exchange that fairly compensates the performing parties for the services or functions performed under this Agreement;

WHEREAS, the District and County are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, Texas Gov't Code 791.001 et seq., which authorizes local governments to contract with each other to perform governmental functions and services under the terms of the Act;

NOW, THEREFORE, the following Agreement shall supersede all previous Agreements made by the District and County for Public Health Preparedness and Response. The District and County, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. **Activation of Agreement.** Provisions of this agreement will be activated for any exercises and drills that the District accepts to participate in with County. Additionally, if an emergency is declared by the Hidalgo County Medical Health Authority in coordination with the Director of the County Public Health and Human Services Department, or the Commissioner of Health of the Texas Department of State Health Services that requires a large-scale immunization or treatment program as a control measure for an outbreak of a communicable disease, County will notify the District and provisions of this agreement will be activated.

2. **Exercises and Training.** The District agrees to participate with County in exercises, drills, and emergency operations. The District agrees to predesignate an emergency operation staff roster with contact information and provide County proof of Incident Command System (ICS) qualifications and certifications. County agrees to provide preparedness and response training at no cost to the District.

3. **Facilities.** The District agrees to provide its school facilities to be used as Point of Dispensing (POD) sites and provide accommodations for at-risk populations and individuals with functional needs (i.e. placement of individuals with disabilities). Additionally, the District agrees to monitor populations at the congregate locations.

4. **Reporting.** The District agrees to work with County to investigate and report any adverse events that may take place throughout an exercise, drill, or emergency operation. Additionally, the District agrees to report any suspected or confirmed reportable condition, any outbreak, exotic disease, or unusual group expression of disease that may be of public health concern to County under the Texas Administrative Code, Chapter 97.

5. **Data Sharing**. The District agrees to enforce the Texas Medical Records Privacy Act, (ch. 181 Tex. Health & Safety Code) as amended - House Bill (HB) 300, and

the Health Insurance Portability and Accountability Act (HIPAA) laws at all times and is aware that the District will be subject to compliance. The District is aware that any data use, reuse, release, or publication acquired from an exercise, drill, or emergency operation may only be collected and used with prior approval from County.

6. **Staffing and Volunteers.** The District agrees to provide emergency operation staffing, if available, to support medical services (i.e. injections, administer prophylaxis, critical testing, provide medical care instructions) or non-medical services (i.e. administrative duties: registering patients, data entry). Additionally, the District agrees to provide support with volunteer coordination for on-site operations to allow individuals to volunteer and assist with no expectancy of fiscal exchange.

7. **Materials and Supplies**. County agrees to supply all materials provided by Strategic National Stockpile (SNS) (i.e. vaccines, antibiotics, antitoxins, antivirals, syringes), forms necessary to administer medical countermeasures during an emergency, and other equipment or supplies needed for the event, if available. The District will provide any back-up equipment or supplies that may be needed, if available.

8. **Inventory.** The District takes accountability of resources received from County and agrees to coordinate inventory tracking for response operations. After a drill, event, or emergency operation, the District agrees to ensure reconditioning and return of all equipment and/or supplies to County. County shall be responsible for the disposal of medical waste.

9. **Liability.** In the event of injury, the District shall maintain worker's compensation coverage for staff. In the event of a needle-stick or other exposure to potential blood-borne pathogens, the employee will have access to medical evaluation and post-exposure prophylaxis through the District's policies. The District agrees to have mental/behavioral health services available to all staff and volunteers during and after exercises, drills, and emergency operations. The District shall provide professional liability indemnity coverage for staff and volunteers rendering services under this Agreement.

10. **Civil Liability.** The parties understand and agree that the services of the "District" under this Interlocal Cooperation Agreement are related to Homeland Security, as defined in Local Government Code Section 421.001, and therefore, any or all District administrators, instructors, professors, and students shall be immune from civil liability for any act or omission resulting in death, damage or injury while acting in good faith, and in the course and scope of its function to provide a service related to a Homeland Security Activity, as defined in accordance with Government Code Section 421.062.

11. **Homeland Security Activity.** For purposes of this Agreement and in accordance with Government Code Section 421.062, "Homeland Security Activity" means any activity related to the prevention or discovery of, response to, or recovery form a terrorist attack, natural or man-made disaster, hostile military or paramilitary action, or extraordinary law enforcement emergency.

12. **Term.** This agreement becomes effective when executed by both parties. Either party may cancel it by giving thirty (30) days' notice to the other party; otherwise it remains in effect for five (5) years, and may be renewed for a period of another five years by a written amendment signed by both parties. Any notice or communication required or permitted shall be given in writing.

13. **Conflict of Applicable Law.** Nothing in this Agreement shall be construed to require the commission of any act contrary to law; and when any conflict between this Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail. In such an event, the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements, and only during the time such conflict exists.

14. **Texas Law to Apply.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

15. **Indemnification. To the extent authorized by the Constitution and the laws of the State of Texas, the District shall indemnify and hold harmless Hidalgo County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against Hidalgo County arising out of, resulting from, or connected with acts or omissions by the District, its agents or employees, under this Agreement.**

16. **Immunities.** Neither Hidalgo County nor the District, via this agreement, waive governmental immunity from suit, or from liability, except as expressly set forth by the Texas Legislature in the Texas Government Code. The fact that Hidalgo County and the District have entered into this agreement shall not in any way constitute a deliberate waiver of immunity by either entity, in which immunities are expressly reserved by both parties.

17. **No Waiver.** No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

18. **Entire Agreement.** This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly

or through an agent or representative) any other representation or agreement in connection with this Agreement, not specifically set forth herein. This Agreement may be modified or amended only by an agreement in writing, executed by the District and County, and not otherwise.

19. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests, or communication required or permitted hereunder shall be in writing, and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been heretofore specified by written notice and delivered in accordance herewith:

    If to the District: McAllen Independent School District
    Attention: Dr. Jose A. Gonzalez, Superintendent of Schools
    2000 N. 23rd St.
    McAllen, TX 78501

    If to County: Hidalgo County
    Attention: Richard F. Cortez, County Judge
    100 E. Cano, Second Floor
    Edinburg, TX 78539

    Each notice, demand, request, or communication delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee, or if mailed, at such time as it is deposited in the United States mail.

20. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

21. **Assignment.** This Agreement shall not be assignable.

22. **Headings.** The headings and captions contained in this Agreement are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

23. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and as often as may be appropriate.

24. **Authority to Execute.** The execution and performance of this Agreement by the District and County have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of the District and County in accordance with its terms.

25. **Performance of Governmental Functions.** Each party hereto is entering into this Agreement for the purpose of providing the services and functions outlined in this document and will pay for such services and any associated costs to execute this Agreement out of current revenues available to the paying party as herein provided.

26. **Liabilities.** This Agreement is not intended to extend the liability of the Parties beyond that provided by law. Neither the District nor County waive, nor shall be deemed to have hereby waived, any immunity or defenses that would otherwise be available to it against claims arising from third parties.

27. **Additional Documents.** The Parties agree that they will use reasonable, good faith efforts to execute any other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement. Additionally, the Parties agree that to abide by the Business Associate Agreement (BAA) incorporated as part of this agreement for all purposes.

28. **Non-Discrimination.** The Program and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or the District and/or County policy, including without limitation race, color, national origin, religion, sex, age, veteran status, or disability, including, but not limited to the provisions of Title VI of the Civil Rights Act of 1964, as amended.

29. **Appendix II to CFR 200-Contract Provisions.** Pursuant to 2 CFR 200.326, a non-Federal entity's contract must contain the applicable provisions described in Appendix II 2 CFR 200-Contract Provisions for non-Federal Entity Contracts under Federal Awards. Therefore, if applicable, the provisions of Appendix II 2 CFR 200 are attached and incorporated by reference into this agreement should it be subject to Federal award.

30. **Commitment of Current Revenues Only.** In the event that during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto in accordance with Tex. Loc. Govt. Code §271.903 (Vernon Supp. 1996).

31. **BUSINESS ASSOCIATE AGREEMENT**. the following Business Associate Agreement (BAA) is incorporated into this Agreement between the Parties and shall supersede any previous BAA made by the District and County for the Public Health Preparedness and Response. The District and County, in consideration of the mutual covenants expressed hereinafter, agree as follows:

HIDALGO COUNTY BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement is made and entered into as of the date first written above (the "**Effective Date**"), and is incorporated for all purposes into this Agreement between the COUNTY OF HIDALGO, by and through its Hidalgo County Health and Human Services Department ("**Covered Entity**") and the INDEPENDENT SCHOOL DISTRICT indicated above, ("**Business Associate**") (as defined below and collectively the "Parties") to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164 subparts A and E ("the Privacy Rule") and security standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160, 162 and 164, subpart C ("the Security Rule"), and the modifications to HIPAA provided by Division A, Title XIII of the American Recovery and Reinvestment Act of 2009, known as The Health Information Technology for Economic and Clinical Health, Act (HITECH) 42 U.S.C. §3000 et. seq., and implementing regulations and guidance, including the regulations implemented in 78 Fed. Reg. 5566 (January 25, 2013); as well as applicable state law.

WHEREAS, Covered Entity and Business Associate have entered or are entering into an Agreement (the "**Underlying Agreement**") by which the Covered Entity has engaged Business Associate to perform services;

WHEREAS, Covered Entity possesses and is permitted to manage Protected Health Information (PHI) that is protected under HIPAA, House Bill 300 (HB 300)[1] and the HIPAA Regulations, HITECH Act and state law, including the Texas Medical Records Privacy Act (TMRPA)[2], and Parties desire to comply with the privacy and security protections contained therein;

WHEREAS, Business Associate may receive such information from Covered Entity, or create, receive, maintain or transmit such information on behalf of Covered Entity, in order to perform certain of the services under the Underlying Agreement;

WHEREAS, Covered Entity wishes to ensure that Business Associate will appropriately safeguard Protected Health Information;

WHEREAS, the HIPAA Rules require that Covered Entity receive adequate assurances that Business Associate will comply with certain obligations with respect to the PHI received in the course of providing services to or on behalf of Covered Entity; and

WHEREAS, parties desire and agree to enter into this BAA to the Underlying Agreement.

---

[1] House Bill 300 passed by Texas Legislature on September 1, 2012, to enhance safeguards for Protected Health Information (PHI).

[2] Texas Medical Records Privacy Act, codified in Section 181 et seq. of the Texas Health and Safety Code and as implemented through regulations including the Standards Relating to the Electronic Exchange of Health Information, codified at Title 1, Section 390.1 et seq. of the Texas Administrative Code.

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

A. Definitions. For purposes of this BAA:

1. "**Business Associate**" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this BAA, shall mean the person or entity indicated above.
2. "**Covered Entity**" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this BAA, shall mean the County of Hidalgo.
3. "**Individual**" shall have the same meaning as the term "individual" in 45 CFR § 164.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
4. "**HIPAA Rules**" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules and amendments codified and promulgated at 45 CFR Parts 160, 162, and 164 and the HITECH Act.
5. "**Protected Health Information**" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR § 164.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
6. "**Required By Law**" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
7. "**Secretary**" shall mean the Secretary of the Department of Health and Human Services or his or her designee.
8. **Breach** shall have the meaning given such term under 45 C.F.R. § 164.402 as such regulation is revised from time to time.
9. **Breach of System Security** means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of Sensitive Personal Information maintained by a person, including data that is encrypted if the person accessing the data has the key required to decrypt the data.
10. All other capitalized terms used in this BAA shall have the meanings set forth in the applicable definitions under the HIPAA Rules and the HITECH Act, as amended.

B. Obligations and Activities of Business Associate

1. Business Associate agrees to not use or disclose PHI other than as permitted or required by this BAA or as Required by Law.

2. Business Associate agrees to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent the use or disclosure of PHI other than as provided for by this BAA. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity,

and availability of any paper or electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.

3. Business Associate shall have procedures in place to mitigate and agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

4. Business Associate agrees to report immediately, but no later than three (3) days, to Covered Entity any use or disclosure of PHI not provided for by this BAA of which it becomes aware including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware Breach notification will be written in plain language and will include, to the extent possible or available, the following:

    a. The identification of the individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach;

    b. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach;

    c. A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether the full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

    d. Any steps Individuals who were subjects of the Breach should take to protect themselves from potential harm that may result from the Breach;

    e. A brief description of what Business Associate is doing to investigate the Breach, to mitigate the harm to individuals, and to protect against further Breaches; and

    f. Contact procedures for individuals to ask questions or learn additional information, including a toll-free telephone number, an email address, Web site, or postal address.

5. Business Associate will pay or reimburse Covered Entity for all costs and penalties incurred by Covered Entity in connection with any incident giving rise to a Breach of PHI and/or a Breach of System Security, including without limitation all costs related to any investigation, any notices to be given, reasonable legal fees, credit monitoring (where applicable), and other efforts to mitigate the harm to Individuals or other actions taken to comply with HIPAA, the HITECH Act, or any other applicable law or regulation, where (i) the PHI was in the custody or control of Business Associate when the Breach of PHI and/or Breach of System Security

occurred, or (ii) the Breach of PHI and/or Breach of System Security was caused by the negligence or wrongful acts or omissions of Business Associate and its employees, directors, officers, subcontractors, agents or other members of its workforce.

6. Business Associate agrees to ensure that any agents or subcontractors that create, receive, maintain, or transmit protected health information on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.

7. Business Associate agrees to provide access, at the request of Covered Entity, in a reasonable time and manner, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual, in order to meet the requirements under 45 CFR § 164.524.

8. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in a reasonable time and manner.

9. Business Associate agrees to make internal practices, books, and records including policies and procedures and PHI relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary, in a reasonable time and manner, for the purpose of permitting the Secretary to determine Covered Entity's compliance with the HIPAA Rules.

10. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

11. Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time, information collected in accordance with Section B.(10) of this BAA, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

12. Business Associate agrees, to the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

13. Training. Business Associate shall provide such training in the privacy and security of PHI to its Workforce (as that term is defined by 45 C.F.R. § 160.103) as is required for Business Associate's compliance with HIPAA, HIPAA Regulations, HITECH, and the TMRPA.

14. Sanctions. Business Associate shall apply appropriate sanctions in accordance with Business Associate's policies against any employee, subcontractor or agent who uses or discloses Covered Entity's PHI in violation of this BAA or applicable law.

C. Permitted Uses and Disclosures of PHI by Business Associate

1. Parties agree to comply with HIPAA, HIPAA Rules, HB 300, the HITECH Act, and the TMRPA.

2. Performance of Services. Except as otherwise permitted by this BAA, Business Associate may create, receive, maintain or transmit PHI on behalf of Covered Entity only in connection with the performance of the services contracted for in the Underlying Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103).

3. Business Associate may only use or disclose PHI as permitted by the HIPAA Rules. Business Associate may use or disclose PHI to perform, manage and administer the activities or services required under the Underlying Agreement or other such arrangement between Covered Entity and Business Associate, including the de-identification of PHI, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity.

4. Business associate agrees to make uses and disclosures and requests for protected health information consistent with covered entity's minimum necessary policies and procedures.

5. Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

6. Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

7. Minimum Necessary. Business Associate shall limit its uses and disclosures of, and requests for, PHI, to the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request.

8. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

9. Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164, or TMRPA, if done by the Covered Entity itself, except for the specific uses and disclosures set forth above.

D. Obligations of Covered Entity

1. Covered Entity shall notify Business Associate of any limitations in its notice(s) of privacy practices in accordance with 45 CFR § 164.520 to the extent that such limitations may affect Business Associate's use or disclosure of PHI.

2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent such changes may affect Business Associate's use and disclosure of PHI.

3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

E. Restriction on Covered Entity

1. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by Covered Entity, except Business Associate may use or disclose PHI for data aggregation or management and administrative activities of Business Associate.

F. Term and Termination

1. Term. The Term of this BAA and the obligations herein shall be deemed effective on the Effective Date and shall continue unless or until this BAA terminates, the Underlying Agreement terminates, or the Business Associate has completed performance of the services in the Underlying Agreement, whichever is earlier.

2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

   a. Provide an opportunity for Business Associate to cure the material breach or end the violation and terminate this BAA and Covered Entity’s participation in the BAA if Business Associate does not cure the material breach or end the violation within the reasonable time specified by Covered Entity; or

   b. Immediately terminate this BAA and Covered Entity’s participation in the BAA if Business Associate has breached a material term of this BAA and a cure is not possible.

3. Effect of Termination.

   a. Upon termination of this BAA for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

   b. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible, including the need to retain PHI for audit, justification of work product or compliance with pharmacy or other applicable law. Business Associate shall extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

   c. Injunctions. Covered Entity and Business Associate agree that any violation of the provisions of this BAA may cause irreparable harm to Covered Entity. Accordingly, in addition to any other remedies available to Covered Entity at law or in equity, Covered Entity shall be entitled to seek an injunction or other decree of specific performance with respect to any violation of this BAA or explicit threat thereof, without any bond or other security being required and without the necessity of demonstrating actual damages.

   d. **Indemnification. This indemnification provision is enforceable against the Parties only to the extent authorized under the constitution and laws of the State of Texas. The Parties will indemnify, defend and hold harmless each other and each other's respective employees, directors, officers, subcontractors, agents or other members of its workforce, each of the foregoing hereinafter referred to as "indemnified party," against all actual and direct losses suffered by the indemnified party and all liability to third parties arising from or in connection with any breach of this BAA or of any warranty hereunder or from any negligence or wrongful acts or omissions, including failure to perform its obligations under MRPA, HIPAA, the HIPAA Rules, and the HITECH Act by the indemnifying party or its employees, directors, officers, subcontractors, agents or other members of its workforce.**

G. Miscellaneous

1. Regulatory References. A reference in this BAA to a section in the HIPAA Rules means the section as in effect, or as amended, and for which compliance is required.

2. Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for Covered Entity to comply with the requirements of and changes in state and federal laws and regulations relating to the privacy, security and confidentiality of PHI. This BAA may be amended only in writing when signed by a duly authorized representative of each Party.
3. Survival. The respective rights and obligations of Business Associate under Section F.(3) of this BAA shall survive the termination of this BAA.
4. Interpretation. Any ambiguity in this BAA or in the Underlying Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules.
5. Conflicts. To the extent that this BAA may conflict with the Underlying Agreement, this BAA shall govern.
6. Governing Law. This BAA is governed by, and shall be construed in accordance with, applicable federal law and the laws of the State of Texas without regard to choice of law principles.
7. Notice: Except as may be otherwise specifically provided in this BAA, all notices, demands, requests or communications required or permitted hereunder shall be in accordance with the Notice provision found in No.19 above with copy to:

   The Hidalgo County Health and Human Services Department
   Attn: Director of Health & Human Services Department
   1304 S. 25th Ave.
   Edinburg, Texas 78539

8. No Third Party Beneficiaries. Nothing express or implied in this BAA is intended or shall be deemed to confer upon any person other than Covered Entity, Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities.
9. Written Authorization. Nothing in this BAA shall be construed to require Business Associate to use or disclose PHI without written authorization from an individual who is a subject of the PHI, or written authorization from any other person, where such authorization would be required under state law for such use or disclosure.
10. Offshore Work. In performing the functions, activities or services for, or on behalf of Covered Entity, Business Associate shall not, and shall not permit any of its agents or subcontractors who receive Covered Entity's PHI to, transmit or make available any PHI to any entity or individual outside the United States without prior written consent of Covered Entity.
11. Privilege. Notwithstanding any other provision in this BAA, this BAA shall not be deemed to be an agreement by Business Associate to disclose information that is privileged, protected, or confidential under applicable law to the extent that such privilege, protection or confidentiality (a) has not been waived or (b) is not superseded by applicable law.

IN WITNESS WHEREOF, the Parties have caused this Interlocal Cooperation Agreement and Business Associate Agreement to be executed by their respective duly

authorized representatives in the manner legally binding upon them as of the effective date first written above.

[SIGNATURE PAGE TO FOLLOW]

MCALLEN INDEPENDENT SCHOOL DISTRICT/BUSINESS ASSOCIATE

By: _____
(Authorized Signature)
Name: Conrado Alvarado
Title: Board of Trustees, President

HIDALGO COUNTY, TEXAS/COVERED ENTITY

By:_____

Richard F. Cortez, County Judge

ATTEST:
By: _____
Arturo Guajardo, Jr., County Clerk

Approved by Commissioners Court: _____

APPROVED AS TO FORM:

Office of Criminal District Attorney,
Ricardo Rodriguez, Jr.

By: _____
_____, Assistant District Attorney

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Third Extension and Board Resolution No. 2015-013 with Frost Bank

REFERENCE: Goal 4: Financial Priorities; Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

As per Texas Education Code Section 45.205(b), a school district and the district's depository bank may agree to extend a depository contract for two additional two-year terms. An extension under this subsection is not subject to the requirements of Section 45.206.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

On June 8, 2015, the Board approved Request for Proposal No. 2015-013 Bank Depository Services for all District Funds for a two-year term beginning July 1, 2015, and ending June 30, 2017, with the option to renew for two (2) additional two-year terms with Frost Bank, McAllen, Texas. On February 27, 2017, and April 8, 2019, the Board approved the Board Resolution Extending Depository Contract for Funds of McAllen Independent School District Under Texas Education Code, Chapter 45, Subchapter G, School District Depositories for the first two-year extension and the second two-year extension respectively. This is the third and final two-year term extension option available.

LEGAL REVIEW:

The Board Resolution and extension letter have been approved by legal counsel.

BUDGETARY CONSIDERATIONS:

Bank related charges and fees will be netted against the Earned Credit Rating (ECR) allowance, earning Treasury Bill rate plus ten (10) basis points. Any fees exceeding ECR will be the District's responsibility. Checks and deposit slips will be provided at bank cost. Frost Bank will pay interest on Demand Deposit Account (DDA) interest-bearing accounts equal to the previous month's average 91-day Treasury Bill auction discount rate less thirty-five (35) basis points.

RECOMMENDED BOARD ACTION:

Administration recommends that the Board of Trustees approve Third Extension and Board Resolution No. 2015-013 with Frost Bank effective July 1, 2021 through June 30, 2023.

SUBMITTED BY: Adelita Felix **SUPERVISOR:** Cynthia Medrano-Richards

For further information contact:
Name: Adelita Felix
Office: 956-618-6017
eMail: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools

Frost

1901 W. Nolana Avenue
McAllen, Texas 78504

December 15, 2020

Cynthia M. Richards
Assistant Superintendent for Finance
McAllen Independent School District
2000 North 23rd Street
McAllen, Texas 78501

Re: Extension of Depository Agreement

Dear Ms. Richards:

Pursuant to the Bank Depository Agreement dated July 1, 2015 between Frost Bank and McAllen Independent School District, both parties agree to extend said contract for Two (2) year(s), for the period July 1, 2021 through June 30, 2023.

Both parties agree that all pricing, terms and conditions of the original proposal package shall remain the same until said contract expiration date.

McAllen Independent School District	**Frost Bank**
	Rick Ramirez Rick Ramirez (Dec 18, 2020 17:07 CST)
Conrado Alvarado Board of Trustees, President	Rick Ramirez Vice President
	Dec 18, 2020
Date	Date

Frost Bank is a subsidiary of Cullen/Frost Bankers Inc. NYSA Symbol: CFR, A Texas financial services company offering banking, investments and insurance

Board Resolution Extending Depository Contract for Funds Of Independent School Districts Under Texas Education Code, Chapter 45, Subchapter G, School District Depositories

Resolved by the Board of Trustees of McAllen Independent School District *(Board of Trustees)* **that:**

Frost Bank *(Name of Depository Bank)* located at Hidalgo *(Name of County)* County, State of Texas, being a bank as defined in section 45.201 of the Texas Education Code, and McAllen Independent School District *(Name of District)* (CDN: 108-906) agree to extend this depository contract pursuant to Texas Education Code Section 45.205, for an additional two-year term from July 1, 2021, through June 30, 2023. Under Texas Education Code Section 45.205(b), a school district and the district's depository bank may agree to extend a depository contract for three additional two-year terms. The extension constitutes the parties' third *(first, second, third)* two-year term.

Furthermore, under Texas Education Code Section 45.205(c), the contract term and any extension must coincide with the school district's fiscal year.

AGREED AND ACCEPTED on behalf of McAllen Independent School District *Name of District*

this the _____ day of _____, _____.

Approved as to form:
Atlas, Hall & Rodriguez, LLP
by: Stephen L. Crain
Stephen L. Crain

_____
Signature of President of School Board

AGREED AND ACCEPTED on behalf of Depository this the _____ day of _____, _____.

Frost Bank
Typed Name of Depository

Rick Ramirez
Rick Ramirez (Dec 10, 2020 17:07 CST)
Signature of Authorized Bank Officer

Vice President
Title of Authorized Bank Officer

Acknowledgement

Acknowledged before me in _____ County, Texas, on _____, 20___, by _____, bank officer of the Depository named in the preceding document, for the Depository.

_____
Signature of Notary

(SEAL)

Notary Public in and for _____
County, Texas

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of the 2021-2022 School Calendar

REFERENCE: Goal 1: Student Achievement/Student Focus

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
HB 1 SECTION 9.02, Section 25.0811(a), Education Code states: A school district may not begin instruction for students for a school year before the fourth Monday in August. The first day of instruction for students for the 2021-2022 school year is August 23, 2021. The LEAD Professional Learning Committee developed three academic calendars that met the restrictions set forth by HB 1, HB 2610 (75,600 Instructional Minutes) and TEA staff development waiver requirements.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
The LEAD Professional Learning Committee met to discuss calendar options which were presented to the LEAD General Assembly for discussion and feedback on November 11, 2020. During the LEAD General Assembly meeting, the assembly developed and provided feedback on multiple draft calendars. Multiple drafts were discussed and final drafts of three calendars were agreed upon. These three calendars, Draft A, Draft B and Draft C, were presented to teachers, staff, and parents for a vote. Teacher, staff, and parent voting took place December 3, 2020 through January 4, 2021. A final tabulation of the results is enclosed for review.

LEGAL REVIEW:
None required.

BUDGETARY CONSIDERATIONS:
None required.

RECOMMENDED BOARD ACTION:
That the Board of Trustees approve the school calendar for the 2021-2022 school year.

SUBMITTED BY: _____

SUPERVISOR: Silvia Ibarra
Silvia Ibarra (Jan 13, 2021 08:25 CST)

For further information contact:
Name: Dr. Silvia Ibarra
Office: 956.618-6048
eMail: silvia.ibarra@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools Jan 13, 2021

McALLEN INDEPENDENT SCHOOL DISTRICT

2021-2022 DISTRICT CALENDAR BOARD PRESENTATION

Presented by: Dr. Silvia Ibarra
Assistant Superintendent for Instructional Services

January 18, 2021

Calendar Committee Schedule of Events

1. LEAD Meeting/Calendar Development

- September 17, 2020
- October 22, 2020
- November 4, 2020
- November 11, 2020 (Presented to LEAD)

2. Window for Voting

- December 3, 2020 through January 4, 2021

3. 2021-2022 Calendar Voting Options

- Online Voting
- Campus/Department Paper Ballots (for auxiliary staff and families)
- McAllen ISD Website/Social Media used to share link with community

2021-2022 CALENDAR DEVELOPMENT PARAMETERS

A. Texas Education Code (TEC) 25.0811 states: (a) A school district may not begin instruction for students for a school year before the fourth Monday in August

a. For the 2020-2021 school year, this is **August 23, 2021**

B. 2020-2021 Calendar must include:

a. At least 75,600 minutes of instruction **(as per House Bill 2610)**
b. 187 contract days for teachers that are made up of :
   - Instructional Days
   - Professional Learning Days **(Texas Education Code Sec. 21.451)**
   - Work Days
c. Early Release Days **(as per TEA waiver)**
d. **Two weather make-up days one per semester**
e. Districts are also discouraged from scheduling make-up days for times that have traditionally been considered as school holidays, e.g. Good Friday, Memorial Day, Spring Break, etc. Low attendance on make-up days will NOT be eligible for a waiver.

Factors to Consider

C. Spring Break/Easter

a.	RGV Livestock Show	TBD
b.	UTRGV	March 14-20, 2022
c.	UT Austin	TBD
d.	STC	March 14-20, 2022
e.	Easter	April 17, 2022

D. Summer 2022- Session Start Dates

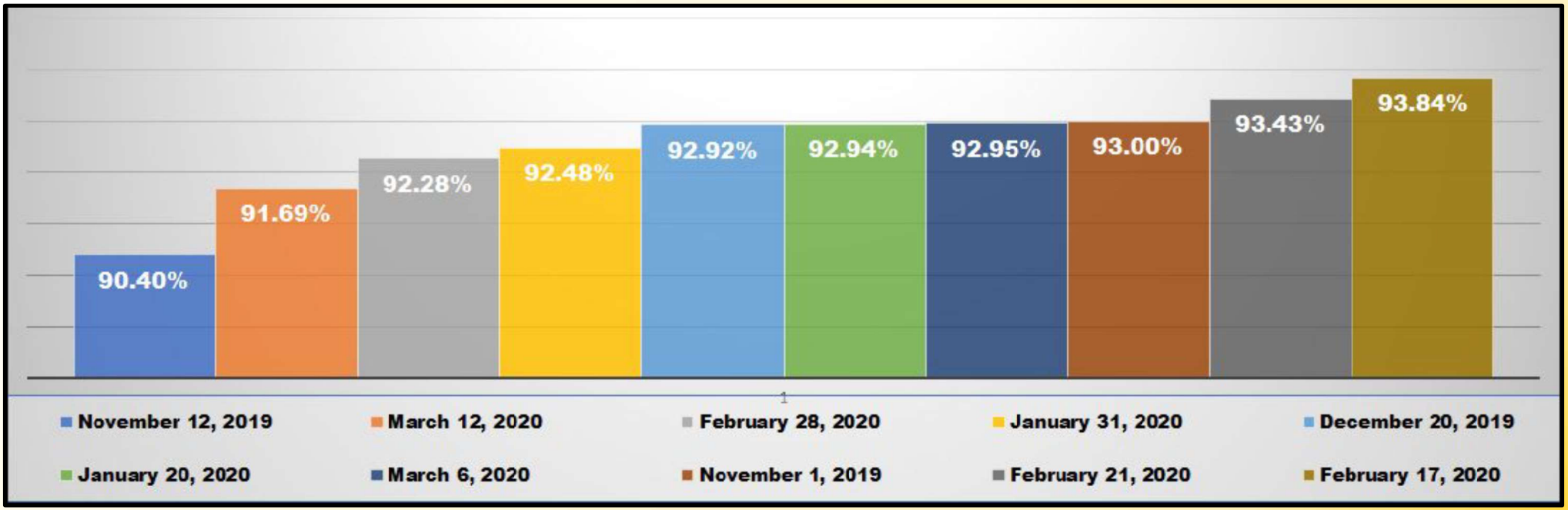
a.	UTRGV	May 16, 2022 (Mini-term) & June 6, 2022 (Summer 1 Term)
b.	STC	June 6, 2022
c.	UT Austin	TBD

Testing Dates to Consider

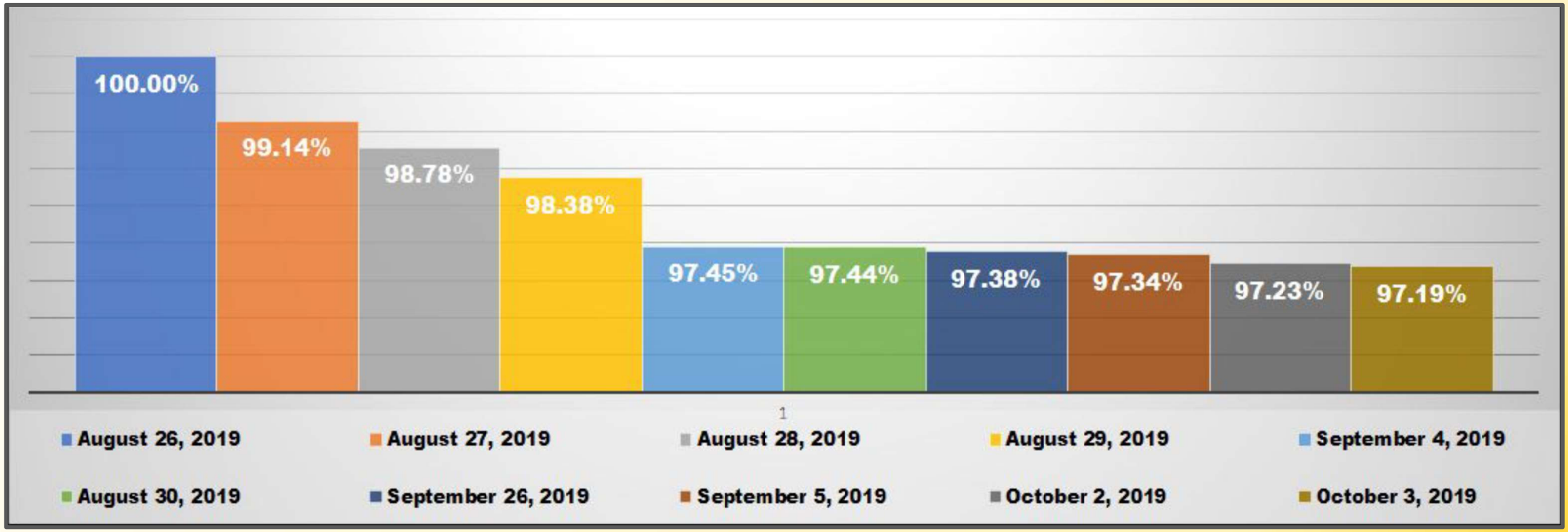
(Testing Dates Subject to Change)

December 7-10, 2021	STAAR Paper & Online Assessment Window: Algebra I; Biology; U.S. History; English I; English II; all make-up sessions
February 21 - April 1, 2022	TELPAS and TELPAS Alternative: Grades K-12 Listening, Speaking, Reading, and Writing
March 28-April 22, 2022	STAAR Alternate 2 : Grades 3-8 & EOC Assessments
April 5-15, 2022	STAAR Paper & Online Assessment Window: Grades 4 & 7 Writing; Grades 5 & 8 Mathematics; Grades 5 & 8 Reading; English I & English II; all make-up sessions
May 3 - 20, 2022	STAAR Paper & Online Assessment Window: Algebra I; Biology; U.S. History; Grade 8 Science; Grade 8 Social Studies; all make-up sessions
May 10-20, 2022	STAAR Paper & Online Assessment Window: Grades 3-4 Mathematics & Reading; Grade 5 Science; *Grade 5 Mathematics/Reading (retest)*; Grades 6-7 Mathematics & Reading; *Grade 8 Mathematics/Reading (retest)*; Algebra II; all make-up sessions
June 21 – 24, 2022	STAAR Paper & Online Assessment Window: Algebra I; Biology; U.S. History; *Grade 5 Mathematics/Reading (retest)*; *Grade 8 Mathematics/Reading (retest)*; English I; English II; all make-up sessions

Highest Day of Student Absence



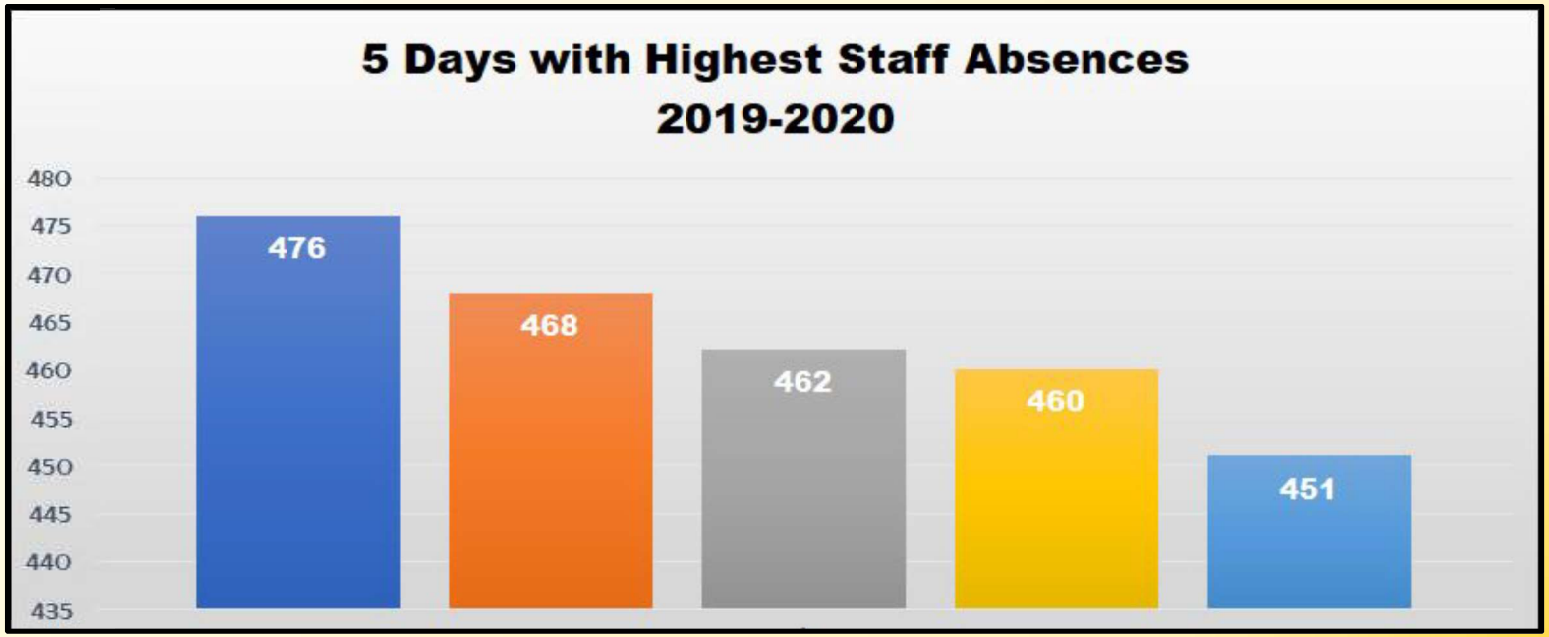
Lowest Day of Student Absence



Highest Day of Staff Absence

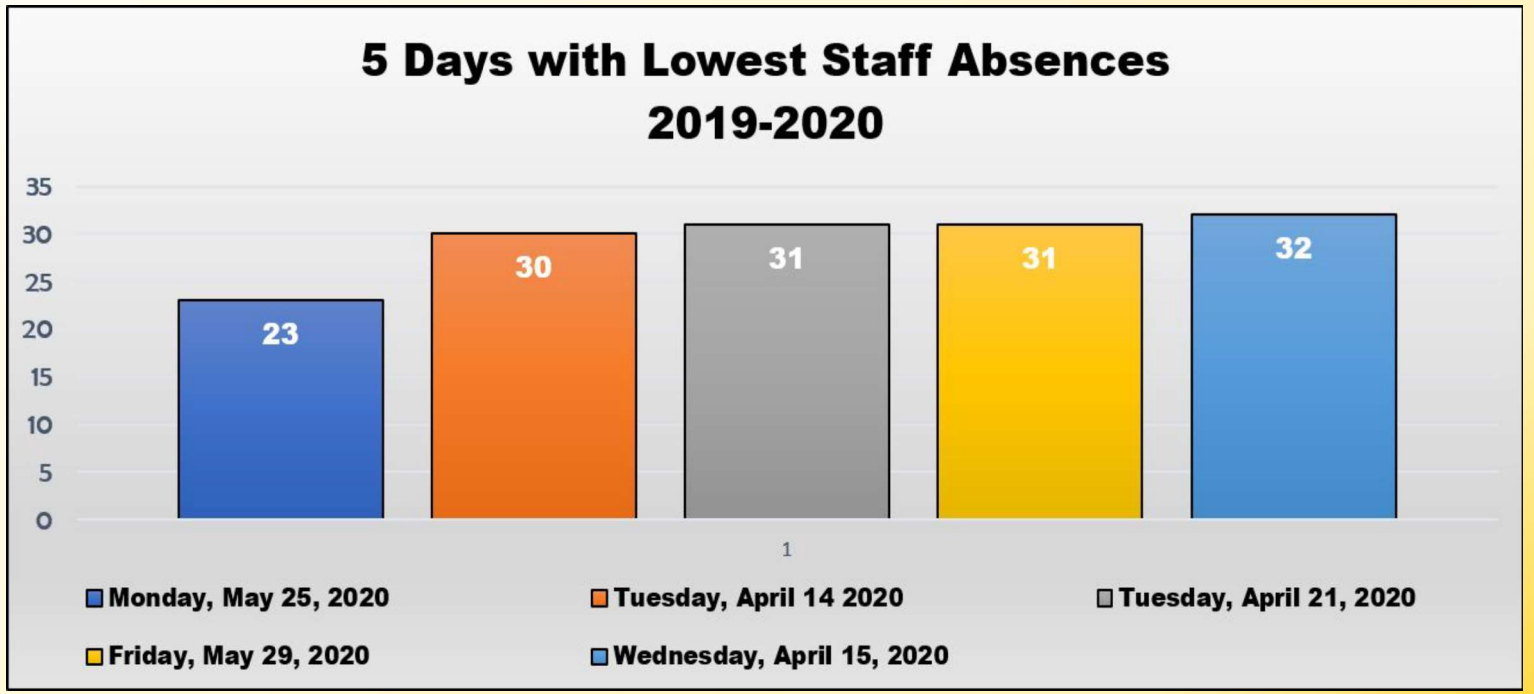
Friday

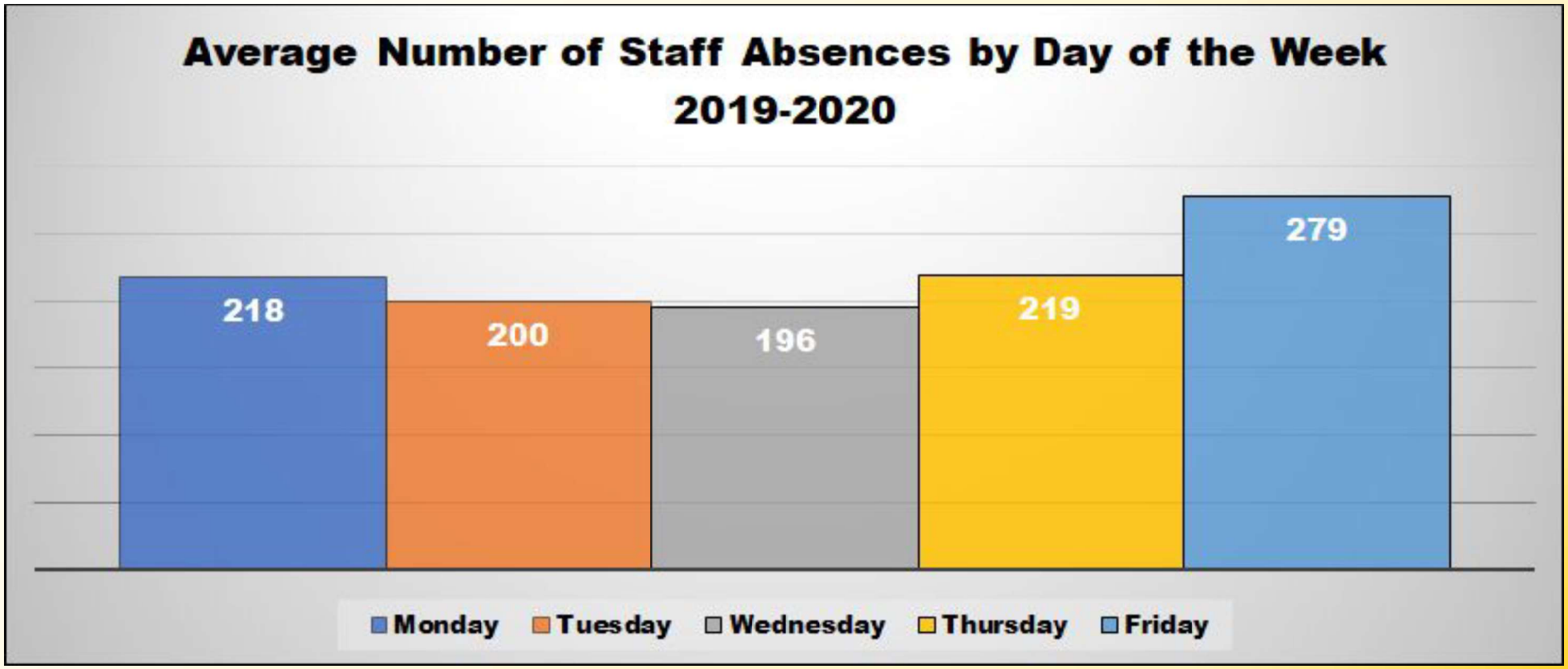
1. February 14th
2. February 28th
3. October 25th
4. January 17th
5. October 11th

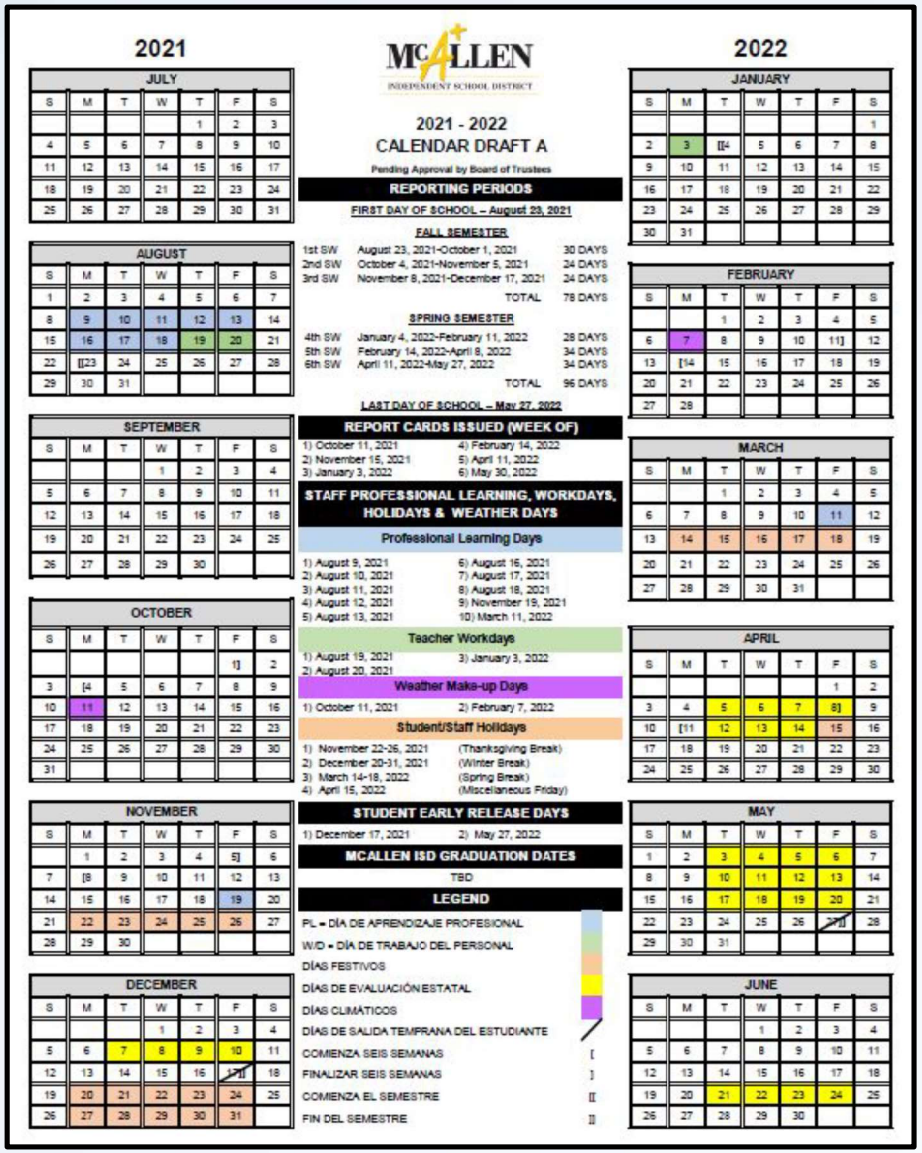


Lowest Day of Staff Absence

- May 25th
- April 14th
- April 21st
- May 29th
- April 15th




Average Number of Staff Absences by Day of the Week
2019-2020
218
200
196
219
279
Monday
Tuesday
Wednesday
Thursday
Friday



2021 - 2022
CALENDAR DRAFT A
Pending Approval by Board of Trustees

REPORTING PERIODS

FIRST DAY OF SCHOOL – August 23, 2021

FALL SEMESTER

1st 9W	August 23, 2021-October 1, 2021	30 DAYS
2nd 9W	October 4, 2021-November 5, 2021	24 DAYS
3rd 9W	November 8, 2021-December 17, 2021	24 DAYS
	TOTAL	78 DAYS

SPRING SEMESTER

4th 9W	January 4, 2022-February 11, 2022	28 DAYS
5th 9W	February 14, 2022-April 8, 2022	34 DAYS
6th 9W	April 11, 2022-May 27, 2022	34 DAYS
	TOTAL	96 DAYS

LAST DAY OF SCHOOL – May 27, 2022

REPORT CARDS ISSUED (WEEK OF)

1) October 11, 2021
2) November 15, 2021
3) January 3, 2022
4) February 14, 2022
5) April 11, 2022
6) May 30, 2022

STAFF PROFESSIONAL LEARNING, WORKDAYS, HOLIDAYS & WEATHER DAYS

Professional Learning Days

1) August 9, 2021
2) August 10, 2021
3) August 11, 2021
4) August 12, 2021
5) August 13, 2021
6) August 16, 2021
7) August 17, 2021
8) August 18, 2021
9) November 19, 2021
10) March 11, 2022

Teacher Workdays

1) August 19, 2021
2) August 20, 2021
3) January 3, 2022

Weather Make-up Days

1) October 11, 2021
2) February 7, 2022

Student/Staff Holidays

1) November 22-26, 2021 (Thanksgiving Break)
2) December 20-31, 2021 (Winter Break)
3) March 14-18, 2022 (Spring Break)
4) April 15, 2022 (Miscellaneous Friday)

STUDENT EARLY RELEASE DAYS

1) December 17, 2021
2) May 27, 2022

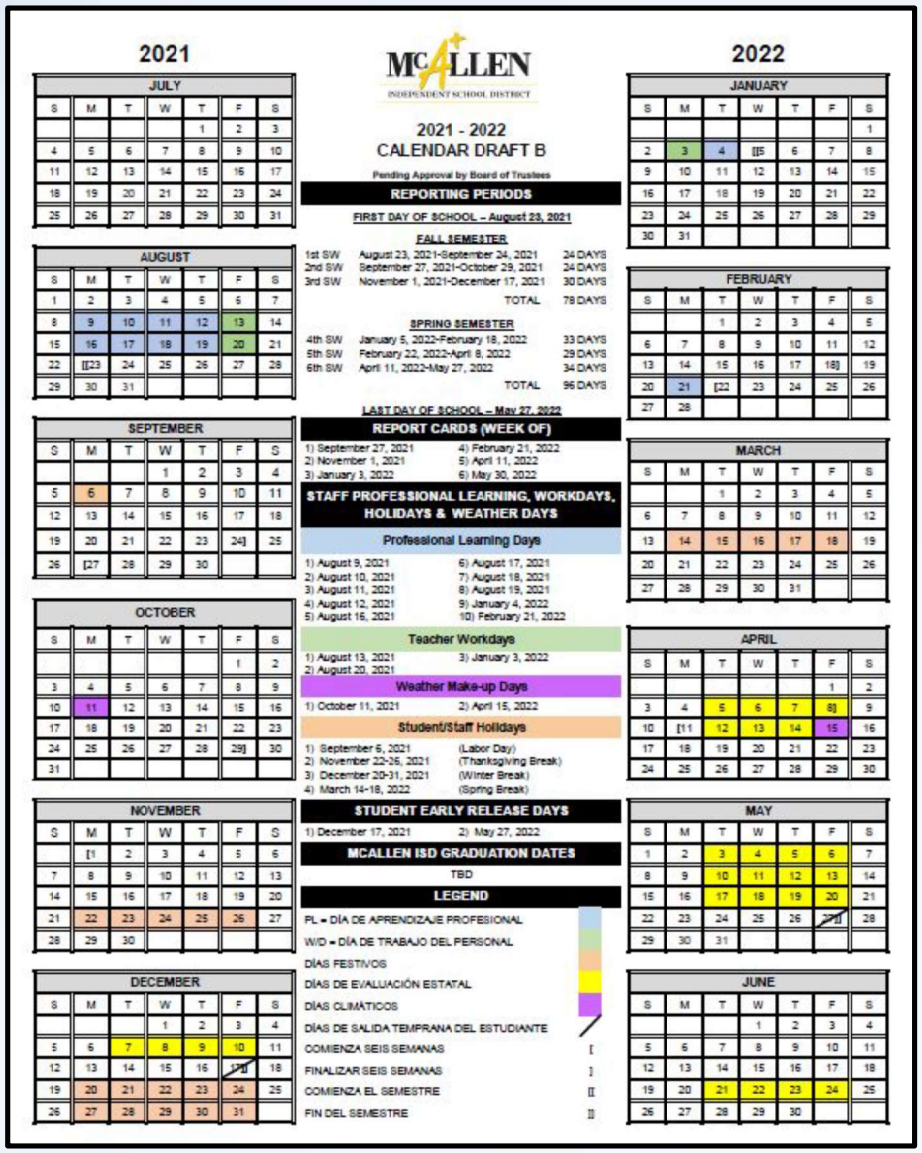
MCALLEN ISD GRADUATION DATES

TBD

LEGEND

PL = DÍA DE APRENDIZAJE PROFESIONAL
W/D = DÍA DE TRABAJO DEL PERSONAL
DÍAS FESTIVOS
DÍAS DE EVALUACIÓN ESTATAL
DÍAS CLIMÁTICOS
DÍAS DE SALIDA TEMPRANA DEL ESTUDIANTE
COMIENZA SEIS SEMANAS [
FINALIZAR SEIS SEMANAS]
COMIENZA EL SEMESTRE][
FIN DEL SEMESTRE]]

CALENDAR A	
Student Instructional Days	172 + 2 Early Release Days
Staff Instructional Days	174
Professional Learning Days	10
Teacher Workdays	3
Staff Contract Days	187
Holidays	21
Weather Days	2



2021

JULY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	[[23	24	25	26	27	28
29	30	31				

SEPTEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24]	25
26	[27	28	29	30		

OCTOBER

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29]	30
31						

NOVEMBER

S	M	T	W	T	F	S
	[1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17]	18
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MCALLEN INDEPENDENT SCHOOL DISTRICT

2021 - 2022
CALENDAR DRAFT B

Pending Approval by Board of Trustees

REPORTING PERIODS

FIRST DAY OF SCHOOL – August 23, 2021

FALL SEMESTER

1st SW	August 23, 2021-September 24, 2021	24 DAYS
2nd SW	September 27, 2021-October 29, 2021	24 DAYS
3rd SW	November 1, 2021-December 17, 2021	30 DAYS
	TOTAL	78 DAYS

SPRING SEMESTER

4th SW	January 5, 2022-February 18, 2022	33 DAYS
5th SW	February 22, 2022-April 8, 2022	29 DAYS
6th SW	April 11, 2022-May 27, 2022	34 DAYS
	TOTAL	96 DAYS

LAST DAY OF SCHOOL – May 27, 2022

REPORT CARDS (WEEK OF)

1) September 27, 2021
2) November 1, 2021
3) January 3, 2022
4) February 21, 2022
5) April 11, 2022
6) May 30, 2022

STAFF PROFESSIONAL LEARNING, WORKDAYS, HOLIDAYS & WEATHER DAYS

Professional Learning Days

1) August 9, 2021
2) August 10, 2021
3) August 11, 2021
4) August 12, 2021
5) August 16, 2021
6) August 17, 2021
7) August 18, 2021
8) August 19, 2021
9) January 4, 2022
10) February 21, 2022

Teacher Workdays

1) August 13, 2021
2) August 20, 2021
3) January 3, 2022

Weather Make-up Days

1) October 11, 2021
2) April 15, 2022

Student/Staff Holidays

1) September 6, 2021 (Labor Day)
2) November 22-26, 2021 (Thanksgiving Break)
3) December 20-31, 2021 (Winter Break)
4) March 14-18, 2022 (Spring Break)

STUDENT EARLY RELEASE DAYS

1) December 17, 2021
2) May 27, 2022

MCALLEN ISD GRADUATION DATES

TBD

LEGEND

PL = DÍA DE APRENDIZAJE PROFESIONAL
W/D = DÍA DE TRABAJO DEL PERSONAL
DÍAS FESTIVOS
DÍAS DE EVALUACIÓN ESTATAL
DÍAS CLIMÁTICOS
DÍAS DE SALIDA TEMPRANA DEL ESTUDIANTE
COMIENZA SEIS SEMANAS [
FINALIZAR SEIS SEMANAS]
COMIENZA EL SEMESTRE][
FIN DEL SEMESTRE]]

2022

JANUARY

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FEBRUARY

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MARCH

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APRIL

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MAY

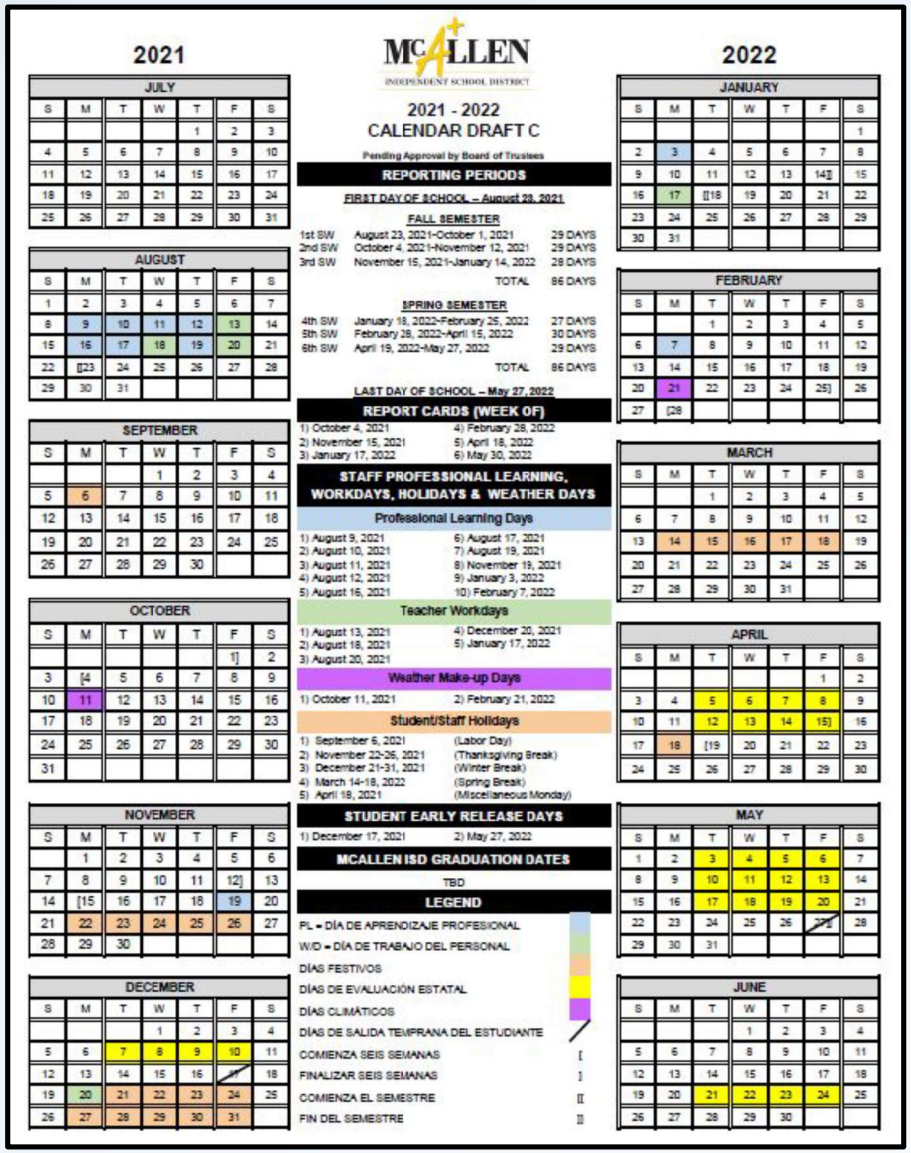
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JUNE

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MCALLEN INDEPENDENT SCHOOL DISTRICT

CALENDAR B	
Student Instructional Days	172 + 2 Early Release Days
Staff Instructional Days	174
Professional Learning Days	10
Teacher Workdays	3
Staff Contract Days	187
Holidays	21
Weather Days	2



2021

JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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MCALLEN INDEPENDENT SCHOOL DISTRICT

2021 - 2022

CALENDAR DRAFT C

Pending Approval by Board of Trustees

REPORTING PERIODS

FIRST DAY OF SCHOOL – August 23, 2021

FALL SEMESTER

1st SW	August 23, 2021-October 1, 2021	29 DAYS
2nd SW	October 4, 2021-November 12, 2021	29 DAYS
3rd SW	November 15, 2021-January 14, 2022	28 DAYS
	TOTAL	86 DAYS

SPRING SEMESTER

4th SW	January 18, 2022-February 25, 2022	27 DAYS
5th SW	February 28, 2022-April 15, 2022	30 DAYS
6th SW	April 19, 2022-May 27, 2022	29 DAYS
	TOTAL	86 DAYS

LAST DAY OF SCHOOL – May 27, 2022

REPORT CARDS (WEEK OF)

1) October 4, 2021
2) November 15, 2021
3) January 17, 2022
4) February 28, 2022
5) April 18, 2022
6) May 30, 2022

STAFF PROFESSIONAL LEARNING, WORKDAYS, HOLIDAYS & WEATHER DAYS

Professional Learning Days

1) August 9, 2021
2) August 10, 2021
3) August 11, 2021
4) August 12, 2021
5) August 16, 2021
6) August 17, 2021
7) August 19, 2021
8) November 19, 2021
9) January 3, 2022
10) February 7, 2022

Teacher Workdays

1) August 13, 2021
2) August 18, 2021
3) August 20, 2021
4) December 20, 2021
5) January 17, 2022

Weather Make-up Days

1) October 11, 2021
2) February 21, 2022

Student/Staff Holidays

1) September 6, 2021 (Labor Day)
2) November 22-26, 2021 (Thanksgiving Break)
3) December 21-31, 2021 (Winter Break)
4) March 14-18, 2022 (Spring Break)
5) April 18, 2021 (Miscellaneous Monday)

STUDENT EARLY RELEASE DAYS

1) December 17, 2021
2) May 27, 2022

MCALLEN ISD GRADUATION DATES

TBD

LEGEND

PL = DÍA DE APRENDIZAJE PROFESIONAL
W/D = DÍA DE TRABAJO DEL PERSONAL
DÍAS FESTIVOS
DÍAS DE EVALUACIÓN ESTATAL
DÍAS CLIMÁTICOS
DÍAS DE SALIDA TEMPRANA DEL ESTUDIANTE
COMIENZA SEIS SEMANAS [
FINALIZAR SEIS SEMANAS]
COMIENZA EL SEMESTRE][
FIN DEL SEMESTRE]]

2022

JANUARY

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FEBRUARY

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27	[28					

MARCH

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APRIL

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MAY

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JUNE

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

CALENDAR C	
Student Instructional Days	170 + 2 Early Release Days
Staff Instructional Days	172
Professional Learning Days	10
Teacher Workdays	5
Staff Contract Days	187
Holidays	21
Weather Days	2

Instructional Minute Requirement

House Bill 2610

Minimum Required Annual Minutes per Campus	75,600
Minimum Required Annual Minutes per DAEP Campus	43,200

	CALENDAR OPTION A					
	INSTRUCTIONAL MINUTES		Full Day Minutes	Early Release	Total Calendar Minutes	Overage
	Full Day	Early Release	172	2		
ELEMENTARY SCHOOLS	450	280	77,400	560	77,960	2,360
MIDDLE SCHOOLS	485	300	83,420	600	84,020	8,420
HIGH SCHOOLS	480	300	82,560	600	83,160	7,560
DAEP	420	285	72,240	570	72,810	29,610

	CALENDAR OPTION B					
	INSTRUCTIONAL MINUTES		Full Day Minutes	Early Release	Total Calendar Minutes	Overage
	Full Day	Early Release	172	2		
ELEMENTARY SCHOOLS	450	280	77,400	560	77,960	2,360
MIDDLE SCHOOLS	485	300	83,420	600	84,020	8,420
HIGH SCHOOLS	480	300	82,560	600	83,160	7,560
DAEP	420	285	72,240	570	72,810	29,610

Instructional Minute Requirement

House Bill 2610

Minimum Required Annual Minutes per Campus	75,600
Minimum Required Annual Minutes per DAEP Campus	43,200

	CALENDAR OPTION C					
	INSTRUCTIONAL MINUTES		Full Day Minutes	Early Release	Total Calendar Minutes	Overage
	Full Day	Early Release	170	2		
ELEMENTARY SCHOOLS	450	280	76,500	560	77,060	1,460
MIDDLE SCHOOLS	485	300	82,450	600	83,050	7,450
HIGH SCHOOLS	480	300	81,600	600	82,200	6,600
DAEP	420	285	71,400	570	71,970	28,770

2021-2022 Calendar Draft Comparisons - Options A, B, & C									
	OPTION A			**OPTION B**			**OPTION C**		
REPORTING PERIODS	*FALL SEMESTER:*			*FALL SEMESTER:*			*FALL SEMESTER:*		
	1st Six Weeks	(30 days)	Aug. 23-Oct. 1. 2021	1st Six Weeks	(24 days)	Aug. 23-Sept. 24, 2021	1st Six Weeks	(29 Days)	Aug. 23-Oct. 1, 2021
	2nd Six Weeks	(24 days)	Oct. 4-Nov. 5, 2021	2nd Six Weeks	(24 days)	Sept. 27-Oct. 29, 2021	2nd Six Weeks	(29 Days)	Oct. 4-Nov. 12, 2021
	3rd Six Weeks	(24 days)	Nov. 8-Dec. 17, 2021	3rd Six Weeks	(30 days)	Nov. 1-Dec. 17, 2021	3rd Six Weeks	(28 Days)	Nov. 15-Jan. 14, 2022
	TOTAL DAYS	***78***		***TOTAL DAYS***	***78***		***TOTAL DAYS***	***86***	
	SPRING SEMESTER:			*SPRING SEMESTER:*			*SPRING SEMESTER:*		
	4th Six Weeks	(28 days)	Jan. 4-Feb. 11, 2022	4th Six Weeks	(33 days)	Jan. 5-Feb. 18, 2022	4th Six Weeks	(27 Days)	Jan. 18-Feb. 25, 2022
	5th Six Weeks	(34 days)	Feb. 14-Apr. 8, 2022	5th Six Weeks	(29 days)	Feb. 22-Apr. 8, 2022	5th Six Weeks	(30 Days)	Feb. 28-Apr. 15, 2022
	6th Six Weeks	(34 days)	Apr. 11-May 27, 2022	6th Six Weeks	(34 days)	Apr. 11-May 27, 2022	6th Six Weeks	(29 Days)	Apr. 19-May 27, 2022
	TOTAL DAYS	***96***		***TOTAL DAYS***	***96***		***TOTAL DAYS***	***86***	
WEATHER DAYS	October 11, 2021 (Columbus Day/Indigenous Day)			October 11, 2021 (Columbus Day/Indigenous Day)			October 11, 2021 (Columbus Day/Indigenous Day)		
	February 7, 2022			April 15, 2022 (Miscellaneous Friday)			February 21, 2022 (President's Day)		
PROFESSIONAL LEARNING DAYS	August 9-13, 2021	(5 days)		August 9-12, 2021	(4 days)		August 9-12, 2021	(4 days)	
	August 16-18, 2021	(3 days)		August 16-19, 2021	(4 days)		August 16-17, 2021	(2 days)	
	November 19, 2021	(1 day)		January 4, 2022	(1 day)		August 19, 2021	(1 day)	
	March 11, 2022	(1 day)		February 21, 2022	(1 day)		November 19, 2021	(1 day)	
							January 3, 2022	(1 day)	
							February 7, 2022	(1 day)	
TEACHER WORKDAYS	August 19, 2021	(1 day)		August 13, 2021	(1 day)		August 13, 2021	(1 day)	
	August 20, 2021	(1 day)		August 20, 2021	(1 day)		August 18, 2021	(1 day)	
	January 3, 2022	(1 day)		January 3, 2022	(1 day)		August 20, 2021	(1 day)	
							December 20, 2021	(1 day)	
							January 17, 2022	(1 day)	
STUDENT EARLY RELEASE	December 17, 2021			December 17, 2021			December 17, 2021		
	May 27, 2022			May 27, 2022			May 27, 2022		
STUDENT/STAFF HOLIDAYS	November 22-26, 2021 (Thanksgiving Break)			September 6, 2021 (Labor Day)			September 6, 2021 (Labor Day)		
	December 20-31, 2021 (Winter Break)			November 22-26, 2021 (Thanksgiving Break)			November 22-26, 2021 (Thanksgiving Break)		
	March 14-18, 2022 (Spring Break)			December 20-31, 2021 (Winter Break)			December 21-31, 2021 (Winter Break)		
	April 15, 2022 (Miscellaneous Friday)			March 14-18, 2022 (Spring Break)			March 14-18, 2022 (Spring Break)		
							April 18, 2022 (Miscellaneous Monday)		

CALENDAR ONLINE VOTING RESULTS

CAMPUS/DEPARTMENT	CALENDAR A	CALENDAR B	CALENDAR C	TOTAL VOTES
ELEMENTARY CAMPUSES				
Alvarez	5	7	5	17
Bonham	3	9	7	19
Castaneda	-	-	3	3
Escandon	-	8	4	12
Fields	6	9	4	19
Garza	1	6	4	11
Gonzalez	17	12	14	43
Hendricks	8	15	4	27
Houston	3	15	7	25
Jackson	17	21	15	53
McAuliffe	4	7	7	18
Milam	26	17	23	66
Perez	5	5	4	14
Rayburn	11	6	3	20
Roosevelt	5	4	14	23
Sanchez	4	1	7	12
Seguin	21	14	3	38
Thigpen/Zavala	4	7	4	15
Wilson	5	12	6	23
Early Childhood Center	2	6	4	12
Elementary Campus Totals	*147*	*181*	*142*	*470*
MIDDLE SCHOOL CAMPUSES				
Brown	7	23	12	42
Cathey	-	-	14	14
DeLeon	13	21	15	49
Fossum	3	6	28	37
Morris	6	8	13	27
Travis	9	6	9	24
Middle School Campus Totals	*38*	*64*	*91*	*193*
HIGH SCHOOL CAMPUSES				
McAllen HS	57	56	36	149
Memorial HS	23	22	14	59
Rowe HS	16	13	8	37
AECHS	4	10	6	20
Lamar Academy	2	15	6	23
I & G	3	3	4	10
Regional Day School Program for the Deaf	1	2	3	6
High School Campus Totals	*106*	*121*	*77*	*304*
DEPARTMENTS				
Business Operations Division	*3*	*13*	*10*	26
Instructional Service Division	*16*	*31*	*17*	64
District Operations Division	*2*	*11*	*8*	21
Other	*5*	*14*	*8*	27
Department Totals	*26*	*69*	*43*	*138*
TOTAL EMPLOYEE ONLINE VOTING	*317*	*435*	*353*	*1,105*
Online Voting- Parents & Community	156	241	174	571
Online Voting Grand Total	***473***	***676***	***527***	***1,676***

CALENDAR PAPER BALLOT VOTING RESULTS

	Community/Auxillary Staff Voting			
CAMPUS/DEPARTMENT	CALENDAR A	CALENDAR B	CALENDAR C	TOTAL VOTES
ELEMENTARY CAMPUSES				
Alvarez				0
Bonham				0
Castaneda				0
Escandon				0
Fields				0
Garza				0
Gonzalez				0
Hendricks	30	17	7	54
Houston				0
Jackson				0
McAuliffe				0
Milam				0
Perez				0
Rayburn				0
Roosevelt				0
Sanchez				0
Seguin				0
Thigpen/Zavala				0
Wilson				0
Early Childhood Centers				0
Elementary Campus Totals	*30*	*17*	*7*	*54*
MIDDLE SCHOOL CAMPUSES				
Brown				0
Cathey				0
DeLeon				0
Fossum				0
Morris				0
Travis				0
Middle School Campus Totals	*0*	*0*	*0*	*0*
HIGH SCHOOL CAMPUSES				
McHigh				0
Memorial				0
Rowe HS				0
AECHS				0
Lamar Academy				0
I & G	2	4	-	6
High School Campus Totals	*2*	*4*	*0*	*6*
Total Calendar Counts	*32*	*21*	*7*	*60*

PAPER BALLOT GRAND TOTALS	CALENDAR A	CALENDAR B	CALENDAR C	TOTAL VOTES
	32	*21*	*7*	60

CALENDAR VOTING SUMMARY

DESCRIPTION	CALENDAR A	CALENDAR B	CALENDAR C	TOTAL VOTES
Elementary Campuses- Online Voting	147	181	142	470
Middle School Campuses- Online Voting	38	64	91	193
High School Campuses- Online Voting	106	121	77	304
Departments- Online Voting	26	69	43	138
Parents & Community Online Voting	156	241	174	571
Parents/Auxiliary/Staff-Paper Ballots	32	21	7	60
TOTAL VOTES	505	697	534	1,736
VOTING PERCENTAGES	29.1%	40.1%	30.8%	100.0%

2021-2022 Instructional Calendar Voting Results



Calendar A

- **505** Combined Teacher/Staff/Parent Votes

Calendar B

- **697** Combined Teacher/Staff/Parent Votes

Calendar C

- **534** Combined Teacher/Staff/Parent Votes

Total District Votes

- **1,736** ***Total Combined Teacher/Staff/Parent Votes***

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of the Resolution Ordering the Election for Trustees in McAllen Independent School District to be held on Saturday, May 1, 2021

REFERENCE: Section 3.004 of the Texas Election Code

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

Presented for discussion is the McAllen Independent School District Resolution calling for a Trustee Election. The election is scheduled for Saturday, May 1, 2021. The Resolution outlines positions 3, 6, and 7 to be filled, the purpose of the election and polling times and places.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Consideration for approval of the Resolution will be required at the Board of Trustees January 18, 2021 meeting.

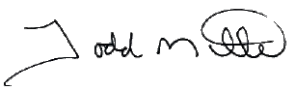
LEGAL REVIEW:

The Resolution has been reviewed and approved by the School Attorney.

BUDGETARY CONSIDERATIONS: None.

RECOMMENDED BOARD ACTION:

That the board approve Resolution Ordering the Election for Trustees in McAllen Independent School District to be held on Saturday, May 1, 2021.

SUBMITTED BY:  **SUPERVISOR:** 

For further information contact:
Name: John L. Wilde
Office: Student Support Services (956) 618-6031
eMail: john.wilde@mcallenisd.net

Approved for presentation to the Board of Education:



Superintendent of Schools Jan 12, 2021

RESOLUTION ORDERING ELECTION FOR TRUSTEES IN McALLEN INDEPENDENT SCHOOL DISTRICT TO BE HELD ON MAY 01, 2021

WHEREAS, Section 3.004 of the Texas Election Code requires the Board of Trustees of an independent school district to order all regular elections for trustees and give notice thereof as specified in such Section 4.003 of the Texas Election Code, and

WHEREAS, Section 41.001 of the Texas Election Code requires that election for trustees in independent school districts shall be held on a uniform election date as provided by law, and

WHEREAS, Saturday, May 01, 2021 is a uniform election date as provided by law and the Board of Trustees of McAllen Independent School District has previously adopted the May uniform election date as the date of the election for Trustees for McAllen Independent School District, and

WHEREAS, there are three (3) positions on the Board of Trustees of the McAllen Independent School District to be filled at such election, such position being as follows and for the terms set out after the respective positions:

Position No. 3 for four (4) years
Position No. 6 for four (4) years
Position No. 7 for four (4) years

WHEREAS, the McAllen Independent School District has a contract for election services with Hidalgo County, Texas entered into pursuant to Chapter 31, Texas Election Code under which the Election may be conducted; and

WHEREAS, the City of McAllen (the "City") and the McAllen Independent School District entered into that certain Interlocal Cooperation Agreement agreeing to hold joint elections.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the McAllen Independent School District convened at a regular meeting held on January 18, 2021, with the following members present:

_____ _____

_____ _____

_____ _____

_____

Constituting a quorum, at which time a Resolution ordering an election for three (3) positions on the Board of Trustees was submitted to the Board. _____ made a motion for the adoption of the Resolution and the motion was seconded by _____. The motion, carrying with it the adoption of the Resolution, prevailed by the following vote:

AYES: _____

NOES: _____

The President announced that the Resolution has been adopted as follows:

1. That an election for the purpose of electing school trustees in the McAllen Independent School District is to be held on Saturday, May 01, 2021.

2. That at said election trustees shall be elected to Positions No. 3, No. 6, and No. 7 on said Board of Trustees for the Terms as set forth below:

Position No. 3 for four (4) years
Position No. 6 for four (4) years
Position No. 7 for four (4) years

3. That February 12, 2021, shall be the last day for filing of candidates for said trustee positions. Applications for filing must be made on or before 5:00 p.m. on February 12, 2021, with the Secretary of the Board of Trustees, Tony Forina or John L. Wilde, Director for Student Support Services, weekdays from 8:00 a.m. until 5:00 p.m. at 2200 Tamarack Ave. Portable Building #69, McAllen, Texas.

4. That notice of the election for trustees be given in compliance with Section 4.004 of the Texas Election Code in the method specified by Section 4.003 of the Texas Election Code.

5. That the polls shall be open from 7:00 a.m. to 7:00 p.m. on Saturday, May 01, 2021, at the locations described in Exhibit A attached hereto.

6. That the early voting for such election shall be conducted by an early voting clerk in accordance with the Texas Election Code and by contract between McAllen Independent School District and the Hidalgo County Elections Administrator shall serve as early voting clerk. The Hidalgo County Elections Administrator official mailing address is 213 S. Closner Blvd., P. O. Box 659, Edinburg, Texas 78540-0659.

7. That such early voting by personal appearance shall take place beginning on Monday the 19th of April, 2021 between the hours of 7:00 a.m. to 7:00 p.m. and continuing at such times through Friday, the 23rd day of April, 2021, on Saturday, the 24th day of April, 2021, at 7:00 am to 7:00 p.m. and on Monday the 26th day of April, 2021, from 7:00 a.m. to 7:00 p.m. and ending on Tuesday, the 27th day of April, 2021 from 7:00 a.m. to 7:00 p.m. Early voting in person shall be maintained at the locations and the temporary branch locations at the times designated in Exhibit B attached hereto during the early voting period stated above. Early voting by mail shall be conducted in accordance with provisions of Chapter 86 of the Texas Election Code, which requires that application for ballots by mail must be received no later than the close of business on May 01, 2021, and the marked ballot must be received by the early voting clerk no later than 7:00 p.m. on Saturday, May 01, 2021. Application for ballots by mail shall be mailed to Early Voting Clerk, 213 S. Closner Blvd., P. O. Box 659, Edinburg, Texas 78540-0659.

8. That this Resolution shall constitute the election order for the call of the election and the same or a substantial copy thereof shall constitute the notice of such election; and the Secretary of the Board is ordered to cause notice of the election to be given as required by law. Immediately after the election, the officers holding the election shall convey returns of the results to the Board of Trustees of the McAllen Independent School District. The Board of Trustees of the McAllen Independent School District shall canvass such returns, declare the results of such election, and issue certificates of election to the persons shown by such returns to be elected to each of the three (3) named positions.

9. That said election shall be held in accordance with the Texas Election Code, except as modified by the Texas Education Code and the Federal Voting Rights Act of 1965, as amended.

10. It is hereby officially found and determined that notice of the meeting at which this order is adopted was given as required by the Texas Open Meetings Act, and that such meeting has been open to the public at all times when this order was discussed and acted on.

11. That in accordance with the Texas Education Code Section 11.057 the candidate receiving the highest number of votes for each respective position shall be entitled to serve as trustee. If two or more candidates for a position as a trustee at the election to be held on May 01, 2021, tie for the number of votes required to be elected, a second election to fill the office of trustee shall be held in accordance with the applicable provisions of the Texas Election Code.

12. Voting shall be conducted at common polling places for both the McAllen Independent School District and the City of McAllen however, the McAllen Independent School District and the City of McAllen, each at their own expense shall provide their own election judges and officers for the respective election and all other expenses of the joint election shall be the expense of the political subdivision incurring same as if there was no joint election. It is the intent of both the McAllen Independent School District and the City of McAllen that other than the use of common polling places, that all expenses relating to this election be the responsibility of the political subdivision incurring same as if there was no joint election.

EXECUTED AND ORDERED THIS THE _____ day of _____, 2021.

McALLEN INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees

APPROVED AS TO FORM:

ATLAS, HALL & Rodriguez, LLP

By: Stephen L. Crain
Stephen L. Crain (Dec 17, 2020 10:48 CST)
_____
Stephen L. Crain

EXHIBIT A

ELECTION DAY POLLING CENTERS

May 01, 2021

Location	Address	Date	Time
Gonzalez Elementary	201 E. Martin Ave.	Saturday, May 01, 2021	7:00 am – 7:00 pm
Lark Community Center	2601 Lark Ave.		
Achieve Early College High School At Lincoln	1601 N. 27th St.		
Palmview Community Center	3401 Jordan Rd.		
McAllen High School	2021 La Vista Ave.		
Fields Elementary	500 W. Dallas Ave.		

EXHIBIT B

Main Early Voting Polling Places, Early Voting Locations and Early Voting Dates and Times

May 01, 2021 – Election

Main Early Voting Places

Location	Address	Date	Time
Fireman's Pump House	201 N. 1st St.	Monday, April 19, 2021 Tuesday, April 20, 2021 Wednesday, April 21, 2021 Thursday, April 22, 2021 Friday, April 23, 2021	7:00 am – 7:00 pm
Palmview Community Center	3401 Jordan Rd.		
Lark Community Center	2601 Lark Ave.		
Fireman's Pump House	201 N. 1st St.	Saturday, April 24, 2021	7:00 am – 7:00 pm
Palmview Community Center	3401 Jordan Rd.		
Lark Community Center	2601 Lark Ave.		
Fireman's Pump House	201 N. 1st St.	Monday, April 26, 2021 Tuesday, April 27, 2021	7:00 am – 7:00 pm
Palmview Community Center	3401 Jordan Rd.		
Lark Community Center	2601 Lark Ave.		

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of 2020-2021 Texas Teacher Evaluation and Support System (T-TESS) Appraisal and Texas Principal Evaluation and Support System (T-PESS) Appraisal Waiver

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Texas Education Agency has advised school districts that waivers for educator and principal appraisals will be reviewed and approved, pursuant to the Commissioner's general waiver authority under Texas Education Code, §7.056, for school districts and charter schools that are unable to meet the requirements of TEC, §21.351 and §21.352, and the applicable rules in Title 19, Texas Administrative Code, Chapter 150, related to teacher appraisal and student growth due to circumstances arising from the COVID-19 pandemic.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

McAllen ISD commits to providing teachers with instructional support through observation of teaching and feedback to teachers on pedagogical refinements and support with analysis and adjustment to pedagogy based on student learning data, and the McAllen ISD commits to providing principals with support on analysis of student learning data and aligned adjustments to instructional leadership practices throughout the remainder of the 2020-2021 school year. Administration, therefore, is requesting to apply for a waiver so appraisals may still be completed with modifications to the steps.

LEGAL REVIEW: Not Applicable

BUDGETARY CONSIDERATIONS: Not Applicable

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the 2020-2021 Texas Teacher Evaluation and Support System (T-TESS) Appraisal and Texas Principal Evaluation and Support System (T-PESS) Appraisal Waiver.

SUBMITTED BY: S Crounse **SUPERVISOR:** Todd M Ate

For further information contact:
Name: Stan Crounse
Office: Human Resources (956) 618-6009
eMail: stan.crounse@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools Jan 12, 2021

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Resolution of the Board of Trustees of the McAllen Independent School District Regarding Extension of Leave for Employee Quarantine or Isolation

REFERENCE: Goal 2: People Development; Strategy 2: Attract/Retain High Quality Staff

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
The Families First Coronavirus Response Act (FFCRA) expired on December 31, 2020. The FFCRA required Administration to provide employees with paid sick leave and expanded family and medical leave for specific COVID-19 related reasons. FFCRA leave protections are no longer available.

Employees who test positive for COVID-19 or have COVID-19 symptoms are directed to isolate for 10 days. Employees exposed to somebody who tested positive for COVID-19 are directed to quarantine for 10 to 14 days. Employees directed to either isolate or quarantine, and are able to perform their job duties from home, will continue to receive their normal pay. Employees not able to perform their job duties from home, must use their state and local leave during their absence.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
Administration is proposing this Resolution to provide the Superintendent the authority to grant up to 10 workdays of additional paid leave for those employees instructed not to report to work for COVID-19 reasons in accordance with both TEA and CDC guidelines, and have exhausted all available state and local leave days.

Upon expiration of the additional paid leave noted above, full time employees may submit a written request for unpaid "Extended Sick Leave" as per Board Policy DEC (LOCAL) or apply for unpaid Family and Medical Leave Act (FMLA) if applicable. Extended sick leave is limited to a school year maximum of 30 consecutive leave days and is only for the employee's own personal illness or injury, including pregnancy-related illness or injury. This Resolution would only apply to those COVID-19 related employees unable to perform their job duties from home, and have exhausted all state and local leave.

LEGAL REVIEW: O'Hanlon, Demerath, & Castillo

BUDGETARY CONSIDERATIONS: The financial impact on the district is estimated to be minimal. Pay for these employees would continue to come from their normal budgeted account.

RECOMMENDED BOARD ACTION:
That the board approve Resolution of the Board of Trustees of the McAllen Independent School District Regarding Extension of Leave for Employee Quarantine or Isolation.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools Jan 12, 2021

RESOLUTION OF THE BOARD OF TRUSTEES OF THE MCALLEN INDEPENDENT SCHOOL DISTRICT REGARDING EXTENSION OF LEAVE FOR EMPLOYEE QUARANTINE OR ISOLATION

WHEREAS, the McAllen Independent School District Board of Trustees is authorized by Texas Education Code section 45.105 to expend funds of McAllen Independent School District for purposes necessary in the conduct of the public schools as determined by the Board;

WHEREAS, the Board finds that during an epidemic, District employees may be instructed not to report to work after testing positive for COVID-19, experiencing symptoms of COVID-19, or have been exposed to COVID-19 in accordance with both the Centers for Disease Control and Prevention (CDC) guidelines and Texas Education Agency (TEA) SY 20-21 Public Health Planning Guidance, as amended;

WHEREAS, the Board finds that during an epidemic District employee may exhaust available state and local leave days;

WHEREAS, the Board finds that a need exists to address additional leave for employees who are instructed not to report for work in accordance with both CDC and TEA guidelines, as amended, and have exhausted all available state and local leave days;

WHEREAS, the Board finds that employees who are instructed not to report to work in accordance with both CDC and TEA guidelines as amended may suffer a loss of pay if they are instructed not to report for work and have exhausted all available state and local leave days; and

WHEREAS, the Board concludes that providing additional paid leave to all regular employees (contractual and noncontractual, salaried and non-salaried) who are instructed not to report to work due to an epidemic in accordance with both CDC and TEA guidelines as amended and have exhausted all available state and local leave days**,** serves the public purposes of protecting students and staff, maintaining morale, and reducing turnover;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the McAllen Independent School District grants the Superintendent the authority to grant up to 10 workdays of additional paid leave for all regular employees (contractual and noncontractual, salaried and non-salaried) who are instructed not to report to work in accordance with both CDC and TEA guidelines as amended, and have exhausted all available state and local leave days**.**

The authority granted by this Resolution to provide additional paid leave for all employees instructed not to report to work in accordance with both CDC and TEA guidelines as amended provides additional leave for a maximum of 10 workdays unless the Board takes action to authorize leave for a longer duration.

This extended leave expires at the end of the 2020-2021 school year and is conditioned on the availability of additional federal leave. If federal leave becomes available after January 1, 2021, the leave provided in this resolution will expire.

Adopted this _____ day of _____, 2021, by the McAllen Independent School District Board of Trustees.

_____ _____

President, Board of Trustees Secretary, Board of Trustees

Resolution – Extension of leave

Post – FFCRA: Isolate or Quarantine -

- Employees able to work from home – Receive normal pay
- Employees unable to work from home – Must use state or local leave

Resolution to:

- Provide Superintendent the authority to grant up to 10 workdays of additional paid leave for those employees instructed not to report to work for COVID-19 reasons in accordance with both TEA and CDC guidelines, and have exhausted all state & local leave.
- Serve the public purposes of protecting students and staff, maintaining morale, and reducing turnover

Expiration of leave:

- Extended Sick Leave (Policy DEC-Local) – Max of 30 cons. unpaid leave days for employee illness only
- Family and Medical Leave Act (FMLA) – Up to 12 weeks on unpaid leave

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Resolution of the Board of Trustees of the McAllen Independent School District Regarding Texas Association of School Boards (TASB) 2020-2022 Advocacy Agenda Priorities

REFERENCE: Goal 1: Student Achievement/Student Focus; Strategy 5; Partnerships with Business/Civic/Education/Organizations

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Board of Trustees of the McAllen Independent School District has reviewed and desires to evidence its support of TASB's 2020-2022 Advocacy Agenda Priorities for the 87th Texas Legislature.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The Board of Trustees of the McAllen Independent School District urges all Texas independent school district and the public to contact their representatives and senators to read and support TASB's 2020-2022 Advocacy Agenda Priorities, a copy of which is attached hereto as Exhibit A.

LEGAL REVIEW: Atlas, Hall and Rodriguez, LLP

BUDGETARY CONSIDERATIONS:

None

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve Resolution of the Board of Trustees of the McAllen Independent School District Regarding Texas Association of School Boards (TASB) 2020-2022 Advocacy Agenda Priorities.

SUBMITTED BY: _____ **SUPERVISOR:** Todd M Miller

For further information contact:
Name: Todd Miller
Office: Human Resources (956) 618-6009
eMail: Todd.Miller@mcallenisd.net

Approved for presentation to the Board of Education:

J. Hinojosa

Superintendent of Schools Jan 14, 2021

Resolution

WHEREAS, the Board of Trustees ("Board") of the McAllen Independent School District ("MISD") has reviewed and desires to evidence its support of the Texas Association of School Boards 2020-2022 Advocacy Agenda Priorities for the 87th Texas Legislature; and

WHEREAS, The Board urges all Texas independent school districts and the public to contact their representatives and senators to read and support the Texas Association of School Boards 2020-2022 Advocacy Agenda Priorities, a copy of which is attached hereto as Exhibit A.

NOW, THEREFORE, on motion duly made and seconded, it is hereby resolved that:

1. The Board of Trustees supports the Texas Association of School Boards 2020-2022 Advocacy Agenda Priorities for the 87th Legislative Session; and

2. The Board of Trustees of the McAllen Independent School District urges all Texas independent school districts and the public to support the Texas Association of School Boards 2020-2022 Advocacy Agenda Priorities and to contact their elected representatives and senators to support same.

PASSED and APPROVED this _____ day of _____, 2021.

_____
Conrado "Ito" Alvarado, President, Board of Trustees
of the McAllen Independent School District

ATTEST:

_____
Tony Forina, Secretary, Board of Trustees
of the McAllen Independent School District

TASB buildings are temporarily closed. Staff members are working remotely and are available by email or phone.

Exhibit A

TASB 2020–2022 Advocacy Agenda Priorities

As Adopted October 3, 2020 by the TASB Delegate Assembly

COVID-19 Pandemic

TASB calls upon the Texas Legislature to continue working with local school districts to identify and address student needs during and after the COVID-19 pandemic and other disasters, such as access to technology and broadband/utility services, mental health resources, meals, social services, personal protective equipment, additional support for economically disadvantaged children, and remediation for students, while maintaining local control. The state should also suspend accountability ratings during disasters that severely impact school operations, such as the current pandemic, enact a temporary moratorium on the expansion or creation of new charter schools, not supplant state education funding with federal funds provided for disaster recovery, and fund schools based on student enrollment to ensure adequate instructional continuity.

Charter Schools

TASB calls upon the Texas Legislature to prohibit the expansion of charter schools, to reduce the impact charter schools have on the state budget and on local public schools, and to increase the transparency of charter schools and their operators, especially with regard to enrollment and expulsion practices, business operations, and expenditures. The state should require charters to have publicly elected board members who are accountable to the communities they serve.

Diversity and Cultural Awareness

TASB calls upon the Texas Legislature to support diversity and cultural awareness initiatives throughout districts through staff and student education and restorative teaching and disciplinary practices that treat all students with equality. We also call on the Legislature and State Board of Education to evaluate the Texas Essential Knowledge and Skills for accurate and complete education as it pertains to all cultures that have contributed to the rich history of Texas and the United States.

Governance

TASB calls upon the Texas Legislature to recognize and preserve the right of public school boards to associate and collaborate with each other and to communicate the needs of their students and schools, both directly and through representative organizations, with lawmakers.

Mental Health and Safety

TASB calls upon the Texas Legislature to increase state funding for access to proactive mental health services and support in public schools to improve the physical safety and psychological well-being of our students and staff, especially as they cope with additional anxiety related to COVID-19. This includes access to services for all students in a school setting; the ability for districts to provide students with targeted interventions; and the establishment of a collaborative network of school and mental health professionals to better identify and meet the needs of students and their caregivers.

TASB calls upon the Texas Legislature to work with public school districts and their locally elected trustees to enhance school safety measures, including increased funding for school safety audits, the school safety allotment, and other measures that ensure the safety of students and staff.

Public School Finance

TASB calls upon the Texas Legislature to aggressively commit to maintain the promises and dedication of funding made in the new school finance system implemented under House Bill 3 (86th Session) and to equitably share the cost of education with local school districts. Further, the state should implement a funding structure that recognizes the flexibility needed by and the additional costs incurred by school districts amid the COVID-19 pandemic.

State Assessments

TASB calls upon the Texas Legislature to continue to reduce state assessments by eliminating those not required by federal law, removing the high-stakes aspect of the system, reducing testing time, and prohibiting standardized tests from serving as the primary indicator of school and student performance. TASB advocates for additional support for non-high-stakes, diagnostic assessment alternatives, such as writing portfolios and adaptive exams.

Teacher Recruitment and Retention

TASB calls upon the Texas Legislature to support adaptive and creative local solutions for recruiting and retaining high-quality, diverse educators in our independent school districts and to help elevate the teaching profession by incentivizing students to enter the teaching profession, shoring up teacher health benefits and retirement, and supporting local measures to develop and assess educators.

Vouchers

TASB calls upon the Texas Legislature to prevent any transfer of public education funds through the use of vouchers, savings accounts, or tax credits to private or out-of-state entities, including the unfettered expansion of virtual instruction by corporations.

PO Box 400, Austin, Texas 78767-0400
512.467.0222

PRIVACY POLICY | TERMS AND CONDITIONS

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BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2020

SUBJECT: Approval of Comprehensive Annual Financial Report for the Year Ended June 30, 2020

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Texas Education Agency and Board Policy CFC requires that an annual audit report be prepared and approved by the Board. The annual audit report shall be filed with the Texas Education Agency within 150 days of the close of the fiscal year for which the audit was made. Due to the Covid-19 pandemic, the Texas Education Agency has allowed districts that have a fiscal year end of June 30, 2020 to finalize and approve the Annual Financial Report by January 28, 2021. McAllen ISD has exercised this due date extension, approved by the Board of Trustees on June 22, 2020.

Mr. Ricky Longoria, Partner and Mr. Luis Lopez, Audit Manager, from Burton, McCumber & Longoria, LLP will present the Comprehensive Annual Financial Report for the year ended June 30, 2020.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The Comprehensive Annual Financial Report for the year ended June 30, 2020 audit shall indicate whether the statements are presented in accordance with generally accepted accounting principles. Further, it shall identify those circumstances in which those principles have not been consistently observed in the current period relative to the preceding period. The report shall contain either an expression of opinion regarding the financial statements, taken as a whole, or an assertion that an opinion cannot be expressed.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

Costs related to the submission of the Comprehensive Annual Financial Report for the Year Ended June 30, 2020 to the Government Finance Officers Association (GFOA) are budgeted in the General Fund.

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the Comprehensive Annual Financial Report for the Year Ended June 30, 2020.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix, CPA, CFE
Office: (956) 618-6016
Email: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools



McALLEN

INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

2000 North 23rd Street

McAllen, TX 78501

www.mcallenisd.org



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2020

PREPARED BY
BUSINESS SERVICES DIVISION

2000 NORTH 23rd STREET
MCALLEN, TEXAS 78501

MCALLEN INDEPENDENT SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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INTRODUCTORY SECTION


McALLEN
INDEPENDENT SCHOOL DISTRICT

McALLEN
INDEPENDENT SCHOOL DISTRICT

Adel Felix CPA, CFE
Chief Financial Officer

January 18, 2020

Board of Trustees
McAllen Independent School District
2000 North 23rd Street
McAllen, Texas 78501-6126

Dear Board Members:

We are pleased to present the McAllen Independent School District (the "District") Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2020. The report was prepared by the Business Services Division. Responsibility for the accuracy and fairness of the financial information and disclosures contained in the report rests solely with this division. The District's annual audited financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information are presented in conformity with generally accepted accounting principles (GAAP) and with requirements established by the Texas Education Agency in their Financial Accountability Systems Resource Guide. The District's independent auditors were Burton, McCumber & Longoria, LLP and their opinion letter is hereby made a part of this report. The report as submitted to the Texas Education Agency has been modified to conform to the reporting format required by the Government Finance Officers Association. In addition, the Management's Discussion and Analysis section is an integral part of the CAFR and can be found immediately following the report of the independent auditors.

Texas law requires that each public school district in the state undergo an annual audit conducted by an independent audit firm. This audit must adhere to the generally accepted auditing standards (GAAS) and the generally accepted government auditing standards (GAGAS). The audit must also include a federally mandated "Single Audit". This Single Audit must comply with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The goal of the independent audit is to provide reasonable assurance that the financial statements of McAllen Independent School District for fiscal year ended June 30, 2020, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

Profile of the School District

McAllen Independent School District is located in McAllen, Texas, Hidalgo County, the southern tip of Texas. It is rooted in excellence and a tradition of success that spans one hundred and twelve years. The McAllen school opened its doors in 1908 to welcome twenty children of all ages throughout the young community. It has had a stellar reputation.

2000 N 23rd Street | McAllen, Texas 78501-6126 | Office (956) 618-6016 | Fax (956) 618-7377

The District is made up of 19 elementary schools, 6 middle schools, 3 comprehensive high schools, 1 early college high school, 1 alternative education campus school of choice and 1 alternative education discipline campus for a total of 31 campuses. In 2019-2020, the District enrolled and educated 22,427 students. The District provides a full range of educational services including regular and enriched academic education, special education for students with disabilities, career technical education, bilingual instruction for those with limited English proficiency and specialized instruction for disadvantaged students. The racial makeup of the District's enrollment in 2019-2020 was .09% American Indian or Alaskan, 1.29% Asian, .34% Black or African American, 93.13% Hispanic or Latino, 4.71% White, .02% Hawaiian or Pacific Islander and .42% other.

The McAllen Independent School District is a multicultural community in which students are enthusiastically and actively engaged in the learning process. Students demonstrate academic excellence in a safe, nurturing and challenging environment enhanced by technology and the contributions of the total community.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board), each of which is elected from an at large-member district for four-year staggered terms. The Board is not included in any other reporting entity as defined by GASB 14. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the Board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance.

On an annual basis, the District presents the Board of Trustees with the proposed budget for the General Operating Fund and the Debt Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The District has administratively opted to officially adopt a budget for the Capital Projects Fund. The proposed budget is presented to the Board summarized at the function level for each of the stated funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation, internal auditing, and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed benefits expected to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

Factors Affecting the Financial Condition

The changes to funding formula elements authorized with the passage of House Bill 3 include: an increase in basic allotment (from $5,140 in 2018-2019 to $6,160 in 2019-2020 per student), a decrease in Per Capita Rate (from $486.231 in 2018-2019 to $247.587 in 2019-2020), and a decrease in the Guaranteed Yield weight (from $106.28 in 2018-2019 to $98.56 in 2019-2020). For the 2019-2020, the final Average Daily Attendance (ADA) increased by 140.73 from the original budget.

For 2019-2020, the Board of Trustees approved a salary increase based on the projected Foundation School Program (FSP) revenue gains per House Bill 3, payroll included a compensation adjustment for all employees as follows:

- Increases for Teachers and Librarians were tiered based on years of experience as follows:

Salary Increases Teachers and Librarians	
0 Years	$700
1-5 years	$2,750
6-12 years	$3,500
13-19 years	$4,250
20 + years	$5,000

- Hiring Structure for Teacher/Librarian is as follows:

Minimum	$49,800	0 years of experience
Maximum	$61,970	20+ years of experience

- The compensation plan includes a 5.5% increase for paraprofessionals and auxiliary staff and 4.5% increase for all other professionals including counselors and nurses.

State Program Revenues for the General Fund is higher due to the implementation of House Bill 3 but also affected by a decrease in ADA.

Federal Program Revenues are higher compared to last year due to an increase in the School Breakfast Program. While the district has seen decreases in enrollment and attendance, child nutrition program participation increased. A large increase has been seen at the high school level with the change in delivery method to second period breakfast in the hallway. The District has increased breakfast participation by 10% over lunch and this is expected to continue to grow as we launch this model at middle school campuses.

The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the District's geographical taxing jurisdiction. For the District's 2019-2020 fiscal year the Hidalgo County Appraisal District reported that the 2019 Certified Totals for the Approved Freeze Adjusted Taxable Values increased by $374,542,724 compared to the previous year. The tax collections were based on 96% of the estimated tax levy calculated on a 5-year trend analysis.

For all funds invested by the District, the Annual Average Interest Rate for the 2019-2020 fiscal year was 1.554% compared to 2.241% the previous year, which represents a decrease of 0.687%.

In 2019-2020, the District issued Maintenance Tax Notes of approximately $28 million in connection to environmental cleanup, maintenance, repair, rehabilitation, replacement of heating, air conditioning, roofing, electric, or other facility needs of existing school properties.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27th, 2020. The CARES Act provides for the following grants/funds that have a funding impact to our District; Elementary and Secondary School Emergency Relief Fund (ESSER), Coronavirus Relief Fund (CRF), and the Governor's Emergency Education Relief Fund (GEERF). ESSER provided $1.3 billion to TEA, who in turn, allocated approximately $8.8 million to the District in 2019-2020. However, the state funding the District would have received from the foundation school program for fiscal year 2020 from TEA was substituted with federal funding revenue. The district will continue to monitor the impact of the state budget and the resulting impact to the school district budget as well as the impact of COVID-19 in fiscal year 2020-21.

Local Economy

The McAllen Chamber of Commerce compiles an economic measurement tool of the local economy called The McAllen Area Economic Pulse. This tool uses several economic indicators to formulate the overall economic index. The McAllen Area Economic Pulse, as provided by the McAllen Chamber of Commerce, reported the following key points in their July 2020 edition:

- The McAllen metro area economy has been hard hit by the coronavirus and the resulting economic slowdown/shutdown. McAllen is not alone, of course; all metro areas, states, the US as a whole, and the global economy have taken a significant hit from which all are now trying to recover.
- The McAllen Economic Index reached its all-time peak of 197.6 in December 2019 and has since declined for seven straight months. But then came COVID-19, and the declines in the index beginning in March 2020 were the direct result of the virus and the economic turmoil that came with it.
- The index was most sharply affected in April and May with declines of over 4 points each month. The rate of decline has slowed since then but the McAllen metro area general economy remains in contraction through July. The July McAllen Economic Index of 185.8 is down from the June index of 186.6, and is down by 4.4% compared to the July 2019 MEI of 194.4. The index is now down by 6.0% compared to the December 2019 peak.

- McAllen employment peaked in January 2020 before losing a small number of jobs in February and about 2,600 jobs in March. From March to April, however, nearly 25,000 jobs were lost in that one month alone. Nearly 12,000 of those jobs were added back in May, June, and July. At its worst, McAllen lost 10.1% of its jobs in two months; as of July, McAllen employment is down by 5.7% (15,800 jobs) compared to the January peak.

- Not surprisingly, the McAllen (city) unemployment rate began to increase in March before spiking sharply upward in April to 15.9%. By contrast, the April 2019 McAllen city unemployment rate was 3.5%. As jobs have been added back, however, the unemployment rate has declined each month since April, falling to 8.7% in July (compared to 4.7% in July 2019).

- Other measures of economic activity posted sharp declines as well, though the numbers certainly could have been worse. General taxable spending in the four-city metro area (McAllen, Edinburg Mission and Pharr) after an impressive 7% increase in 2019, began to decline in earnest in the second quarter with real (inflation-adjusted) spending per second quarter sales tax receipts posting an 11.2% year-over-year decline. The June number was the worst, largely because it reflects spending that took place in April, logging a 20.4% decline compared to June of a year ago. For the year-to-date through July general real spending is down by 5.1%, and the declines have begun to moderate a bit.

- Auto sales continued to expand during the first quarter of the year, enjoying a 13% year-over-year expansion before dropping sharply thereafter. Real auto spending in April was down by 38% compared to April of a year ago, and May posted a 15% year-over-year decline. June rebounded, but second quarter auto sales activity was still down by 14% compared to the second quarter 2019. July was down just slightly compared to year-ago levels, and the total for the year-to-date is down by only about 1.3% year-over-year thanks to the strong start to the year.

- Travel and tourism logically took a beating thanks to COVID-19 and that continues to be the case. Hotel/motel activity in March, April, May, and June, posted year-over-year declines of 72%, 51%, 75%, and 45%, respectively. July was better with a 4.4% year-over-year decline. Airport activity was even worse with passenger enplanements falling by over 90% in April and 85% in the second quarter. Throw in sharp declines in Hidalgo bridge crossings and there were (and are) simply very few people coming to town to engage in any sort of economic activity.

- Construction also continued to improve through the first quarter of the year before falling off in the second quarter, including a 64% year-over-year decline in April. The April real building permit valuation was, in fact, the lowest monthly total by far in the entire history of the McAllen Economic Index which is based at 100.0 in January 1996. The July permit total was down by nearly 38% year-over-year, but the July 2019 total was the highest in some time, and was up by nearly 60% compared to the previous year.

- Housing construction was only modestly affected with mild declines in activity following significant improvement in the first quarter. The second quarter single-family residence permit total was level with the second quarter 2019, and remains some 7% higher for the year-to-date compared to the first seven months of a year ago.

- Existing home sales, also stronger in the first quarter, declined by about 25% on average in both April and May before recovering in June. Second quarter housing sales were down by about 12% in the second quarter. The June and July sales totals represent all-time records, however, up by 18% and 33%, respectively, compared to year-ago levels. Even though sales declined in April and May, prices were generally unaffected and remained in positive year-over-year territory. Incredibly, the second quarter home sale price was 6.8% higher than the second quarter 2019 average, and the average for the year-to-date is up by a stout 8.8% compared to the first seven months of a year ago.
- The total dollar volume of residential real estate sales was lower in April and May; still, with the strong first quarter and record sales in June and July, the real (inflation-adjusted) volume of housing sales is on a record pace through July, outpacing year-ago levels by nearly 10%.
- The region has been ravaged by COVID-19 and continues to be in many respects. The economy has shown impressive resilience, however, bouncing back quickly in some indicators when the opportunity presented itself. Obviously, however, aggregate levels of economic activity remain depressed compared to pre-COVID-19 levels and the index remains on the decline. That is especially true in the McAllen metro area employment, and it may be some time before the employment situation returns to pre-pandemic levels. The McAllen Economic Index is poised to reverse course and begin to improve, and hopefully that will occur in the coming month or two.

Long-Term Financial Planning and Major Initiatives

The financial goal of the McAllen Independent School District is to have a sufficient fund balance in the general operating fund to be able to maintain fiscal independence in case of a financial need or crisis. As per CE (Local) Policy, the District shall strive to maintain a balance in the general fund that closely approximates the optimum fund balance amount previously prescribed by the Texas Education Agency (TEA), as reported in Comprehensive Annual Financial Report (CAFR). The optimum fund balance includes two and a half months of general fund operating expenditures. Through focus group sessions, surveys, Town Hall meetings, and a series of full-day workshop meetings, students, parents, and other members of our community joined teachers and other employees in identifying our call to action, establishing our mission, identifying goals, and beginning the process of pinpointing key actions. On September 26, 2016, the Board of Trustees approved a 5-year Strategic Plan with its first year beginning 2016-2017 ending in 2020-2021. The Strategic Plan is comprised of the following goals and strategies:

Goal 1: ***Student Achievement/Student Focus***
Goal 2: ***People Development***
Goal 3: ***Facility Priorities***
Goal 4: ***Financial Priorities***

Strategy 1: ***Branding*** - We will effectively and continuously communicate and market the district's mission, strengths, successes and diverse opportunities for every learner.
Strategy 2: ***Attract/Retain High Quality Staff*** - We will attract, recruit, develop and retain high quality staff.
Strategy 3: ***Engaging Learning Environment*** **-** We will foster secure, supportive, rigorous and engaging learning environments.

Strategy 4: ***Rigorous/Worldclass Standards Customized for Every Learner -*** We will utilize national and global standards to customize learning for every learner.

Strategy 5: ***Partnerships with Business/Civic/Education Organizations -*** We will develop and strengthen bonds with the business, education and civic community to provide engaging learning opportunities.

Strategy 6: ***Future-Ready Students -*** We will foster principled students who learn, adapt, and innovate in response to their ever-changing environment.

Strategy 7*: Financial Priorities -* We will conduct a budget development, budget implementation, and budget monitoring process that reflects sound business and fiscal practices, while supporting district goals.

The District's goals and strategies are significant and measurable through student outcomes. In order to achieve these goals, the District must plan, prepare and evaluate the budget process to ensure the appropriate dollar amounts are allocated to meet all four goals and seven strategies.

Key factors that affected the adopting of the 2020-2021 budget include:

- Preliminary Certified Assessed Values increased 2.62% from 2019 to 2020. For future year budget estimates a 2.62% increase per year will be used to remain constant with 2020 values. Additionally, a reduction in the projected tax collection rate was included due to the COVID-19 pandemic.

- House Bill (HB) 3, was passed by the 86th Legislature, and signed into law by Governor Abbott on June 11, 2019. In tax year 2020 and fiscal year 2020-2021, state compression of the Maintenance and Operations (M&O) tax rate will apply to the District's tier one tax rate. The M&O tax rate has been compressed from $1.0586 to $1.0450.

- Increase in the Child Nutrition Program due to an increased participation in breakfast, lunch, supper and snack programs.

- Decrease in interest revenue due to current market conditions resulting in declining interest rates.

- Decrease in state funding due to a decrease in ADA (Average Daily Attendance).

- Based on the current budget projections, Administration did not recommend a compensation increase for all district employees for the 2020-2021 school year. Therefore, the minimum entry level salary for Teachers and Librarians with zero years of experience will remain at $266.31 ($49,800 annually), with $331.39 ($61,970 annually) for Teachers and Librarians new to McAllen ISD with 20+ years of experience as the maximum salary for this compensation plan. In lieu of a compensation increase, all full-time employees as of September 15, 2020 who remain employed full-time as of December 1, 2020, will receive a one-time payment in the amount of three hundred dollars ($300.00) during the month of December 2020. Eligible full-time employees are defined as persons employed by the District for at least 27.5 hours per week to include bus drivers and bus aides.

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2020 and subsequently allocated funding to assigned fund balance in 2020-2021.

Additionally, due to the issuance of Maintenance Tax Notes in 2019-2020, identified projects have been allocated to restricted fund balance. These projects consist of construction, renovations and improvements for the Facilities Maintenance & Operations Department and the Athletics Department.

Projects for the Facilities Maintenance & Operations Department consist of camera upgrades at Morris Middle School and De Leon Middle School, parking lot improvements at Achieve Early College High School, track improvements at Brown Middle School. Other Projects consist of exhaust installation at Warehouse, and portable reallocations district wide.

Projects for the Athletics Department consist of baseball field reconditioning at Memorial High School and Rowe High School.

Projects for the Tax Ratification Election that are "in progress" for Facilities Maintenance & Operations Department consist of science lab improvements at Rowe High School, Memorial High School and Lamar Academy and surveillance camera upgrades at Travis Middle School, Brown Middle School, Morris Middle School and Cathey Middle School, fencing at Travis Middle School and Cathey Middle School.

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2020 and subsequently allocated funding to committed fund balance in 2020-2021 for Hail Damage projects due to severe hail storms that hit the District on March 29, 2012 and April 20, 2012.

Hail damage projects consist of roof replacements at Achieve Early College High School and Crockett Administration Annex and HVAC improvements at Achieve Early College High School.

Awards

School FIRST- This is the 18th year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency. The Texas Education Agency assigned one of four financial accountability ratings to Texas school districts, with the highest being *"A" for "Superior",* followed by *"B"* for *"Above-Standard", "C"* for *"Met Standard"* and *"F"* for *"Substandard Achievement*." The primary goal of School FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system.

The District received a rating of ***"A"* for *"Superior"*** for 2015 through 2019 under Texas' School FIRST financial accountability rating system. The ***"Superior"*** rating is the state's highest, demonstrating the quality of the District's financial management and reporting system. The District received the highest rating ***"Pass"*** in 2014, a ***"Superior Achievement"*** rating in 2010 through 2013 and received an ***"Above Standard Achievement"*** rating for 2009. From 2002 through 2008, the District also received a ***"Superior Achievement"*** rating.

Comprehensive Annual Financial Report - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ***Certificate of Achievement for Excellence*** in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal

year ended June 30, 2019. This is the ninth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Transparency Stars - The Texas Comptroller of Public Accounts recognizes local governments for going beyond in their transparency efforts through the Transparency Stars program. The Texas Comptroller of Public Accounts recognized the District on two specific awards, the ***Traditional Finances Star*** and the ***Debt Obligations Star*** in 2016, for exemplary efforts in creating financial transparency around public services and spending decisions. Once the ***Traditional Finances Star*** and the ***Debt Obligations Star*** are awarded, the recognition remains in effect and is reviewed on a quarterly basis starting one year after the date of the initial recognition.

The program recognizes government entities that accomplish the following:

- meet a high standard for financial transparency online and provide citizens with clear, consistent information about public spending in user-friendly formats.
- provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information.

Texas Comptroller Leadership Circle Award - The Texas Comptroller's Leadership Circle program recognizes local governments across Texas that are striving to meet a high financial transparency online, by providing citizens with a clear, consistent picture of spending and sharing information in a user-friendly format.

The District received the ***Texas Comptroller Leadership Circle Platinum Member Award*** for 2015 and 2014 which was the highest level achievable and highlights those entities that are setting the bar with their transparency efforts. The District received the ***Texas Comptroller Gold Leadership Circle Award*** for 2013, the Comptroller's highest level of achievement at that time.

Meritorious Budget - The Association of School Business Officials International (ASBO) awarded a ***Meritorious Budget Award (MBA)*** to the District for the June 30, 2021 annual budget. This is the fourth year that the District has achieved the meritorious budget award. The MBA promotes and recognizes excellence in school budget presentation and is conferred only to school districts whose budgets have undergone a rigorous review by financial professionals and have met or exceeded the program's stringent criteria.

Distinguished Budget - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ***Distinguished Budget Presentation Award*** to the District for its 2017 and 2016 annual budget. In order to receive this prestigious award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operation guide, as a financial plan, and as a communication device.

Acknowledgments

Preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the Business Services Division. We appreciate the contribution made in the preparation of this report.

We would especially like to thank the District's Board of Trustees for their time, dedication and support to the District and its personnel and our independent auditors, Burton, McCumber & Longoria, LLP, for their assistance in the preparation of this report.

Jose A. Gonzalez, Ed. D.
Superintendent

Adel Felix CPA, CFE
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

McAllen Independent School District
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO


MCALLEN
INDEPENDENT SCHOOL DISTRICT

Principal Officers

Board of Trustees	Length of Service	Term Expires
Mr. Conrado Alvarado, Place 2 President	9 Years	2023
Mr. Sam Saldivar Jr., Place 7 Vice President	11 Years	2021
Mr. Tony Forina, Place 4 Secretary	5 Years	2023
Mrs. Debbie Crane Aliseda, Place 3 Trustee	7 Years	2021
Mr. Lawrence (Larry) Esparza, Place 6 Trustee	7 Years	2021
Mr. Marco Suarez, Place 1 Trustee	5 Years	2023
Mr. Daniel D. Vela, Place 5 Trustee	13 Years	2023

Administrative Officials	Position	Length of Service
Jose A. Gonzalez, Ed. D.	Superintendent of Schools	22 Years
Cynthia Medrano-Richards, RTSBA, CPA	Assistant Superintendent for Business Operations	27 Years
Sylvia Ibarra, Ed. D.	Assistant Superintendent for Instructional Services	13 Years
Arely Benavides	Assistant Superintendent for District Operations	1 Year
Todd Miller	Assistant Superintendent for Human Resources	5 Years
Bridgette Vieh	Associate Superintendent for Instructional Leadership	24 Years
Adel Felix, CPA, CFE	Chief Financial Officer	1 Year


McALLEN
INDEPENDENT SCHOOL DISTRICT

2019-2020 Organizational Chart

McALLEN INDEPENDENT SCHOOL DISTRICT

Board of Trustees

Stephanie Garcia
Internal Auditor

Dr. J. A. Gonzalez
Superintendent of Schools

Bridgette Vieh
Associate Superintendent
Instructional Leadership

Todd Miller
Assistant Superintendent
Human Resources

- ***John Cavazos***
  Human Resources Director
- ***Stan Crounse***
  Human Resources Director
- ***John Wilde***
  Student Support Services Director
- ***Andy Silva***
  Employee Benefits & Safety Risk Management Director

Dr. Silvia Ibarra
Assistant Superintendent
Instructional Services

- ***Maribelle Elizondo***
  Special Education Director
- ***Patricia Pena***
  Professional Development & Literacy Director
- ***Anjanette Gonzalez-Garza***
  State & Federal Program Director
- ***Karen Nitsch***
  Advanced Academics & IB Director
- ***Dr. Cynthia Bebon***
  Title I Migrant Director
- ***Dr. Rosalba De Hoyos***
  College/Career/Counseling Director
- ***Rocio Nava***
  Bilingual/ESL Director
- ***Dr. Cynthia Noel***
  Assessment Director
- ***Lilia Silva***
  Career & Technology Education Director
- ***Jenny Ann Vega***
  Instructional Technology Director

Campus Principals

McAllen High School **Albert Canales**	McAllen Memorial High School **Pedro Alvarez Jr.**	James "Nikki" Rowe High School **Monica Kaufmann**
Achieve Early College High School **Miguel Carmona**	Instruction & Guidance Center **Fernando X. Gutierrez**	Lamar Academy **Jeanette Nino**
Homer J. Morris Middle School **Brian McClenny**	Dorothea Brown Middle School **Alfredo Gutierrez**	Alonso De Leon Middle School **Philip Grossweiler**
William B. Travis Middle School **Efrain Amaya**	Dr. Rodney D. Cathey Middle School **Melvin L. Benford**	Michael E Fossum Middle School **Laura Williams**
Victor Fields Elementary ***Teresa Trdla***	James Bonham Elementary **Leticia Infante**	Francisca Alvarez Elementary **Juan Montes**
Ben Milam Elementary **Christian Quintanilla**	Jose de Escandon Elementary **Carlos Mora**	Dr. Carlos Castaneda Elementary **Jessica P. Rodriguez**
Dr. Pablo Perez Elementary **Veronica Delgado**	Leonelo H. Gonzalez Elementary **Christina Hernandez**	Reynaldo G. Garza Elementary **Nancy Valenzuela**
Sam Rayburn Elementary **Clarissa Partida**	Sam Houston Elementary **Debra Loya Thomas**	Lucile McKee Hendricks Elementary **Sandra Salinas**
Blanca E. Sanchez Elementary **Cynthia Rodriguez**	Andrew Jackson Elementary **Miguel Herrera**	Christa McAuliffe Elementary **Elizabeth Gonzalez**
Woodrow Wilson Elementary **Dr. Kristine Garza**	Theodore Roosevelt Elementary **Albert G. Irlas**	Juan Seguin Elementary **Juan P. Nevarez**
Thigpen-Zavala Elementary **Sonia S. Casas**		

District Coordinators (Campus Support)

Stephanie Beltran Science (Elementary)	***Celeste Garza*** Science (Secondary)	***Clarissa Abbott*** Social Studies (Secondary)
Sandra Garcia ELA (Elementary)	***Richard Roberts*** ELA (Secondary)	***Mario Reyna*** Health & PE (All Level)
Sandra Garza Math (Elementary)/UIL	***Lynda Farias*** Math (Secondary)	

Arely Benavides
Assistant Superintendent
District Operations

- ***Ruben Trevino***
  Facilities Maintenance Operations & Warehouse Executive Director
- ***Judith Escamilla***
  Technology Executive Director
- ***Robert Garcia***
  Student Operations Director
- ***Adalia del Bosque***
  Health Services Director
- ***Alexandra Molina***
  Child Nutrition Services Director
- ***Erica Flores***
  Transportation Director
- ***Elizabeth Cavazos***
  Strategic Partnership & Student Outreach Director

Cynthia Richards
Assistant Superintendent
Business Operations

- ***Adelita Felix***
  Chief Financial Officer
- ***Alejandra Gonzalez***
  Purchasing Fixed Assets Director
- ***Iris Luna***
  Accounting Director
- ***Ashley Jaime***
  Payroll Director

Cris Esquivel
McAllen ISD
Chief of Police

Norma Zamora-Guerra
Director
Community Information

- ***Paula Gonzalez***
  Athletics Director
- ***Jim Egger***
  Fine Arts Director

11/18/2019


McALLEN
INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF THE BOARD

MCALLEN INDEPENDENT SCHOOL DISTRICT,
HIDALGO COUNTY

County Number 108, District Number 196, Region Number 1

We the undersigned, do hereby certify that the audit report above named local education agency for the year June 30, 2020 was reviewed and _____ approved _____ disapproved at a meeting of the Board of such local education agency on the 18th day of January, 2020.

_____	_____
Mr. Conrado Alvarado	Mr. Tony Forina
President, Board of Trustees	Secretary, Board of Trustees


MCALLEN
INDEPENDENT SCHOOL DISTRICT

FINANCIAL SECTION


MCALLEN
INDEPENDENT SCHOOL DISTRICT

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
McAllen Independent School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McAllen Independent School District (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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McAllen Independent School 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 that the management's discussion and analysis on pages 25 through 34, budgetary comparison information, pension information, other postemployment benefits information and notes to the RSI on pages 99 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining fund financial statements, statistical section, and other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining fund financial statements, other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the portion marked "Unaudited" on which we express no opinion, 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 fund financial statements, other supplementary information, except for the portion marked "Unaudited" on which we express no opinion, and the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 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 the District's internal control over financial reporting and compliance.

Burton McCall & Hoyle, L.L.P.

McAllen, Texas
December 21, 2020


McALLEN
INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of McAllen Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

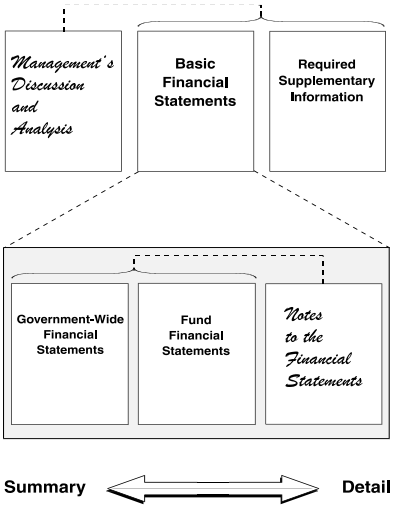
- The District's total net position is $66,274,260 at June 30, 2020. This amounted to a decrease of $2,853,386 from last year's total of $69,127,646.
- During the year, the District's expenses were $2,853,386 more than the revenues generated in taxes and other revenues for governmental and business-type activities. The prior year expenses were $2,238,686 less than the revenues.
- The costs of the District's programs show an increase of 10.50% from the prior year, and the District's average daily attendance decreased by 2.44%.
- The general fund reported a fund balance this year of $97,700,231 with $56,262,851 of this amount unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and another schedules section that presents various Texas Education Agency required schedules.

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

Figure A-1, Required Components of the District's Annual Financial Report



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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire District's government (except fiduciary funds) and the District's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	◆ Statement of net position ◆ Statement of activities	◆ Balance sheet ◆ Statement of revenues, expenditures & changes in fund balances	◆ Statement of net position ◆ Statement of revenues, expenses and changes in fund net position ◆ Statement of cash flows	◆ Statement of fiduciary net position ◆ Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

The two government-wide statements report the District's *net position* and changes in the *net position.*

Net position - the difference between the District's assets, liabilities, and deferred inflows/outflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors such as changes to the District's tax base.

The government-wide financial statements of the District are divided into two categories:

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

- *Business-type activities*—The District charges fees to customers to help cover the costs of certain services it provides. The District's Project Safe and Secure Program and Tuition-Based Pre-K Program are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District has Project Safe and Secure, the After School Program and Tuition-Based Pre-K Program. We use *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities—such as the District's Self Insurance Funds and Print shop.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District has 457 annuity accounts and student activity accounts.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *net position* decreased by $2,853,386 between fiscal years 2019 and 2020 to $66,274,260 at June 30, 2020. (Refer to Table A-1)

Table A-1
District's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019*	2020	2019	2020	2019	2020-19
Current and Other Assets	$ 163,947,888	$ 137,440,765	$ 738,178	$ 636,299	$ 164,686,066	$ 138,077,064	19.27%
Capital and Non-Current Assets	216,430,707	208,309,236	1,153	2,017	216,431,860	208,311,253	3.90%
Total Assets	380,378,595	345,750,001	739,331	638,316	381,117,926	346,388,317	10.03%
Deferred Outflows of Resources	46,140,199	45,553,787	-	-	46,140,199	45,553,787	1.29%
Current Liabilities	31,935,836	30,053,028	20,050	21,414	31,955,886	30,074,442	6.26%
Long Term Liabilities	273,036,551	252,068,011	-	-	273,036,551	252,068,011	8.32%
Total Liabilities	304,972,387	282,121,039	20,050	21,414	304,992,437	282,142,453	8.10%
Deferred Inflows of Resources	55,991,428	40,672,005	-	-	55,991,428	40,672,005	37.67%
Net Position:							
Net Investment in Capital Assets	118,050,108	133,487,812	1,153	2,017	118,051,261	133,489,829	-11.57%
Restricted	28,749,534	17,338,248	-	-	28,749,534	17,338,248	65.82%
Unrestricted	(81,244,663)	(82,315,316)	718,128	614,885	(80,526,535)	(81,700,431)	1.44%
Total Net Position	$ 65,554,979	$ 68,510,744	$ 719,281	$ 616,902	$ 66,274,260	$ 69,127,646	-4.13%

*Certain amounts in the prior period statements have been reclassified to conform to the presentation of the current period financial statements.

Net position of the District's governmental activities decreased 4.31% to $65,554,979. However, most of the total net position is either invested in capital assets or is restricted. Unrestricted net position totaled to $(81,244,663) at the end of this year. The unrestricted balance increased by 1.30% from the prior year.

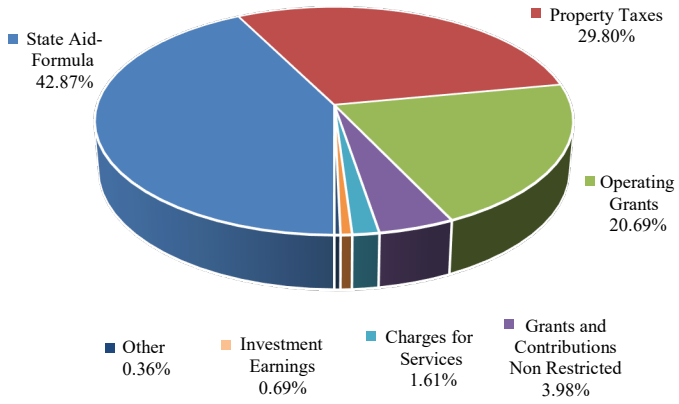
The net position of the District's business-type activities increased by 16.60% to $719,281 these resources cannot be used in governmental activities. The District generally can only use these funds to finance the continuing operations of its business activities such as Project Safe and Secure and Pre-K Tuition Program.

Changes in net position. The District's total revenues increased by 8.53% to $293,564,594 (Refer to Table A-2).

State Aid-Formula revenues represent 42.87%. Property Taxes make up 29.80%. Operating Grants represent 20.69%. Grants and Contributions Not Restricted represent 3.98% while only 1.61% comes from Charges for Services (Refer to Figure A-3).

The total cost of all programs and services was $296,417,980; 83.75% of these costs are for instructional and student services.

Figure A-3 District Sources of Revenue for Fiscal Year 2020



Governmental Activities

The total property tax rate was $1.1528 in 2019-2020 and will decrease to $1.1386 per $100 assessed property valuation for the 2020-2021 fiscal year. The Maintenance and Operation tax rate was $1.0586 in 2019-2020, and due to the implementation of House Bill 3 (HB3), the Maintenance and Operations tax rate will compress to $1.0450 for 2020-2021. The Debt Service tax rate was $0.0942 in 2019-2020 and will decrease to $0.0936 for 2020-2021 in order to meet 2020-2021 principal and interest requirements on bonded debt.

Table A-2 represents the changes in the District's Net Position.

Table A-2
Changes in the District's Net Position

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2020-19
Program Revenues:							
Charges for Services	$ 4,290,221	$ 5,115,166	$ 433,059	$ 596,343	$ 4,723,280	$ 5,711,509	-17.30%
Operating Grants & Contributions	60,734,131	60,064,501	-	-	60,734,131	60,064,501	1.11%
General Revenues:							
Property Taxes	87,489,910	84,415,744	-	-	87,489,910	84,415,744	3.64%
State Aid-Formula	125,851,753	117,374,907	-	-	125,851,753	117,374,907	7.22%
Grants & Contributions Not Restricted	11,686,451	-	-	-	11,686,451	-	100.00%
Investment Earnings	2,012,673	2,711,425	-	-	2,012,673	2,711,425	-25.77%
Miscellaneous	1,066,396	202,636	-	-	1,066,396	202,636	426.26%
Total Revenues	$ 293,131,535	$ 269,884,379	$ 433,059	$ 596,343	$ 293,564,594	$ 270,480,722	8.53%
Expenses							
Instruction	$ 166,485,825	$ 147,114,988	$ 62,235	$ 77,499	$ 166,548,060	$ 147,192,487	13.15%
Instructional Resources and Media Services	4,078,410	3,883,279	-	-	4,078,410	3,883,279	5.02%
Curriculum and Staff Development	5,866,581	4,898,091	-	-	5,866,581	4,898,091	19.77%
Instructional Leadership	4,080,452	3,739,490	110	129	4,080,562	3,739,619	9.12%
School Leadership	14,953,868	14,228,954	1,468	2,140	14,955,336	14,231,094	5.09%
Guidance, Counseling and Evaluation Service	12,511,684	11,924,007	-	-	12,511,684	11,924,007	4.93%
Social Work Services	2,047,657	1,711,441	-	-	2,047,657	1,711,441	19.65%
Health Services	3,555,774	3,409,052	-	-	3,555,774	3,409,052	4.30%
Student (Pupil) Transportation	4,973,074	4,306,951	-	-	4,973,074	4,306,951	15.47%
Food Services	18,242,947	16,766,629	-	-	18,242,947	16,766,629	8.81%
Extracurricular Activities	11,380,789	11,896,380	-	-	11,380,789	11,896,380	-4.33%
General Administration	8,431,965	7,214,175	-	-	8,431,965	7,214,175	16.88%
Facilities Maintenance & Oper.	23,395,713	23,883,077	1,146	1,678	23,396,859	23,884,755	-2.04%
Security and Monitoring Services	5,056,040	4,315,094	-	-	5,056,040	4,315,094	17.17%
Data Processing Services	4,910,562	3,186,859	-	-	4,910,562	3,186,859	54.09%
Community Services	1,734,500	1,542,863	244,753	339,485	1,979,253	1,882,348	5.15%
Debt Service- Interest on Long Term Debt	3,242,241	2,938,681	-	-	3,242,241	2,938,681	10.33%
Debt Service - Bond Issuance Cost and Fees	268,064	5,530	-	-	268,064	5,530	4747.45%
Payments to Juvenile Justice Alternative Ed. Program	40,000	40,000	-	-	40,000	40,000	0.00%
Appraisal of Property	852,122	815,564	-	-	852,122	815,564	4.48%
Total Expenses	$ 296,108,268	$ 267,821,105	$ 309,712	$ 420,931	$ 296,417,980	$ 268,242,036	10.50%
Increase (Decrease) in Net Position	$ (2,976,733)	$ 2,063,274	$ 123,347	$ 175,412	$ (2,853,386)	$ 2,238,686	-227.46%
Transfers	20,968	139,873	(20,968)	(139,873)	-	-	0.00%
Total Increase(Decrease)	$ (2,955,765)	$ 2,203,147	$ 102,379	$ 35,539	$ (2,853,386)	$ 2,238,686	-227.46%
Net Position Beginning	68,510,744	66,307,597	616,902	581,363	69,127,646	66,888,960	3.35%
Net Position Ending	$ 65,554,979	$ 68,510,744	$ 719,281	$ 616,902	$ 66,274,260	$ 69,127,646	-4.13%

- The cost of all *governmental* activities this year was $296,108,268.
- Some costs were paid by those who directly benefited from the programs through Charges for Services in the amount of $4,290,221.
- Other costs were paid by Operating Grants, Capital Grants and Contributions of $60,734,131.
- The amount our taxpayers paid for these activities through Property Taxes was $87,489,910.
- The decrease in Investment Earnings was due to decreasing interest rates as a result of the COVID-19 pandemic which decreased our yearly average weighted yield from 2.241% in 2018-2019 to 1.554% in 2019-2020.

Table A-3 represents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the charges for services and operating grants and contributions). The net cost reflects the financial burden that was placed on the District's taxpayers for each of these functions.

Table A-3
Net Cost of District's Governmental Activities

	Cost			Net Cost		
	2020	2019	% Change	2020	2019	% Change
Instruction	$ 166,485,825	$ 147,114,988	13.17%	$ 132,572,622	$ 116,681,417	13.62%
School Leadership	14,953,868	14,228,954	5.09%	12,903,259	12,477,636	3.41%
Guidance, Counseling and Evaluation	12,511,684	11,924,007	4.93%	10,192,991	9,149,043	11.41%
Food Service	18,242,947	16,766,629	8.81%	1,761,604	(957,972)	283.89%
Extracurricular Activities	11,380,789	11,896,380	-4.33%	9,932,147	9,719,037	2.19%
Facilities Maintenance & Operations	23,395,713	23,883,077	-2.04%	22,597,885	22,089,892	2.30%

Business-Type Activities

Revenues of the District's business-type activities decreased 27.38% to $433,059 and expenses decreased 26.42% to $309,710. (Refer to Table A-2) The factor contributing to the decrease in revenues was primarily due to a decrease in enrollment in Project Safe and Secure due to the closure of in-person instruction as a result of the COVID-19 pandemic. The decrease in expenses resulted from a decrease in Support Staff Extra duty/Overtime pay due to the closure of in-person instruction as a result of the COVID-19 pandemic.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

As of June 30, 2020, the District's governmental funds reported ending fund balances of $131,491,616. Of the current ending fund balances, the following categories are recorded and primary uses noted in accordance with GASB No. 54.

- $1,314,020 is recorded as Nonspendable for Inventories, of which $914,743 is in Food Service and $399,277 is in General Fund.
- $1,722,543 is recorded as Nonspendable for Prepaids, of which $11,684 is in Food Service; $9,571 is in Career Technical Education; $97,602 is in Gifted and Talented; $22,908 is in Special Education and $1,580,778 is in General Fund.
- $53,755,461 is recorded as Restricted, of which $3,740,153 is in Food Service; $12,676,215 is in Federal and State Programs; $2,046,425 is in Debt Service; and $9,961,854 is in Retirement of Maintenance Tax Notes; and $25,330,814 is in Maintenance Tax Notes 2020.
- $1,496,026 is recorded as Committed, of which $515,626 is for Construction; and $980,400 is for Campus Activity Funds.
- $16,940,715 is recorded as Assigned, of which $5,524,729 is for Construction; $1,727,319 is for Equipment; and $9,688,667 is for Other.
- $56,262,851 is recorded as Unassigned and is available for spending at the District's discretion.

General Fund

The general fund is the chief operating fund of the District. At the end of the fiscal year, the fund balance of the general fund was $97,700,231. This represents a decrease of $370,191 or 0.38% related to additional purchases needed in response to the COVID-19 pandemic.

General Fund Budgetary Highlights

At year-end, actual Revenues/Other Resources available were $820,000 less than the final budget amount.

- Actual National School Lunch Program was less than the budget in the amount of $514,000
- Actual Interest Revenues was less than the budget in the amount of $126,000
- Actual Current Year Tax Collections was less than the budget in the amount of $109,000
- Actual School Health & Related Services was less than the budget in the amount of $35,000
- Actual Tax Penalties/Interest was less than the budget in the amount of $24,000
- Actual Athletic Activities was less than the budget in the amount of $12,000

At year end, actual Expenditures/Other Uses were $14.4 million less than the final budgeted amount. This budget balance represents non-materialized expenditures of 5.56%.

Over the course of the year, the District revised and the Board of Trustees approved the budget on a monthly basis.

The District made the following major amendments to revenues:

- Increase in State Revenues due to House Bill 3
- Increase for Chromebook Leases
- Increase for Apple Leases
- Increase in TRS On-behalf
- Decrease in Interest Income
- Decrease in Tax Collections
- Decrease in Tax Collections due to House Bill 3 Tax Compression
- Decrease in State Funding due to CARES ESSER Grant Reclass

The District made the following major amendments to appropriations:

- Increase in Other Program Operations for State Funding Funded Funds due to House Bill 3
- Increase for Compensation Plan Adjustments due to House Bill 3
- Increase to Capital Leases due to Chromebook Leases
- Increase to Capital Leases due to Apple Leases
- Increase in TRS On-behalf
- Decrease to Professional Salaries and Fringe Benefits due to CARES ESSER Grant Reclass

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019-2020, the District's governmental activities had invested $202,187,825 in capital assets, including land, building and improvements, construction in progress, vehicles, furniture and equipment and capital leases. (Refer to Table A-4). In accordance with GASB 34, the District has recorded depreciation expense associated with all of its capital assets.

Table A-4
District's Capital Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2020-19
Land	$ 14,902,849	$ 15,465,956	$ -	$ -	$ 14,902,849	$ 15,465,956	-3.64%
Construction in Progress	5,778,708	1,305,913	-	-	5,778,708	1,305,913	342.50%
Furniture and Equipment in Progress	466,655	166,390	-	-	466,655	166,390	180.46%
Buildings and Improvements	291,501,631	288,271,123	-	-	291,501,631	288,271,123	1.12%
Furniture and Equipment	46,191,550	42,462,874	75,290	75,290	46,266,840	42,538,164	8.77%
Vehicles	12,308,144	11,028,769	-	-	12,308,144	11,028,769	11.60%
Leased Property Under Capital Leases	975,000	975,000	-	-	975,000	975,000	0.00%
Total at historical cost	$ 372,124,537	$ 359,676,025	$ 75,290	$ 75,290	$ 372,199,827	$ 359,751,315	3.46%
Total Accumulated Depreciation	169,937,252	159,910,049	74,137	73,273	170,011,389	159,983,322	6.27%
Net Capital Assets	$ 202,187,285	$ 199,765,976	$ 1,153	$ 2,017	$ 202,188,438	$ 199,767,993	1.21%

The increase in Construction in Progress is due to science lab upgrades at various campuses; HVAC replacements Brown Middle School and McAllen High School; Ag Farm improvements; parking lot paving at various campuses; Culinary Academy at Achieve Early College High School. Additional information about the District's capital assets is presented in Note 6 in the Financial Statements.

Long Term Debt

Table A-5
District's Long Term Debt

	Governmental Activities		Total Percentage Change
	2020	2019	2020-19
Capital Leases	$ 3,752,504	$ 412,501	809.70%
Compensated Absences	1,924,567	1,912,700	0.62%
Claims Payable	3,323,405	3,726,488	-10.82%
Bonds and Notes Payable:			
General Obligation Debt	65,192,795	65,775,237	-0.89%
Maintenance Tax Notes	40,951,000	17,006,000	140.80%
Total Bonds and Notes Payable	106,143,795	82,781,237	28.22%
Total Long Term Debt Payable	$ 115,144,271	$ 88,832,926	29.62%

At year-end the District had $115,114,271 in long-term debt outstanding. This represents an increase of 29.62% over last year, as a result of capital leases, compensated absences, claims payable, general obligation debt and maintenance tax notes. More detailed information about the District's debt is presented in Note 12 in the Financial Statements.

Bond Ratings

The District's bonds carry a Standard & Poor's rating "AA-" Moody's assigned "Aa2 UND/Aaa ENH".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget

- The Preliminary Certified Adjusted Freeze Taxable value used for the 2020-2021 budget increased by $154,714,940 or 2.14% from $7,221,876,142 to $7,376,591,082

- The District's 2020-2021 budget was planned on 20,145.720 refined average daily attendance, down 499.625 from the near final 2019-2020 actual, a 2.42% decrease.

- General operating fund budgeted revenue per student increased from $11,996 in 2019-2020 to $12,068 in 2020-2021.

These indicators were taken into account when adopting the general fund budget for 2020-2021.

The 2020-2021 budget for the General Fund was approved by the Board of Trustees on June 22, 2020. The 2020-2021 budget was balanced as follows: Revenues of $243,116,773 equals Expenditures of $242,316,965 plus Fund Balance of $799,808.

Revenues in the general fund budget for 2020-2021 decreased by 1.11% to $243,116,773 as compared to the final 2019-2020 final budget of $245,841,984.

Expenditures in the general fund budget for 2020-2021 decreased by 6.74% to $242,316,965 as compared to the 2019-2020 final budget of $259,839,722.

The changes to funding formula elements include: A basic allotment that remains the same (from $5,140 in 2018-2019 to $6,160 in 2019-2020 and $6,160 in 2020-2021 per student), an increased Per Capita Rate (from $486.231 in 2018-2019 to $319.713 in 2019-2020 to $476.710 in 2020-2021), and a Guaranteed Yield weight that remains the same (from $106.28 in 2018-2019 to $98.56 in 2019-2020 to $98.56 in 2020-2021).

There is an increase in the Child Nutrition Program. While the District has seen decreases in enrollment and attendance, the Child Nutrition Program participation in breakfast, lunch, supper and snack has seen increases. The Child Nutrition Program rolled out a new menu this year that included more variety and popular food choices for students at all grade levels. At the high school level, the change in delivery method to second period breakfast has continued to boost participation.

Based on the current budget projections, Administration did not recommend a compensation increase for all district employees for the 2020-2021 school year. Therefore, the minimum entry level salary for Teachers and Librarians with zero years of experience will remain at $266.31 ($49,800 annually), with $331.39 ($61,970 annually) for Teachers and Librarians new to McAllen ISD with 20+ years of experience as the maximum salary for this compensation plan.

In lieu of a compensation increase, all full-time employees as of September 15, 2020 who remain employed full-time as of December 1, 2020, will receive a one-time payment in the amount of three hundred dollars ($300.00) during the month of December 2020. Eligible full-time employees are defined as persons employed by the District for at least 27.5 hours per week to include bus drivers and bus aides.

The Health Insurance Fund, Workers Compensation Fund and Unemployment Fund are self-funded funds. The employer health contribution rate increased to $5,196 for 2020-2021 compared to $4,896 for 2019-2020. For the second year, the District has elected to fund the employer contribution of Workers Compensation for 2020-2021 at rate of .003082 with the exception for Food Service, Maintenance, Police and Transportation which will be funded at a rate of 0.2705. For the sixth year, the District elected not to fund the employer contribution of unemployment compensation for 2020-2021.

Taxes

The tax rate for 2020-2021 is $1.0450 for Maintenance & Operations and $0.0936 for Interest & Sinking for a total tax rate of $1.1386. The Hidalgo County Appraisal District estimated a 3.8% increase in 2020 Net Taxable Property Values. The Hidalgo County Appraisal District reviews and assesses property values based on the local real estate market within the District's geographical taxing jurisdiction.

Facilities

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2020 and subsequently allocated funding to Assigned Fund Balance in 2020-2021. Additionally, due to the issuance of Maintenance Tax Notes in 2019-2020, identified projects have been allocated to Restricted fund balance. These projects consist of construction, renovations and improvements for the Facilities Maintenance & Operations Department and the Athletics Department.

Projects for the Facilities Maintenance & Operations Department consist of camera upgrades at Morris Middle School and De Leon Middle School, parking lot improvements at Achieve Early College High School, track improvements at Brown Middle School. Other Projects consist of exhaust installation at Warehouse and portable reallocation district-wide.

Projects for the Athletics Department consist of baseball field reconditioning at Memorial High School and Rowe High School.

Projects for the Tax Ratification Election that are "in progress" for Facilities Maintenance & Operations Department consist of science labs improvements at McAllen High School, Memorial High School and Lamar Academy and surveillance camera upgrades at Travis Middle School, Brown Middle School, Morris Middle School and Cathey Middle School, fencing at Travis Middle School and Cathey Middle School.

The Facilities Maintenance & Operations Department identified projects as "in progress" as of June 30, 2020 and subsequently allocated funding to Committed Fund Balance in 2019-2020 for Hail Damage projects due to severe hail storms that hit the District on March 29, 2012 and April 20, 2012.

Hail Damage projects consist of roof replacements at Achieve Early College High School, and Crockett Administration Annex, HVAC improvements at Achieve Early College High School.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Chief Financial Officer, McAllen I.S.D., 2000 North 23rd Street, McAllen, Texas 78501.

BASIC FINANCIAL STATEMENTS


MCALLEN
INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

MCALLEN ISD
STATEMENT OF NET POSITION
JUNE 30, 2020

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business-Type Activities	Total
	ASSETS			
1110	Cash and cash equivalents	$ 9,507,910	$ 200,505	$ 9,708,415
1120	Current investments	101,767,405	500,000	102,267,405
1225	Property taxes receivable, net	5,931,230	-	5,931,230
1240	Receivables from other governments	42,279,927	-	42,279,927
1250	Accrued interest	253,220	-	253,220
1260	Internal balances	(37,673)	37,673	-
1290	Other receivables	1,013,983	-	1,013,983
1300	Inventories	1,306,237	-	1,306,237
1410	Prepaid items	1,925,649	-	1,925,649
	Capital assets not subject to depreciation:			
1510	Land	14,902,849	-	14,902,849
1580	Construction in progress	6,245,364	-	6,245,364
	Capital assets net of depreciation:			
1520	Buildings, net	167,346,404	-	167,346,404
1530	Furniture and equipment, net	13,692,668	1,153	13,693,821
1890	Other restricted assets	9,882,946	-	9,882,946
1910	Long-term investments	4,360,476	-	4,360,476
1000	Total Assets	380,378,595	739,331	381,117,926
	DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred charge for refunding	2,066,974	-	2,066,974
1705	Deferred outflow related to pension activities	32,267,513	-	32,267,513
1706	Deferred outflow related to other post-employment benefit activities	11,805,712	-	11,805,712
1700	Total Deferred Outflows of Resources	46,140,199	-	46,140,199
	LIABILITIES			
2110	Accounts payable	7,440,381	1,092	7,441,473
2140	Interest payable	1,638,665	-	1,638,665
2150	Payroll deductions and withholdings payable	12,195	-	12,195
2160	Accrued wages payable	22,472,750	7,813	22,480,563
2180	Due to other governments	25,437	-	25,437
2300	Unearned revenue	346,408	11,145	357,553
	Noncurrent Liabilities:			
2501	Due within one year	8,658,653	-	8,658,653
2502	Due in more than one year	106,485,620	-	106,485,620
2540	Net pension liability (District's Share)	66,988,348	-	66,988,348
2545	Net other post-retirement benefit liability (District's Share)	90,903,930	-	90,903,930
2000	Total Liabilities	304,972,387	20,050	304,992,437
	DEFERRED INFLOWS OF RESOURCES			
2605	Deferred inflow related to pension activities	14,134,248	-	14,134,248
2606	Deferred inflow related to other post-employment benefit activities	41,857,180	-	41,857,180
2600	Total Deferred Inflows of Resources	55,991,428	-	55,991,428
	NET POSITION			
3200	Net investment in capital assets	118,050,108	1,153	118,051,261
3820	Restricted for federal and state programs	16,416,368	-	16,416,368
3850	Restricted for debt service	2,371,312	-	2,371,312
3890	Restricted - other	9,961,854	-	9,961,854
3900	Unrestricted	(81,244,663)	718,128	(80,526,535)
3000	Total Net Position	$ 65,554,979	$ 719,281	$ 66,274,260

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

MCALLEN ISD
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	$ 166,485,825	$ 2,331,521	$ 31,581,682
12	Instructional resources and media services	4,078,410	2,297	235,412
13	Curriculum and instructional staff development	5,866,581	12,925	1,449,089
21	Instructional leadership	4,080,452	218,777	889,757
23	School leadership	14,953,868	145,576	1,905,033
31	Guidance, counseling & evaluation services	12,511,684	89,587	2,229,106
32	Social work services	2,047,657	-	262,170
33	Health services	3,555,774	2,297	1,998,664
34	Student (pupil) transportation	4,973,074	4,594	243,895
35	Food services	18,242,947	309,152	16,172,191
36	Extracurricular activities	11,380,789	1,026,371	422,271
41	General administration	8,431,965	57,431	407,562
51	Facilities maintenance and operations	23,395,713	59,830	737,998
52	Security and monitoring services	5,056,040	4,594	501,423
53	Data processing services	4,910,562	2,297	162,210
61	Community services	1,734,500	-	1,535,668
72	Debt services- interest on long-term debt	3,242,241	-	-
73	Debt services - bond issuance cost and fees	268,064	-	-
95	Payments to juvenile justice alternative ed. prg.	40,000	22,972	-
99	Other intergovernmental charges	852,122	-	-
[TG]	Total Governmental Activities:	296,108,268	4,290,221	60,734,131
	BUSINESS-TYPE ACTIVITIES:			
01	Project safe and secure	246,270	347,090	-
02	Tuition based pre-k program	63,442	85,969	-
[TB]	Total Business-Type Activities:	309,712	433,059	-
[TP]	TOTAL PRIMARY GOVERNMENT:	$ 296,417,980	$ 4,723,280	$ 60,734,131

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
FR	Transfers in (out)
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. 288

Net (Expenses) Revenues and Changes Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (132,572,622)	$ -	$ (132,572,622)
(3,840,701)	-	(3,840,701)
(4,404,567)	-	(4,404,567)
(2,971,918)	-	(2,971,918)
(12,903,259)	-	(12,903,259)
(10,192,991)	-	(10,192,991)
(1,785,487)		(1,785,487)
(1,554,813)	-	(1,554,813)
(4,724,585)	-	(4,724,585)
(1,761,604)	-	(1,761,604)
(9,932,147)	-	(9,932,147)
(7,966,972)	-	(7,966,972)
(22,597,885)	-	(22,597,885)
(4,550,023)	-	(4,550,023)
(4,746,055)	-	(4,746,055)
(198,832)	-	(198,832)
(3,242,241)	-	(3,242,241)
(268,064)	-	(268,064)
(17,028)	-	(17,028)
(852,122)	-	(852,122)
(231,083,916)	-	(231,083,916)
-	100,820	100,820
-	22,527	22,527
-	123,347	123,347
$ (231,083,916)	$ 123,347	$ (230,960,569)
80,332,951	-	80,332,951
7,156,959	-	7,156,959
125,851,753	-	125,851,753
11,686,451	-	11,686,451
2,012,673	-	2,012,673
1,066,396	-	1,066,396
20,968	(20,968)	-
228,128,151	(20,968)	228,107,183
(2,955,765)	102,379	(2,853,386)
68,510,744	616,902	69,127,646
$ 65,554,979	$ 719,281	$ 66,274,260

EXHIBIT C-1

MCALLEN ISD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		10 General Fund	266 CARES ESSER	620 Maintenance Tax Notes 2020	Other Funds	Total Governmental Funds
	ASSETS					
1110	Cash and cash equivalents	$ 6,093,155	$ -	$ 779,022	$ 2,275,351	$ 9,147,528
1120	Investments	64,039,294	-	23,841,104	5,777,388	93,657,786
1225	Property taxes receivable, net	5,548,050	-	-	383,180	5,931,230
1240	Receivables from other governments	28,636,545	8,057,468	-	5,290,588	41,984,601
1250	Accrued interest	237,951	-	15,269	-	253,220
1260	Due from other funds	10,195,634	-	-	772,085	10,967,719
1290	Other receivables	28,122	-	-	8,939	37,061
1300	Inventories	1,306,237	-	-	-	1,306,237
1410	Prepaid items	1,722,543	-	-	3,213	1,725,756
1800	Restricted assets	9,882,946	-	-	-	9,882,946
1910	Long-term investments	1,953,618	-	2,406,858	-	4,360,476
1000	Total Assets	$129,644,095	$ 8,057,468	$ 27,042,253	$ 14,510,744	$ 179,254,560
	LIABILITIES					
2110	Accounts payable	4,279,900	-	1,711,439	615,010	6,606,349
2150	Payroll deductions and withholdings payable	12,195	-	-	-	12,195
2160	Accrued wages payable	20,407,834	-	-	2,064,916	22,472,750
2170	Due to other funds	2,139,995	8,057,468	-	2,829,142	13,026,605
2180	Due to other governments	1,650	-	-	353	2,003
2300	Unearned revenue	141,217	-	-	205,191	346,408
2000	Total Liabilities	26,982,791	8,057,468	1,711,439	5,714,612	42,466,310
	DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenues	4,961,073	-	-	324,877	5,285,950
2602	Deferred inflow of resources - other	-	-	-	10,684	10,684
2600	Total Deferred Inflows of Resources	4,961,073	-	-	335,561	5,296,634
	FUND BALANCES					
	Nonspendable fund balance:					
3410	Inventories	1,314,020	-	-	-	1,314,020
3430	Prepaid items	1,722,543	-	-	-	1,722,543
	Restricted fund balance:					
3450	Federal or state funds grant restrictions	15,838,847	-	-	577,521	16,416,368
3470	Restricted for capital acquisitions	-	-	25,330,814	-	25,330,814
3480	Retirement of long-term debt	-	-	-	2,046,425	2,046,425
3490	Other restricted fund balance	9,961,854	-	-	-	9,961,854
	Committed fund balance:					
3510	Construction	515,626	-	-	-	515,626
3545	Other committed fund balance	-	-	-	980,400	980,400
	Assigned Fund Balance:					
3550	Assigned for construction	668,504	-	-	4,856,225	5,524,729
3570	Capital expenditures for equipment	1,727,319	-	-	-	1,727,319
3590	Other assigned fund balance	9,688,667	-	-	-	9,688,667
3600	Unassigned fund balance	56,262,851	-	-	-	56,262,851
3000	Total Fund Balances	97,700,231	-	25,330,814	8,460,571	131,491,616
4000	Total Liabilities, Deferred Inflows & Fund Balances	$129,644,095	$ 8,057,468	$ 27,042,253	$ 14,510,744	$ 179,254,560

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

MCALLEN ISD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	Total Fund Balances - Governmental Funds	$ 131,491,616
1	The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate function in the 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 an increase to net position.	7,487,158
2	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Capital assets at historical cost, net of depreciation, increases net position.	202,187,285
3	Long-term liabilities including bonds, loans, capital leases and compensated absences are not due and payable in the current period and are not reported as liabilities in the funds.	(111,820,868)
4	Federal subsidies are recorded in the governmental funds when received. In the governmental activities, revenue is accrued for the period for which the subsidy was for.	295,326
5	Accrued interest payable does not require current financial resources so it is not reported as a liability in the funds.	(1,638,665)
6	Property taxes, MAC and SHARS receivables are not available soon enough to pay for current periods' expenditures and, therefore, are unavailable in the funds.	5,296,634
7	Gains/losses on defeasance of debt are recognized as deferred credits or charges and amortized over the remaining life of the debt.	2,066,974
8	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resources outflow in the amount of $32,267,513, a deferred resources inflow in the amount of ($14,134,248), and a net pension liability in the amount of ($66,988,348). This resulted in a decrease in net position.	(48,855,083)
9	Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resources outflow in the amount of $11,805,712, a deferred resources inflow in the amount of ($41,857,180), and a net OPEB liability in the amount of ($90,903,930). This resulted in a decrease in net position.	(120,955,398)
10	**Net Position of Governmental Activities**	$ 65,554,979

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

EXHIBIT C-3

MCALLEN ISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		10 General Fund	266 CARES ESSER	620 Maintenance Tax Notes 2020	Other Funds	Total Governmental Funds
	REVENUES:					
5700	Total local and intermediate sources	$ 83,754,535	$ -	$ 110,837	$ 10,205,563	$ 94,070,935
5800	State program revenues	136,420,168	-	-	5,728,177	142,148,345
5900	Federal program revenues	19,052,998	8,057,468	-	18,501,494	45,611,960
5020	Total Revenues	239,227,701	8,057,468	110,837	34,435,234	281,831,240
	EXPENDITURES:					
	Current:					
11	Instruction	122,720,894	6,753,456	-	19,896,269	149,370,619
12	Instructional resources and media services	3,527,947	-	-	37,513	3,565,460
13	Curriculum and instructional staff development	4,167,915	-	-	1,283,069	5,450,984
21	Instructional leadership	2,695,323	-	-	1,049,889	3,745,212
23	School leadership	12,375,146	1,054,281	-	173,224	13,602,651
31	Guidance, counseling and evaluation services	9,706,681	-	-	1,755,984	11,462,665
32	Social work services	1,716,037	-	-	161,875	1,877,912
33	Health services	2,843,398	249,731	-	162,165	3,255,294
34	Student (pupil) transportation	5,184,343	-	-	-	5,184,343
35	Food service	17,337,972	-	-	60,000	17,397,972
36	Extracurricular activities	8,955,753	-	-	574,270	9,530,023
41	General administration	7,769,320	-	-	40,026	7,809,346
51	Facilities maintenance and operations	20,604,625	-	-	22,854	20,627,479
52	Security and monitoring services	4,952,346	-	-	244,242	5,196,588
53	Data processing services	5,357,706	-	-	205	5,357,911
61	Community services	36,274	-	-	1,539,012	1,575,286
	Debt Service:					
71	Principal on long term-debt	2,011,912	-	-	4,320,000	6,331,912
72	Interest on long-term debt	852,755	-	-	2,584,500	3,437,255
73	Bond issuance cost and fees	4,700	-	261,259	2,105	268,064
	Capital Outlay:					
81	Facilities acquisition and construction	6,520,435	-	3,220,023	203,292	9,943,750
	Intergovernmental:					
95	Payment to juvenile justice alternative education	40,000	-	-	-	40,000
99	Other intergovernmental charges	852,122	-	-	-	852,122
6030	Total Expenditures	240,233,604	8,057,468	3,481,282	34,110,494	285,882,848
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,005,903)	-	(3,370,445)	324,740	(4,051,608)
	OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	476,772	-	-	1,460,123	1,936,895
7913	Capital leases	5,286,917	-	-	-	5,286,917
7914	Loan proceeds	-	-	28,701,259	-	28,701,259
7915	Transfers in	30,371	-	-	3,586,532	3,616,903
8911	Transfers out	(5,158,348)	-	-	-	(5,158,348)
7080	Total Other Financing Sources (Uses)	635,712	-	28,701,259	5,046,655	34,383,626
1200	Net Change in Fund Balances	(370,191)	-	25,330,814	5,371,395	30,332,018
0100	Fund Balance - (Beginning)	98,070,422	-	-	3,089,176	101,159,598
3000	Fund Balance - (Ending)	$ 97,700,231	$ -	$ 25,330,814	$ 8,460,571	$ 131,491,616

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

MCALLEN ISD
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	$ 30,332,018
1	The District uses an internal service fund to charge the costs of the health self insurance plan to appropriate functions in other funds. The net income of the internal service fund is reported with governmental activities.	636,669
2	Capital outlays are reported in the governmental funds as expenditures. In the statement of activities the cost of capital assets, $14,869,293, is allocated over their useful lives as depreciation expense. Depreciation expense totaled ($11,354,734) for the year. Assets retired during the period net of depreciation had a net effect on net position totaling ($1,093,251).	2,421,308
3	Because some property taxes, MAC and SHARS receivables will not be collected for several months after the District's year end, they are not considered "available" revenues in the governmental funds. This is the change in unavailable revenue.	133,025
4	Repayment of principal on long-term debt is an expenditure in the funds but is not an expense in the statement of activities. Repayment of principal totaled $6,331,912. Proceeds from loans and capital leases are reported as other financing sources in the funds. Proceeds from loans and capital leases totaled $28,701,259 and $5,286,916, respectively.	(27,656,263)
5	Some expenses such as the effect of the change in compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(11,868)
6	Governmental funds report premiums, discounts, gains/losses on debt transactions when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. Interest is recorded in the governmental funds when paid but in the statement of activities it is accrued. This is the net impact of amortization of premiums, deferred losses, accretion of interest on capital appreciation bonds and the change in accrued interest.	193,981
7	GASB 68 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $5,107,950. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net pension liability. This caused a decrease in the change in net position totaling $(4,432,950). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by $(8,912,862). The net result is a decrease in the change in net position.	(8,237,862)
8	GASB 75 requires that certain plan expenditures be de-expended and recorded as deferred resources outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by $1,395,292. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in the net OPEB liability. This caused a decrease in the change in net position totaling $(1,314,518). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by $(847,547). The net result is a decrease in the change in net position.	(766,773)
9	**Change in Net Position of Governmental Activities**	$ (2,955,765)

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

EXHIBIT D-1

MCALLEN ISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 200,505	$ 360,381
Investments - demand deposit	500,000	8,109,619
Due from other funds	38,092	2,056,930
Other receivables	-	976,922
Prepaid items	-	199,893
Total Current Assets	738,597	11,703,745
Noncurrent Assets:		
Furniture and equipment	75,290	53,859
Accumulated depreciation on furniture and equipment	(74,137)	(53,859)
Total Noncurrent Assets	1,153	-
Total Assets	739,750	11,703,745
LIABILITIES		
Current Liabilities:		
Accounts payable	1,092	834,030
Accrued wages payable	7,813	-
Due to other funds	419	35,718
Due to other governments	-	23,434
Accrued expenses	-	1,111,575
Unearned revenues	11,145	-
Total Current Liabillities	20,469	2,004,757
Noncurrent Liabilities:		
Other long-term debt	-	2,211,830
Total Noncurrent Liabilities	-	2,211,830
Total Liabilities	20,469	4,216,587
NET POSITION		
Net investment in capital assets	1,153	-
Unrestricted net position	718,128	7,487,158
Total Net Position	$ 719,281	$ 7,487,158

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

EXHIBIT D-2

MCALLEN ISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and intermediate sources	$ 433,059	$ 24,379,236
Total Operating Revenue	433,059	24,379,236
OPERATING EXPENSES:		
Payroll costs	293,306	25,324,882
Professional and contracted services	306	57,957
Other operating costs	6,032	627
Supplies and materials	9,203	38,737
Depreciation expense	865	-
Total Operating Expenses	309,712	25,422,203
Operating Income (Loss)	123,347	(1,042,967)
NONOPERATING REVENUES (EXPENSES):		
Earnings from temporary deposits and investments	-	117,223
Transfers in	9,403	1,562,413
Transfers out	(30,371)	-
Total Nonoperating Revenues (Expenses)	(20,968)	1,679,636
Change in net position	102,379	636,669
Total Net Position - Beginning	616,902	6,850,489
Total Net Position - Ending	$ 719,281	$ 7,487,158

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

EXHIBIT D-3

MCALLEN ISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	Governmental Activities
	Total Enterprise Funds	Total Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers	$ 396,462	$ -
Interfund services provided and used	-	24,147,792
Cash payments to employees for services	(296,829)	(118,411)
Cash payments for claims	-	(22,208,660)
Cash payments for suppliers for goods and services	(15,396)	(3,183,569)
Net Cash Provided by (Used for) Operating Activities	84,237	(1,362,848)
Cash Flows from Non-Capital Financing Activities:		
Operating transfer (out) in	(20,968)	1,562,413
Cash Flows from Investing Activities:		
Purchase of investment securities	-	(12,164,228)
Proceeds from sale and maturities of securities	-	11,813,142
Interest and dividends on investments	-	9,236
Net Cash Used for Investing Activities	-	(341,850)
Net increase (decrease) in cash and cash equivalents	63,269	(142,285)
Cash and cash equivalents at beginning of year	137,236	502,666
Cash and Cash Equivalents at End of Year	$ 200,505	$ 360,381
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:		
Operating income (loss):	$ 123,347	$ (1,042,967)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	$ 864	$ -
Effects of Increases and Decreases in Assets and Liabilities:		
Decrease (increase) in receivables	1	(34,560)
Decrease (increase) in interfund receivables	(38,092)	(222,681)
Decrease (increase) in prepaid items	-	(12,542)
Increase (decrease) in accounts payable	666	317,007
Increase (decrease) in accrued expenses	(3,524)	34,568
Increase (decrease) in interfund payables	(519)	35,718
Increase (decrease) in unearned revenue	1,494	-
Increase (decrease) in due to other governments	-	260
Increase (decrease) in other long-term liabilities	-	(437,651)
Net Cash Provided by (Used For) Operating Activities	$ 84,237	$ (1,362,848)

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

EXHIBIT E-1

MCALLEN ISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Pension Trust 457 Plan	Student Activity Fund
ASSETS		
Cash and cash equivalents	$ 27,419	$ 603,893
Total Assets	$ 27,419	$ 603,893
LIABILITIES		
Due to student groups	$ -	$ 603,893
Total Liabilities	-	$ 603,893
NET POSITION RESTRICTED TO PENSION		
Held in trust for pension benefits	27,419	
Total Net Position Restricted to Pension	$ 27,419	

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

EXHIBIT E-2

MCALLEN ISD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension Trust 457 Plan
ADDITIONS	
Local and intermediate sources	$ 356
Total Additions	356
DEDUCTIONS	
Payroll costs	15,427
Total Deductions	15,427
Change in Net Position	(15,071)
Total Net Position - Beginning	42,490
Total Net Position - Ending	$ 27,419

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 – REPORTING ENTITY

Membership of Board - The Board of Trustees includes seven eligible members elected at large by the qualified voters of the McAllen Independent School District. The governing Board derives its powers from the statutes of the State of Texas and the rules and regulations of the Texas State Department of Education. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by GASB Statement 14, *The Financial Reporting Entity.* The District has no component units.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McAllen Independent School District's (the "District") basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide"). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

A. Basis of Presentation

Government-Wide Statements:

The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Substantially, all of the effects of interfund activities have been removed from these statements. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. The District has no interfund services provided and used between functions that would be program revenue which would not be eliminated in the process of consolidation. Governmental activities generally are supported through taxes, intergovernmental revenues, and other non-exchange transactions and are reported separately from business–type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities.

Program revenues include:

(a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and

(b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

A. Basis of Presentation (Continued)

Fund Financial Statements:

The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds "Other Governmental Funds" and "Nonmajor Enterprise Fund."

The District reports the following major governmental fund:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

CARES ESSER Fund. This fund is used to account for activity for the Elementary and Secondary School Emergency Relief Fund (ESSER) used to prevent, prepare for and respond to the coronavirus.

Maintenance Tax Notes 2020. This fund is used to account for the expenditures of resources accumulated from sales of bonds and related interest earnings for the maintenance of school facilities.

Additionally, the District reports the following fund types:

Enterprise Funds. These funds account for the operations of the safe and secure programs and the tuition-based pre-kindergarten program. The expenses for these funds are financed through user charges.

Internal Service Funds. These unbudgeted funds account for the operations of a print shop, self-funded health and worker's compensation insurance and unemployment claims. These funds account for services to other District funds, as well as, related operating expenses.

Fiduciary Funds. These are reported in the fund financial statements. Since the resources in the fiduciary funds are held in a trustee or agent capacity and are, therefore, not available to support District programs, these funds are not included in the government-wide statements. The District maintains the assets for the 457 Plan and student activity.

B. Basis of Accounting/Measurement Focus

Government-wide, Proprietary and Fiduciary Fund Financial Statements:

These financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 300

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

B. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. The District considers revenues as available if they are collected within the 60 days after year end. Revenues susceptible to accrual are property taxes, fiscal year state funding, and interest revenues. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Unavailable revenue is reported in the governmental funds when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the District's enterprise fund and of the District's internal services funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASBS No. 33.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

C. Revenues (Continued)

In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

D. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with maturity within three months or less.

F. Investments

Money market investments which are short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Investments in entities (such as investment pools) that calculate Net Asset Value per Share and follow the requirements of GASB Statement No. 79 are also reported at amortized cost. Nonparticipating interest-earning investment contracts are reported using a cost-based measure.

The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. All other investments are reported at fair value.

G. Receivables and Payables

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

All trade and property tax receivables are shown net of an allowance for uncollectible. 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 in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

G. Receivables and Payables (Continued)

Delinquent taxes are prorated between the general and debt service funds based on rates adopted for the year of the levy. Allowance for uncollectible tax receivables are based on the historical experience in collecting property taxes.

Accrued liabilities primarily consist of amounts accrued for salaries and self-insurance claims.

H. Inventory

Inventory is valued at average cost. The District accounts for school supplies and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Reported inventories are equally offset by a fund balance non-spendable category in the fund level statements which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Commodity inventory is offset by unearned revenue.

I. Prepaid Items

Prepaid items are payments made that will benefit periods beyond June 30, 2020. This amount includes prepaid expenses for unexpired insurance policy premiums paid by June 30, 2020 which extend beyond that date and prepaid administrative charges for appraisal district functions. Prepaid items are recorded as expenditures when consumed rather than when purchased. In the fund financial statements, the reported amounts are equally offset by a fund balance non-spendable category, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15
Buildings & Improvements	10-75
Vehicles/Buses	2-12
Furniture and Equipment	2-15

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

Certain defined transactions that do not qualify for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets but before liabilities) or deferred inflows of resources (a separate subheading following liabilities but before equity).

Deferred outflows of resources—a consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. It has a positive effect on net position, similar to assets.

Deferred inflows of resources—an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Deferred Outflows of Resources

In the government-wide financial statements, insurance costs arising from the issuance of debt are reported as deferred outflows and amortized over the term of the related debt. Deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and are amortized over the lesser life of the refunded bonds or refunding debt.

Deferred outflows of resources for pension are reported in the government-wide financial statement of net position. Deferred outflows result from pension plan contributions made after the measurement date of the net pension liability. Deferred outflows also include the District's proportionate share of the deferred outflows of resources of the TRS plan. These deferred outflows include the differences between expected and actual economic experience and changes in actuarial assumptions. The deferred outflows of resources related to the District's contributions which are subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently between 5.00 to 6.94 years.

Deferred Inflows of Resources

Deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and are amortized over the lesser life of the refunded bonds or refunding debt.

Deferred inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized between 5.00 and 9.04 years.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

M. Unearned Revenue

Grant amounts and donations received in advance of meeting requirements are reported as unearned revenue. Payments received prior to June 30, 2020 for the 2021 Fiscal year Pre-K tuition and Safe and Secure program are reported as unearned revenue under the business-type activities.

N. Fair Value Measurements

Statement No. 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

There are three general valuation techniques that may be used to measure fair value. The market approach uses prices generated by market transactions involving identical or comparable assets or liabilities. The cost approach uses the amount that currently would be required to replace the service capacity of an asset (replacement cost). The income approach uses valuation techniques to convert future amounts to present amounts based on current market expectations.

O. Compensated Absences

All sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the fund financial statements only if they have matured, for example, as a result of employee retirement.

P. Long-term Obligations

In the government-wide financial statements, and proprietary funds type 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 recorded 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 and tax notes issuance costs incurred, are expensed in the current period.

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.

Q. Pension

The District is a member employer of the Teacher Retirement System of Texas (TRS) and, therefore, records its proportionate share of the pension liability and related accounts in these financial statements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

Q. Pension (Continued)

The fiduciary net position of the Teacher Retirement System of Texas (TRS) 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 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.

R. Internal Service Fund Activity

Because the principal users of the internal service activities are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. Only the net profit or loss before investment income is allocated to the operating programs benefited. The investment income is combined with other unrestricted income as general revenue in the statement of activities.

S. Government-wide Net Position

Net position represents assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. The District's net position is composed of the following:

Net Investment in Capital Assets - The investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted for State and Federal Programs - The component of net position that reports the difference between assets and liabilities of the Federal and State special revenue programs that consists of assets with constraints placed on their use by the Department of Education, Agriculture, the Texas Education Agency and other federal state entities.

Restricted for Debt Service - The component of net position that reports the difference between assets and liabilities of the Debt Service Funds net of accrued interest at June 30, that consists of assets with constraints placed on their use by the bond covenants.

Unrestricted - The net amount of the assets deferred outflows of resources, liabilities, and deferred inflows of resources that are not reported in net position invested in capital assets, net position restricted for debt service, net position restricted for state and federal programs.

T. Fund Balance

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

T. Fund Balance (Continued)

It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

There are two major categories of fund balances, which are non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories and prepaid items that are considered non-spendable. The District does not have any non-spendable funds related to endowments.

In addition to the non-spendable fund balance, there is a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted fund balances are constrained by external parties, constitutional provisions, or enabling legislation.

  Committed fund balances can be used only for the specific purposes imposed by formal action through the adoption of a resolution by the Board of Trustees, which is the highest level of decision-making authority in the District. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (i.e. resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process.

  Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered legally enforceable. Committed fund balance also incorporates contract obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances contain self-imposed constraints of the District to be used for a particular purpose. The Board has by Local Policy CE authorized the Superintendent, or designee, to assign fund balance. The Board, Superintendent or designee may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. An additional action does not have to be taken for the removal of an assignment.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

T. Fund Balance (Continued)

- Unassigned fund balance of the general fund is not constrained for any particular purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

U. Accounting System

In accordance with the Resource Guide, the District has adopted and installed an accounting system which meets the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure prescribed by Texas Education Agency (TEA) in the Resource Guide. Mandatory codes are recorded in the order provided in that section.

V. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

W. New Accounting Standards

Future accounting standards possibly applicable to the District that have been issued by the Governmental Accounting Standards Board are:

- Statement No. 84*, Fiduciary Activities*
- Statement No. 87*, Leases*
- Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 94, *Public-Private and Public-Public Partnerships and availability payment arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

W. New Accounting Standards (Continued)

The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2018. Statement No. 95 postpones the date of this pronouncement one year to reporting periods beginning after December 15, 2019.

Statement No. 87 improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of the governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019. Statement No. 95 postpones the date of this pronouncement 18 months to reporting periods beginning after June 15, 2020.

Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period which the cost is incurred for financial statements prepared using the economic resources measurement focus. This Statement was originally effective for reporting periods beginning after December 15, 2019. Statement No. 95 postpones the date of this pronouncement one year to reporting periods beginning after December 15, 2020.

Statement No. 92 objective is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements; including; (1) Statement No. 87, (2) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, (3) Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, (4) Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, etc. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

W. New Accounting Standards (Continued)

Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP). A PPP as used in statement No. 94 is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 97 (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The impact of these statements on the Districts financial statements, has not been determined yet. The District will evaluate these new pronouncements and will implement them as applicable by their effective dates.

B. COMPLIANCE AND ACCOUNTABILITY

NOTE 3 – FINANCE–RELATED LEGAL AND CONTRACTUAL PROVISIONS

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations, if applicable.

Expenditures Exceeding Appropriations

For the year ended June 30, 2020, the District did not have expenditures exceeding appropriated amounts.

Deficit Fund Balances of Individual Funds or Deficit Net Position

The District does not have funds with deficit fund balances at year end. The District has a negative unrestricted net position in the Governmental Activities of ($80,498,407) at year end. The result of this negative balance is due to prior years' implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

C. DETAILED NOTES ON ALL FUNDS

NOTE 4 – PROPERTY TAXES

Property taxes are levied by October 1 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 February 1 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 when they are collected within the current period or within 60 days after the District's fiscal year.

The District's 2019 tax rate was $1.0586 for maintenance and operation and $0.0942 for debt service per $100 assessed valuation. Allowances for uncollectible within the General and Debt Service Funds are based upon historical experience in collecting property taxes. The assessed valuation of $7,747,732,006 used to determine the tax rates represents 100% of the fair market value of the property. Education Code section 45.003 limits a school district's Maintenance & Operation rate for any year. The rate may not exceed the rate equal to the sum of $0.17 and the product of the state compression percentage as determined by Section 48.255 multiplied by $1.00. The Texas Education Code requires school districts to demonstrate to the Texas Attorney General the projected ability to pay all debt issued after September 1, 1992, with a rate not to exceed $0.50.

Taxes Receivable at June 30, 2020 is as follows:

	Property Taxes Receivable	Less: Allowance for Uncollectible	Property Taxes Receivable, net
General Fund	$ 7,113,894	$ 1,565,844	$ 5,548,050
Debt Service Fund	473,187	90,007	383,180
	$ 7,587,081	$ 1,655,851	$ 5,931,230

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

NOTE 5 – DEPOSITS, SECURITIES AND INVESTMENTS

Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. During the year, the depository bank placed approved pledged securities with the District's agent bank to cover the bank deposits as authorized by Chapter 2257, Collateral for Public Funds of the Government Code, in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract.

The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC). At year-end, the carrying amount of the District's deposits was $10,336,595 and the bank balance of $11,345,747.

C*ustodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be covered by depository insurance, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

The District's cash deposits at June 30, 2020 and during the year ended June 30, 2020 were covered by pledged securities held in the District's name by a bank other than the pledging bank.

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

a. Name of Bank: Frost Bank

b. The amount of pledged securities as of the date of the highest combined balance on deposit was $19,728,016.

c. The largest combined balances of cash and savings accounts amounted to $16,970,440 and occurred during the month of March 2020.

d. Total amount of FDIC coverage at the time of the largest combined balance was $250,000.

Investments

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. The Act requires an annual review of the investment policy and investment strategy. The District's management believes that it complied with the requirements of the Act and the District's investment policies.

The District's investment policies and types of investments are governed by the Public Funds Investments Act ("Act") of 1995. The following types of investment instruments are authorized:

1) Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009

2) Certificates of deposit and share certificates as permitted by Government Code 2256.010

3) Fully collateralized repurchase agreements as permitted by Government Code 2256.011

4) A securities lending program as permitted by Government Code 2256.0115

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

NOTE 5 – DEPOSITS, SECURITIES AND INVESTMENTS *(Continued)*

Investments (Continued)

5) Banker's acceptances as permitted by Government Code 2256.012
6) Commercial paper as permitted by Government Code 2256.013
7) No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
8) A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements as established by Government Code 2256.015
9) Public funds investment pools as permitted by Government Code 2256.016

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. Information on the credit rating and credit risk associated with debt securities (excluding U.S. government obligations and obligations guaranteed by the full faith and credit of the U.S. government), external investment pools, money market funds, bond mutual funds and other pooled investments of fixed-income securities at year-end is required.

State law and the District's Investment Policy restrict depository time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks) doing business in Texas. By policy, depository CDs are limited to maturities not exceeding two (2) years and require collateralization to 102% with pledged securities (and 110% if collateral is a mortgage backed security). All collateral is to be held by an independent custodian. The pledging bank is contractually responsible for monitoring and maintaining the collateral margins daily. Brokered CD securities must be FDIC insured and delivered versus payment to the District's depository.

The maximum maturity for brokered CDs is one year and FDIC insurance must be verified before purchase. The policy requires that FDIC status of the brokered CD banks be monitored weekly and any mergers exposing the District to non-FDIC coverage requires immediate liquidation.

State law and the District's adopted Investment Policy limit repurchase agreements to primary dealers or banks doing business in Texas. The policy requires independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three (3) years executed under a Master Repurchase Agreement. Constant dollar, local-government investment pools, as by state law (2256.016) and approved by the adopted Policy are authorized. By state law, all local government pools are rated AAA or equivalent by at least one NRSRO (Nationally Recognized Securities Ratings Organization). All pools by Policy must strive to maintain a $1 NAV.

Debt issued by states, local governments and other political subdivisions must be general obligations of the issuer and be rated A or better by at least one NRSRO and are restricted to two (2) years to maturity.

AAA rated, SEC registered money market mutual funds are authorized if they strive to maintain a $1 NAV.

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

NOTE 5 – DEPOSITS, SECURITIES AND INVESTMENTS *(Continued)*

Investments (Continued)

The Qualified School Construction Note Funds are defined as a separate sub-portfolio which has a maximum stated maturity and weighted average maturity of five (5) years. The policy restricts all other investments to a maximum stated maturity of two (2) years and also restricts the portfolio to a weighted average maturity of 365 days.

As of June 30, 2020:

- holdings in local government investment pools rated AAAm represented 66.90% of the total portfolio,
- holdings in fully FDIC insured or collateralized interest-bearing bank accounts represented 12.41% of the total portfolio,
- holdings in commercial paper obligations represented 5.07% of the total portfolio,
- holdings in Municipal Bond obligations represented 15.62% of the total portfolio.

Interest-rate Risk

Interest-rate risk reduces the exposure to changes in interest rates that could adversely affect the value of investments. The District shall use final and weighted-average-maturity data. In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum maturity of two (2) years. The total portfolio has a dollar weighted average maturity (WAM) limit of 365 days. The investment in the QSCN Reserve Fund has a maturity of 285 days in keeping with its specific policy and goals. The District's investment in TexPool and Lone Star are available daily. The dollar weighted average maturity of the total portfolio was 39 days.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Public Funds Investment Act.

The District's adopted Investment Policy requires diversification on all authorized investment types and monthly monitoring of credit ratings. See concentrations of investments detailed under the credit risk section above.

Public Funds Investment Pools

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

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

NOTE 5 – DEPOSITS, SECURITIES AND INVESTMENTS *(Continued)*

Public Funds Investment Pools (Continued)

All of the investment pools that the District is invested in meet the criteria established under GASB Statement No. 79 to report their value at amortized cost. All of the investment pools strive to maintain a $1 per share net asset value. Additionally, the pools do not have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity or redemption gates.

The District's investments at June 30, 2020 are shown as follows:

	Reported Amount	Weighted Average Maturity (days)	Standard & Poor's Rating
Reported at Amortized Cost			
TexPool Government Investment Fund	$ 10,550,828	38	AAAm
TexPool Prime Investment Fund	10,587,447	49	AAAm
Lone Star Corporate Investment Fund	32,190,567	43	AAAm
Lone Star Government Investment Fund	32,179,194	35	AAAm
Commerical Paper	6,492,114	25	A-1
Reported at Fair Value (Level 2)			
Municipal Bond	19,998,451	57	Varies
	$ 111,998,601		

The District's investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality.

The following is a reconcilement of the District's total cash:

Deposits	$ 10,336,595
Investments	111,998,601
Petty Cash	3,132
Restricted Cash	4,512,226
Total	$ 126,850,554
Exhibit A-1	
Cash and cash equivalents	$ 9,708,415
Current investment	102,267,405
Long-term investments	4,360,476
Restricted Assets	9,882,946
Total	$ 126,219,242
Exhibit E-1	
Fiduciary cash and cash equivalents	$ 631,312
Total	$ 631,312

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

NOTE 5 – DEPOSITS, SECURITIES AND INVESTMENTS *(Continued)*

Restricted Cash and Investments

Restricted cash and investments in the amount of $9,882,946 in the general fund is set aside for future payment of the Maintenance Tax Qualified School Construction Notes. The restricted cash to pay future requirements of the tax notes is offset in the restricted fund balance of the General Fund.

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increases / Transfers-In	Decreases / Transfers-Out	Ending Balance
Capital assets, not being depreciated:				
Land	$ 15,465,956	$ 1,027,771	$ (1,590,878)	$ 14,902,849
Construction in progress	1,305,913	5,336,314	(863,520)	5,778,707
Furniture and equipment in progress	166,390	470,850	(170,585)	466,655
	16,938,259	6,834,935	(2,624,983)	21,148,211
Capital assets being depreciated:				
Buildings and improvements	288,271,123	5,059,350	(1,828,842)	291,501,631
Furniture and equipment	42,462,874	3,728,676	-	46,191,550
Vehicles	11,028,769	1,308,206	(28,831)	12,308,144
Leased property under capital lease	975,000	-	-	975,000
	342,737,766	10,096,232	(1,857,673)	350,976,325
Less accumulated depreciation for:				
Buildings and improvements	117,824,576	7,631,355	(1,300,706)	124,155,225
Furniture and equipment	34,291,904	2,951,002	-	37,242,906
Vehicles	7,517,319	674,877	(26,826)	8,165,370
Leased property under capital lease	276,250	97,500	-	373,750
Total Accumulated Depreciation	159,910,049	11,354,734	(1,327,532)	169,937,251
Total Capital Assets being Depreciated (Net)	182,827,717	(1,258,502)	(530,141)	181,039,074
Governmental Activities Capital Assets (Net)	$ 199,765,976	$ 5,576,433	$ (3,155,124)	$ 202,187,285

Internal Service Fund capital assets detailed below are included with the Governmental Activities in the Statement of Net Position and are included in the previous recap of governmental activities' capital assets.

	Internal Service Fund
Machinery and equipment	$ 53,859
Accumulated depreciation	(53,859)
Net Capital Assets	$ -

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

NOTE 6 – CAPITAL ASSETS *(Continued)*

Business-Type Activities Nonmajor Enterprise Fund	Beginning Balance	Increases	Decrease	Ending Balance
Capital assets being depreciated:				
Furniture and equipment	$ 75,290	$ -	$ -	$ 75,290
	75,290	-	-	75,290
Less accumulated depreciation for:				
Furniture and equipment	73,273	864	-	74,137
Total Accumulated Depreciation	73,273	864	-	74,137
Total Capital Assets being Depreciated (Net)	2,017	(864)	-	1,153
Business-Type Activities Capital Assets (Net)	$ 2,017	$ (864)	$ -	$ 1,153

Depreciation was charged to the following functions:

Governmental Activities:	
11 – Instruction	$ 4,606,414
12 – Instruction and instructional related services	207,813
13 – Curriculum and instructional staff development	20,724
21 – Instructional leadership	13,572
23 – School leadership	127,895
31 – Guidance, counseling and evaluation services	24,127
32 – Social work services	10,398
33 – Health services	26,955
34 – Student transportation	426,456
35 – Food services	865,976
36 – Extracurricular activities	1,272,751
41 – General administration	43,218
51 – Facilities, maintenance and operations	3,225,943
52 – Security and monitoring services	231,249
53 – Data processing services	233,895
61 – Community services	17,348
Total depreciation expense-governmental activities	$ 11,354,734
Business – Type Activities:	
Nonmajor funds – Project Safe and Secure Depreciation	$ 864

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

NOTE 7 – INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances at June 30, 2020 were:

Receivable Fund	Payable Fund	Amount
General Fund	CARES ESSER Fund	$ 8,057,468
General Fund	Nonmajor Governmental Funds	2,138,165
Nonmajor Governmental Funds	Nonmajor Governmental Funds	591,482
Nonmajor Governmental Funds	General Fund	180,603
Internal Service Fund	Nonmajor Governmental Funds	103,481
Internal Service Fund	General Fund	1,953,032
Enterprise Fund	General Fund	2,374
	Exhibit C-1	$ 13,026,605
Internal Service Fund	Enterprise Fund	$ 419
Enterprise Fund	Internal Service Fund	35,718
	Exhibit D-1	$ 36,137

These balances result from the time lag between the dates that transactions such as year-end payroll accruals, worker's compensation adjustments and other year-end accruals are recorded in the accounting system and payments between the funds are made. The largest interfund receivable balance between the General Fund and the CARES ESSER Fund results from the timing of receipt of the TEA reimbursement. All amounts are scheduled to be repaid within one year.

NOTE 8 – DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables and payables as of June 30, 2020 for the District's individual major, nonmajor, internal service funds and enterprise funds in the aggregate are as follows:

	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Enterprise Fund	Total
Property taxes receivable, net	$ 5,548,050	$ 383,180	$ -	$ -	$ 5,931,230
Other receivables	$ 28,122	$ 8,939	$ 976,922	$ -	$ 1,013,983
Accrued Liabilities:					
Accrued wages payable	$ 20,407,834	$ 2,064,916	$ -	$ 7,813	$ 22,480,563
Payroll deductions and withholdings payable	12,195	-	-	-	12,195
	$ 20,420,029	$ 2,064,916	$ -	$ 7,813	$ 22,492,758

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

NOTE 8 – DISAGGREGATION OF RECEIVABLES AND PAYABLES *(Continued)*

Other receivables do not have any allowances associated with them. See Note 14 for further detail regarding risk financing and claims payable.

NOTE 9 – DUE TO AND FROM OTHER GOVERNMENTS

Amounts due to and from other governments are reflected in the following funds:

	General Fund	CARES ESSER Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
Federal /State Funding:					
Texas Education Agency	$ 27,406,903	$ 8,057,468	$ 4,782,660	$ -	$ 40,247,031
Texas Department of Agriculture					
National School Lunch/Breakfast	446,855	-	-	-	446,855
Texas Medicaid and Health Care					
Partnership (TMHP)	19,099	-	-	-	19,099
Texas Retirement System (TRS)	4,000	-			4,000
Federal Agencies	12,517	-	157,854	-	170,371
SHARS	187,512	-	-	-	187,512
County of Hidalgo Tax Collections	334,659	-	23,696	-	358,355
City of McAllen	225,000	-	-	-	225,000
Other	-	-	326,378	-	326,378
Exhibit C-1	$ 28,636,545	$ 8,057,468	$ 5,290,588	$ -	$ 41,984,601
Due from U.S. Treasury QSC Notes Subsidy					295,326
Exhibit A-1					$ 42,279,927
Due To Other Governments:					
Due to State of Texas Ex. C-1	$ 1,650	$ -	$ 353	$ -	$ 2,003
Due to U. S. Treasury Ex. D-1	-	-	-	23,434	23,434
Exhibit A-1	$ 1,650	$ -	$ 353	$ 23,434	$ 25,437

NOTE 10 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period.

In the fund level financial statements, the District has the following deferred inflows of resources:

	General Fund	Nonmajor Governmental Fund	Total
Property Taxes, unavailable	$ 4,773,561	$ 324,877	$ 5,098,438
SHARS, unavailable	187,512	-	187,512
MAC, unavailable	-	10,684	10,684
Totals Exhibit C-1	$ 4,961,073	$ 335,561	$ 5,296,634

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

NOTE 10 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES *(Continued)*

In the government-wide financial statements (Exhibit A-1), the District reports cumulative deferred charges on refunding as Deferred Outflows of Resources in the amount of $5,443,586 net of cumulative amortization of $3,376,612 or $2,066,974.

Deferred outflows resources and deferred inflows resources related to pensions and OPEB are $44,073,225 and $55,991,428, respectively. See related details at Note 13 regarding pensions and Note 22 regarding Retiree Health Care Plan (OPEB).

NOTE 11 – UNEARNED REVENUES

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The following summarizes unearned revenues:

Description:		Amount
Advance on summary of finance		$ 5,788
Advances on advertisements and donations		141,218
Refundable advances		199,402
	Exhibit C-1	$ 346,408
Advances on tuition		$ 11,145
	Exhibit D-1	$ 11,145

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

NOTE 12 – LONG-TERM OBLIGATIONS

Governmental Activities

Long-Term Debt

Changes in debt long-term obligations for the year ended June 30, 2020 are as follows:

Governmental Activities	Beginning Balance 7/1/2019	Increase	Decrease	Ending Balance 6/30/2020	Due within One Year
Bonds Payable					
General Obligation Bonds	$ 60,180,000	$ -	$ 4,320,000	$ 55,860,000	$ 4,520,000
Premium on Bonds	5,595,237	-	953,701	4,641,536	-
Sub-Total Bonds	65,775,237	-	5,273,701	60,501,536	4,520,000
Capital Leases	412,501	5,286,915	1,946,913	3,752,503	1,967,313
Maintenance Tax Notes	17,006,000	24,010,000	65,000	40,951,000	850,000
Premium on Tax Note	-	4,691,259	-	4,691,259	-
Total Long-Term Debt	83,193,738	33,988,174	7,285,614	109,896,298	7,337,313
Other Long-Term Liabilities					
Compensated Absences	1,912,700	165,159	153,292	1,924,567	209,765
Claims Payable	3,726,488	673,924	1,077,007	3,323,405	1,111,575
Total Other Long-Term Liabilities	5,639,188	839,083	1,230,299	5,247,972	1,321,340
Total Governmental Activities	$ 88,832,926	$ 34,827,257	$ 8,515,913	$ 115,144,270	$ 8,658,653

Bonded debt will be paid by the Debt Service Fund, claims payable will be paid by the Internal Service Fund, compensated absences will be paid by the General Fund and Federal and State Funds, as applicable, and the Maintenance Tax Notes debt will be paid by the General Fund.

Bonds Payable

Bonds payable at June 30, 2020 are comprised of the following:

Unlimited Tax School Building and Refunding Bonds:	
$64,465,000 Series 2013A due in varying installments through 2030, interest at 2% to 5%	$ 44,100,000
$17,355,000 Series 2013B due in varying installments through 2030, interest at 2% to 4%	11,760,000
	$ 55,860,000

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

NOTE 12 – LONG-TERM OBLIGATIONS *(Continued)*

Debt service requirements are as follows:

Year Ending June 30,	Bonds Payable Principal	Bonds Payable Interest	Total Requirements
2021	$ 4,520,000	$ 2,387,500	$ 6,907,500
2022	4,740,000	2,171,250	6,911,250
2023	4,975,000	1,944,400	6,919,400
2024	5,220,000	1,706,200	6,926,200
2025	5,475,000	1,456,200	6,931,200
2026-2030	30,930,000	3,811,200	34,741,200
	$ 55,860,000	$ 13,476,750	$ 69,336,750

Maintenance Tax Qualified School Construction Notes

Maintenance tax notes payable are comprised of the following at June 30, 2020:

2011 $16,485,000 Maintenance tax notes payable in annual installments of $1,175,000 to $1,180,000 to a sinking fund until the tax notes mature in 2026, with interest at 4.66% due semi-annually, February 2013 to February 2026. TEC Code Sec. 45.108.	$ 16,485,000
2012 $901,000 Maintenance tax notes payable in annual installments of $60,000 to $66,000 through August 2026, with interest at 4.24% due semi-annually, February 2013 to August 2026. TEC Code Sec. 45.108.	456,000
2020 $24,010,000 Maintenance tax notes payable in annual installments of $785,000 to $1,815,000 through February 2039, with interest at 4%-5% due semi-annually, August 2020 to February 2039.TEC Code Sec. 45.108.	24,010,000
	$ 40,951,000

Tax levies are pledged to the payment of interest and principal of the tax notes.

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

NOTE 12 – LONG-TERM OBLIGATIONS *(Continued)*

All maintenance tax notes requirements to term, including the required installments that must be made to a sinking fund for the $16,485,000 issue, are as follows:

	Maintenance Tax Notes			
Year Ending June 30,	Principal/ Sinking Fund	Interest	Interest Subsidy Available	Total Requirements
2021	$ 2,030,000	$ 1,885,539	$ (786,157)	$ 3,129,382
2022	2,085,000	1,831,451	(783,401)	3,133,050
2023	2,125,000	1,786,695	(780,645)	3,131,050
2024	2,170,000	1,739,939	(777,889)	3,132,050
2025	2,215,000	1,690,933	(775,133)	3,130,800
2026-2039	20,921,000	7,564,077	(773,776)	27,711,301
	31,546,000	$ 16,498,634	$ (4,677,001)	43,367,633
General Fund				
Restricted Asset	9,405,000			9,405,000
Total Requirements	$ 40,951,000			$ 52,772,633

This debt will be paid by the General Fund. Under Code Section 6431(f), the District receives federal assistance on the interest requirements. For the fiscal year 2019-2020, the District received federal assistance of $741,182.

Funds are required by ordinance to be set aside to pay the maintenance tax notes debt. The fair market value of investments in a sinking fund is $9,882,946 and is recorded as restricted assets in the General Fund. These funds are managed by a Trustee and are currently invested in federal agency obligations. Other Restrictions of Fund Balances in the balance sheet includes this amount.

Capital Leases payable – Governmental Funds

Capital leases payable at June 30, 2020 are as follows:

Capital lease payable to PNC Equipment Finance, LLC for a scoreboard, initial payment of $150,000 and four additional payments of $206,250 and interest at 0% through August 2020. Texas Education Code Sec. 61.003.	$ 206,250
Capital lease payable to Wells Fargo Vendor Financial Services, LLC for Apple MacBook's, initial payment of $174,048 followed by a second payment of $174,576 with an imputed interest rate of .3307% through October 2021.	348,624
Capital lease payable to Insight Investments, LLC for Chromebook's, three payments of $1,281,818 with an imputed interest rate of 1.69% through November 2021.	2,500,083

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

NOTE 12 – LONG-TERM OBLIGATIONS *(Continued)*

Capital lease payable to Insight investments, LLC for Chromebook's, three payments of $89,044, with an imputed interest rate of 1.61% through December 2021.	173,878
Capital lease payable to Synovia Solutions, LLC for 85 GPS units, initial payment of $30,000 and two payments of $35,340, with an imputed interest rate of .91% through January 2022.	68,928
Capital lease payable to Wells Fargo Financial Services, LLC for Apple MacBook's, three payments of $177,469 and interest at .34% through February 2022.	353,135
Capital lease payable to Wells Fargo Financial Services, LLC for Apple MacBook's, three payments of $51,019 with an imputed interest rate of .3411% through March 2022.	101,605
	$ 3,752,503

Capital lease requirements to term are as follows:

Year Ending June 30,	Lease Payable Principal	Lease Payable Interest	Total Requirements
2021	$ 1,967,313	$ 48,254	$ 2,015,567
2022	1,785,191	25,180	1,810,371
	$ 3,752,504	$ 73,434	$ 3,825,938

The capital lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. All capital lease requirements are funded by the General Fund.

The asset acquired through capital lease is as follows:

	Governmental Activities
Property Under Capital Lease	$ 975,000
Less: Accumulated Depreciation	(373,750)
	$ 601,250

Advance Refunding in Prior Years

In 2013, the District advance refunded $85,185,000, Series 2005 Bond. The District issued $64,465,000, Series 2013A Bonds and $17,355,000, Series 2013B Bonds to provide resources to cover costs of issuance to purchase qualifying securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.

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

NOTE 12 – LONG-TERM OBLIGATIONS *(Continued)*

Accordingly, the liability for the defeased bonds is not included in the District's financial statements.

Compensated Absences

It is the District's policy to allow employees the opportunity to receive a one-time payment for accumulated unused local leave. Any employee who retires through the Teacher Retirement System of Texas and is in compliance with Board Policy DEC (LOCAL) shall be eligible for compensation. A one-time payment of unused leave (all types) shall be processed to a maximum of 75 days. The compensation rate for professional employees is $125 per day and $70 per day for paraprofessional and auxiliary personnel.

NOTE 13 – PENSION PLAN OBLIGATIONS

Defined Benefit Pension Plan

A. Plan Description

The McAllen Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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.

B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used.

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

C. Benefits Provided (Continued)

The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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.

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

D. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Contribution Rates can be found in the TRS 2019 CAFR, Note 12, on page 76.

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

D. Contributions (Continued)

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

Current fiscal year employer contributions	$ 5,232,098
Current fiscal year member contributions	$ 12,698,309
2019 measurement year NECE on-behalf contributions	$ 7,820,615

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- When any part or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

D. Contributions (Continued)

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

E. Actuarial Assumptions

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

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	7.250%
Long-Term Expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05%
Ad Hoc Post-Employment Benefit	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018.

F. Discount Rate

The single discount rate used to measure the total pension liability was 7.25% and was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

F. Discount Rate (Continued)

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	FY 19 Target Allocation* %	New Target Allocation** %	Long-Term Expected Geometric Real Rate of Return***
Global Equity			
USA	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, 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	100.00%	100.00%	7.23%

* FY 2019 Target Allocation 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

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	$ 102,970,822	$ 66,988,348	$ 37,835,599

H. 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 $ 66,988,348 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 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:

District's Proportionate share of the collective net pension liability	$ 66,988,348
State's proportionate share that is associated with District	116,155,208
Total	$ 183,143,556

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 that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was 0.1288655625% which was a decrease of 0.0052108924% from its proportion measured as August 31, 2018.

Changes since the Prior Actuarial Valuation

There were changes in actuarial assumptions of other inputs that affected measurement of the total pension liability since the prior measurement period.

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

- 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.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or $2,000, whichever is less.

For the year ended June 30, 2020, the District recognized pension expense of $31,592,159 and revenue of $18,246,347 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 pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 281,411	$ 2,325,942
Changes in actuarial assumptions	20,783,075	8,588,550
Difference between projected and actual investment earnings	672,640	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,422,437	3,219,756
Total as of August 31, 2019 measurement date	$ 27,159,563	$ 14,134,248
Contributions paid to TRS subsequent to the measurement date	5,107,950	-
Total as of fiscal year-end	$ 32,267,513	$ 14,134,248

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

NOTE 13 – PENSION PLAN OBLIGATIONS *(Continued)*

Defined Benefit Pension Plan *(Continued)*

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended June 30,	Pension Expense Amount
2021	$ 3,547,851
2022	2,731,558
2023	3,125,721
2024	3,042,901
2025	1,081,881
Thereafter	(504,597)

	Beginning Balance	Additions	Retirements	Ending Balance
Net Pension Liability	$ 68,062,531	$ 3,436,243	$ 4,510,426	$ 66,988,348

Deferred Compensation Plan

The District offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan was available to all District employees and permitted them to defer a portion of their salary until future years. The deferred compensation plan is no longer available to employees. These accumulated funds are accounted for in a fiduciary fund and are for distribution only.

NOTE 14 – RISK MANAGEMENT

A. General

During the fiscal year, the District maintained insurance for all governmental functions it may be liable for claims. The more significant of these included a property insurance policy covering District buildings and properties in an aggregate amount of approximately $541,179,157 for all perils, except named storms.

During the fiscal year, the District made various property damage claims and received insurance recoveries totaling approximately $2,796. None of these events resulted in an impaired asset.

The District participated in a public entity risk pool (the Program) for all other significant governmental functions that it may be liable for claims. The more significant of these includes $1,000,000 of general liability insurance. 332

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

NOTE 14 – RISK MANAGEMENT *(Continued)*

A. General (Continued)

Provisions of the Program require annual contributions based on a risk-funding plan developed by the Program. In addition, the terms of the Program allow the Program to collect an adjusted contribution if the Program's operations for any given fund year are inadequate to pay the ultimate cost of claims incurred in that fund year.

This adjusted contribution may be collected from a member who no longer participates in the Program if the year was attributable to a member's participation year. The Program shall provide excess coverage to ensure the Program's financial integrity.

There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

B. Health and Dental Benefit Plan

During the year ended June 30, 2020, employees of the McAllen Independent School District were covered by a health and dental care insurance plan (the Plan) which is accounted for in the Internal Service Fund. The plan year runs from October 1 through September 30. The District contributed premiums of $390 for medical and $18 for dental per employee per month through the plan year ending September 30, 2019 and renewed the same amounts on October 1, 2019 which continued through the District year-end of June 30, 2020. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. The Plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement.

The contract between the McAllen Independent School District and the third-party administrator is renewable each October 1, and terms of coverage and contribution costs are included in the contractual provisions. In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through United States Fire Insurance Company.

For the plan year stop-loss coverage was in effect for individual claims exceeding $330,000. Minimum aggregate retention was $27,680,177 with an unlimited maximum aggregate benefit. Management believes that adequate funding plans have been made for all incurred and anticipated claims at June 30, 2020.

C. Worker's Compensation

The District has a self-insured worker's compensation program which is accounted for in the Internal Service Fund. The District is self-insured for individual claims up to $400,000. Management believes that adequate funding has been made for all incurred and anticipated claims at June 30, 2020.

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

NOTE 14 – RISK MANAGEMENT *(Continued)*

D. Claims Liabilities

The claims for worker's compensation insurance and health and dental insurance liability of $3,323,405 of which $2,211,830 is long-term, reported in the Internal Service Fund at June 30, 2020, is based on the requirements of Governmental Accounting Standards Board Statement No. 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amount in fiscal year 2019 and 2020 were:

	2019		2020	
	Health and Dental	Worker's Compensation	Health and Dental	Worker's Compensation
Beginning of fiscal year claims	$ 857,289	$ 3,694,723	$ 635,409	$ 3,091,079
Current year claims and changes in in estimates	20,560,943	194,030	22,270,037	340,604
Claim payments net of stop loss	(20,782,823)	(797,674)	(22,217,259)	(796,465)
End of fiscal year claims liability	$ 635,409	$ 3,091,079	$ 688,187	$ 2,635,218

NOTE 15 – REVENUES

Revenues of the District consist of the following:

Local and intermediate revenues in Governmental Fund Types consist of property taxes and related penalties & interest (92%), shared services arrangement (3%), and the remaining from gifts and bequests, food service activities, athletic activities, and co-curricular student activities (5%).

State program revenues are primarily comprised of foundation monies received from the Texas Education Agency and other miscellaneous state program reimbursements.

Federal program revenues include all federal grants direct from federal agencies or passed through from the Texas Education Agency or other state and local entities.

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

NOTE 16 – GENERAL FUND FEDERAL SOURCE REVENUES

The following summarizes general fund federal program revenues:

	CFDA Number	Amount
National School Lunch/Breakfast	10.555/10.553	$ 12,867,977
Child and Adult Care Food Program	10.558	968,447
Commodity Supplemental Food Program	10.555	1,033,547
Fresh Fruit and Vegetable Program	10.582	66,485
Junior Reserve Officer Training Corps	12.U01	170,071
Community Development Block Grants/Entitlement Grants	14.218	451,935
Medicaid	Not applicable	1,227,659
SHARS	Not applicable	237,146
Maintenance Tax Notes Subsidy Federal Government	Not applicable	741,182
E-Rate	Not applicable	67,032
Indirect Cost Revenue Various Federal Programs	Various	1,221,517
Total For General Fund		$ 19,052,998

NOTE 17 – OTHER FINANCING SOURCES (USES) AND TRANSFERS

Other financing sources and transfers during the fiscal year are as follows:

	General Fund	Maintenance Tax Notes 2020	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Internal Service Fund	Total
Other Financing Sources(Uses) and Transfers:						
Sale of real or personal property	$ 476,772	$ -	$ 1,460,123	$ -	$ -	$ 1,936,895
Capital leases	5,286,917	-	-	-	-	5,286,917
Loan proceeds	-	28,701,259	-	-	-	28,701,259
Transfers in/out	(5,127,977)	-	3,586,532	(20,968)	1,562,413	-
	$ 635,712	$ 28,701,259	$ 5,046,655	$ (20,968)	$ 1,562,413	$ 35,925,071

During the year, the project safe and secure nonmajor enterprise fund provided funds of $30,731 to the General Fund for the costs associated with printing services, campus beautification, and the purchase of computers and supplies.

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

NOTE 18 – OPERATING LEASE COMMITMENTS

Rental expenditures during the year totaled $583,497. The District has operating leases for computer and office equipment. Commitments under lease agreements as of June 30, 2020 provide for future minimum lease obligations as follows:

Year Ending June 30,	Governmental Activities
2021	$ 538,807
2022	471,632
	$ 1,010,439

NOTE 19 – SHARED SERVICE ARRANGEMENT

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides deaf education services to member districts whose students are enrolled in the Regional Day School Program for the Deaf. In addition to the District, other member districts include Donna ISD, Edcouch-Elsa ISD, Edinburg CISD, Excellence in Leadership Academy, Hidalgo ISD, IDEA Public Schools, La Joya ISD, La Villa ISD, Mercedes ISD, Mission CISD, Progreso ISD, Pharr-San Juan-Alamo ISD (PSJA), Rio Grande City ISD, Roma ISD, San Isidro ISD, Sharyland ISD, South Texas ISD, Valley View ISD, Vanguard Academy and Weslaco ISD.

The District, acting as the fiscal agent, receives monies from the granting agencies and administers the program. The fiscal agent is responsible for employment of personnel, budgeting, accounting and reporting. According to guidance provided in Texas Education Agency's Resource Guide, the District has accounted for the activities of the SSA in the appropriate Special Revenue Funds. Additionally, the SSA is accounted for using the Accounting and Reporting Treatment Guidance section of the Resource Guide.

According to the SSA agreement, costs incurred by the SSA shall be divided among the Member Districts in proportion to the number of students of each member district attending the Regional Day School program. Expenditures allocated to the SSA members as of June 30, 2020 are summarized below:

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

NOTE 19 – SHARED SERVICE ARRANGEMENT *(Continued)*

	Fund			
Member District	315	340	435	Total
Donna	$ 20,777	$ 77	$ 399,752	$ 420,606
Edcouch-Elsa	6,926	-	133,251	140,177
Edinburg	17,049	309	328,002	345,360
Excellence in Leadership	533	-	10,250	10,783
Hidalgo	1,066	-	20,500	21,566
IDEA	11,188	-	215,251	226,439
La Joya	23,974	-	461,252	485,226
La Villa	533	-	10,250	10,783
McAllen	26,638	154	512,503	539,295
Mercedes	4,795	-	92,250	97,045
Mission	12,787	77	246,001	258,865
Progreso	533	-	10,250	10,783
PSJA	6,926	-	133,251	140,177
Rio Grande City	11,188	-	215,251	226,439
Roma	9,590	77	184,501	194,168
San Isidro	533	-	10,250	10,783
Sharyland	1,066	-	20,500	21,566
South Texas	1,066	-	20,500	21,566
Valley View	3,729	-	71,750	75,479
Vanguard	2,664	-	51,250	53,914
Weslaco	14,918	-	287,001	301,919
Total Allocated	$ 178,479	$ 694	$ 3,433,766	$ 3,612,939

NOTE 20 – CONTINGENT LIABILITIES

A. The District participates in a number of state and federally assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

B. The District is independently self-insured for health and worker's compensation insurance. Claims paid are reported in the Internal Service Fund. Claims incurred but not reported have been considered in determining the accrual for claims and the District management believes adequate accruals have been provided at June 30, 2020.

C. The District participates in a public entity risk pool for various governmental functions. The District believes any adjustments to premiums for claims would be immaterial.

D. The District is involved in various legal proceedings arising from its operations. Management in consultation with its attorneys believes the outcomes will have no material effect on the District's financial position.

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

NOTE 21 – COMMITMENTS AND ENCUMBRANCES

A. At June 30, 2020 the District had the following remaining construction commitments:

Project	Authorization	Expended	Remaining	Sources
Roof Replacement - AECHS, Crockett	$ 2,438,660	$ 2,173,177	$ 265,483	General Fund
Memorial High School - Tennis Courts	16,800	10,245	6,555	Capital Projects Fund
Parking Lot Paving - Various Campuses	169,700	108,690	61,010	Capital Projects Fund
Kitchen Counter Electrical Upgrades - Various Camp	52,500	20,625	31,875	General Fund
Fire Alarm Upgrades - Various Campuses	55,100	-	55,100	General Fund
Ag Farm Improvements	211,123	114,700	96,423	Capital Projects Fund
AECHS - Culinary Academy	60,510	14,275	46,235	Capital Projects Fund
Science Lab Upgrade - Various Campuses	837,064	15,680	821,384	Capital Projects Fund
HVAC - Brown MS, McAllen High School	5,421,810	3,015,551	2,406,259	Capital Projects Fund
Surveillance Cameras Upgrade - Various Campuses	511,093	419,961	91,132	General Fund
	$ 9,774,360	$ 5,892,904	$ 3,881,456	

B. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored in the subsequent year. As of June 30, 2020, the District had the following encumbrances outstanding:

Major Funds		Nonmajor Funds		Total
General Fund	620 Maintenance Tax Notes 2020	Special Revenue Funds	Capital Project Funds	Governmental Funds
$ 2,720,605	$ 1,118,309	$ 257,923	$ 305,825	$ 4,402,662

NOTE 22 – RETIREE HEALTH CARE PLAN

A. Plan Description

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

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

B. OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care'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.

C. Benefits Provided

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premium Rates

	Medicare	Non-Medicare
Retiree or surviving spouse	$ 135.00	$ 200.00
Retiree and spouse	529.00	689.00
Retiree or surviving spouse and children	468.00	408.00
Retiree and family	1,020.00	999.00

D. 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 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75 percent of pay.

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

D. Contributions (Continued)

Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by the type of contributor.

Contribution Rates		
	2019	2020
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%

Current fiscal year employer contributions	$ 1,451,657
Current fiscal year member contributions	$ 1,071,938
2019 measurement year NECE on-behalf contributions	$ 1,812,662

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 hiring a TRS retiree, employers are required to pay 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.

E. Actuarial Assumptions

The actuarial valuation of the OPEB offered through TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex.

The following assumptions and other inputs used for members of the 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
- Rates of Retirement
- Rates of Termination
- Rates of Disability Incidence
- General Inflation
- Wage Inflation
- Expected Payroll Growth

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

E. Actuarial Assumptions (Continued)

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
Salary Increases	3.05% to 9.05%, including inflation
Demographic Assumptions	The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teachers Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.
Mortality Assumption	The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP").
Health Care Trend Rates	Initial medical trend rates of 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. Initial prescription drug trend rate of 10.25% for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Aging Factors	Based on Plan Specific Experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

F. Discount Rate

A single discount rate used to measure the total OPEB liability was 2.63%. This 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.

G. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of the net OPEB liability	$ 109,750,213	$ 90,903,930	$ 76,160,467

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability of $ 90,903,930 for its proportionate share of the TRS's net OPEB. 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:

District's Proportionate share of the collective net OPEB liability	$ 90,903,930
State's proportionate share that is associated with the District	120,790,991
Total	$ 211,694,921

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 through August 31, 2019.

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.1922215616% which was an increase of 0.0016130920% from its proportion measured as of August 31, 2018.

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 74,156,238	$ 90,903,930	$ 113,338,149

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

- 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 total OPEB liability (TOL).
- The health care 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.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, the District recognized OPEB expense of $5,345,620 and revenue of $3,183,555 for support provided by the State.

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

H. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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 OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	$ 4,459,610	$ 14,875,464
Changes in actuarial assumptions	5,049,005	24,450,926
Difference between projected and actual investment earnings	9,807	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	891,998	2,530,790
Total as of August 31, 2019 measurement date	$ 10,410,420	$ 41,857,180
Contributions paid to TRS subsequent to the measurement date	1,395,292	-
Total as of fiscal year-end	$ 11,805,712	$ 41,857,180

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

Year Ended June 30,	OPEB Expense Amount
2021	$(5,264,220)
2022	(5,264,220)
2023	(5,267,395)
2024	(5,269,210)
2025	(5,268,713)
Thereafter	(5,113,002)

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	$ 95,172,554	$(2,904,387)	$ 1,364,237	$ 90,903,930

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

NOTE 22 – RETIREE HEALTH CARE PLAN *(Continued)*

A. Medicare Part D – On Behalf Payments for Reporting Entities

Funding Policy. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries, also known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. The amount of subsidy reimbursement received by TRS on behalf of the District for the period ending June 30, 2020, 2019 and 2018, was estimated at $557,741, $417,912 and $248,395, respectively, and was recognized by the District.

The contributions made by the State on behalf of the District have been recorded in the government-wide financial statements and in the fund financial statement of the General Fund as both state revenues and payroll expenditures.

NOTE 23 – FUND BALANCE

The District has classified its fund balances as follows:

			Other Governmental Funds			Total
Description	General Fund	MTN 2020	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Governmental Funds
Fund Balances:						
Nonspendable:						
Inventories	$ 1,314,020	$ -	$ -	$ -	$ -	$ 1,314,020
Prepaid items	1,722,543	-	-	-	-	1,722,543
Restricted:						
Food service/federal grant	3,740,153	-	161,043	-	-	3,901,196
State programs	12,098,694	-	416,478	-	-	12,515,172
Retirement of long-term debt	-	-	-	2,046,425	-	2,046,425
Other restrictions of fund balance						
Retirement of maintenance tax notes	9,961,854	-	-	-	-	9,961,854
Maintenance tax notes 2020	-	25,330,814	-	-	-	25,330,814
Committed:						
Construction	515,626	-	-	-	-	515,626
Campus activity funds	-	-	980,400	-	-	980,400
Assigned:						
Construction	668,504	-	-	-	4,856,225	5,524,729
Capital expenditures for equipment	1,727,319	-	-		-	1,727,319
Other	9,688,667	-	-		-	9,688,667
Unassigned:	56,262,851	-	-	-	-	56,262,851
Total Fund Balance	$ 97,700,231	$ 25,330,814	$ 1,557,921	$ 2,046,425	$ 4,856,225	$ 131,491,616

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

NOTE 23 – FUND BALANCE *(Continued)*

The District has not established a contingency reserve or "Rainy Day Fund" but monitors an optimum fund balance that targets an estimated two and a half months (75 days) average cash disbursements balance.

NOTE 24 – ROUNDING ADJUSTMENTS

Throughout this comprehensive annual financial report, dollar amounts are rounded, thereby creating differences between the details and the totals.

NOTE 25 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 18, 2020 which is the date these financial statements were available to be issued. On October 13, 2020, McAllen Independent School District issued $8,075,000 Unlimited Tax Refunding Bonds, Series 2020A and $32,800,000 Unlimited Tax Refunding Bonds, Taxable Series 2020B, yielding a $3,291,717, net of costs savings for the District.

The ongoing COVID-19 pandemic continues to impact the region. The effect of the ongoing COVID-19 pandemic and related public health emergency declarations on the District's taxpayers, employees, students, suppliers, vendors and lending institutions are currently unknown. Accordingly, these financial statements have not been adjusted as the effects on the financial position are uncertain.

With the exception of the items noted above, there are no subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION


MCALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN ISD
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	Local and intermediate sources	$ 89,526,759	$ 84,361,649	$ 83,754,535	$ (607,114)
5800	State program revenues	123,278,826	133,932,674	136,420,168	2,487,494
5900	Federal program revenues	19,751,253	20,421,371	19,052,998	(1,368,373)
5020	Total Revenues	232,556,838	238,715,694	239,227,701	512,007
	EXPENDITURES:				
	Current:				
0011	Instruction	120,514,694	126,404,017	122,720,894	3,683,123
0012	Instructional resources and media services	3,568,381	3,558,271	3,527,947	30,324
0013	Curriculum and instructional staff development	3,906,605	5,011,206	4,167,915	843,291
0021	Instructional leadership	2,842,038	3,019,952	2,695,323	324,629
0023	School leadership	13,030,011	12,914,794	12,375,146	539,648
0031	Guidance, counseling and evaluation services	9,657,691	10,203,052	9,706,681	496,371
0032	Social work services	1,438,034	1,776,622	1,716,037	60,585
0033	Health services	3,037,360	3,120,260	2,843,398	276,862
0034	Student (pupil) transportation	3,500,530	5,790,221	5,184,343	605,878
0035	Food service	16,917,322	19,615,105	17,337,972	2,277,133
0036	Extracurricular activities	10,072,523	9,471,816	8,955,753	516,063
0041	General administration	7,458,868	8,225,647	7,769,320	456,327
0051	Facilities maintenance and operations	19,692,531	21,497,058	20,604,625	892,433
0052	Security and monitoring services	4,142,545	5,213,629	4,952,346	261,283
0053	Data processing services	3,391,712	6,347,953	5,357,706	990,247
0061	Community services	40,117	47,152	36,274	10,878
	Debt Service:				
0071	Principal on long term-debt	1,451,250	3,149,102	2,011,912	1,137,190
0072	Interest on long-term debt	788,914	852,766	852,755	11
0073	Bond issuance cost and fees	4,600	4,700	4,700	-
	Capital Outlay:				
0081	Facilities acquisition and construction	25,000	7,532,816	6,520,435	1,012,381
	Intergovernmental:				
0095	Payment to juvenile justice alternative education	40,000	45,000	40,000	5,000
0099	Other intergovernmental charges	839,000	867,439	852,122	15,317
6030	Total Expenditures	226,359,726	254,668,578	240,233,604	14,434,974
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	6,197,112	(15,952,884)	(1,005,903)	14,946,981
	OTHER FINANCING SOURCES (USES):				
7912	Sale of real and personal property	100,000	415,142	476,772	61,630
7913	Capital leases	-	6,646,920	5,286,917	(1,360,003)
7915	Transfers in	-	64,228	30,371	(33,857)
8911	Transfers out	(6,297,112)	(5,171,144)	(5,158,348)	12,796
7080	Total Other Financing Sources (Uses)	(6,197,112)	1,955,146	635,712	(1,319,434)
1200	Net Change in Fund Balances	-	(13,997,738)	(370,191)	13,627,547
0100	Fund Balance - Beginning	98,070,422	98,070,422	98,070,422	-
3000	Fund Balance - Ending	$ 98,070,422	$ 84,072,684	$ 97,700,231	$ 13,627,547

MCALLEN ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CARES ESSER
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:				
5900	Federal program revenues	$ -	$ 8,562,835	$ 8,057,468	$ (505,367)
5020	Total Revenues	-	8,562,835	8,057,468	(505,367)
	EXPENDITURES:				
	Current:				
0011	Instruction	-	7,242,968	6,753,456	489,512
0023	School leadership	-	1,057,867	1,054,281	3,586
0033	Health services	-	262,000	249,731	12,269
6030	Total Expenditures	-	8,562,835	8,057,468	505,367
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
1200	Net Change in Fund Balances	-	-	-	-
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	$ -	$ -	$ -	$ -

MCALLEN ISD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAINTENANCE TAX NOTES 2020
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	Local and intermediate sources	$ -	$ 94,734	$ 110,837	$ 16,103
5020	Total Revenues	-	94,734	110,837	16,103
	EXPENDITURES:				
	Current:				
0051	Facilities maintenance and operations	-	936,000	-	936,000
	Debt Service:				
0073	Bond issuance cost and fees	-	261,260	261,259	1
	Capital Outlay:				
0081	Facilities acquisition and construction	-	27,508,090	3,220,023	24,288,067
6030	Total Expenditures	-	28,705,350	3,481,282	25,224,068
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(28,610,616)	(3,370,445)	25,240,171
	OTHER FINANCING SOURCES (USES):				
7914	Loan proceeds	-	28,705,350	28,701,259	(4,091)
7080	Total Other Financing Sources (Uses)	-	28,705,350	28,701,259	(4,091)
1200	Net Change in Fund Balances	-	94,734	25,330,814	25,236,080
0100	Fund Balance - Beginning	-	-	-	-
3000	Fund Balance - Ending	$ -	$ 94,734	$ 25,330,814	$ 25,236,080

MCALLEN ISD
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)	0.1288655625%	0.1236546701%	0.1332032746%
District's proportionate share of the net pension liability (asset)	$ 66,988,348	$ 68,062,531	$ 42,591,231
State's proportionate share of the net pension liability (asset) associated with the District	116,155,208	134,662,850	78,645,514
Total	$ 183,143,556	$ 202,725,381	$ 121,236,745
District's covered payroll	$ 154,606,270	$ 154,106,862	$ 151,848,295
District's proportionate share of the net pension liability as a percentage of its covered payroll	43.33%	44.17%	28.05%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%

Note: Only six years of data is presented in accordance with GASB Statement No. 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement".

FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.1376054964%	0.1443069000%	0.0932441000%
$ 51,999,071	$ 51,010,568	24,906,788
95,115,776	90,852,976	79,177,686
$ 147,114,847	$ 141,863,544	$ 104,084,474
$ 148,924,609	$ 144,968,179	$ 143,054,541
34.92%	35.19%	17.41%
78.00%	78.43%	83.25%

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	2018
Contractually required contributions	$ 5,181,614	$ 4,500,451	$ 4,467,275
Contributions in relation to the contractual required contributions	(5,232,098)	(4,520,374)	(4,476,586)
Contribution deficiency (excess)	$ (50,484)	$ (19,923)	$ (9,311)
District's covered payroll	$ 163,913,077	$ 154,165,777	$ 154,000,839
Contributions as a percentage of covered payroll	3.16%	2.92%	2.90%

Note: Only six years of data is presented in accordance with GASB Statement No. 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement".

2017	2016	2015
$ 4,366,838	$ 4,364,469	$ 4,123,936
(4,366,838)	(4,364,469)	(4,123,936)
$ -	$ -	$ -
$ 151,613,208	$ 148,051,309	$ 144,662,074
2.88%	2.95%	2.85%

EXHIBIT G-6

MCALLEN 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

	Measurement Year Ended August 31,		
	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.1922215616%	0.1906084696%	0.1958726317%
District's proportionate share of the net OPEB liability (asset)	$ 90,903,930	$ 95,172,554	$ 85,177,660
State's proportionate share of the net OPEB liability (asset) associated with the district	120,790,991	130,592,822	114,122,576
Total	$ 211,694,921	$ 225,765,376	$ 199,300,236
District's covered payroll	$ 154,606,270	$ 154,106,862	$ 151,848,295
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	58.80%	61.76%	56.09%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

Note: Only three years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

EXHIBIT G-7

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2020

	Fiscal Year Ended June 30,		
	2020	2019	2018
Contractually required contribution	$ 1,446,887	$ 1,349,120	$ 1,362,905
Contribution in relation to the contractually required contribution	(1,451,657)	(1,352,413)	(1,361,516)
Contribution deficiency (excess)	$ (4,770)	$ (3,293)	$ 1,389
District's covered payroll	$ 163,913,077	$ 154,165,777	$ 154,000,839
Contributions as a percentage of covered payroll	0.88%	0.88%	0.88%

Note: Only three years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

A. Budgets

The official school original budget was prepared for adoption for required Governmental Fund Types on June 19. The budget was formally adopted by the Board of School Trustees at a duly advertised public meeting prior to the expenditure of funds. The Board also approved amendments throughout the year and the final amended budget by June 30. Expenditures may not legally exceed budgeted appropriations at the function level. Annual budgets were adopted for the General Fund and the Debt Service Fund on a basis consistent with generally accepted accounting principles. The Debt Service Fund budget comparison schedule is presented in the Other Supplementary Information section of the financial statements.

B. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget.

C. TRS Pension

Changes of Benefit Terms.

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

Changes in Assumptions

There were changes in actuarial assumptions of other inputs that affected measurement of the total pension liability since the prior measurement period.

- 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.

D. TRS OPEB Plan

Changes of Benefit Terms.

There were no changes in benefit terms since the prior measurement date.

Changes in Assumptions

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year’s report:

- 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 total OPEB liability (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 trend rates were reset to better reflect the plan's anticipated experience. This change increased 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.


McALLEN
INDEPENDENT SCHOOL DISTRICT

COMBINING FUND STATEMENTS


McALLEN
INDEPENDENT SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor or for purposes committed by the Board of Trustees. Federal financial assistance often is accounted for in a Special Revenue Fund. In most Special Revenue funds, unused balances are recorded as unearned revenue and carried forward to the succeeding fiscal year, provided the amount carried forward is within the limits established by the grantor. In some cases, the unused balances are returned to the grantor at the close of specified project periods. The District budgets for Special Revenue Funds as grants are awarded by the various grantors. The District uses project accounting for them in order to maintain integrity for the various sources of funds. These funds utilize the modified accrual basis of accounting and budgeting. Included in the District's Special Revenue Funds are:

211 ESEA, Title I, Part A, Improving Basic Programs - This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

212 ESEA, Title I, Part C, Education of Migratory Children - This fund classification is to be used to account, on a project basis, for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

224 IDEA - Part B, Formula - This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) subgrants.

225 IDEA - Part B, Preschool - This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.

244 Carl D. Perkins – Basic Formula Grant - This fund classification is to be used to account, on a project basis, for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas.

255 ESEA, Title II, Part A, Teacher and Principal Training and Recruiting- This fund classification is to be used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

263 Title III, Part A, English Language Acquisition and Language Enhancement LEP - This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

272 Medicaid Administrative Claiming Program – MAC (Effective September 1, 2005) – This fund classification is to be used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan. Expenditures attributed to the required matching amount are recorded in the General Fund and are to be accounted for with use of a local option account code, as needed, for local monitoring of compliance with federal matching requirements.

274 GEAR UP (Effective fiscal year 2008/09) - This fund classification is to be used to account, on a project basis, for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

289 Federally Funded Special Revenue Funds – This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above. The following locally defined grants are to be converted to Fund 289 for PEIMS reporting:

- 287 – Project RISE (Region One Incentive Strategies for Educators)
- 287-Z – Equitable Sharing Program
- 288 – Summer School LEP Students in K1
- 288-F – STOP School Violence
- 288-Z – STOP School Violence
- 289 – Title IV, Part A – SSAEP

315 Shared Services Arrangements – IDEA – Part B, Discretionary – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds used to support an education service center basic special education component and also:

- Targeted support to LEAs
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

340 Shared Services Arrangements – IDEA, Part C, Early Intervention (Deaf) – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

397 Advanced Placement Incentives – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

410 State Textbook Fund – This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

429 State Funded Special Revenue Funds – State funded special revenue funds not listed above are to be accounted for in this fund. The following locally defined grants are to be converted to Fund 429 for PEIMS reporting:

- 427 – National Incident Based Reporting System (NIBRS)
- 427-F – State Funded Asset Forfeiture Program
- 428-2D-0 – Math Achievement Academies
- 429-0 – Read to Succeed
- 429-M – CTE Certification Exam Reimbursements
- 429-Z – Community Youth Development (CYD) Program Grant
- 429-801 – Law Enforcement Officer Standards and Education

435 Shared Services Arrangements – Regional Day School for the Deaf – This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

461 Campus Activity Funds – This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

499 Locally Funded Special Revenue Funds – Locally funded special revenue funds not listed above are to be accounted for in this fund (effective September 1, 2001, this fund classification is also to be used for transactions that were accounted for as expendable trust funds prior to implementation of GASB Statement 34 reporting standards). The following locally defined grants are to be converted to Fund 499 for PEIMS reporting:

- 498-0 – TIBS Innovative teaching/training grant
- 498-Z – No Kid Hungry Grant
- 499-0 –Children's Defense Fund

DEBT SERVICE FUND

The Debt Service Fund is used to account for revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District's bonded indebtedness.

599 Debt Service Funds – This code is used to combine all debt service funds for reporting. School districts are encouraged to use locally defined debt service funds (codes 511-598) to provide separate accountability for each type or issue of debt and convert those accounts to code 599 for PEIMS reporting.

CAPITAL PROJECTS FUNDS

619 MISD Maintenance Tax Notes – Locally Defined – This fund is used, at the option of the school district, to classify capital projects on a project-by-project basis. The projects identified here are part of the original plan for the maintenance tax notes but resources for these projects did not come from the sale of bonds. For PEIMS reporting, these accounts are converted to code 699.

620 Maintenance Tax Notes 2020 - This fund is used to account for the expenditures of resources accumulated from sales of bonds and related interest earnings for the maintenance of school facilities.

698 MISD Capital Projects Fund – Locally Defined – This fund is used, at the option of the school district, to classify capital projects on a project-by-project basis. For PEIMS reporting, these accounts are converted to code 699.

699 Capital Project Funds – This code is used to combine all capital projects funds for reporting. Each capital project should be recorded in a locally defined fund (codes 616-698) and converted to code 699 for PEIMS reporting.


McALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Programs	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant
	ASSETS					
1110	Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
1120	Investments	-	-	-	-	-
1225	Property taxes receivable, net	-	-	-	-	-
1240	Receivables from other governments	3,019,065	50,231	929,152	11,679	75,405
1250	Accrued interest	-	-	-	-	-
1260	Due from other funds	-	-	-	-	-
1290	Other receivables	317	9	103	8	11
1300	Inventories	-	-	-	-	-
1410	Prepaid items	-	-	-	-	2,828
1800	Restricted assets	-	-	-	-	-
1910	Long-term investments	-	-	-	-	-
1000	Total Assets	$ 3,019,382	$ 50,240	$ 929,255	$ 11,687	$ 78,244
	LIABILITIES					
2110	Accounts payable	413,652	2,745	17,030	795	1,014
2150	Payroll deductions and withholdings payable	-	-	-	-	-
2160	Accrued wages payable	918,926	2,630	503,666	3,582	6,932
2170	Due to other funds	1,686,804	44,865	408,559	7,310	70,298
2180	Due to other governments	-	-	-	-	-
2190	Due to student groups	-	-	-	-	-
2300	Unearned revenue	-	-	-	-	-
2000	Total Liabilities	3,019,382	50,240	929,255	11,687	78,244
	DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	-	-	-	-	-
2604	Deferred inflow of resources - other	-	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-	-
	FUND BALANCES					
	Nonspendable fund balance:					
3410	Inventories	-	-	-	-	-
3430	Prepaid items	-	-	-	-	-
	Restricted fund balance:					
3450	Federal or state funds grant restrictions	-	-	-	-	-
3470	Restricted for capital acquisitions	-	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-	-
3490	Other restricted fund balance					
	Committed fund balance:					
3510	Construction	-	-	-	-	-
3545	Other committed fund balance	-	-	-	-	-
	Assigned Fund Balance:					
3550	Assigned for construction	-	-	-	-	-
3570	Capital expenditures for equipment	-	-	-	-	-
3590	Other assigned fund balance	-	-	-	-	-
3600	Unassigned fund balance	-	-	-	-	-
3000	Total Fund Balances	-	-	-	-	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 3,019,382	$ 50,240	$ 929,255	$ 11,687	$ 78,244

255	263	272	274	289	315	340	397
ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Medicaid Admin. Claim MAC	GEAR UP	Federally Funded Special Revenue Funds	SSA IDEA, Part B Discretionary	SSA - IDEA C Deaf, Early Intervention	Advanced Placement Incentives
$ -	$ -	$ 55,227	$ -	$ 23,013	$ -	$ -	$ 17,304
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
154,468	104,836	10,684	16,924	130,829	29,587	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2	44	-	56	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 154,468	$ 104,838	$ 65,955	$ 16,924	$ 153,898	$ 29,587	$ -	$ 17,304
-	4,390	16,513	-	37,379	-	-	-
-	-	-	-	-	-	-	-
80,948	61,378	-	9,351	20,826	18,268	-	-
73,520	39,070	-	7,573	23,969	11,319	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	17,304
154,468	104,838	16,513	16,924	82,174	29,587	-	17,304
-	-	-	-	-	-	-	-
-	-	10,684	-	-	-	-	-
-	-	10,684	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	38,758	-	71,724	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	38,758	-	71,724	-	-	-
$ 154,468	$ 104,838	$ 65,955	$ 16,924	$ 153,898	$ 29,587	$ -	$ 17,304

MCALLEN ISD
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

Data Control Codes		410 State Textbook Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds
	ASSETS					
1110	Cash and cash equivalents	$ 143,645	$ 83,279	$ -	$ 1,046,860	$ -
1120	Investments	-	-	-	-	-
1225	Property taxes receivable, net	-	-	-	-	-
1240	Receivables from other governments	-	151,913	581,483	636	-
1250	Accrued interest	-	-	-	-	-
1260	Due from other funds	-	-	591,482	3,999	-
1290	Other receivables	-	34	-	8,185	-
1300	Inventories	-	-	-	-	-
1410	Prepaid items	-	-	-	385	-
1800	Restricted assets	-	-	-	-	-
1910	Long-term investments	-	-	-	-	-
1000	Total Assets	$ 143,645	$ 235,226	$ 1,172,965	$ 1,060,065	$ -
	LIABILITIES					
2110	Accounts payable	59	5,652	2,724	79,312	-
2150	Payroll deductions and withholdings payable	-	-	-	-	-
2160	Accrued wages payable	-	12,205	426,204	-	-
2170	Due to other funds	-	128,293	327,562	-	-
2180	Due to other governments	-	-	-	353	-
2190	Due to student groups	-	-	-	-	-
2300	Unearned revenue	93,022	89,076	-	-	-
2000	Total Liabilities	93,081	235,226	756,490	79,665	-
	DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable revenue - property taxes	-	-	-	-	-
2604	Deferred inflow of resources - other	-	-	-	-	-
2600	Total Deferred Inflows of Resources	-	-	-	-	-
	FUND BALANCES					
	Nonspendable fund balance:					
3410	Inventories	-	-	-	-	-
3430	Prepaid items	-	-	-	-	-
	Restricted fund balance:					
3450	Federal or state funds grant restrictions	50,564	-	416,475	-	-
3470	Restricted for capital acquisitions	-	-	-	-	-
3480	Retirement of long-term debt	-	-	-	-	-
3490	Other restricted fund balance					
	Committed fund balance:					
3510	Construction	-	-	-	-	-
3545	Other committed fund balance	-	-	-	980,400	-
	Assigned Fund Balance:					
3550	Assigned for construction	-	-	-	-	-
3570	Capital expenditures for equipment	-	-	-	-	-
3590	Other assigned fund balance	-	-	-	-	-
3600	Unassigned fund balance	-	-	-	-	-
3000	Total Fund Balances	50,564	-	416,475	980,400	-
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 143,645	$ 235,226	$ 1,172,965	$ 1,060,065	$ -

	599		619	698		
Total Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Debt Service Funds	MISD MTN 2020	MISD Capital Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
$ 1,369,328	$ 7,479	$ 7,479	$ 4,353	$ 894,191	$ 898,544	$ 2,275,351
-	1,785,962	1,785,962	1,907,407	2,084,019	3,991,426	5,777,388
-	383,180	383,180	-	-	-	383,180
5,266,892	23,696	23,696	-	-	-	5,290,588
-	-	-	-	-	-	-
595,481	176,604	176,604	-	-	-	772,085
8,769	170	170	-	-	-	8,939
-	-	-	-	-	-	-
3,213	-	-	-	-	-	3,213
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 7,243,683	$ 2,377,091	$ 2,377,091	$ 1,911,760	$ 2,978,210	$ 4,889,970	$ 14,510,744
581,265	-	-	20,835	12,910	33,745	615,010
-	-	-	-	-	-	-
2,064,916	-	-	-	-	-	2,064,916
2,829,142	-	-	-	-	-	2,829,142
353	-	-	-	-	-	353
-	-	-	-	-	-	-
199,402	5,789	5,789	-	-	-	205,191
5,675,078	5,789	5,789	20,835	12,910	33,745	5,714,612
-	324,877	324,877	-	-	-	324,877
10,684	-	-	-	-	-	10,684
10,684	324,877	324,877	-	-	-	335,561
-	-	-	-	-	-	-
-	-	-	-	-	-	-
						-
577,521	-	-	-	-	-	577,521
-	-	-	-	-	-	-
-	2,046,425	2,046,425	-	-	-	2,046,425
-						
-	-	-	-	-	-	-
980,400	-	-	-	-	-	980,400
-	-	-	1,890,925	2,965,300	4,856,225	4,856,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,557,921	2,046,425	2,046,425	1,890,925	2,965,300	4,856,225	8,460,571
$ 7,243,683	$ 2,377,091	$ 2,377,091	$ 1,911,760	$ 2,978,210	$ 4,889,970	$ 14,510,744

MCALLEN ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		211 ESEA I, A Improving Basic Programs	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant
	REVENUES:					
5700	Local and intermediate sources	$ -	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-	-
5900	Federal program revenues	10,371,788	855,857	4,260,193	76,136	335,114
5020	Total Revenues	10,371,788	855,857	4,260,193	76,136	335,114
	EXPENDITURES:					
	Current:					
11	Instruction	7,654,446	335,993	2,850,694	75,206	185,707
12	Instructional resources and media services	36,246	-	-	-	-
13	Curriculum and instructional staff development	688,211	-	48,241	-	52,624
21	Instructional leadership	320,005	339,424	47,681	-	1,995
23	School leadership	(4,211)	-	-	-	-
31	Guidance, counseling and evaluation services	240,836	-	1,169,748	930	94,788
32	Social work services	4,187	-	141,083	-	-
33	Health services	70,421	-	-	-	-
34	Student (pupil) transportation	-	-	-	-	-
35	Food service	-	-	-	-	-
36	Extracurricular activities	-	-	-	-	-
41	General administration	-	-	-	-	-
51	Facilities maintenance and operations	13,493	8,513	-	-	-
52	Security and monitoring services	6,783	-	-	-	-
53	Data processing services	-	-	-	-	-
61	Community services	1,343,287	171,927	2,746	-	-
	Debt Service:					
71	Principal on long term-debt	-	-	-	-	-
72	Interest on long-term debt	-	-	-	-	-
73	Bond issuance cost and fees	-	-	-	-	-
	Capital Outlay:					
81	Facilities acquisition and construction	-	-	-	-	-
	Intergovernmental:					
93	Payment to fiscal agent of SSA	-	-	-	-	-
95	Payment to juvenile justice alternative education	-	-	-	-	-
99	Other intergovernmental charges	-	-	-	-	-
6030	Total Expenditures	10,373,704	855,857	4,260,193	76,136	335,114
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,916)	-	-	-	-
	OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	1,916	-	-	-	-
7915	Transfers in	-	-	-	-	-
7080	Total Other Financing Sources (Uses)	1,916	-	-	-	-
1200	Net Change in Fund Balances	-	-	-	-	-
100	Fund Balance - (Beginning)	-	-	-	-	-
3000	Fund Balance - (Ending)	$ -	$ -	$ -	$ -	$ -

255	263	272	274	289	315	340	397
ESEA II, A Training and Recruiting	Title III, A English Lang. Acquisition	Medicaid Admin. Claim MAC	GEAR UP	Federally Funded Special Revenue Funds	SSA IDEA, Part B Discretionary	SSA - IDEA C Deaf, Early Intervention	Advanced Placement Incentives
$ -	$ -	$ -	$ -	$ 107	$ -	$ -	$ -
-	-	-	-	-	-	-	1,012
977,386	584,028	28,981	67,129	765,709	178,479	694	-
977,386	584,028	28,981	67,129	765,816	178,479	694	1,012
729,353	464,032	-	8,277	451,277	79,875	694	-
865	-	-	-	102	-	-	-
214,814	113,124	-	(17)	111,386	15,312	-	1,012
12	869	-	-	14,777	1,837	-	-
15,656	5,250	-	-	6,960	-	-	-
2,547	-	-	58,869	1,111	81,205	-	-
5,572	-	-	-	11,033	-	-	-
-	-	90,952	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	28,070	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	100,784	-	-	-
-	-	-	-	(3)	-	-	-
8,567	753	-	-	4,895	250	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
977,386	584,028	90,952	67,129	730,392	178,479	694	1,012
-	-	(61,971)	-	35,424	-	-	-
-	-	29	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	29	-	-	-	-	-
-	-	(61,942)	-	35,424	-	-	-
-	-	100,700	-	36,300	-	-	-
$ -	$ -	$ 38,758	$ -	$ 71,724	$ -	$ -	$ -

MCALLEN ISD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Data Control Codes		410 State Textbook Fund	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds
	REVENUES:					
5700	Local and intermediate sources	$ -	$ -	$ 2,139,517	$ 947,647	$ 61,213
5800	State program revenues	3,881,984	252,317	1,418,761	-	-
5900	Federal program revenues	-	-	-	-	-
5020	Total Revenues	3,881,984	252,317	3,558,278	947,647	61,213
	EXPENDITURES:					
	Current:					
11	Instruction	3,881,984	49,918	3,011,714	117,027	72
12	Instructional resources and media services	-	65	-	235	-
13	Curriculum and instructional staff development	-	19,173	14,234	4,955	-
21	Instructional leadership	-	10,518	312,771	-	-
23	School leadership	-	-	-	149,569	-
31	Guidance, counseling and evaluation services	-	-	91,832	14,118	-
32	Social work services	-	-	-	-	-
33	Health services	-	-	792	-	-
34	Student (pupil) transportation	-	-	-	-	-
35	Food service	-	-	-	-	60,000
36	Extracurricular activities	-	-	-	546,200	-
41	General administration	-	40,026	-	-	-
51	Facilities maintenance and operations	-	-	-	848	-
52	Security and monitoring services	-	132,617	-	4,058	-
53	Data processing services	-	-	-	208	-
61	Community services	-	-	2,427	3,019	1,141
	Debt Service:					
71	Principal on long term-debt	-	-	-	-	-
72	Interest on long-term debt	-	-	-	-	-
73	Bond issuance cost and fees	-	-	-	-	-
	Capital Outlay:					
81	Facilities acquisition and construction	-	-	-	-	-
	Intergovernmental:					
93	Payment to fiscal agent of SSA	-	-	-	-	-
95	Payment to juvenile justice alternative education	-	-	-	-	-
99	Other intergovernmental charges	-	-	-	-	-
6030	Total Expenditures	3,881,984	252,317	3,433,770	840,237	61,213
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	124,508	107,410	-
	OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	4,062	-	-	-	-
7915	Transfers in	-	-	-	-	-
7080	Total Other Financing Sources (Uses)	4,062	-	-	-	-
1200	Net Change in Fund Balances	4,062	-	124,508	107,410	-
100	Fund Balance - (Beginning)	46,502	-	291,967	872,990	-
3000	Fund Balance - (Ending)	$ 50,564	$ -	$ 416,475	$ 980,400	$ -

	599		619	698		
Total Nonmajor Special Revenue Funds	Debt Service Fund	Total Nonmajor Debt Service Funds	MISD MTN 2020	MISD Capital Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
$ 3,148,484	$ 7,038,210	$ 7,038,210	$ 11,107	$ 7,762	$ 18,869	$ 10,205,563
5,554,074	174,103	174,103	-	-	-	5,728,177
18,501,494	-	-	-	-	-	18,501,494
27,204,052	7,212,313	7,212,313	11,107	7,762	18,869	34,435,234
19,896,269	-	-	-	-	-	19,896,269
37,513	-	-	-	-	-	37,513
1,283,069	-	-	-	-	-	1,283,069
1,049,889	-	-	-	-	-	1,049,889
173,224	-	-	-	-	-	173,224
1,755,984	-	-	-	-	-	1,755,984
161,875	-	-	-	-	-	161,875
162,165	-	-	-	-	-	162,165
-	-	-	-	-	-	-
60,000	-	-	-	-	-	60,000
574,270	-	-	-	-	-	574,270
40,026	-	-	-	-	-	40,026
22,854	-	-	-	-	-	22,854
244,242	-	-	-	-	-	244,242
205	-	-	-	-	-	205
1,539,012	-	-	-	-	-	1,539,012
-	4,320,000	4,320,000	-	-	-	4,320,000
-	2,584,500	2,584,500	-	-	-	2,584,500
-	2,105	2,105	-	-	-	2,105
-	-	-	120,182	83,110	203,292	203,292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,000,597	6,906,605	6,906,605	120,182	83,110	203,292	34,110,494
203,455	305,708	305,708	(109,075)	(75,348)	(184,423)	324,740
6,007	-	-	-	1,454,116	1,454,116	1,460,123
-	-	-	2,000,000	1,586,532	3,586,532	3,586,532
6,007	-	-	2,000,000	3,040,648	5,040,648	5,046,655
209,462	305,708	305,708	1,890,925	2,965,300	4,856,225	5,371,395
1,348,459	1,740,717	1,740,717	-	-	-	3,089,176
$ 1,557,921	$ 2,046,425	$ 2,046,425	$ 1,890,925	$ 2,965,300	$ 4,856,225	$ 8,460,571


McALLEN
INDEPENDENT SCHOOL DISTRICT

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one organizational unit of the District to other organizational units of the District on a cost reimbursement basis. Internal service funds, also, are used to account for the operations of self-funded health and worker's compensation and self-administered unemployment claims. Internal Service Funds maintained by the District are the following:

Print Shop Fund – To provide print shop services to other organizational units of the District.

Health Insurance Fund – To account for health benefits under a self-funded plan.

Unemployment Fund – To account for benefits to pay unemployment requirements.

Worker's Compensation Fund – To account for worker's compensation benefits under a self-administered plan.

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

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 19,235	$ 326,889	$ 14,257	$ -	$ 360,381
Investments - demand deposit	-	3,337,902	312,870	4,458,847	8,109,619
Due from other funds	5,707	1,927,405	38,142	85,676	2,056,930
Other receivables	-	889,983	200	86,739	976,922
Prepaid items	-	21,855	-	178,038	199,893
Total Current Assets	24,942	6,504,034	365,469	4,809,300	11,703,745
Noncurrent Assets:					
Furniture and equipment	53,859	-	-	-	53,859
Depreciation on furniture and equipment	(53,859)	-	-	-	(53,859)
Total noncurrent assets	-	-	-	-	-
Total Assets	24,942	6,504,034	365,469	4,809,300	11,703,745
LIABILITIES					
Current Liabilities:					
Accounts payable	-	449,561	365,469	19,000	834,030
Due to other funds	-	-	-	35,718	35,718
Due to other governments	-	23,434	-	-	23,434
Accrued expenses	-	688,187	-	423,388	1,111,575
Total Current Liabilities	-	1,161,182	365,469	478,106	2,004,757
Noncurrent Liabilities:					
Other long-term debt	-	-	-	2,211,830	2,211,830
Total Noncurrent Liabilities	-	-	-	2,211,830	2,211,830
Total Liabilities	-	1,161,182	365,469	2,689,936	4,216,587
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted net position	24,942	5,342,852	-	2,119,364	7,487,158
Total Net Position	$ 24,942	$ 5,342,852	$ -	$ 2,119,364	$ 7,487,158

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

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES:					
Local and intermediate sources	$ 179,970	$ 23,271,127	$ -	$ 928,139	$ 24,379,236
Total Operating Revenue	179,970	23,271,127	-	928,139	24,379,236
OPERATING EXPENSES:					
Payroll costs	118,411	24,267,663	432,405	506,403	25,324,882
Professional and contracted services	57,957	-	-	-	57,957
Other operating costs	627	-	-	-	627
Supplies and materials	38,737	-	-	-	38,737
Depreciation expense	-	-	-	-	-
Total Operating Expenses	215,732	24,267,663	432,405	506,403	25,422,203
Operating Income (Loss)	(35,762)	(996,536)	(432,405)	421,736	(1,042,967)
NONOPERATING REVENUES (EXPENSES)					
Earnings from temporary deposits and investments	-	37,262	6,674	73,287	117,223
Transfers in	24,271	1,500,000	38,142	-	1,562,413
Transfers out	-	-	-	-	-
Total Nonoperating Revenues (expenses)	24,271	1,537,262	44,816	73,287	1,679,636
Change in net position	(11,491)	540,726	(387,589)	495,023	636,669
Total Net Position - Beginning	36,433	4,802,126	387,589	1,624,341	6,850,489
Total Net Position - Ending	$ 24,942	$ 5,342,852	$ -	$ 2,119,364	$ 7,487,158

MCALLEN ISD
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	752 Print Shop Fund	753 Health Insurance Fund	771 Unemployment Fund	772 Workers' Compensation	Total Internal Service Funds
Cash Flows from Operating Activities:					
Interfund services provided and used	$ 176,983	$ 22,991,779	$ -	$ 979,030	$ 24,147,792
Cash payments to employees for services	(118,411)	-	-		(118,411)
Cash payments for claims	-	(21,261,587)	(112,218)	(834,855)	(22,208,660)
Cash payments for suppliers for goods and services	(105,279)	(2,997,624)	-	(80,666)	(3,183,569)
Net Cash Provided by (Used for) Operating Activities	(46,707)	(1,267,432)	(112,218)	63,509	(1,362,848)
Cash Flows from Non-Capital Financing Activities:					
Operating transfers (out) in	24,271	1,500,000	38,142	-	1,562,413
Cash Flows from Investing Activities:					
Purchase of investment securities	-	(11,701,842)	(63,605)	(398,781)	(12,164,228)
Proceeds from sale and maturities of securities	-	11,342,000	150,142	321,000	11,813,142
Interest and dividends on investments	-	6,224	908	2,104	9,236
Net Cash Provided by Investing Activities	-	(353,618)	87,445	(75,677)	(341,850)
Net increase in cash and cash equivalents	(22,436)	(121,050)	13,369	(12,168)	(142,285)
Cash and cash equivalents at beginning of year	41,671	447,939	888	12,168	502,666
Cash and Cash Equivalents at End of Year	$ 19,235	$ 326,889	$ 14,257	$ -	$ 360,381
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss):	$ (35,762)	$ (996,536)	$ (432,405)	$ 421,736	$ (1,042,967)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	-	-	-	-
Effects of Increases and Decreases in Assets and Liabilities:					
Decrease (increase) in receivables	-	(170,928)	(200)	136,568	(34,560)
Decrease (increase) in interfund receivables	(3,614)	(95,250)	(38,141)	(85,676)	(222,681)
Decrease (increase) in prepaid items	627	(13,169)	-	-	(12,542)
Increase (decrease) in accounts payable	(7,958)	(44,587)	358,528	11,024	317,007
Increase (decrease) in accrued expenses	-	52,778	-	(18,210)	34,568
Increase (decrease) in interfund payables	-	-	-	35,718	35,718
Increase (decrease) in unearned revenue	-	-	-	-	-
Increase (decrease) in due to other governments	-	260	-	-	260
Increase (decrease) in other long-term liabilities	-	-	-	(437,651)	(437,651)
Net Cash Provided by Operating Activities	$ (46,707)	$ (1,267,432)	$ (112,218)	$ 63,509	$ (1,362,848)

NON MAJOR ENTERPRISE FUNDS

An enterprise fund is a proprietary fund type accounted for on the accrual basis. The expenses for these funds are financed thru user charges. Enterprise funds maintained by the District are the following:

Safe and Secure Fund – An after school program that provides a safe and secure environment to students in the District.

Tuition Based Pre-Kindergarten Fund – To account for revenue received and operating expenses incurred in the operation of a tuition based Pre-Kindergarten program.


McALLEN
INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-6

MCALLEN ISD
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 134,652	$ 65,853	$ 200,505
Investments - demand deposit	500,000	-	500,000
Due from other funds	38,092	-	38,092
Total Current Assets	672,744	65,853	738,597
Noncurrent Assets:			
Furniture and equipment	75,290	-	75,290
Depreciation on furniture and equipment	(74,137)	-	(74,137)
Total noncurrent assets	1,153	-	1,153
Total Assets	673,897	65,853	739,750
LIABILITIES			
Current Liabilities:			
Accounts payable	1,092	-	1,092
Accrued wages payable	-	7,813	7,813
Due to other funds	-	419	419
Unearned revenues	11,145	-	11,145
Total Current Liabilities	12,237	8,232	20,469
Total Liabilities	12,237	8,232	20,469
NET POSITION			
Net investment in capital assets	1,153	-	1,153
Unrestricted net position	660,507	57,621	718,128
Total Net Position	$ 661,660	$ 57,621	$ 719,281

MCALLEN ISD
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Local and intermediate sources	$ 347,090	$ 85,969	$ 433,059
Total Operating Revenue	347,090	85,969	433,059
OPERATING EXPENSES:			
Payroll costs	231,722	61,584	293,306
Professional and contracted services	25	281	306
Other operating costs	4,455	1,577	6,032
Supplies and materials	9,203	-	9,203
Depreciation expense	865	-	865
Total Operating Expenses	246,270	63,442	309,712
Operating Income (Loss)	100,820	22,527	123,347
Transfers in	-	9,403	9,403
Transfers out	(30,371)	-	(30,371)
Change in net position	70,449	31,930	102,379
Total Net Position - Beginning	591,211	25,691	616,902
Total Net Position - Ending	$ 661,660	$ 57,621	$ 719,281

EXHIBIT H-8

MCALLEN ISD
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	713 Project Safe and Secure	716 Tuition Based Pre-K Program	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	$ 320,144	$ 76,318	$ 396,462
Cash payments to employees for services	(231,737)	(65,092)	(296,829)
Cash payments for suppliers for goods and services	(13,315)	(2,081)	(15,396)
Net Cash provided by Operating Activities	75,092	9,145	84,237
Cash Flows from Non-Capital Financing Activities:			
Operating transfers (out) in	(30,371)	9,403	(20,968)
Net increase in Cash and Cash Equivalents	44,721	18,548	63,269
Cash and Cash Equivalents at Beginning of Year	89,931	47,305	137,236
Cash and Cash Equivalents at End of Year	$ 134,652	$ 65,853	$ 200,505
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income:	$ 100,820	$ 22,527	$ 123,347
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	864	-	864
Effects of Increases and Decreases in Assets and Liabilities			
Decrease (increase) in receivables	1	-	1
Decrease (increase) in interfund receivables	(38,092)	-	(38,092)
Increase (decrease) in accounts payable	889	(223)	666
Increase (decrease) in accrued expenses	(16)	(3,508)	(3,524)
Increase (decrease) in interfund payables	(519)	-	(519)
Increase (decrease) in unearned revenue	11,145	(9,651)	1,494
Net Cash Provided by Operating Activities	$ 75,092	$ 9,145	$ 84,237


MCALLEN
INDEPENDENT SCHOOL DISTRICT

AGENCY FUNDS

To account for funds which are custodial in nature and for which the District is acting as an agent. The District has established the following agency funds:

Student Activity – To account for student activity funds held for various clubs on campuses.


MCALLEN
INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-9

MCALLEN ISD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	BALANCE JULY 1, 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2020
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and temporary investments	$ 585,484	$ 469,293	$ 450,884	$ 603,893
Liabilities:				
Due to student groups	$ 585,484	$ 469,293	$ 450,884	$ 603,893
TOTAL AGENCY FUNDS				
Assets:				
Cash and temporary investments	$ 585,484	$ 469,293	$ 450,884	$ 603,893
Liabilities:				
Due to student groups	$ 585,484	$ 469,293	$ 450,884	$ 603,893


McALLEN
INDEPENDENT SCHOOL DISTRICT

OTHER SUPPLEMENTARY INFORMATION

MCALLEN ISD
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2020

Last 10 Fiscal		(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2011 and prior		1.0400	0.1250	$ 6,035,806,428
2012		1.1650	0.0000	5,964,648,632
2013		1.0400	1.1250	6,033,745,927
2014		1.0400	1.1250	6,218,879,252
2015		1.0400	1.1250	6,192,959,091
2016		1.0400	1.1150	6,437,876,627
2017		1.1550	0.0000	6,977,731,212
2018		1.1550	0.0000	7,065,804,368
2019		1.1550	0.0000	7,336,882,611
2020	(School year under audit)	1.0586	0.0942	7,747,732,008
1000	TOTAL			

*Fiscal year ends prior to 2010 are August 31
(3) Source: Hidalgo County Tax Office

(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
1,376,893	$ -	$ 32,615	$ 3,693	$ (12,271)	$ 1,328,314
165,833	-	7,385	-	(400)	158,048
175,114	-	10,573	1,271	(101)	163,169
252,462	-	17,382	2,089	(47,264)	185,727
382,575	-	41,887	5,035	(102,472)	233,181
456,132	-	65,958	7,293	(3,466)	379,415
606,382	-	157,703	-	(1,151)	447,528
973,967	-	244,514	-	(124,552)	604,901
2,713,128	-	1,263,809	-	(475,935)	973,384
-	87,450,096	77,304,936	6,879,014	(152,732)	3,113,414
$ 7,102,486	$ 87,450,096	$ 79,146,762	$ 6,898,395	$ (920,344)	$ 7,587,081

MCALLEN ISD
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
FOR THE YEAR ENDED JUNE 30, 2020

UNAUDITED

Data Control Codes	Explanation		
1	Total General Fund Balance as of June 30, 2020 (from Exhibit C-1 - object 3000 for the General Fund only)		$ 97,700,231
2	Total General Fund Non-Spendable Fund Balance (from Exhibit C-1 - total of object 341x-343x for the General Fund only)	$ 3,036,563	
3	Total General Fund Restricted Fund Balance (from Exhibit C-1- total object 345x-349x for the General Fund only)	25,800,701	
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351x-354x for the General Fund only)	515,626	
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 35xx-359x for the General Fund only)	12,084,490	
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	-	
7	Estimate of two and a half months' (75 days) average cash disbursements during the fiscal year	51,123,845	
8	Estimate of delayed payments from state sources (58xx)	128,257	
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	-	
10	Estimate of delayed payments from federal sources (59xx)	10,352,620	
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)		103,042,102
13	Excess (Deficit) Unassigned General Fund Balance (1-12)		(5,341,871)
14	COVID 19 State Funding - CARES Act, received FY 2021		8,057,468
15	Revised Excess (Deficit) Unassigned General Fund Fund Balance (13+14)		$ 2,715,597

The excess Unassigned General Fund Balance will be used in subsequent years towards any unforseen needs of the District.

MCALLEN ISD
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	Variance With Final Budget Positive or
		Original	Final	(GAAP Basis)	(Negative)
	REVENUES:				
5700	Local and intermediate sources	$ 111,728	$ 6,866,840	$ 7,038,210	$ 171,370
5800	State program revenues	660	167,980	174,103	6,123
5020	Total Revenues	112,388	7,034,820	7,212,313	177,493
	EXPENDITURES:				
	Debt Service:				
0071	Principal on long-term debt	4,320,000	4,320,000	4,320,000	-
0072	Interest on long term debt	2,584,500	2,584,500	2,584,500	-
0073	Bond issuance cost and fees	5,000	5,000	2,105	2,895
6030	Total Expenditures	6,909,500	6,909,500	6,906,605	2,895
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,797,112)	125,320	305,708	180,388
	OTHER FINANCING SOURCES (USES):				
7915	Transfers in	6,297,112	-	-	-
7080	Total Other Financing Sources (Uses)	6,297,112	-	-	-
1200	Net Change in Fund Balances	(500,000)	125,320	305,708	180,388
0100	Fund Balance - Beginning	1,740,717	1,740,717	1,740,717	-
3000	Fund Balance - Ending	$ 1,240,717	$ 1,866,037	$ 2,046,425	$ 180,388


McALLEN
INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION


MCALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN INDEPENDENT SCHOOL DISTRICT

STATISTICAL SECTION OVERVIEW
(Unaudited)

This part of the District's Comprehensive Annual Financial Report presents detailed information to provide the reader's of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures and required supplementary information.

The statistical section is organized in the following sections:

Financial Trends Information – These schedules contain trend information to help the reader understand how the District's financial performance well-being have changed over time.

Revenue Capacity Information – This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.

Debt Capacity Information – This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay debt, and to issue additional debt in the future.

Demographic and Economical Information – This section contains schedules that provide an understanding of the environment within which the District's financial activities take place.

Operating Information – This section contains schedules that provide information about services the District provides and the activities it performs, such as employee and facilities of the District.


MCALLEN
INDEPENDENT SCHOOL DISTRICT

FINANCIAL TRENDS INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN YEARS

	2011	2012	2013*	2014
Governmental Activities				
Net Investment in Capital Assets	$ 100,869,922	$ 104,434,839	$ 109,095,723	$ 113,908,785
Restricted	9,745,848	7,420,417	9,324,193	9,583,622
Unrestricted	39,312,699	57,589,946	66,481,256	78,350,164
Total Governmental Activities Net Position	$ 149,928,469	$ 169,445,202	$ 184,901,172	$ 201,842,571
Business-Type Activities				
Net Investment in Capital Assets	$ 9,695	$ 14,926	$ 34,927	$ 27,162
Restricted	-	-	-	-
Unrestricted	589,649	652,014	575,499	519,488
Total Business-Type Activities Net Position	$ 599,344	$ 666,940	$ 610,426	$ 546,650
Primary Government				
Net Investment in Capital Assets	$ 100,879,617	$ 104,449,765	$ 109,130,650	$ 113,935,947
Restricted	9,745,848	7,420,417	9,324,193	9,583,622
Unrestricted	39,902,348	58,241,960	67,056,755	78,869,652
Total Primary Government Net Position	**$ 150,527,813**	**$ 170,112,142**	**$ 185,511,598**	**$ 202,389,221**

Source: Financial Statements and Independent Auditors' Report
Statement of Net Position (Exhibit A-1)
2011-2020 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

***Reclassification: Certain amounts in the prior period statements have been reclassified to conform to the presentation of the current period financial statements.

TABLE L-1

2015	2016	2017	2018**	2019***	2020
$ 119,062,432	$ 115,343,800	$ 125,192,579	$ 129,365,506	$ 133,487,812	$ 118,050,108
10,771,985	12,211,190	10,684,853	8,211,978	17,338,248	28,749,534
54,333,232	50,644,391	44,832,215	(71,269,887)	(82,315,316)	(81,244,663)
$ 184,167,649	$ 178,199,381	$ 180,709,647	$ 66,307,597	$ 68,510,744	$ 65,554,979
$ 21,410	$ 16,124	$ 11,196	$ 6,268	$ 2,017	$ 1,153
-	-	-	-	-	-
515,668	529,264	538,301	575,095	614,885	718,128
$ 537,078	$ 545,388	$ 549,497	$ 581,363	$ 616,902	$ 719,281
$ 119,083,842	$ 115,359,924	$ 125,203,775	$ 129,371,774	$ 133,489,829	$ 118,051,261
10,771,985	12,211,190	10,684,853	8,211,978	17,338,248	28,749,534
54,848,900	51,173,655	45,370,516	(70,694,792)	(81,700,431)	(80,526,535)
$ 184,704,727	**$ 178,744,769**	**$ 181,259,144**	**$ 66,888,960**	**$ 69,127,646**	**$ 66,274,260**

MCALLEN INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL/BUSINESS TYPE ACTIVITIES EXPENSES AND PROGRAM REVENUES
LAST TEN YEARS

Expenses	2011	2012	2013*	2014
Governmental Activities:				
Instruction	$ 125,724,629	$ 120,167,434	$ 124,041,694	$ 134,045,799
Instructional Resource and Media Services	5,036,507	4,670,753	3,636,660	3,803,185
Curriculum and Staff Development	5,578,542	5,453,855	5,778,461	6,161,535
Instructional Leadership	2,941,162	2,969,692	3,034,179	3,003,358
School Leadership	11,545,112	11,113,456	11,471,298	12,797,288
Guidance, Counseling and Evaluation Services	9,007,006	8,085,266	8,233,397	9,525,084
Social Work Services	1,568,169	2,058,329	2,254,326	1,278,261
Health Services	2,927,008	2,701,016	2,823,166	3,141,132
Student (Pupil) Transportation	3,269,087	3,423,337	3,292,358	3,257,435
Food Services	12,797,946	13,945,095	13,105,481	14,652,070
Extracurricular Activities	6,784,642	6,465,260	6,840,416	8,051,832
General Administration	4,848,020	4,626,121	4,945,697	5,710,466
Facilities Maintenance and Operations	20,277,382	18,330,152	19,720,206	20,684,131
Security and Monitoring Services	2,436,261	2,572,191	2,647,772	2,393,738
Data Processing Services	2,410,753	2,851,222	3,566,944	3,163,740
Community Services	1,759,695	1,791,746	1,344,503	1,552,888
Debt Service-Interest and Fees on Long-Term Debt	5,378,100	5,657,779	5,660,783	4,234,704
Payment to Juvenile Justice Alternative Ed. Prg.	8,769	9,243	6,478	17,766
Appraisal of Property	599,650	629,848	667,096	651,087
Total Governmental Activities Expenses	224,898,440	217,521,795	223,070,915	238,125,499
Business-Type Activities:				
Project Safe and Secure	369,132	301,130	412,684	473,460
Tution Based Pre-K Program	-	-	-	-
Total Business-Type Activities Expenses	369,132	301,130	412,684	473,460
Total Primary Government Expenses	**$ 225,267,572**	**$ 217,822,925**	**$ 223,483,599**	**$ 238,598,959**
Revenues				
Governmental Activities:				
Charges for Services				
Instruction	$ 3,153,934	$ 3,492,936	$ 2,918,448	$ 2,384,155
Instructional Resources and Media Services	19,291	16,596	17,840	18,755
Curriculum and Staff Development	5,764	15,716	11,005	12,880
Instructional Leadership	157,740	151,430	169,031	157,346
School Leadership	66,343	120,336	429,023	839,542
Guidance, Counseling and Evaluation Services	86,603	74,626	78,676	77,359
Health Services	8,929	4,613	4,474	4,869
Student (Pupil) Transportation	-	-	-	-
Food Services	1,353,395	1,321,457	1,326,098	1,333,476
Extracurricular Activities	673,711	792,895	629,724	619,398
General Administration	-	-	-	-
Facilities Maintenance and Operations	107	839	-	193
Security and Monitoring Services	111	-	-	-
Data Processing Services	-	-	-	-
Community Services	2,347	2,023	4,600	3,167
Payment to Juvenile Justice Alternative Ed. Prg.	-	-	-	-
Operating Grants/Capital and Contributions	60,608,731	53,653,589	53,290,941	50,873,821
Total Governmental Activities Revenues	66,137,006	59,647,056	58,879,860	56,324,961
Business Type-Activities:				
Charges for Services				
Project Safe and Secure	509,077	450,654	426,170	466,939
Tution Based Pre-K Program				-
Total Business-Type Activities Revenues	509,077	450,654	426,170	466,939
Total Primary Government Revenues	**$ 66,646,083**	**$ 60,097,710**	**$ 59,306,030**	**$ 56,791,900**
Net (Expense)/Revenue:				
Governmental Activities	$ (158,761,434)	$ (157,874,739)	$ (164,191,055)	$ (181,800,538)
Business-Type Activities	139,945	149,524	13,486	(6,521)
Total Primary Government Net Expense	**$ (158,621,489)**	**$ (157,725,215)**	**$ (164,177,569)**	**$ (181,807,059)**

Source: Financial Statement and Independent Auditors' Report
Statement of Activities (Exhibit B-1)
2011-2020 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

2015	2016	2017	2018**	2019	2020
$ 139,861,299	$ 154,583,806	$ 145,441,790	$ 95,025,917	$ 147,114,988	$ 166,485,825
3,762,979	4,400,086	4,672,789	2,692,989	3,883,279	4,078,410
5,653,326	6,300,188	5,851,811	3,706,431	4,898,091	5,866,581
2,906,986	3,256,892	3,237,332	2,317,125	3,739,490	4,080,452
13,173,910	14,275,866	13,917,035	8,945,622	14,228,954	14,953,868
9,709,441	10,834,298	11,406,859	7,453,877	11,924,007	12,511,684
1,214,519	1,368,213	1,558,170	1,021,065	1,711,441	2,047,657
3,130,412	3,362,747	3,338,970	2,128,230	3,409,052	3,555,774
3,514,171	3,956,666	3,885,371	2,769,314	4,306,951	4,973,074
15,933,875	17,446,776	17,155,534	12,734,114	16,766,629	18,242,947
8,564,019	10,078,863	11,254,476	9,551,794	11,896,380	11,380,789
5,776,741	6,023,047	6,575,058	5,001,496	7,214,175	8,431,965
21,083,173	24,012,580	24,551,465	20,804,983	23,883,077	23,395,713
2,497,185	2,950,793	3,602,360	2,336,208	4,315,094	5,056,040
3,203,516	3,353,761	3,715,980	2,230,022	3,186,859	4,910,562
1,359,458	1,328,735	1,423,477	833,048	1,542,863	1,734,500
4,049,791	3,712,199	3,504,980	3,233,723	2,944,211	3,510,305
63,733	61,834	13,416	40,000	40,000	40,000
734,354	707,839	729,669	733,144	815,564	852,122
246,192,888	272,015,189	265,836,542	183,559,102	267,821,105	296,108,268
491,194	409,173	352,228	323,198	347,327	246,270
-	-	-	-	73,604	63,442
491,194	409,173	352,228	323,198	420,931	309,712
$ 246,684,082	**$ 272,424,362**	**$ 266,188,770**	**$ 183,882,300**	**$ 268,242,036**	**$ 296,417,980**
$ 2,339,943	$ 2,028,937	$ 1,582,823	$ 1,996,708	$ 2,631,933	$ 2,331,521
55,915	47,866	10,966	12,651	4,722	2,297
18,674	23,619	18,431	44,444	40,576	12,925
187,038	143,634	170,102	170,727	199,588	218,777
250,645	207,717	242,368	238,391	272,724	145,576
78,261	97,027	113,027	102,544	110,699	89,587
4,727	4,171	34,020	-	4,722	2,297
-	-	-	-	-	4,594
489,017	367,386	277,995	366,544	419,560	309,152
767,481	1,122,376	1,139,013	1,267,511	1,255,943	1,026,371
-	11,926	355,456	87,918	58,750	57,431
1,267	37,221	61,682	67,924	90,843	59,830
2,444	2,659	10,966	2,320	6,217	4,594
-	-	-	-	-	2,297
33,168	52,284	10,965	-	-	-
-	-	-	-	18,889	22,972
61,682,952	62,782,915	57,117,308	7,673,412	60,064,501	60,734,131
65,911,532	66,929,738	61,145,122	12,031,094	65,179,667	65,024,352
481,622	464,793	458,809	470,057	497,048	347,090
-	-	-	-	99,295	85,969
481,622	464,793	458,809	470,057	596,343	433,059
$ 66,393,154	**$ 67,394,531**	**$ 61,603,931**	**$ 12,501,151**	**$ 65,776,010**	**$ 65,457,411**
$ (180,281,356)	$ (205,085,451)	$ (204,691,420)	$ (171,528,008)	$ (202,641,438)	$ (231,083,916)
(9,572)	55,620	106,581	146,859	175,412	123,347
$ (180,290,928)	**$ (205,029,831)**	**$ (204,584,839)**	**$ (171,381,149)**	**$ (202,466,026)**	**$ (230,960,569)**

MCALLEN INDEPENDENT SCHOOL DISTRICT
GENERAL/BUSINESS REVENUE AND CHANGES IN NET POSITION
LAST TEN YEARS

	2011	2012	2013*	2014
Net (Expense)/Revenue				
Governmental Activities	$ (158,761,434)	$ (157,874,739)	$ (164,191,055)	$ (181,800,538)
Business-Type Activities	139,945	149,524	13,486	(6,521)
Total Primary Government Net Expense	**$ (158,621,489)**	**$ (157,725,215)**	**$ (164,177,569)**	**$ (181,807,059)**
General Revenue and Changes in Net Position				
Governmental Activities:				
Property Taxes-General	$ 62,855,940	$ 69,597,426	$ 62,393,072	$ 64,459,060
Property Taxes-Debt Services	7,554,595	84,352	7,463,732	7,770,824
Investment Earnings	244,242	177,913	179,509	91,110
State Aid Formula Grants	-	-	-	-
Grants & Contributions Not Restricted	105,860,651	108,554,284	105,993,625	117,019,432
Extraordinary Item	-	(1,152,421)	4,376,102	9,305,643
Miscellaneous	450,739	47,977	92,249	38,613
Transfers	156,998	81,938	70,000	57,255
Total Governmental Activities	177,123,165	177,391,469	180,568,289	198,741,937
Business-Type Activities:				
Miscellaneous	20	10	-	-
Transfers	(156,998)	(81,938)	(70,000)	(57,255)
Total Business-Type Activities	(156,978)	(81,928)	(70,000)	(57,255)
Total Primary Government Net Revenue	**$ 176,966,187**	**$ 177,309,541**	**$ 180,498,289**	**$ 198,684,682**
Primary Government Changes in Net Position				
Governmental Activities	$ 18,361,731	$ 19,516,730	$ 16,377,234	$ 16,941,399
Business-Type Activities	(17,033)	67,596	(56,514)	(63,776)
Total Primary Government Changes in Net Position	**$ 18,344,698**	**$ 19,584,326**	**$ 16,320,720**	**$ 16,877,623**

Source: Financial Statements and Independent Auditors' Report
Statement of Activities (Exhibit B-1)
2011-2020 Fiscal Year End 6/30

*Effective 2013, the District implemented GASB 65 Statement, "Items Previously Reported as Assets and Liabilities."

**Effective 2018, the District implemented GASB 75 Statement, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

*** Effective 2020, the State Aid Formula Grants and Grants & Contributions Non Restricted have been separated for disclosure purposes.

TABLE L-3

2015	2016	2017	2018**	2019	2020***
$ (180,281,356)	$ (205,085,451)	$ (204,691,420)	$ (171,528,008)	$ (202,641,438)	$ (231,083,916)
(9,572)	55,620	106,581	146,859	175,412	123,347
$ (180,290,928)	**$ (205,029,831)**	**$ (204,584,839)**	**$ (171,381,149)**	**$ (202,466,026)**	**$ (230,960,569)**
$ 65,175,197	$ 66,686,400	$ 79,125,006	$ 81,929,068	$ 84,383,358	$ 80,332,951
7,817,726	7,376,451	54,253	39,291	32,386	7,156,959
62,186	340,885	757,324	1,471,057	2,711,425	2,012,673
-	-	-	-	-	125,851,753
117,324,312	124,543,816	126,912,697	122,726,350	117,374,907	11,686,451
-	-	-	-	-	-
485,958	122,321	249,934	262,630	202,636	1,066,396
-	47,310	102,472	114,993	139,873	20,968
190,865,379	199,117,183	207,201,686	206,543,389	204,844,585	228,128,151
-	-	-	-	-	-
-	(47,310)	(102,472)	(114,993)	(139,873)	(20,968)
-	(47,310)	(102,472)	(114,993)	(139,873)	(20,968)
$ 190,865,379	**$ 199,069,873**	**$ 207,099,214**	**$ 206,428,396**	**$ 204,704,712**	**$ 228,107,183**
$ 10,584,023	$ (5,968,268)	$ 2,510,266	$ 35,015,381	$ 2,203,147	$ (2,955,765)
(9,572)	8,310	4,109	31,866	35,539	102,379
$ 10,574,451	**$ (5,959,958)**	**$ 2,514,375**	**$ 35,047,247**	**$ 2,238,686**	**$ (2,853,386)**

MCALLEN INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

	2011	2012	2013	2014
General Fund				
POST GASB 54				
Non-spendable:				
Inventories	$ 749,500	$ 788,316	$ 719,989	$ 850,559
Prepaid Items	-	420,792	1,812,754	1,691,333
Restricted:				
Federal or State Funds Grant Restriction	7,062,009	8,383,790	8,460,882	7,699,257
Other Restricted Fund Balance	-	-	1,175,135	2,358,563
Committed Fund Balance:				
Construction	-	-	-	-
Assigned Fund Balance:				
Construction	-	6,738,850	5,814,992	12,622,473
Capital Expenditures for Equipment	-	2,496,656	2,570,949	4,043,040
Other Assigned Fund Balance	-	672,486	1,076,340	32,000
Unassigned Fund Balance	33,785,944	40,359,142	42,263,262	44,742,153
Total General Fund Balance	$ 41,597,453	$ 59,860,032	$ 63,894,303	$ 74,039,378
All Other Governmental Funds				
POST GASB 54				
Restricted:				
Federal or State Funds Grant Restrictions	$ 3,100,538	$ 3,022,561	$ 3,144,875	$ 2,592,410
Restricted for Capital Acquisitions	-	-	-	-
Retirement of Long-Term Debt	4,426,902	4,520,392	4,256,101	5,098,638
Other Restricted Fund Balance	346,674	11,165,515	19,455	-
Committed Fund Balance:				
Other Committed Fund Balance	738,776	821,093	909,625	952,423
Assigned Fund Balance:				
Construction	-	-	-	-
Total All Other Governmental Fund Balances	8,612,890	19,529,561	8,330,056	8,643,471
Total Governmental Funds- Fund Balance	$ 50,210,343	$ 79,389,593	$ 72,224,359	$ 82,682,849
Governmental Funds				
Beginning Fund Balance	$ 36,631,460	$ 50,210,344	$ 79,389,593	$ 72,224,359
Net Change in Fund Balance	13,578,883	29,179,249	(7,165,234)	10,458,490
Ending Fund Balance	$ 50,210,343	$ 79,389,593	$ 72,224,359	$ 82,682,849

Source: Financial Statement and Independent Auditors' Report
Balance Sheet-Governmental Funds (Exhibit C-1) 2011-2020
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2020
2011-2020 Fiscal Year End 6/30
Per GASB 54 (Note 23) 2011

TABLE L-4

2015	2016	2017	2018	2019	2020
$ 1,161,734	$ 1,180,357	$ 1,130,448	$ 903,884	$ 1,288,053	$ 1,314,020
1,636,002	1,667,985	1,590,668	1,351,417	1,447,325	1,722,543
9,008,031	11,243,329	12,711,298	14,260,893	16,211,693	15,838,847
3,532,335	4,746,630	5,959,118	7,210,718	8,617,741	9,961,854
-	-	-	4,129,547	2,742,366	515,626
11,480,004	12,470,734	6,846,916	4,285,561	3,295,925	668,504
1,748,475	2,861,369	1,104,228	2,545,667	4,316,186	1,727,319
3,775,071	546,303	3,990,768	2,812,743	5,663,375	9,688,667
47,765,665	49,379,229	53,429,288	54,187,604	54,487,758	56,262,851
$ 80,107,317	$ 84,095,936	$ 86,762,732	$ 91,688,034	$ 98,070,422	$ 97,700,231
$ 2,461,067	$ 2,052,543	$ 1,393,035	$ 708,083	$ 475,469	$ 577,521
-	-	-	-	-	25,330,814
5,194,117	5,078,277	4,905,627	2,646,444	1,740,717	2,046,425
-	-	-	-	-	-
963,749	905,853	836,147	833,712	872,990	980,400
-	-	-	-	-	$ 4,856,225
8,618,933	8,036,673	7,134,809	4,188,239	3,089,176	33,791,385
$ 88,726,250	$ 92,132,609	$ 93,897,541	$ 95,876,273	$ 101,159,598	$ 131,491,616
$ 82,682,849	$ 88,726,250	$ 92,132,608	$ 93,897,541	$ 95,876,273	$ 101,159,598
6,043,404	3,406,359	1,764,933	1,978,732	5,283,325	30,332,018
$ 88,726,250	$ 92,132,609	$ 93,897,541	$ 95,876,273	$ 101,159,598	$ 131,491,616


MCALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND REVENUE BY SOURCE
LAST TEN YEARS

TABLE L-5

	Local and Intermediate Sources			State Programs				
Fiscal Year	Property Tax	Tuition	Other	Per Capita and Foundation	On Behalf TRS Payments	Other	Federal Programs	Total
2011	$ 69,237,245	$ 1,934,432	$ 6,686,579	$ 94,702,037	$ 8,432,362	$ 7,450,206	$ 55,266,264	$ 243,709,125
2012	68,784,820	1,884,935	6,963,961	105,577,787	7,738,139	5,123,645	42,244,238	238,317,525
2013	69,273,715	1,956,745	5,872,677	106,670,070	7,640,983	3,925,927	39,639,257	234,979,374
2014	70,754,428	1,980,621	5,032,570	115,826,535	8,871,973	4,617,966	38,208,494	245,292,587
2015	72,581,728	2,015,175	7,614,718	115,823,088	9,414,284	7,488,349	42,388,513	257,325,855
2016	72,956,264	2,030,109	3,978,980	122,831,447	9,858,257	7,052,734	41,309,336	260,017,127
2017	77,713,582	2,091,256	3,890,578	126,948,116	10,349,174	3,717,909	42,030,986	266,741,601
2018	80,745,481	2,017,423	5,095,811	122,115,433	10,432,984	3,388,885	36,586,728	260,382,745
2019	83,050,839	2,513,770	6,623,173	116,673,307	10,355,983	1,280,402	39,237,909	259,735,383
2020	86,152,446	2,439,971	5,478,518	125,677,650	12,089,639	4,381,056	45,611,960	281,831,240

Source: Financial Statement and Independent Auditors' Report
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2020
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS

Fiscal Year	Instructional and Instructional Related Services	Instructional and School Leadership	Support Services Student Other	Administrative Support Services	Support Services Not -Student Based	Ancillary Services
2011	$ 134,596,600	$ 14,505,659	$ 35,335,571	$ 4,819,541	$ 22,835,148	$ 1,764,385
2012	128,388,744	14,104,917	35,582,598	4,631,757	21,297,524	1,799,390
2013	130,141,086	14,541,037	35,314,637	4,958,150	23,414,611	1,343,723
2014	137,752,410	15,747,366	38,191,475	5,687,612	23,287,968	1,553,509
2015	141,790,294	15,991,820	40,259,443	5,734,533	23,293,445	1,376,164
2016	151,398,283	16,469,193	43,054,063	5,739,614	25,963,583	1,242,633
2017	142,085,970	16,321,552	44,548,065	6,331,540	26,660,084	1,321,574
2018	142,388,925	16,788,033	45,669,203	6,572,577	26,178,309	1,248,712
2019	140,826,303	16,557,859	44,808,076	6,770,537	26,237,195	1,432,907
2020	158,306,224	17,346,862	46,730,432	7,801,327	28,324,071	1,575,286

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3) 2017-2020
Reconciliation of Statement (Exhibit C-3) 2011-2016
Reconciliation of the Governmental Funds Statement (Exhibit C-4) 2017, 2020
Reconciliation of the Governmental Funds Balance Sheet (Exhibit C-2) 2018-2019
2011-2020 Fiscal Year End 6/30

TABLE L-6

Debt Service Principal	Debt Service Interest	Debt Service Other Fees	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures	*Ratio of Debt Services to Non-Capital Expenditures
$ 5,093,287	$ 5,367,993	$ 4,410	$ 5,440,453	$ 608,419	$ 230,371,466	4.65%
6,240,249	5,269,021	287,525	17,520,818	639,091	235,761,634	5.27%
8,646,277	6,049,095	846,254	27,325,324	673,574	253,253,768	6.50%
10,004,507	3,994,703	13,918	7,335,206	668,853	244,237,527	5.91%
8,541,187	4,695,852	16,608	8,852,338	798,087	251,349,771	5.46%
7,363,707	4,371,926	11,828	8,788,885	769,673	265,173,388	4.58%
9,215,686	4,244,207	8,000	14,131,700	743,085	265,611,463	5.35%
9,466,238	4,033,099	6,690	5,050,707	773,144	258,175,637	5.33%
7,912,290	3,677,445	5,530	5,687,611	855,564	254,771,317	4.65%
6,331,912	3,437,255	268,064	14,869,293	892,122	285,882,848	3.60%

* Ratio of Debt Services to Non-Capital Expenditures Percentage was calculated as follows:

(Debt Service Principal + Debt Service Interest) / (Total Expenditures - Capital Outlay)
(6,331,912 +3,437,255) / (285,882,848 - 14,869,293) =3.60%

MCALLEN INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS OTHER SOURCES, USES
AND CHANGES IN FUND BALANCES
LAST TEN YEARS

	2011	2012	2013	2014
Excess of Revenue Over (Under) Expenditures	$ 13,337,659	$ 2,555,891	$ (18,274,394)	$ 1,055,060
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	81,820,000	-
Sale of Real and Personal Property	34,112	46,777	77,106	40,532
Issuance of Capital Leases	74,620	4,299,038	5,730,060	-
Issuance on Non-Current Debt	-	17,386,000	-	-
Capital Leases	-	-	-	-
Loan Proceeds	-	-	-	-
Transfer In	156,998	7,203,860	70,000	57,255
Premium on Issuance of Bonds	-	-	12,261,598	-
Transfer Out	(24,506)	(7,121,922)	(4,503)	-
Payments of Bonds	-	-	(93,221,203)	-
Total Other Financing Sources (Uses)	241,224	21,813,753	6,733,058	97,787
Special Items				
Extraordinary Items (Resources)	-	4,809,605	4,376,102	9,305,643
Net Changes in Fund Balances	$ 13,578,883	$ 29,179,249	$ (7,165,234)	$ 10,458,490

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3) 2017-2020
2011-2020 Fiscal Year End 6/30

TABLE L-7

2015	2016	2017	2018	2019	2020
$ 5,976,084	$ (5,156,261)	$ 1,130,138	$ 2,207,108	$ 4,964,066	$ (4,051,608)
-	-	-	-	-	-
81,254	84,887	532,323	156,631	179,386	1,936,895
-	8,430,422	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,286,917
-	-	-	-	-	28,701,259
-	47,310	7,652,176	7,374,887	8,005,288	3,616,903
-	-	-	-	-	-
(13,934)	-	(7,549,704)	(7,759,894)	(7,865,415)	(5,158,348)
-	-	-	-	-	-
67,320	8,562,619	634,795	(228,376)	319,259	34,383,626
-	-	-	-	-	-
$ 6,043,404	$ 3,406,358	$ 1,764,933	$ 1,978,732	$ 5,283,325	$ 30,332,018

MCALLEN INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
PER AVERAGE DAILY ATTENDANCE
LAST TEN YEARS

Fiscal Year	Average Daily Attendance	Instructional and Instructional Related Services	Instructional and School Leadership	Support Services Student Other	Administrative Support Services	Support Services Not -Student Based
2011	24,199	$ 5,618	$ 600	$ 1,538	$ 201	$ 1,001
2012	23,399	5,733	603	1,553	198	1,014
2013	23,130	5,931	629	1,561	220	1,266
2014	23,302	5,925	676	1,663	245	1,055
2015	22,770	6,244	703	1,796	252	1,077
2016	22,400	6,765	735	1,955	260	1,194
2017	22,177	6,407	736	2,086	292	1,435
2018	21,825	6,530	769	2,155	304	1,258
2019	21,161	6,669	783	2,160	322	1,279
2020	20,645	7,672	840	2,359	378	1,510

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-3) 2017-2020
PEIMS DATA Report (PFR7D001) 2011-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2020
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
2011-2020 Fiscal Year End 6/30

Note: Average Daily Attendance-the average daily attendance of eligible enrollees, district-wide

TABLE L-8

Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures by Function per Average Daily Attendance
$ 73	$ 210	$ 222	$ 31	$ 25	$ 9,520
80	267	237	364	27	10,076
58	374	298	583	29	10,949
67	429	172	221	29	10,481
60	375	207	289	35	11,039
55	329	196	314	34	11,838
60	416	192	319	34	11,977
57	434	185	103	35	11,830
68	374	174	171	40	12,040
76	307	179	482	43	13,846


MCALLEN
INDEPENDENT SCHOOL DISTRICT

REVENUE CAPACITY INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year	Assessed Value			
	Real Property	Minerals	Personal Property	Total Taxable Assessed Value
2011	$ 5,246,015,459	$ 24,144,743	$ 765,646,226	$ 6,035,806,428
2012	5,173,957,654	10,764,907	779,926,071	5,964,648,632
2013	5,258,457,216	14,119,517	761,169,194	6,033,745,927
2014	5,396,121,899	10,367,570	812,389,783	6,218,879,252
2015	5,359,176,534	9,699,943	824,082,614	6,192,959,091
2016	5,572,398,989	8,839,414	856,638,224	6,437,876,627
2017	6,091,998,085	5,109,512	880,623,615	6,977,731,212
2018	6,162,969,165	5,935,685	896,899,518	7,065,804,368
2019	6,450,201,127	6,808,785	879,872,699	7,336,882,611
2020	6,821,973,654	4,682,623	921,075,731	7,747,732,008

Source: Financial Statements and Independent Auditors' Report
Certified Totals from Hidalgo County Appraisal District (2011-2020)
2011-2020 Fiscal Year End 6/30

TABLE L-9

Estimated Actual Taxable Value	Ratio of Total Taxable Assessed Value to Estimated Actual Taxable Value	Total Direct Tax Rate
$ 7,459,499,783	80.91%	$ 1.1650
7,396,412,638	80.64%	1.1650
7,477,059,920	80.70%	1.1650
7,705,489,474	80.71%	1.1650
7,637,882,649	81.08%	1.1650
8,132,711,592	79.16%	1.1550
8,727,081,408	79.95%	1.1550
8,854,674,967	79.80%	1.1550
9,180,201,564	79.92%	1.1550
9,694,370,520	79.92%	1.1528

MCALLEN INDEPENDENT SCHOOL DISTRICT
PROPERTY LEVIES AND COLLECTIONS **TABLE L-10**
LAST TEN YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of Levy		Collection Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011	$ 70,199,942	$ 65,414,569	93.18%	$ 3,457,058	$ 68,871,627	98.11%
2012	68,205,764	65,533,926	96.08%	2,513,791	68,047,717	99.77%
2013	68,566,686	65,944,762	96.18%	2,458,756	68,403,518	99.76%
2014	71,100,314	68,498,702	96.34%	2,415,886	70,914,588	99.74%
2015	72,352,115	69,936,968	96.66%	2,181,965	72,118,933	99.68%
2016	73,011,008	70,412,533	96.44%	2,219,060	72,631,593	99.48%
2017	78,119,293	75,418,303	96.54%	2,253,463	77,671,766	99.43%
2018	80,838,923	78,268,821	96.82%	1,965,202	80,234,023	99.25%
2019	82,896,861	80,659,668	97.30%	1,263,809	81,923,477	98.83%
2020	87,297,364	84,183,950	96.43%	-	84,183,950	96.43%

Source: Financial Statements and Independent Auditors' Report
Certified Totals from Hidalgo County Appraisal District
2011-2020 Fiscal Year end 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
ALLOCATION OF PROPERTY TAX RATES AND LEVIES **TABLE L-11**
LAST TEN YEARS

	Tax Rates (Per $100 of Assessed Value)			Tax Levies		
Fiscal Year	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2011	$ 1.0400	$ 0.1250	$ 1.1650	$ 61,501,710	$ 7,392,033	$ 68,893,743
2012	1.1650	0.0000	1.1650	68,139,964	-	68,139,964
2013	1.0400	0.1250	1.1650	61,456,546	7,386,594	68,843,140
2014	1.0400	0.1250	1.1650	63,476,318	7,629,354	71,105,672
2015	1.0400	0.1250	1.1650	63,287,180	7,606,621	70,893,801
2016	1.0400	0.1150	1.1550	65,702,091	7,265,127	72,967,218
2017	1.1550	0.0000	1.1550	78,984,670	-	78,984,670
2018	1.1550	0.0000	1.1550	79,980,500	-	79,980,500
2019	1.1550	0.0000	1.1550	83,161,525	-	83,161,525
2020	1.0586	0.0942	1.1528	80,304,199	7,145,897	87,450,096

Source: Financial Statements and Independent Auditors' Report
Certified Tax Roll from Hidalgo County Tax Office
Detail General Ledger Reports
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS **TABLE L-12**
(PER $100 ASSESSED VALUATION)
LAST TEN YEARS

Fiscal Year	Tax Year	Hidalgo County	South Texas ISD	District 1-4	McAllen ISD	STC	City of McAllen	Total Direct and Overlapping Tax Rate	Original Levy Total
2011	2010	$ 0.5900	$ 0.0492	$ 0.1503	$ 1.1650	$ 0.1497	$ 0.4213	$ 2.5255	$ 68,893,743
2012	2011	0.5900	0.0492	0.1548	1.1650	0.1507	0.4313	2.5410	68,139,964
2013	2012	0.5900	0.0492	0.1816	1.1650	0.1507	0.4313	2.5678	68,843,140
2014	2013	0.5900	0.0492	0.2039	1.1650	0.1500	0.4313	2.5894	71,105,672
2015	2014	0.5900	0.0492	0.2055	1.1650	0.1850	0.4763	2.6710	70,893,801
2016	2015	0.5900	0.0492	0.2069	1.1550	0.1850	0.4763	2.6624	72,967,218
2017	2016	0.5900	0.0492	0.2103	1.1550	0.1850	0.4763	2.6658	78,984,670
2018	2017	0.5800	0.0492	0.2046	1.1550	0.1850	0.4763	2.6501	79,980,500
2019	2018	0.5800	0.0492	0.2014	1.1550	0.1780	0.4792	2.6428	83,161,525
2020	2019	0.5750	0.0492	0.2109	1.1528	0.1733	0.4957	2.6569	87,450,096

Source: Financial Statements and Independent Auditors' Report
Certified Tax Roll from Hidalgo County Tax Office
Hidalgo County Tax Assessor-Collector Tax Rate Schedule (website)
City of McAllen
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT **TABLE L-13**
PRINCIPAL PROPERTY TAXPAYERS
TAX YEAR 2019 AND 2010

	Taxpayer	Tax Year 2019 Assessed Valuation	Percentage Total Assessed Valuation
1	Simon Property Group-McAllen NO 2	$ 170,193,064	2.20%
2	AEP Texas Inc	61,927,680	0.80%
3	Rio Grande Regional Hospital	54,265,066	0.70%
4	La Plaza Mall LLC	51,211,149	0.66%
5	Universal Health Services	47,972,370	0.62%
6	Palm Crossing Town Center LLC	41,371,272	0.53%
7	Shops at 29 LTD	26,724,496	0.34%
8	H E Butt Grocery Company	24,092,143	0.31%
9	Weingarten Realty Investors	24,025,564	0.31%
10	McAllen Medical Center	23,666,339	0.31%
11	Wal-Mart Real Estate Business Trust	21,401,954	0.28%
12	Dillard Texas OPG Ltd Prtnrshp	20,637,872	0.27%
13	GE Engine Services-McAllen LP	20,012,514	0.26%
14	Jim & Mary Kay Moffitt Family LTD	17,266,477	0.22%
15	Texas State Bank	17,213,864	0.22%
16	Palms Crossing II LLC	17,061,458	0.22%
17	DHR Real Estate Management LLC	17,035,588	0.22%
18	Coca-Cola Southwest Beverage LLC	16,858,404	0.22%
19	Lineage Master RE 3 LLC	16,737,401	0.22%
20	Calmac Suites LTD	16,368,000	0.21%
21	Macy's TX 1 LP	15,927,608	0.21%
22	Sam's Real Estate Business Trust	15,490,080	0.20%
23	S P Plaza L C	15,459,398	0.20%
24	BAM River Valley LP	14,005,245	0.18%
25	Villa Regale at Nolana LLC	13,725,922	0.18%
		$ 780,650,928	10.08%

Source: Certified Totals from Hidalgo County Appraisal District
Top Taxpayer 2019 & 2010

MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS **TABLE L-13**
TAX YEAR 2019 AND 2010

	Taxpayer	Tax Year 2010 Assessed Valuation	Percentage Total Assessed Valuation
1	Rio Grande Regional Hospital	$ 65,585,135	1.09%
2	Universal Health Services	57,122,840	0.95%
3	Simon Property Group-McAllen NO 2	50,708,897	0.84%
4	Palm Crossing LP	36,203,740	0.60%
5	AEP Texas Central Co	26,601,770	0.44%
6	H E Butt Grocery Company	21,898,885	0.36%
7	Inland Western McAllen Trenton	20,602,095	0.34%
8	McAllen Medical Center	19,980,236	0.33%
9	Southwestern Bell Tele	17,652,900	0.29%
10	Dillard Texas OPG Ltd Prtnrshp	15,874,314	0.26%
11	Texas State Bank	14,799,432	0.25%
12	Macy's	14,439,174	0.24%
13	S P Plaza, L C	13,653,670	0.23%
14	Calmac Suites LTD	13,586,061	0.23%
15	Palm Crossing II, LLC	12,346,004	0.20%
16	GE Engine Services-McAllen, LP	12,053,380	0.20%
17	Dillard's Inc #727	11,875,857	0.20%
18	Macy's TX 1 LP	11,830,352	0.20%
19	Shell Western E&P	11,205,662	0.19%
20	Wal-Mart Real Estate Business Trust	10,667,217	0.18%
21	Amreit River Valley LP	10,444,329	0.17%
22	TWE Advance Newhouse Prtnshp	10,410,090	0.17%
23	Walters Investments	10,311,646	0.17%
24	BREOF BNK Texas LP	10,255,817	0.17%
25	Inter National Bank	10,222,573	0.17%
		$ 510,332,076	8.46%

DEBT CAPACITY INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt		
	General Obligation Bonds	Premiums on Bonds	Accretion of Bonds	Maintenance Tax Notes	Loans Payable	Capital Leases
2011	$ 110,752,692	$ 3,231,245	$ 1,024,767	$ -	$ 38,375	$ 49,747
2012	106,287,807	3,027,325	616,127	17,386,000	-	3,161,912
2013	98,320,000	12,559,841	12,054	17,386,000	-	5,510,695
2014	91,720,000	11,737,743	106,511	17,326,000	-	2,166,188
2015	85,405,000	10,253,970	264,390	17,266,000	-	-
2016	79,565,000	8,931,581	-	17,201,000	-	7,426,715
2017	73,060,000	7,732,321	-	17,136,000	-	4,781,029
2018	66,320,000	6,621,147	-	17,071,000	-	2,119,791
2019	60,180,000	5,595,237	-	17,006,000	-	412,501
2020	55,860,000	9,332,795	-	40,951,000	-	3,752,504

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements (Note 12) Long Term Debt Obligations
TEA Budgeted Financial Data
2011-2020 Fiscal Year End 6/30

TABLE L-14

	Total Debt	*Total Debt to Personal Income	**Total Debt to Per Capita	***Total Debt to Estimated Actual Taxable Value	****Total Debt to Average Daily Membership
$	115,096,826	0.67%	870	1.54%	4,515
	130,479,171	0.72%	979	1.76%	5,193
	133,788,590	0.71%	993	1.79%	5,391
	123,056,442	0.58%	900	1.60%	4,880
	113,189,360	0.51%	815	1.48%	4,584
	113,124,296	0.50%	802	1.39%	4,676
	102,709,350	0.41%	717	1.18%	4,333
	92,131,938	0.36%	634	1.04%	3,897
	83,193,738	N/A	558	0.91%	3,649
	109,896,299	N/A	728	1.13%	4,916

* Percentage of Personal Income calculated as follows:
Total Debt divided by Personal Income, Table L-20

**Total Debt to Per Capita calculated as follows:
Total Debt divided by Population, Table L-20

***Percentage of Estimated Actual Tax Value calculated as follows:
Total Debt divided by Estimated Actual Tax Value , Table L-17

****Total Debt to ADA calculated as follows:
Total Debt divided by Average Daily Membership, Table L-17

MCALLEN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING **TABLE L-15**
GOVERMENTAL ACTIVITIES DEBT

Political Subdivision	*Gross Debt Amounts	As of	Applicable to MISD	Overlapping Debt
DIRECT DEBT				
McAllen ISD - Bonds	$ 65,192,795	6/30/2020	100.00%	$ 65,192,795
McAllen ISD - Capital Leases	3,752,504	6/30/2020	100.00%	3,752,504
McAllen ISD - Maintenance Tax Notes	40,951,000	6/30/2020	100.00%	40,951,000
				$ 109,896,299
OVERLAPPING DEBT				
Edinburg, City Of	$ 70,315,000	6/30/2020	0.52%	$ 365,638
Hidalgo Co.	350,540,000	6/30/2020	21.23%	74,419,642
Hidalgo Co DD #1	183,725,000	6/30/2020	22.17%	40,731,833
McAllen, City Of	101,560,000	6/30/2020	78.07%	79,287,892
South Texas College	136,110,000	6/30/2020	19.95%	27,153,945
Total Net Overlapping Debt				221,958,950
Total Direct and Overlapping Debt:				$ 331,855,249

* Gross Debt Amounts include related premium.

** Overlapping percentage is calculated as follows:
Shared market value between entities from the Appraisal District divided by the total market value of each entity.

*** The overlapping debt is calculated as follows:
The gross debt multiplied by the overlapping percentage = overlapping debt

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of the District. This process recognizes that, when considering the district's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Municipal Advisory Council of Texas


McALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

	2011	2012	2013	2014
Assessed Valuation	$ 6,035,806,428	$ 5,964,648,632	$ 6,033,745,927	$ 6,218,879,252
Debt Limit-10% of Assessed Valuation	$ 603,580,643	$ 596,464,863	$ 603,374,593	$ 621,887,925
General Obligation Bonds	111,777,459	106,903,934	98,332,054	91,720,000
Deduct Amount Available in Debt Services Fund	(4,426,902)	(4,520,392)	(4,256,101)	(5,098,638)
Net General Bonded Debt	107,350,557	102,383,542	94,075,953	86,621,362
Maintenance Tax Note	-	17,386,000	16,210,865	17,326,000
Loans Payable	38,375	-	-	-
Capital Leases	49,747	3,161,912	5,510,695	2,166,188
Less : Applicable Debt Margin	107,438,679	122,931,454	115,797,513	106,113,550
Legal Debt Margin	$ 496,141,964	$ 473,533,409	$ 487,577,080	$ 515,774,375
Debt Margin as a Percentage of the Debt Limit	82.20%	79.39%	80.81%	82.94%

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements (Note 12) Long Term Obligations
Budgetary Comparison Schedule Exhibit J-4
Certified Totals from Hidalgo County Appraisal District
2011-2020 Fiscal Year End 6/30

TABLE L-16

2015	2016	2017	2018	2019	2020
$ 6,192,959,091	$ 6,437,876,627	$ 6,977,731,212	$ 7,065,804,368	$ 7,336,882,611	$ 7,747,732,008
$ 619,295,909	$ 643,787,663	$ 697,773,121	$ 706,580,437	$ 733,688,261	$ 774,773,201
85,405,000	79,565,000	73,060,000	66,320,000	60,180,000	55,860,000
(5,194,117)	(5,078,277)	(4,905,627)	(2,646,444)	(1,740,717)	(2,046,425)
80,210,883	74,486,723	68,154,373	63,673,556	58,439,283	53,813,575
17,266,000	17,201,000	17,136,000	17,071,000	17,006,000	40,951,000
-	-	-	-	-	-
-	7,426,715	4,781,029	2,119,791	412,501	3,752,504
97,476,883	99,114,438	90,071,402	82,864,347	75,857,784	98,517,079
$ 521,819,026	$ 544,673,225	$ 607,701,719	$ 623,716,090	$ 657,830,477	$ 676,256,122
84.26%	84.60%	87.09%	88.27%	89.66%	87.28%

MCALLEN INDEPENDENT SCHOOL DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ESTIMATED ACTUAL TAXABLE VALUE AND
PER AVERAGE DAILY MEMBERSHIP
LAST TEN YEARS

Fiscal Year	Average Daily Membership	Estimated Actual Taxable Value	General Obligation Bonds	Premium on Bonds	Accretions of Bonds
2011	25,490	$ 7,459,499,783	$ 110,752,692	$ 3,231,245	$ 1,024,767
2012	25,126	7,396,412,638	106,287,807	3,027,325	616,127
2013	24,815	7,477,059,920	98,320,000	12,559,841	12,054
2014	25,108	7,705,489,474	91,720,000	11,737,743	106,511
2015	24,590	7,637,882,649	85,405,000	10,253,970	264,390
2016	24,195	8,132,711,592	79,565,000	8,931,581	-
2017	23,703	8,727,081,408	73,060,000	7,732,321	-
2018	23,640	8,854,674,967	66,320,000	6,621,147	-
2019	22,802	9,180,201,564	60,180,000	5,595,237	-
2020	22,354	9,694,370,520	55,860,000	9,332,795	-

Source: Financial Statements and Independent Auditors' Report
Notes to Financial Statements (Note 12) Long Term Obligations
Certified Totals from the Hidalgo County Appraisal District
TEA Budgeted Financial Data
2011-2020 Fiscal Year End 6/30

TABLE L-17

Less: Amount Available in Debt Service Fund	Net Bonded Debt	Net Bonded Debt to Estimated Actual Taxable Value	General Obligation Bonds Per Average Daily Membership
$ 4,426,902	$ 110,581,802	1.48%	4,345
4,520,392	105,410,867	1.43%	4,230
4,256,101	106,635,794	1.43%	3,962
5,098,638	98,465,616	1.28%	3,653
5,194,117	90,729,243	1.19%	3,473
5,078,277	83,418,304	1.03%	3,288
4,905,627	75,886,694	0.87%	3,082
2,464,444	70,476,703	0.80%	2,805
1,740,717	64,034,520	0.70%	2,639
2,046,425	63,146,370	0.65%	2,499

MCALLEN INDEPENDENT SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES LAST TEN YEARS

TABLE L-18

Fiscal Year	Principal	Interest*	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Total General Fund Expenditures
2011	$ 4,615,000	$ 5,344,238	$ 9,959,238	$ 169,473,487	5.88%
2012	5,015,000	5,222,488	10,237,488	183,234,235	5.59%
2013	5,265,000	5,093,488	10,358,488	201,238,259	5.15%
2014	6,600,000	3,133,117	9,733,117	206,900,987	4.70%
2015	6,315,000	3,865,050	10,180,050	211,403,126	4.82%
2016	6,295,000	3,567,150	9,862,150	225,493,796	4.37%
2017	6,505,000	3,397,250	9,902,250	229,999,689	4.31%
2018	6,740,000	3,148,200	9,888,200	224,047,540	4.41%
2019	6,140,000	2,849,900	8,989,900	221,835,182	4.05%
2020	4,320,000	2,584,500	6,904,500	240,233,604	2.87%

Note: *excludes other fees

Source: Financial Statements and Independent Auditors' Report
Debt Fund Budgetary Comparison Schedule (Exhibit J-4) 2011-2016
Schedule of Revenues,Expenditures and Changes in Fund Balance Debt Service Fund (J-4) 2017-2020
General Fund Budgetary Comparison Schedule (Exhibit G-1) 2011-2016
Schedule of Revenues, Expenditures and Changes in Fund Balance General Fund (G-1) 2017-2020
2011-2020 Fiscal Year End 6/30

DEMOGRAPHIC AND ECONOMY INFORMATION


MCALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
2020 AND 2011

TABLE L-19

	2020		
Employer	Employees	Rank	Percentage of Total City Employment
McAllen Independent School District	3,323	1	23.65%
South Texas College	2,321	2	16.51%
City of McAllen	2,043	3	14.54%
McAllen Medical Center	1,200	4	8.54%
Rio Grande Regional Hospital	1,150	5	8.18%
HEB	990	6	7.05%
Motorola	900	7	6.40%
Spectrum (Charter Communications)	875	8	6.23%
Teletech	650	9	4.63%
Walmart	600	10	4.27%
Total Top Ten Employers	14,052		100.00%

Source: Workforce Solutions
TSDS PEIMS Report (PDM1-110-004)
McAllen ISD CAFR Fiscal Year 2011

MCALLEN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
2020 AND 2011

TABLE L-19

	2011		
Employer	Employees	Rank	Percentage of Total City Employment
Doctor's Hospital @ Renaissance	3,400	1	21.81%
McAllen Independent School District	3,286	2	21.08%
South Texas College	2,145	3	13.76%
McAllen Medical Center	2,058	4	13.20%
City Of McAllen	2,000	5	12.83%
Rio Grande Regional Hospital	1,065	6	6.83%
International Bank of Commerce	525	7	3.37%
BBVA Compass	400	8	2.57%
Wal-Mart	357	9	2.29%
Wal-Mart	350	10	2.26%
Total Top Ten Employers	15,586		100.00%

MCALLEN INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS **TABLE L-20**
LAST TEN YEARS

Fiscal Year	Population	*Personal Income	*Per Capita Personal Income	Unemployment Rate	Average Daily Attendance	Percentage Economically Disadvantaged Students
2011	132,338	$ 17,248,000,000	$ 21,620	7.80%	24,199	64.5%
2012	133,333	18,067,000,000	22,400	11.00%	23,399	66.8%
2013	134,697	18,827,748,000	23,073	11.10%	23,130	55.6%
2014	136,748	21,209,449,000	25,521	9.10%	23,302	67.2%
2015	138,967	22,322,643,000	26,502	7.30%	22,770	72.2%
2016	141,020	22,640,177,000	26,640	7.50%	22,400	72.9%
2017	143,205	24,922,000,000	28,957	7.90%	22,177	72.2%
2018	145,425	25,777,800,000	29,769	6.70%	21,825	71.1%
2019	149,161	N/A	N/A	5.90%	21,161	71.2%
2020	150,884	N/A	N/A	12.00%	20,645	71.8%

Source: U.S. Census Bureau
Bureau of Economic Analysis
PEIMS Edit + Report (PRF7D001) 2011-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2020
TSDS PEIMS Report (PDM3-130-005) 2017-2020
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
City of McAllen
McAllen Chamber of Commerce
2011-2020 Fiscal Year End 6/30

* MSA statistics (McAllen-Mission-Edinburg)


McALLEN
INDEPENDENT SCHOOL DISTRICT

OPERATING INFORMATION

MCALLEN INDEPENDENT SCHOOL DISTRICT
WORKFORCE COMPOSITION BY EMPLOYEE CLASSIFICATION
LAST TEN YEARS

Classification	2011	2012	2013	2014
Number of Employees				
Teachers	1,623	1,575	1,603	1,632
Professional Support	314	314	371	395
Campus Administration	79	80	86	97
Central Administration	37	35	34	30
Educational Aides	275	290	312	334
Auxiliary Staff	958	850	891	928
Total Employees	3,286	3,143	3,297	3,416
Percent of Total				
Teachers	49.41%	50.12%	48.62%	47.78%
Professional Support	9.56%	9.98%	11.26%	11.56%
Campus Administration	2.40%	2.54%	2.61%	2.83%
Central Administration	1.13%	1.11%	1.03%	0.88%
Educational Aides	8.36%	9.23%	9.46%	9.78%
Auxiliary Staff	29.15%	27.04%	27.02%	27.17%
	100.00%	100.00%	100.00%	100.00%

Source: PEIMS Edit + Reports (PRF4D004) 2011-2016
TSDS PEIMS Report (PDM1-110-004) 2017-2020
2011-2020 Fiscal Year End 6/30

TABLE L-21

2015	2016	2017	2018	2019	2020
1,648	1,609	1,614	1,608	1,564	1,567
400	398	381	376	344	373
95	101	89	88	86	80
33	31	32	34	31	34
375	378	366	367	354	389
868	906	900	912	886	881
3,419	3,422	3,382	3,385	3,265	3,324
48.20%	47.01%	47.72%	47.50%	47.90%	47.15%
11.71%	11.63%	11.27%	11.10%	10.54%	11.21%
2.78%	2.94%	2.63%	2.60%	2.63%	2.40%
0.95%	0.89%	0.95%	1.00%	0.95%	1.02%
10.97%	11.05%	10.82%	10.84%	10.84%	11.70%
25.39%	26.48%	26.61%	26.96%	27.14%	26.50%
100.00%	100.00%	100.00%	100.00%	100.00%	99.97%

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF TEACHER INFORMATION
LAST TEN YEARS

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
2011	$ 39,400	$ 54,674	$ 41,400	$ 56,674	Non Applicable	
2012	39,400	54,674	41,400	55,575	Non Applicable	
2013	41,500	53,544	43,500	55,544	Non Applicable	
2014	43,049	53,359	45,049	55,358	Non Applicable	
2015	44,001	53,344	46,001	55,344	Non Applicable	
2016	45,000	53,600	47,000	55,600	Non Applicable	
2017	45,800	55,150	47,800	57,150	Non Applicable	
2018	46,849	56,569	48,849	58,569	Non Applicable	
2019	47,750	57,620	49,750	59,620	Non Applicable	
2020	49,100	59,420	51,100	61,420	Non Applicable	

Source: District's Human Resource Department
PEIMS Edit + Reports Data Review (PRF4D004) 2011-2016
TSDS PEIMS Report (PDM1-110-004) 2017-2020
2011-2020 Fiscal Year End 6/30

TABLE L-22

Average Teacher Salary	Average Years of Experience	Bachelor's Education	Master's Education
$ 50,228	13.6	78.0%	20.7%
47,892	13.6	78.4%	20.6%
48,999	12.7	79.2%	20.0%
49,659	12.2	80.6%	18.7%
49,702	11.8	80.6%	18.6%
50,574	11.9	80.4%	18.9%
51,620	12.2	79.1%	20.1%
52,641	12.4	78.5%	20.7%
53,846	13.1	77.3%	21.7%
56,797	13.2	77.1%	21.9%

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF ATTENDANCE AND MEMBERSHIP **TABLE L-23**
LAST TEN YEARS

Fiscal Year	Average Daily Attendance	Average Daily Membership	Percent of Attendance
2011	24,199	25,490	94.94%
2012	23,399	25,126	93.13%
2013	23,130	24,815	93.21%
2014	23,302	25,108	92.81%
2015	22,770	24,590	92.60%
2016	22,400	24,195	92.58%
2017	22,177	23,703	93.56%
2018	21,824	23,640	92.32%
2019	21,161	22,802	92.80%
2020	20,645	22,354	92.35%

Source: PEIMS Edit + Reports Data Review (PRF7D001) 2011-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2020
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
TEA Budgeted Financial Data
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS **TABLE L-24**
LAST TEN YEARS

Fiscal Year	Average Daily Attendance	General Fund Operating Expenditures*	Cost Per Pupil	Per Pupil Change	Governmental Operating Expenditures*	Cost Per Pupil	Per Pupil Change
2011	24,199	$ 168,653,913	$ 6,970	7.94%	$ 219,164,901	$ 9,057	8.70%
2012	23,999	178,519,413	7,439	6.73%	215,446,600	8,977	-0.88%
2013	23,130	190,920,245	8,254	10.96%	224,223,437	9,694	7.98%
2014	23,302	197,500,641	8,476	2.69%	225,074,541	9,659	-0.36%
2015	22,770	201,751,931	8,860	4.53%	231,506,068	10,167	5.26%
2016	22,400	216,572,617	9,668	9.12%	246,382,631	10,999	8.18%
2017	22,177	219,354,756	9,891	2.32%	245,060,880	11,050	0.46%
2018	21,825	218,193,562	9,997	1.07%	242,430,464	11,108	0.52%
2019	21,161	215,622,716	10,190	1.93%	239,567,571	11,321	1.92%
2020	20,645	230,097,546	11,145	9.37%	265,901,867	12,880	13.77%

*General Fund and Governmental Operating Expenditures less Debt Service and Capital Projects (Function 70 and 80)

Source: Financial Statements and Independent Auditors' Report
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-2) 2011-2016
Statement of Revenues, Expenditure and Changes in Fund Balances (Exhibit C-3) 2017-2020
PEIMS Edit + Reports Data Review (PRF7D001) 2011-2016
TSDS PEIMS Report (PDM3-130-001) 2017-2020
FY 2020 includes a factor adjustment to the PEIMS Report data of 0.995 per TEA guidance
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STUDENT INFORMATION **TABLE L-25**
LAST TEN YEARS

Fiscal Year	Teacher/ Student Ratio	Percentage of Free and Reduced Lunch	Number of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
2011	15.8	65.2%	16,518	64.5%
2012	16.0	65.2%	16,858	66.8%
2013	15.6	65.2%	13,859	55.6%
2014	15.5	65.2%	16,937	67.2%
2015	15.0	82.1%	17,822	72.2%
2016	15.1	82.1%	17,729	72.9%
2017	14.8	82.1%	17,193	72.2%
2018	14.8	82.1%	16,862	71.1%
2019	14.6	82.5%	16,286	71.2%
2020	14.3	87.1%	16,105	71.8%

Source: Academic Excellence Indicator System (AEIS) 2011-2016
TSDS PEIMS Reports (PDM1-110-004), (PDM1-120-009) 2017-2020
Child Nutrition Program
2011-2020 Fiscal Year End 6/30

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL BUILDINGS AND PORTABLES **TABLE L-26**
LAST TEN YEARS

		Estimated Square Footage	Building Capacity	Portable Square Footage	Portable Capacity
High Schools					
McAllen High School		296,062	2,200	12,792	360
Memorial High School		302,587	2,200	4,608	180
James "Nikki" Rowe High School		328,938	2,300	-	-
Achieve Early College High School at Abraham Lincoln		92,776	900	1,536	60
	Sub-Total	1,020,363	7,600	18,936	600
Middle Schools					
Dorothea Brown Middle School		97,074	900	4,800	180
Dr. Rodney D. Cathey Middle School		118,082	1,000	4,608	180
Alonzo De Leon Middle School		151,302	1,500	-	-
Michael E. Fossum Middle School		119,893	900	-	-
Homer J. Morris Middle School		96,292	900	9,984	360
William B. Travis Middle School		116,050	1,000	-	-
	Sub-Total	698,693	6,200	19,392	720
Elementary Schools					
Francisco Alvarez Elementary		54,305	500	-	-
James Bonham Elementary		47,118	430	-	-
Dr. Carlos Castaneda Elementary		64,579	600	-	-
David Crockett Elementary - closed June 2, 2011		44,449	400	3,072	60
Jose De Escandon Elementary		60,904	500	4,608	180
Victor Fields Elementary		70,899	600	-	-
Reynaldo G. Garza Elementary		67,154	600	-	-
Leonel H. Gonzalez Elementary		56,809	500	12,480	510
Lucile McKee Hendricks Elementary		65,815	600	-	-
Sam Houston Elementary		55,432	500	1,536	60
Andrew Jackson Elementary		73,882	700	-	-
Christa McAuliffe Elementary		65,174	600	-	-
Ben Milam Elementary		65,819	600	8,640	300
Jose Antonio Navarro Elementary-closed at May 31, 2018		47,194	400	1,536	150
Dr. Pablo Perez Elementary		66,000	600	-	-
Sam Rayburn Elementary		64,220	600	-	-
Theodore Roosevelt Elementary		72,009	650	-	-
Blanca E. Sanchez Elementary		66,000	600	-	-
Juan Seguin Elementary		70,748	600	-	-
Thigpen-Zavala Elementary		70,899	600	3,072	120
Woodrow Wilson Elementary		52,882	500	1,536	60
	Sub-Total	1,302,291	11,680	36,480	1,440
Other					
Instruction & Guidance Center		15,841	200	5,568	210
Lamar Academy		82,712	700	12,480	270
	Sub-Total	98,553	900	18,048	480
	Total	3,119,900	26,380	92,856	3,240

Source: McAllen ISD Facilities M & O Department


McALLEN
INDEPENDENT SCHOOL DISTRICT

SINGLE AUDIT SECTION


McALLEN
INDEPENDENT SCHOOL DISTRICT

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

To the Board of Trustees
McAllen Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States , the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McAllen Independent School District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 that we consider to be significant deficiencies.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

We noted certain other matters that we reported to management of the District in a separate letter dated December 21, 2020.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Burton McCall & Lange, L.L.P.

McAllen, Texas
December 21, 2020

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
McAllen Independent School District

Report on Compliance for Each Major Federal Program

We have audited the McAllen Independent School District's (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.

Auditors' 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.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barker McClure & Longoria, L.L.P.

McAllen, Texas
December 21, 2020

MCALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal Control over financial reporting:				
• Material weakness(es) identified?	_____	yes	X	no
• Significant deficiencies identified that are not considered to be material weaknesses?	X	yes	_____	none reported
Noncompliance material to financial statements noted?	X	yes	_____	no

Federal awards

Internal control over major programs:				
• Material weakness(es) identified?	_____	yes	X	no
• Significant deficiencies identified that are not considered to be material weaknesses?	_____	yes	X	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)?	_____	yes	X	no

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
84.425D	Education Stabilization Fund
84.011	Migrant Education-State Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$1,323,356			
Auditee qualifies as a low-risk auditee?	X	yes	_____	no

SECTION II – FINANCIAL STATEMENT FINDINGS

Reference Number 2020-001	**Bilingual Allotment Spending Requirements**
Criteria:	The Texas Education Code Section 48.105 and as reflected on the Texas Education Agency's Summary of Finances, the District is required to spend 55% of its Bilingual Education allotment.
Condition Found:	Based on our calculation, the District did not meet the spending requirement for this program by $394,860 for the 2019-2020 fiscal year. The Texas Education Agency (TEA) Financial Compliance Division uses a three-year rolling average calculation to identify school districts with underutilized supplement state allotment program funds. We inquired with District personnel and based on their assessment, the District did not meet the three-year rolling average spending requirement.
Context:	Condition was identified as part of audit procedures performed as required by the Financial Accountability Resource Guide (FASRG), Module 4: Auditing.
Effect:	Not meeting the required spending requirements results in non-compliance. TEA has historically enforced corrective action plans for school districts if they fail to meet their spending requirements over a three-year average. This practice was adopted into law under House Bill 3 (HB 3).
Cause:	Monitoring of spending requirements was not performed periodically during the year to ensure compliance.
Recommendation:	We recommend the District budget and monitor expenditures on a periodic basis to ensure compliance with the state spending requirements. HB 3, 86th Legislature, added a stipulation that allows districts to charge teacher salaries to the bilingual education program, but only if it is to reduce class size. We recommend the District explore this option to aid in meeting these spending requirements.
Views of Responsible Officials:	See management's corrective action plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.


McALLEN
INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2020

Findings Related to the Financial Statements

2020-001 Bilingual Allotment Spending Requirement

Recommendation - We recommend staff training be implemented to ensure compliance. We also recommend the District budget and monitor expenditures on a periodic basis to ensure compliance with the state spending requirements. HB 3, 86th Legislature, added a stipulation that allows districts to charge teacher salaries to the bilingual education program, but only if it is to reduce class size. We recommend that the District explore this option to aid in meeting these spending requirements.

Corrective Action Plan – With the implementation of HB3 in FY 2020, the bilingual allotment increased by $720,094 as well as the increase in spending requirement from 52% to 55%. Additionally, TEA has issued correspondence that due to the current pandemic they will consider waiving this requirement once Districts have submitted the data. We do recognize the spending requirement was not met in FY 2020 and we will evaluate current programs and explore available opportunities to enhance teaching and learning of English learners through the purchase of supplemental instructional resources. We will provide additional training to employees and review the new HB3 stipulation to include allowed costs related to reducing class sizes and/or increase staffing at the campuses to serve English learners. Additionally, we will seek appropriate training for proper monitoring to assure compliance.

Proposed Completion Date – June 2021

Contact Person – Rocio Nava, Bilingual/ESL/ Foreign Languages Director


McALLEN
INDEPENDENT SCHOOL DISTRICT

MCALLEN ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

(1) FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Funds Provided to Subrecipients	(5) Federal Expenditures
U.S. DEPARTMENT OF DEFENSE				
Direct Programs				
Junior Reserve Officer Training Corps	12.U01	108-906	$ -	$ 170,071
Total CFDA Number 12.U01			-	170,071
Total Direct Programs			-	170,071
TOTAL U.S. DEPARTMENT OF DEFENSE			$ -	$ 170,071
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through City of McAllen				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0506	$ -	$ 226,935
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-48-0506	-	225,000
Total CFDA Number 14.218			-	451,935
Total Passed Through City of McAllen			-	451,935
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			$ -	$ 451,935
U.S. DEPARTMENT OF JUSTICE				
Direct Programs				
STOP School Violence	16.839	2019-YS-BX-0082	$ -	$ 22,883
STOP School Violence	16.839	2019-YS-BX-0102	-	10,721
Total CFDA Number 16.839			-	33,604
Equitable Sharing Program	16.922	TX1082600	-	2,030
Total CFDA Number 16.922			-	2,030
Total Direct Programs			-	35,634
TOTAL U.S. DEPARTMENT OF JUSTICE			$ -	$ 35,634
U.S. DEPARTMENT OF THE TREASURY				
Passed Through State Department of Emergency Management				
Coronavirus Relief Fund	21.019	S# 186	$ -	$ 746,256
Total CFDA Number 21.019			-	746,256
Total Passed Through State Department of Emergency Management			-	746,256
TOTAL U.S. DEPARTMENT OF THE TREASURY			$ -	$ 746,256
U.S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Education				
Title I Grants to Local Educational Agencies	84.010A	19610101108906	$ -	$ 401,704
Title I Grants to Local Educational Agencies	84.010A	20610101108906	-	10,367,821
Total CFDA Number 84.010A			-	10,769,525
Migrant Education State Grant Program	84.011A	19615001108906	-	690
Migrant Education State Grant Program	84.011A	20615001108906	-	881,188
Total CFDA Number 84.011A			-	881,878
Special Education Cluster (IDEA)				
*Special Education Grants to States	84.027A	186600011089066600	-	78,525
*Special Education Grants to States	84.027A	196600011089066600	-	113,682
*Special Education Grants to States	84.027A	206600011089066600	-	4,101,716
*Special Education Grants to States	84.027A	196600111089066673	-	5,198
*Special Education Grants to States	84.027A	206600111089066673	-	179,835
Total CFDA Number 84.027A			-	4,478,956
*Special Education Preschool Grants	84.173A	186610011089066610	-	21,356
*Special Education Preschool Grants	84.173A	196610011089066610	-	1,694
*Special Education Preschool Grants	84.173A	206610011089066610	-	55,298
Total CFDA Number 84.173A			-	78,348
Total Special Education Cluster (IDEA)			-	4,557,304
Career and Technical Education Basic Grants to States	84.048A	19420006108906	-	1,080
Career and Technical Education Basic Grants to States	84.048A	20420006108906	-	345,687
Total CFDA Number 84.048A			-	346,767

MCALLEN ISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

(1) FEDERAL GRANTOR/ PASSED THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Funds Provided to Subrecipients	(5) Federal Expenditures
Special Education Grants for Infants and Families	84.181A	203911011089063911	-	695
Total CFDA Number 84.181A			-	695
English Language Acquisition State Grants	84.365A	19671001108906	-	62,503
English Language Acquisition State Grants	84.365A	20671001108906	-	538,410
Total CFDA Number 84.365A			-	600,913
Supporting Effective Instruction State Grants	84.367A	19694501108906	-	110,869
Supporting Effective Instruction State Grants	84.367A	20694501108906	-	905,306
Supporting Effective Instruction State Grants	84.367A	69451971	-	250
Total CFDA Number 84.367A			-	1,016,425
Grants for State Assessments and Related Activities	84.369A	69551902	-	16,441
Total CFDA Number 84.369A			-	16,441
Student Support and Academic Enrichment Program	84.424A	19680101108906	-	13,187
Student Support and Academic Enrichment Program	84.424A	20680101108906	-	514,452
Total CFDA Number 84.424A			-	527,639
Education Stabilization Fund	84.425D	20521001108906	-	8,057,468
Total CFDA Number 84.425D			-	8,057,468
Total Passed Through State Department of Education			-	26,775,055
Passed Through Region One Education Service Center				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180024	-	17,936
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A180024-19	-	51,068
Total CFDA Number 84.334A			-	69,004
Teacher and School Leader Incentive Grants	84.374A	U374A160002-18	-	29,860
Teacher and School Leader Incentive Grants	84.374A	U374A160002-19	-	157,318
Total CFDA Number 84.374A			-	187,178
Total Passed Through Region One Education Service Center			-	256,182
TOTAL U.S. DEPARTMENT OF EDUCATION			$ -	$ 27,031,237
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Health and Human Services				
Medical Assistance Cluster				
*Medicaid Assistance Program	93.778	529-07-0157-00075	$ -	$ 90,952
Total CFDA Number 93.778			-	90,952
Total Medical Assistance Cluster			-	90,952
Total Passed Through Texas Health and Human Services			-	90,952
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ -	$ 90,952
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education				
Child Nutrition Cluster				
*School Breakfast Program	10.553	00568	$ -	$ 5,267,726
Total CFDA Number 10.553			-	5,267,726
*National School Lunch Program - Cash Assistance	10.555	00568	-	8,249,564
*National School Lunch Program - Non-Cash Assistance	10.555	00568	-	1,033,547
Total CFDA Number 10.555			-	9,283,111
Total Child Nutrition Cluster			-	14,550,837
Total Passed Through State Department of Education			-	14,550,837
Passed Through Texas Department of Agriculture				
Child and Adult Care Food Program	10.558	00568	-	968,447
Total CFDA Number 10.558			-	968,447
Fresh Fruit and Vegetable Program	10.582	00568	-	66,485
Total CFDA Number 10.582			-	66,485
Total Passed Through Texas Department of Agriculture			-	1,034,932
TOTAL U.S. DEPARTMENT OF AGRICULTURE			$ -	$ 15,585,769
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 44,111,854

*Clustered Programs

MCALLEN ISD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of McAllen Independent School District. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate:

McAllen Independent School District has elected not to use the 10% of the minimis indirect cost rate allowed under the Uniform Guidance.

Sub-recipients:

During the year ended June 30, 2020, the District had no sub -recipients.

Federal Loans and Loan Guarantees:

During the year ended June 30, 2020, the District had no outstanding federal loans payable or loan guarantees.

Federally Funded Insurance:

During the year ended June 30, 2020, the District had no federally funded insurance.

Noncash awards:

During the year ended June 30, 2020, the District received $1,033,547 as non-cash assistance under the National School Lunch Program.

Reconciliation from the Schedule of Expenditures of Federal Awards to the Exhibit C-3:

Total Federal Award Expended	$	44,111,854
Medicaid		1,227,659
QSCN 2011/2012		741,182
SHARS PY		237,146
MAC & Summer LEP		(57,040)
E-Rate		67,032
Equitable Sharing Program		30,383
Coronavirus Relief Fund		(746,256)
Exhibit C-3	$	45,611,960

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of the McAllen Independent School District December Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

In accordance with TEA budget and accounting procedures guidelines, the District's official budget is comprised of the General Fund which includes Food Service and the Debt Service Fund. The District has administratively opted to officially adopt the Capital Projects Fund budget. The adoption of the budgets associated with these funds, and subsequent amendments, should be approved by the Board of Trustees. The authority to approve a budget or a budget amendment for a grant program, however, lies with the granting agency and not with the District's Board.

The administration will routinely allow amendments of existing budgeted funds between major function levels, in order to accommodate the necessary operations of the requesting department or campus. These amendments usually become necessary due to accounting coding requirements. These requests allowed at the administrative level are subject to final approval by the Board of Trustees.

The budget amendments are broken down into the following two categories:

1. Programmatic or policy changes – amendments that are necessary because of policy changes or revisions to programs that increase/decrease the budget.

2. Reclassifications – amendments that are necessary because function codes and/or amounts require adjustments but do not increase/decrease the budget.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

The budget amendment detail provides explanations for the programmatic or policy changes and reclassifications.

LEGAL REVIEW:

None required.

BUDGETARY CONSIDERATIONS:

	General Fund	Debt Service	Capital Projects Fund
Unaudited Fund Balance	$ 97,700,231	$ 2,046,425	$ 30,187,039
Revenues	247,697,248	53,120,405	1,500,000
Expenditures	260,267,819	53,120,405	31,561,426
Preliminary Ending Fund Balance	$ 85,129,660	$ 2,046,425	$ 125,613

BOARD AGENDA REPORT
McALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of the McAllen Independent School District December Budget Amendment for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021.

REFERENCE: Goal 4, Strategy 7 - Financial Priorities

RECOMMENDED BOARD ACTION:

That the Board of Trustees approve the McAllen Independent School District December Budget Amendments for the General Fund, Debt Service Fund and Capital Projects Fund for Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021.

SUBMITTED BY: Adel Felix

SUPERVISOR: Cynthia Medrano-Richards

For further information contact:
Name: Adel Felix CPA, CFE
Office: (956) 618-6016
eMail: adelita.felix@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

McAllen Independent School District
Summary Report as of December 17, 2020
Review of Budget Amendments and Proposed Amendments

GENERAL FUND

	A	B	C	D	E
			Budget Amendments Under Consideration		
Description	Original Budget	Revised Budget 11/20/2020	Programmatic or Policy Changes	Reclassifications	Revised Budget 12/17/2020
Unaudited Fund Balance	**97,700,231**	**97,700,231**			**97,700,231**
Revenues:					
Local:					
Property Taxes	79,823,682	79,823,682			79,823,682
Interest Income	1,559,000	1,559,000			1,559,000
Other Local Income	2,827,299	2,879,089			2,879,089
State:	137,774,797	137,774,797			137,774,797
Federal:	21,131,995	21,266,401	98,008		21,364,409
Other Sources:	0	4,296,271			4,296,271
Total Revenues	**243,116,773**	**247,599,240**	**98,008**	**0**	**247,697,248**
Expenditures:					
11 Instruction	125,902,178	130,660,492	481,193	18,691	131,160,376
12 Inst. Res. & Media Services	3,591,042	3,611,778		2,831	3,614,609
13 Curriculum Dev. & Inst. Staff Dev.	4,566,016	5,056,335		30,906	5,087,241
21 Inst. Leadership	3,424,579	3,344,970		(100,300)	3,244,670
23 School Leadership	13,398,767	13,799,679		2,923	13,802,602
31 Guid., Counseling & Eval. Ser.	10,033,333	9,971,408		(1,029)	9,970,379
32 Social Work Services	1,864,993	1,943,243			1,943,243
33 Health Services	3,031,453	3,114,048		(300)	3,113,748
34 Student (Pupil) Trans.	4,007,329	4,814,124		(1,000)	4,813,124
35 Food Services	17,566,135	19,276,464	98,008		19,374,472
36 Curricular/Extracurricular Act.	9,996,499	9,971,478		42,595	10,014,073
41 General Administration	7,895,268	8,690,663			8,690,663
51 Plant Maint. & Operations	19,817,409	22,459,613		(236,150)	22,223,463
52 Security and Monitoring Serv.	4,387,069	5,086,247		(39,742)	5,046,505
53 Data Processing Services	4,703,026	6,611,878		280,575	6,892,453
61 Community Services	35,975	42,286			42,286
71 Debt Service	7,073,589	7,078,589			7,078,589
81 Fac. Acquisition & Const.	5,000	938,018			938,018
95 Pmt. to Juv. Justice Alt. Ed. Prg.	40,000	40,000			40,000
99 Other Intergovernmental Charges	891,975	891,975			891,975
Other Uses	85,330	2,285,330			2,285,330
Total Expenditures	**242,316,965**	**259,688,618**	**579,201**	**0**	**260,267,819**
Preliminary Ending Fund Balance	**98,500,039**	**85,610,854**	**(481,193)**	**0**	**85,129,660**

GENERAL FUND
Programmatic or Policy Changes

REVENUES:

Federal

	- Grant from Texas Department of Agriculture for Fund 103 Food Service for Fresh Fruit and Vegetable Grant	$ 98,008	98,008
		Grand Total	$ 98,008

EXPENDITURES:

Function 11	- Transfer from Fund Balance for Fund 162 Career Technical Education for Updated Computer Labs	$ 481,193	481,193
Function 35	- Increase to Food and Non-Food Supplies for Fund 103 Food Service for Fresh Fruit and Vegetable Grant	$ 98,008	98,008
		Grand Total	$ 579,201

McAllen Independent School District
Summary Report as of December 17, 2020
Review of Budget Amendments and Proposed Amendments

DEBT SERVICE

	A	B	C	D	E
			Budget Amendments Under Consideration		
Description	Original Budget	Revised Budget 11/20/2020	Programmatic or Policy Changes	Reclassifications	Revised Budget 12/17/2020
Unaudited Fund Balance	**2,046,425**	**204,645**			**2,046,425**
Revenues:					
Local					
Property Taxes	6,683,727	6,683,727			6,683,727
Interest Income	20,400	20,400			20,400
Other Local Income	44,000	44,000			44,000
State	164,373	164,373			164,373
Federal					
Other Sources		46,207,905			46,207,905
Total Revenues	**6,912,500**	**53,120,405**	**0**	**0**	**53,120,405**
Expenditures:					
71 Debt Service	6,912,500	7,368,046	2,352		7,370,398
Other Uses		45,750,007			45,750,007
Total Expenditures	**6,912,500**	**53,118,053**	**2,352**	**0**	**53,120,405**
Preliminary Ending Fund Balanc	**2,046,425**	**206,997**	**(2,352)**	**0**	**2,046,425**

DEBT SERVICE
Programmatic or Policy Changes

REVENUES:

EXPENDITURES:

Function 71	-	Increase to Other Debt Service Fees for Fund 599 Debt Service for Refunding Bonds 2020A and 2020B	$ 2,352	
				2,352
		Grand Total		$ 2,352

McAllen Independent School District
Summary Report as of December 17, 2020
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CAPITAL PROJECTS

	A	B	C	D	E
			Budget Amendments Under Consideration		
Description	Original Budget	Revised Budget 9/30/2020	Programmatic or Policy Changes	Reclassifications	Revised Budget 12/17/2020
Unaudited Fund Balance	**30,187,039**	**30,187,039**			**30,187,039**
Revenues:					
Local					
Other Local Income			1,000,000		1,000,000
Other Sources		500,000			500,000
Total Revenues	**0**	**500,000**	**1,000,000**	**0**	**1,500,000**
Expenditures:					
51 Plant Maint. & Operations	761,000	936,000			936,000
81 Fac. Acquisition & Const.	24,730,302	29,625,426	1,000,000		30,625,426
Total Expenditures	**25,491,302**	**30,561,426**	**1,000,000**	**0**	**31,561,426**
Preliminary Ending Fund Balance	**4,695,737**	**125,613**	**0**	**0**	**125,613**

CAPITAL PROJECTS FUND
Programmatic or Policy Changes

REVENUES:

Local

	- Increase to Miscellaneous Revenues for Fund 698 MISD Capital Projects per City of McAllen Interlocal Agreement	$ 1,000,000	1,000,000
	Grand Total		$ 1,000,000

EXPENDITURES:

Function 81	- Increase for Pressbox for Fund 698 MISD Capital Projects per City of McAllen Interlocal Agreement	$ 1,000,000	1,000,000
	Grand Total		$ 1,000,000

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Discussion and Possible Nomination of McAllen ISD School Board Trustee to the Texas Association of School Boards (TASB) Board of Directors, Region 1, Positions A and B

REFERENCE: None

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
McAllen ISD has received written notice from the Texas Association of School Boards (TASB) regarding District 1, Position A and B vacancy. Our Board has been invited to submit a nominee to fill this position. McAllen ISD School Board may choose to nominate one of its own trustees.

Nominations must be submitted to TASB no later than Friday, February 26, 2021.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
The TASB Board of Directors is charged with carrying out the policies established by the Delegate Assembly of the Association. The nominee should be a capable, experienced school board member who can assist in providing the Association with outstanding leadership. A director of the Board is expected to attend four meetings of the Board each year with one of the meetings being at the same time as the annual state convention in the fall. In addition, the Director will be asked to serve on a standing committee that will meet on an as needed basis, normally in conjunction with a Board meeting.

LEGAL REVIEW:None

BUDGETARY CONSIDERATIONS:
Lodging and transportation expenses incurred by the Directors attending regular Spring, Summer, and December Board meetings are reimbursed by the Association, along with transportation and up to three nights in lodging expenses incurred attending the Convention Board meeting.

RECOMMENDED BOARD ACTION:
The Board may choose to nominate a trustee to serve on the TASB Board of Directors, Region 1, Positions A, and B.

SUBMITTED BY: _____ **SUPERVISOR:** _____

For further information contact:
Name: Natalia Goza
Office: 956 618-6097
eMail: natalie.goza@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools

BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT

MEETING DATE: January 18, 2021

SUBJECT: Approval of Board of Education Meeting Minutes

REFERENCE: N/A

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:
The minutes for each meeting of the Board of Education are traditionally brought to the Board for approval. After approval, the minutes become the Official Record of Board Action.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:
The Administration asks that the Board of Education consider approval of the attached minutes.

LEGAL REVIEW: None

BUDGETARY CONSIDERATIONS: None

RECOMMENDED BOARD ACTION:
That the Board approve the minutes of the following meeting(s):

Special Board Meeting - December 7, 2020 - 5:00 P.M.
Regular Board Meeting - December 14, 2020 - 5:00 P.M.

Natalia Goza

SUBMITTED BY: Natalia Goza (Jan 13, 2021 11:39 CST)

SUPERVISOR:

For further information contact:
Name: Natalia Goza
Office: 956-618-6094
eMail: natalie.goza@mcallenisd.net

Approved for presentation to the Board of Education:

Superintendent of Schools