

Annual Financial Report

For the Year Ended
June 30, 2015

Ector County Independent School District
Odessa, Texas

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

PREPARED BY THE FINANCE DEPARTMENT

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Odessa, Texas

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Certificate of Board	i
Organization Chart	ii
List of Board of Trustees and Consultants and Advisors	iii
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
 <u>Basic Financial Statements</u>	
Government Wide Statements:	
A-1 Statement of Net Position	12
B-1 Statement of Activities	13
Governmental Fund Financial Statements:	
C-1 Balance Sheet	15
C-2 Reconciliation for C-1	16
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	17
C-4 Reconciliation for C-3	18
Proprietary Fund Financial Statements:	
D-1 Statement of Net Position	19
D-2 Statement of Revenues, Expenses, and Changes in Fund Net Position	20
D-3 Statement of Cash Flows	21
Fiduciary Fund Financial Statements:	
E-1 Statement of Fiduciary Net Position	22
Notes to the Financial Statements	23
Budgetary Comparison Reporting:	
G-1 Budget to Actual: Major Funds/General Fund	53
 <u>Required Supplementary Information</u>	
G-2 Schedule of the District's Proportionate Share of the Net Pension Liability	54
G-3 Schedule of District Contributions	55
Note to Required Supplementary Information	56
 <u>Combining Schedules</u>	
Nonmajor Governmental:	
H-1 Combining Balance Sheet	57
H-2 Combining Statement Funds of Revenues, Expenditures, and Changes in Fund Balances	65
Internal Service Funds:	
H-3 Combining Statement of Net Position	73
H-4 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	74
H-5 Combining Statement of Cash Flows	75

DRAFT

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
<u>Required TEA Schedules</u>	
J-1	Schedule of Delinquent Taxes Receivable 76
J-2	Schedule of Expenditures for Computation of Indirect Cost (<i>Waived by TEA</i>)
J-3	Fund Balance and Cash Flow Calculation Worksheet (<i>Waived by TEA</i>)
J-4	Budgetary Comparison Schedule - Child Nutrition Program 78
J-5	Budgetary Comparison Schedule - Debt Service Fund 79
<u>Federal Awards Section</u>	
	Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> 80
	Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133 82
	Schedule of Findings and Questioned Costs 84
	Schedule of Prior Audit Findings and Questioned Costs 87
K-1	Schedule of Expenditures of Federal Awards 88
	Notes to Schedule of Expenditures of Federal Awards 90

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INTRODUCTORY SECTION

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CERTIFICATE OF BOARD

Ector County Independent School District
Name of School District

Ector
County

068901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one): approved disapproved for the year ended June 30, 2015 at a meeting of the Board of Trustees of such school district on the _____ day of November, 2015.

Signature of Board Secretary

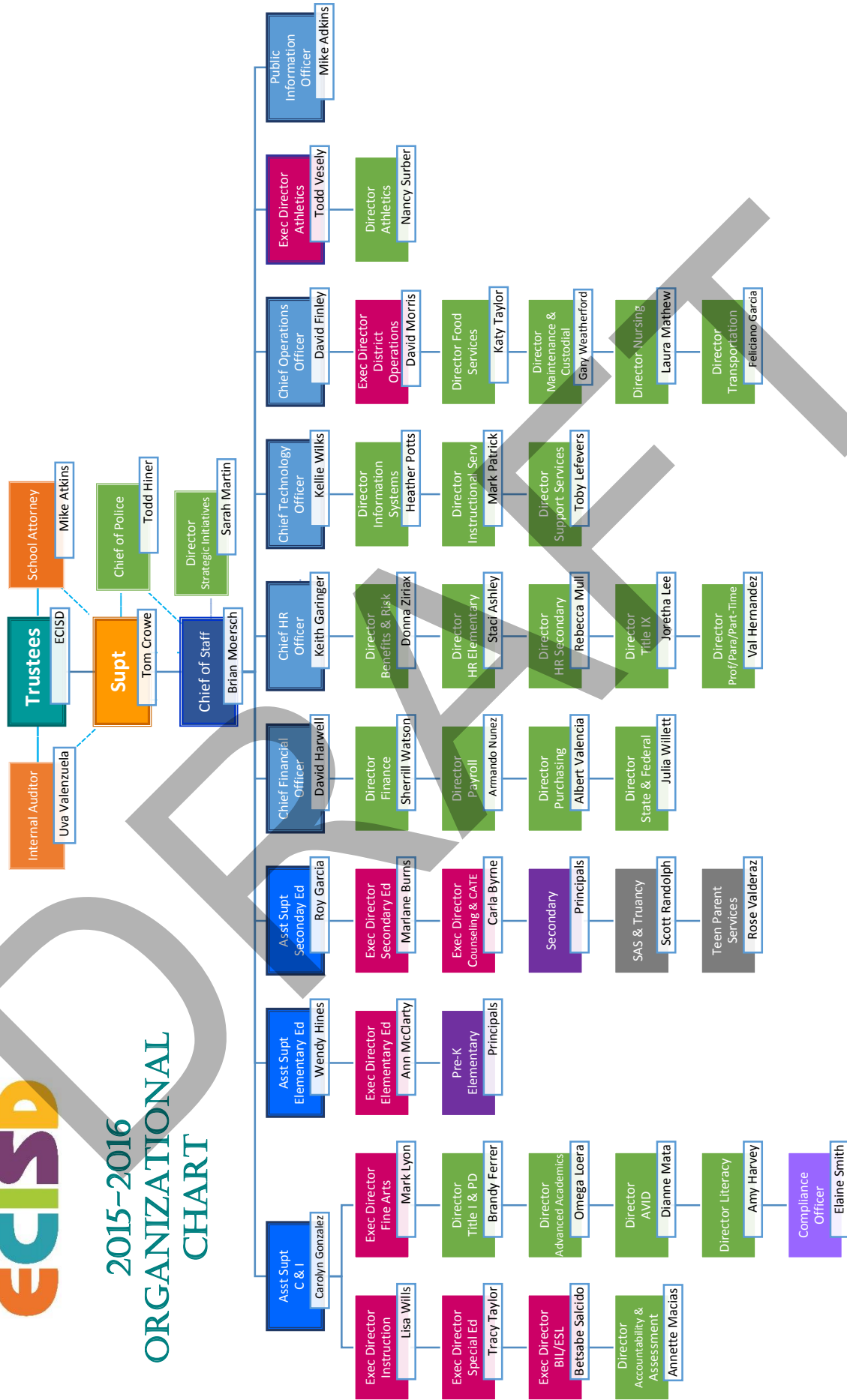
Signature of Board President

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

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2015-2016 ORGANIZATIONAL CHART



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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Board of Trustees and Consultants and Advisors

Board of Trustees

Nelson Minyard
Teri Ervin
Doyle Woodall
Carol Gregg
Donna Smith
Steve Brown
Ray Beaty

President
Vice President
Secretary
Member
Member
Member
Member

Consultants and Advisors

Johnson Miller & Co., CPA's PC
Atkins, Hollman, Jones, Peacock, Lewis,
and Lyon
McCall, Parkhurst & Horton, LLP
BOSC, Inc.
Frost Bank

Independent Auditors
General Counsel
Bond Counsel
Financial Advisor
Official Depository

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ector County Independent School District (the "District") as of and for the year ended June 30, 2015, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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550 West Texas Avenue
Midland, Texas 79701
(432) 683-1835

225 East Bender Boulevard
P. O. Drawer 220
Hobbs, New Mexico 88241
(575) 393-2171

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Auditors' Responsibility (Continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note T to the financial statements, in 2015, the District adopted new accounting guidance prescribed by GASB #68 for its pension plan - a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. Note J and Exhibits G-2 and G-3 discloses the District's Net Pension Liability and some deferred resource outflows and deferred resource inflows related to the District's pension plan. Note T discloses the adjustment to the District's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules G-1 to G-3 on pages 4-11 and 53 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget

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Other Matters (Continued)

Other Information (Continued)

Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as J-1 through J-5. These schedules are not a required part of the basic financial statements.

The schedules above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 **Date_, 2015** on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Odessa, Texas
Date_, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the managers of Ector County Independent School District, discuss and analyze the District's financial performance for the fiscal year ended June 30, 2015. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements which begin on page 12.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 12 and 13-14). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 15) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 23) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

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

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

(general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

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

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

Component units-The District includes two separate legal entities in its report – ECISD Education Foundation and Permian High Band and Orchestra. Although legally separate, these “component units” are important because the District is financially accountable for them.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 15 and provide detailed information about the most significant funds-not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds-governmental and proprietary-use different accounting approaches.

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

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by the student activities. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position on page 22. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Table I

Ector County Independent School District

NET POSITION

	Governmental Activities	
	2015	2014
Current and other assets	\$ 217,996,437	\$ 299,204,871
Capital assets	288,163,485	199,816,050
Total assets	<u>506,159,922</u>	<u>499,020,921</u>
Deferred charge on refunding	2,175,808	2,355,968
Deferred resource outflow for TRS	11,108,203	-
Total deferred outflows of resources	<u>13,284,011</u>	<u>2,355,968</u>
Long-term liabilities	220,335,225	226,066,721
Pension liability	33,571,908	-
Other liabilities	42,394,951	32,467,960
Total liabilities	<u>296,302,084</u>	<u>258,534,681</u>
Deferred resource inflow for TRS	10,269,746	-
Total deferred inflows of resources	<u>10,269,746</u>	<u>-</u>
Net position:		
Invested in capital assets net of related debt	73,795,302	93,601,648
Restricted	77,824	77,775
Unrestricted	138,998,977	149,162,785
Total net position	<u>\$ 212,872,103</u>	<u>\$ 242,842,208</u>

Net position of the District's governmental activities decreased 12.3% from \$242,842,208 to \$212,872,103. Significant changes in net position from the prior year are explained as follows:

Current and other assets decreased primarily because of a decrease in investments and other receivables.

Capital assets increased primarily due to construction in progress during 2014-2015.

Long-term liabilities decreased primarily due to bond payments during 2014-2015.

Deferred outflows, pension liability, and deferred inflows are recognized by the District in fiscal year 2015 as a result of GASB 68.

Other liabilities increased primarily from an increase in accounts payable in 2014-2015.

Please see page 16 for a detailed explanation of changes in net position.

Table II
Ector County Independent School District
CHANGES IN NET POSITION

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 9,365,142	\$ 8,439,806
Operating grants and contributions	40,848,077	37,222,539
General revenues:		
Property taxes, levied for general purposes	146,788,577	136,468,925
Property taxes, levied for debt service	17,079,566	15,848,404
State aid – formula grants	65,279,292	71,643,367
Grants and contributions not restricted	47,255	121,141
Investment earnings	98,611	141,219
Miscellaneous local and intermediate revenue	1,341,548	2,754,217
Total revenue	<u>280,848,068</u>	<u>272,639,618</u>
Expenses:		
Instruction, curriculum and media services	160,391,757	144,908,530
Instructional and school leadership	19,415,295	17,683,388
Student support services	19,693,127	17,619,425
Child nutrition	14,777,228	14,054,154
Co-curricular activities	6,041,530	6,542,276
General administration	6,274,920	5,782,952
Facilities maintenance, security and data processing	32,599,755	31,268,104
Community services	1,343,924	990,975
Debt service	8,160,310	8,364,907
Other Intergovernmental charges	2,557,833	1,857,964
Total expenses	<u>271,255,679</u>	<u>249,072,675</u>
Increase in net position	9,592,389	23,566,943
Net position - beginning	242,842,208	219,275,265
Prior period adjust to net position	(39,562,494)	-
Net position - ending	<u>\$ 212,872,103</u>	<u>\$ 242,842,208</u>

The District's total revenues increased by 3% – approximately \$8.2 million from prior year revenues. Significant changes in revenue from the prior year are explained as follows:

Program revenues increased approximately \$4.6 million, due to an increase in operating grants and contributions of \$3.6 million and an increase in user charges of approximately \$900,000 – primarily due to an increase in funding for instruction and charges for extracurricular activities.

Property tax collections increased 8% - approximately \$11.6 million, primarily due to an increase in taxable property value from the prior tax year.

State Aid – Formula Grants decreased by \$6.4 million during the year due to an increase in tax collections of \$11.6 million. State Aid did not decrease in proportion to this as a result of an increase in average daily attendance from 28,092 in 2013-14 to 29,008 in 2014-15 for a total increase of 916.

Grants and Contributions not restricted decreased by 61% - approximately \$74,000, primarily due to a decrease in gifts and bequests.

Investment Earnings decreased by \$42,000 during the year due to use of bond investment funds for the construction of new campuses.

Miscellaneous local revenue decreased by \$1.4 million primarily due to a decrease in insurance recoveries.

The District's total expenses increased by 9% – approximately \$22.2 million from prior year expenses. Significant changes in expenses from the prior year are as follows:

- Instruction, curriculum and media services expense increased from 2013-14 approximately \$15.5 million. Supplies expenses increased approximately by \$9.4 million. Payroll, services, and miscellaneous expenses were approximately \$6.1 million.
- Instructional and school leadership expenses increased approximately \$1.7 million due to an increase in payroll expenses of approximately \$994,000. Increases in services expense, supplies expense and miscellaneous expense were approximately \$122,000, \$325,000 and \$292,000, respectively.
- Student support services increased approximately \$2.1 million due to increases in payroll of \$1.6 million, supplies of \$153,000 and miscellaneous expense of \$462,000, offset by a decrease in services expense of \$115,000.
- Child nutrition program expenses increased approximately \$723,000 due to increases in payroll, services expense, supply expenses, and miscellaneous expenses as compared to the prior year.
- Co-curricular activities expenses decreased approximately \$501,000. Approximate amounts of decreases were as follows: payroll expenses \$27,000, services \$58,000, supplies \$524,000, offset by an increase in miscellaneous expense of \$108,000.
- General administration expenses increased by approximately \$492,000 from the prior year from increases in payroll, service expense, and miscellaneous expenses totaling \$515,000, which were offset by a decrease in supply expenses of approximately \$23,000.
- Facilities maintenance, security and data processing expenses increased approximately \$1.3 million primarily due to increases payroll, supplies, and miscellaneous expenses.
- Community services expenses increased approximately \$353,000 from increases in payroll, service expense and miscellaneous expenses.
- Debt service expenses decreased by approximately \$205,000 due to repayment of debt.
- Other intergovernmental charges increased approximately \$700,000 from an increase in appraisal district costs and estimated cost of recapture.

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$159 million, which is below last year's total of \$249.7 million. The primary reasons for the decrease include (1) an increase in construction costs for new elementary schools and campus additions, and (2) an increase for equipment purchases for campus additions. Over the course of the year, the District recommended and the Board of Trustees approved revisions of the District's general fund budget for various reasons. The following is a summary of significant budget amendments made to estimated revenues:

	<u>Estimated Revenues</u>
Beginning Estimated Revenues	\$ 225,239,786
Adjust State funding estimate	3,348,657
Adjust Estimated Tax Collections	(1,286,099)
Final Amended Estimated Revenues	<u>\$ 227,302,344</u>

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

	<u>Appropriations</u>
Beginning Appropriations	\$ 224,842,368
Rollforward appropriations for purchase of real property, furniture and incidentals	750,000
Increase for estimated payroll costs through June	600,000
Increase for Maintenance Department costs through June	250,000
Provide funds for TCM Enterprise and Tyler Hosting	136,250
Increase for Textbook Department needs	107,486
Increase for contracted accounting services through June	30,000
Adjust Chapter 41 recapture estimate	(98,413)
Final Amended Appropriations	<u>\$ 226,617,691</u>

	<u>Other Sources (Uses)</u>
Beginning Other Sources (Uses)	\$ (397,418)
Operating transfer out to 2015 Captial Projects Fund - Facilities and Operation	(10,987,000)
Operating transfer out to 2015 Captial Projects Fund - Information Technology	(9,922,238)
Operating transfer out to 2013 Bond Construction Fund	(6,700,000)
Operating transfer out to 2015 Captial Projects Fund - Athletics	(4,470,000)
Operating transfer out to 2015 Captial Projects Fund - Classroom and Instruction	(3,250,000)
Final Amended Other Uses	<u>\$ (35,726,656)</u>

Capital Asset and Debt Administration

Capital Assets

At the end of 2015, the District had approximately \$288 million invested in a broad range of capital assets, (net of accumulated depreciation and amortization) including facilities and equipment for instruction, transportation, athletics, administration, maintenance, and computer technology. This amount represents a net increase of approximately \$88 million or 44%, above last year.

This year's major additions included:

2014-2015
Capital Additions

Non-Bond Projects:

Chancellor House	631,954
Portable Classrooms	269,960
Odessa High School Paving	268,290
Bonham Junior High Lockers	84,188
Nimitz Junior High Paving	77,910
Lochinvar Boilers - Ector Junior High	60,882
Nimitz Junior High Lockers	60,562
Zavala Elementary Paving	54,853
Gale Pond Alamo Elementary - HVAC Mngt System	33,282
Odessa High School - Elevator Renovations	29,524
Odessa High School New Electric Pole/Service	28,347
Odessa High School Whitaker Bldg Fire Alarm	27,450
Jordan Elementary Pedestrian Crossing Warning System	25,500
Ratliff Stadium Wireless	25,322
Bowie Junior High Ethernet Auto Server	16,727
Ratliff Stadium Tennis Complex	14,970
San Jacinto Elementary Playground Renovations	12,390
Alternative Technical Center Portable Building	9,600
Nimitz Junior High Pedestrian Crossing Warning System	8,154
Crockett Junior High - Elevator Renovations	2,500

Furniture, Fixtures and Equipment:

Transportation Vehicles & Equipment	886,555
A/C Equipment	364,574
Playground Equipment	308,952
Software	278,092
Musical Instruments	233,586
Police Vehicles	185,172
Maintenance Vehicles & Equipment	174,426
Career Technical Education Equipment	108,259
Technology Equipment	79,459
Other Vehicles	72,008
Other Equipment	58,974
Police Work Station	52,182
Signs	18,435
Food Service Carts	11,491

Total Capital Additions

4,574,530

Debt Administration

At year-end, the District had approximately \$216 million in bonds and notes outstanding versus approximately \$222 million last year-a decrease of \$6 million. The decrease resulted primarily from bond principal payments.

Based on information provided by the Teacher Retirement System of Texas (TRS), the District recognized its proportionate share of TRS's net pension liability of \$33,571,908.

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

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when preparing the fiscal year 2016 budget. (1) the need to staff and operate five additional campuses; (2) the anticipated change of student population within the campuses and; (3) to provide funding for software, textbooks, and various instructional initiatives.

These factors were taken into account when adopting the General Fund budget for 2016. Estimated revenues in the General Fund are \$218.9 million, a decrease of 2.8% over the original 2015 estimated revenues of \$225.2 million. A decrease in taxable property values results in the decrease in estimated revenues in the General Fund for 2016. In 2016, the General Fund budgeted expenditures are also expected to increase by approximately \$4 million for the reasons mentioned above in (1) through (3).

Contacting the District's Financial Management

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

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GOVERNMENT WIDE STATEMENTS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

Data Control Codes	1 Primary Government	4 Component Unit
Codes	Governmental Activities	Component Unit
ASSETS		
1110 Cash and Cash Equivalents	\$ 9,932,278	\$ 283,185
1120 Investments - Current	184,432,804	2,680,434
1220 Property Taxes Receivable (Delinquent)	12,845,814	-
1230 Allowance for Uncollectible Taxes	(8,879,027)	-
1240 Due from Other Governments	18,204,589	-
1290 Other Receivables	7,179	31,986
1300 Inventories	1,353,732	3,589
1410 Prepayments	99,068	-
Capital Assets:		
1510 Land	8,464,197	-
1520 Buildings, Net	162,672,080	-
1530 Furniture and Equipment, Net	10,952,964	-
1560 Books and Media, Net	1,973,696	-
1580 Construction in Progress	104,100,548	-
1000 Total Assets	<u>506,159,922</u>	<u>2,999,194</u>
DEFERRED OUTFLOWS OF RESOURCES		
1996 Deferred Charge on Refunding	2,175,808	-
1997 Deferred Resource Outflow TRS	11,108,203	-
1700 Total Deferred Outflows of Resources	<u>13,284,011</u>	<u>-</u>
LIABILITIES		
2110 Accounts Payable	22,979,611	4,175
2140 Interest Payable	2,732,581	-
2150 Payroll Deductions and Withholdings Payable	1,635,891	-
2180 Due to Other Governments	150,018	-
2200 Accrued Expenditures/Expenses	14,263,917	-
2300 Unearned Revenue	632,933	-
Noncurrent Liabilities		
2501 Due Within One Year	8,388,993	-
2502 Due in More Than One Year	211,946,232	-
2540 Net Pension Liability (District's Share)	33,571,908	-
2000 Total Liabilities	<u>296,302,084</u>	<u>4,175</u>
DEFERRED INFLOWS OF RESOURCES		
2603 Deferred Resource Inflow TRS	10,269,746	-
2600 Total Deferred Inflows of Resources	<u>10,269,746</u>	<u>-</u>
NET POSITION		
Restricted for:		
3860 Restricted for Capital Projects	73,795,302	-
3870 Restricted for Campus Activities	52,700	-
3880 Restricted for Scholarships	25,124	122,124
3890 Restricted - Other	-	1,199,979
3900 Unrestricted Net Position	138,998,977	1,672,916
3000 Total Net Position	<u>\$ 212,872,103</u>	<u>\$ 2,995,019</u>

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 149,201,069	\$ 508,145	\$ 22,361,027
12 Instructional Resources and Media Services	2,715,917	-	110,922
13 Curriculum and Staff Development	8,474,771	-	4,107,599
21 Instructional Leadership	3,289,499	-	242,611
23 School Leadership	16,125,796	-	899,675
31 Guidance, Counseling and Evaluation Services	9,318,761	-	839,565
32 Social Work Services	568,125	26,187	88,394
33 Health Services	1,915,228	-	146,319
34 Student (Pupil) Transportation	7,891,013	26,187	293,653
35 Food Services	14,777,228	5,029,930	9,195,825
36 Extracurricular Activities	6,041,530	546,088	125,611
41 General Administration	6,274,920	2,914,359	211,046
51 Facilities Maintenance and Operations	22,827,304	314,246	1,767,790
52 Security and Monitoring Services	2,353,167	-	98,087
53 Data Processing Services	7,419,284	-	152,296
61 Community Services	1,343,924	-	207,657
72 Debt Service - Interest on Long Term Debt	8,158,560	-	-
73 Debt Service - Bond Issuance Cost and Fees	1,750	-	-
91 Contracted Instructional Services Between Schools	966,520	-	-
99 Other Intergovernmental Charges	1,591,313	-	-
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 271,255,679</u>	<u>\$ 9,365,142</u>	<u>\$ 40,848,077</u>
Component Unit:			
1C Component Units	\$ 1,491,809	\$ -	\$ 1,482,329
[TC] TOTAL COMPONENT UNIT:	<u>\$ 1,491,809</u>	<u>\$ -</u>	<u>\$ 1,482,329</u>

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment Required by GASB 68
NE	Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position	
6	9
Primary Government Governmental Activities	Component Unit Component Unit
\$ (126,331,897)	\$ -
(2,604,995)	-
(4,367,172)	-
(3,046,888)	-
(15,226,121)	-
(8,479,196)	-
(453,544)	-
(1,768,909)	-
(7,571,173)	-
(551,473)	-
(5,369,831)	-
(3,149,515)	-
(20,745,268)	-
(2,255,080)	-
(7,266,988)	-
(1,136,267)	-
(8,158,560)	-
(1,750)	-
(966,520)	-
(1,591,313)	-
(221,042,460)	-
-	(9,480)
-	(9,480)
146,788,577	-
17,079,566	-
65,279,292	-
47,255	-
98,611	-
1,341,548	-
230,634,849	-
9,592,389	(9,480)
242,842,208	3,004,499
(39,562,494)	-
\$ 212,872,103	\$ 2,995,019

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Data Control Codes	10 General Fund	60 2013 Bond Constr Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 6,752,762	\$ -	\$ 200,651	\$ 6,953,413
1120 Investments - Current	101,024,374	46,291,376	22,533,395	169,849,145
1220 Property Taxes - Delinquent	11,742,170	-	1,103,644	12,845,814
1230 Allowance for Uncollectible Taxes (Credit)	(8,116,188)	-	(762,839)	(8,879,027)
1240 Receivables from Other Governments	13,362,033	-	4,842,556	18,204,589
1260 Due from Other Funds	76,324,398	6,965,937	41,948,464	125,238,799
1290 Other Receivables	7,179	-	-	7,179
1300 Inventories	115,907	-	1,237,825	1,353,732
1410 Prepayments	99,068	-	-	99,068
1000 Total Assets	<u>\$ 201,311,703</u>	<u>\$ 53,257,313</u>	<u>\$ 71,103,696</u>	<u>\$ 325,672,712</u>
LIABILITIES				
2110 Accounts Payable	\$ 5,594,273	\$ 8,292,889	\$ 8,486,534	\$ 22,373,696
2150 Payroll Deductions and Withholdings Payable	1,635,891	-	-	1,635,891
2170 Due to Other Funds	123,579,753	-	1,360,390	124,940,143
2180 Due to Other Governments	-	-	150,018	150,018
2200 Accrued Expenditures	12,819,730	-	143,833	12,963,563
2300 Unearned Revenues	3,679,645	-	920,075	4,599,720
2000 Total Liabilities	<u>147,309,292</u>	<u>8,292,889</u>	<u>11,060,850</u>	<u>166,663,031</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	115,907	-	1,237,825	1,353,732
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	5,493,034	5,493,034
3480 Retirement of Long-Term Debt	-	-	16,547,593	16,547,593
3490 Other Restricted Fund Balance	-	-	77,824	77,824
Committed Fund Balance:				
3510 Construction	4,500,000	44,964,424	36,686,570	86,150,994
3530 Capital Expenditures for Equipment	8,950,000	-	-	8,950,000
3540 Self Insurance	1,000,000	-	-	1,000,000
3545 Other Committed Fund Balance	845,941	-	-	845,941
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	4,134,863	-	-	4,134,863
3600 Unassigned Fund Balance	34,455,700	-	-	34,455,700
3000 Total Fund Balances	<u>54,002,411</u>	<u>44,964,424</u>	<u>60,042,846</u>	<u>159,009,681</u>
4000 Total Liabilities and Fund Balances	<u>\$ 201,311,703</u>	<u>\$ 53,257,313</u>	<u>\$ 71,103,696</u>	<u>\$ 325,672,712</u>

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

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2015

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	159,009,681
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		11,551,724
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$360,609,407 and the accumulated depreciation was \$160,793,359. The beginning balance of deferred charge for refunding for \$2,355,969 will increase net position. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) of \$199,816,048 and long-term debt in the governmental activities of (\$221,866,408) is to (decrease) net position.		(19,694,391)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2015 capital outlays of \$ 98,207,428 and debt principal payments of \$2,263,777, is to increase net position.		100,471,205
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 in the amount of (\$33,571,908), a Deferred Resource Inflow related to TRS in the amount of (\$10,269,746), and a Deferred Resource Outflow related to TRS in the amount of \$11,108,203. This amounted to a decrease in Net Position in the amount of (\$32,733,451).		(32,733,451)
The issuance of long-term debt is not due and payable within the current period and, therefore, is not reported in the governmental funds balance sheet. Also, governmental funds report the effect of issuance costs, premiums, discounts, and deferred loss on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of net assets. The current year effect on the statement of activities resulting from amortizing various bond related items is as follows: net bond premium \$1,683,375, deferred loss (\$180,160), and net current year accretion on CAB's \$2,362,054.		3,865,269
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue \$868,669, sale of assets (\$165), recognizing current year depreciation (\$9,859,826), recognizing the current year change in sick leave payable (\$972,149), recognizing interest payable and reversing prior period interest payable \$14,397, recognizing the effect of the beginning balance for unearned revenue \$3,098,118, and interest payable (\$2,746,978). The net effect of these reclassifications and recognitions is to (decrease) net position.		(9,597,934)
Net Position of Governmental Activities	\$	212,872,103

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

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	10 General Fund	60 2013 Bond Constr Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 151,490,723	\$ 34,991	\$ 22,829,282	\$ 174,354,996
5800 State Program Revenues	72,271,162	-	4,127,906	76,399,068
5900 Federal Program Revenues	2,120,558	-	27,082,745	29,203,303
5020 Total Revenues	<u>225,882,443</u>	<u>34,991</u>	<u>54,039,933</u>	<u>279,957,367</u>
EXPENDITURES:				
Current:				
0011 Instruction	128,919,227	-	20,295,276	149,214,503
0012 Instructional Resources and Media Services	2,549,426	-	14,035	2,563,461
0013 Curriculum and Instructional Staff Development	4,777,029	-	3,835,592	8,612,621
0021 Instructional Leadership	3,172,203	-	105,700	3,277,903
0023 School Leadership	15,984,843	7,180	311,076	16,303,099
0031 Guidance, Counseling and Evaluation Services	9,043,132	-	458,974	9,502,106
0032 Social Work Services	515,649	-	65,885	581,534
0033 Health Services	1,905,311	-	63,172	1,968,483
0034 Student (Pupil) Transportation	7,959,681	-	525	7,960,206
0035 Food Services	3,532	-	15,503,085	15,506,617
0036 Extracurricular Activities	5,181,940	-	7,609	5,189,549
0041 General Administration	6,452,400	-	8,211	6,460,611
0051 Facilities Maintenance and Operations	22,193,345	-	1,702,445	23,895,790
0052 Security and Monitoring Services	2,324,758	-	595,667	2,920,425
0053 Data Processing Services	5,171,467	-	989,264	6,160,731
0061 Community Services	1,159,843	-	168,109	1,327,952
Debt Service:				
0071 Principal on Long Term Debt	-	-	2,263,777	2,263,777
0072 Interest on Long Term Debt	-	-	12,038,227	12,038,227
0073 Bond Issuance Cost and Fees	-	-	1,750	1,750
Capital Outlay:				
0081 Facilities Acquisition and Construction	756,682	80,406,245	11,151,215	92,314,142
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	966,520	-	-	966,520
0099 Other Intergovernmental Charges	1,591,313	-	-	1,591,313
6030 Total Expenditures	<u>220,628,301</u>	<u>80,413,425</u>	<u>69,579,594</u>	<u>370,621,320</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,254,142</u>	<u>(80,378,434)</u>	<u>(15,539,661)</u>	<u>(90,663,953)</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	3,945	-	11,785	15,730
7915 Transfers In	4,986	6,700,000	28,908,050	35,613,036
8911 Transfers Out (Use)	(35,608,050)	-	(4,986)	(35,613,036)
7080 Total Other Financing Sources (Uses)	<u>(35,599,119)</u>	<u>6,700,000</u>	<u>28,914,849</u>	<u>15,730</u>
1200 Net Change in Fund Balances	(30,344,977)	(73,678,434)	13,375,188	(90,648,223)
0100 Fund Balance - July 1 (Beginning)	<u>84,347,388</u>	<u>118,642,858</u>	<u>46,667,658</u>	<u>249,657,904</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 54,002,411</u>	<u>\$ 44,964,424</u>	<u>\$ 60,042,846</u>	<u>\$ 159,009,681</u>

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

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (90,648,223)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to (decrease) net position.	(975,830)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays of \$98,207,428 and debt principal payments of \$2,263,777 is to increase net position.	100,471,205
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(9,859,826)
The proceeds from the issuance of bonds are reported as financial resources in the year of occurrence on the governmental fund financial statements, whereas there is no effect on the statement of activities. Also, governmental funds report on the effect of bond issuance costs, premiums, discounts, and deferred loss on refunding whereas these amounts are deferred and amortized on the statement of activities. The current year effect on the statement of activities resulting from amortizing various bond related items is as follows: net bond premium \$1,683,375; deferred loss (\$180,160), and net current year accretion on CAB's \$2,362,054.	3,865,269
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unearned revenue as revenue \$868,669, recognizing the current year change in sick leave payable (\$972,149), sale of assets (\$165), recognizing interest payable and reversing prior period interest payable \$14,397.	(89,248)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase in the amount of \$8,406,792. Contributions made before the measurement but during the 2014 FY were also de-expended and recorded as a reduction in the net pension liability for the district. This also caused an increase in the change in net position in the amount of \$1,525,379. The District recorded their proportionate share of the pension expense during the measurement period as part of the net pension liability. The amount expensed for FY2015 were \$(5,215,109) for pension expense columns 6-12 from TRS data and the amounts de-expended for the net deferred resource inflow recognized by TRS in the measurement period were \$2,111,980. This caused a net decrease in the change in net position of \$(3,103,130). The impact of all these is to increase the change in net position by \$6,829,042.	6,829,042
Change in Net Position of Governmental Activities	\$ 9,592,389

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,978,865
Investments - Current	14,583,659
Total Assets	17,562,524
LIABILITIES	
Current Liabilities:	
Accounts Payable	605,915
Due to Other Funds	298,656
Accrued Expenses	2,621,830
Total Current Liabilities	3,526,401
Noncurrent Liabilities:	
Other Long-Term Debt - Due in More than One Year	2,484,399
Total Noncurrent Liabilities	2,484,399
Total Liabilities	6,010,800
NET POSITION	
Unrestricted Net Position	11,551,724
Total Net Position	\$ 11,551,724

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Employee and Employer Premiums	\$ 20,277,998
Stop Loss Reimbursement	304,594
Total Operating Revenues	20,582,592
OPERATING EXPENSES:	
Claims and Prescriptions	19,264,937
Professional and Contracted Services	91,910
Other Operating Costs	2,208,042
Total Operating Expenses	21,564,889
Operating Income (Loss)	(982,297)
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	6,467
Total Nonoperating Revenues (Expenses)	6,467
Change in Net Position	(975,830)
Total Net Position - July 1 (Beginning)	12,527,554
Total Net Position - June 30 (Ending)	\$ 11,551,724

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

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Employees and Employer	\$ 20,357,086
Cash Received from Stop Loss Carrier	304,594
Cash Payments for Claims	(19,151,753)
Other Payments	(2,081,058)
Net Cash Used for Operating Activities	<u>(571,131)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest on Investments	<u>6,467</u>
Net Decrease in Cash and Cash Equivalents	(564,664)
Cash and Cash Equivalents at Beginning of Year	<u>18,127,189</u>
Cash and Cash Equivalents at End of Year	<u>\$ 17,562,525</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (982,297)
<u>Effect of Increases and Decreases in Current Assets and Liabilities:</u>	
Decrease in Due From Other Funds	231,895
Decrease in Due to Other Funds	(152,807)
Decrease in Accrued Expenses	(221,849)
Increase in Accrued Expenses	335,033
Increase in Accounts Payable	218,894
Net Cash Used for Operating Activities	<u>\$ (571,131)</u>

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

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FIDUCIARY FUND FINANCIAL STATEMENTS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	Agency Fund
<hr/>	
ASSETS	
Restricted Assets	\$ 950,256
Total Assets	<u>\$ 950,256</u>
LIABILITIES	
Due to Student Groups	\$ 950,256
Total Liabilities	<u>\$ 950,256</u>

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NOTES TO FINANCIAL STATEMENTS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ector County Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." The District has component units, which are discretely presented in a separate column in a supporting schedule to the government-wide financial statements. The ECISD Education Foundation and Permian High Band and Orchestra are combined and presented separately in one column to emphasize that they are legally separate from the District. If you have questions about this report or need additional financial information, contact the District's business office, at Ector County Independent School District, 802 N. Sam Houston, Odessa, Texas.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District and its component units nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

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

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

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

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

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

D. FUND ACCOUNTING

The District reports the following major governmental funds:

- 1. The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Additionally, the District reports the following fund types:

Governmental Funds:

- 1. Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a special revenue fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
- 2. Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
- 3. Capital Projects Funds** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund. The District has capital projects funds to separately account for various locally funded capital projects occurring throughout the District, and to account for the 2013 bond issue transactions.
- 4. Permanent Funds** – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no permanent funds.

Proprietary Funds:

5. **Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has no enterprise funds.
6. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service funds are the Medical Trust Fund and the Worker's Compensation Fund.

Fiduciary Funds:

7. **Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District has no private purpose trust funds.
8. **Pension (and Other Employee Benefit) Trust Funds** – These funds are used to account for local pension and other employee benefit funds that are provided by the District in lieu of or in addition to the Teacher Retirement System of Texas. The District has no pension trust funds.
9. **Investment Trust Fund** - This fund is one in which the District holds assets in trust for other entities participating in an investment program managed by the district. The District has no investment trust funds.
10. **Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency funds are the Student Activity Funds.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. The District reports inventories of supplies at weighted average cost. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenses.

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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is a liability for unpaid accumulated sick leave based upon employees who meet the criteria established in the compensation and benefits local policy. All vacation pay is accrued when incurred in the government-wide and fund financial statements.
5. Capital assets, which include land, buildings, software, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

6. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Restricted net position represents restrictions that are externally imposed or restrictions imposed by law through constitutional provisions or enabling legislation.
8. The District has self-insured health and workers' compensation plans which are accounted for as proprietary funds. Claims incurred but not reported (IBNR) are accrued if it is probable that a claim will be asserted and the loss can be reasonably estimated. The accrued liabilities for IBNR in the workers' compensation fund are actuarially estimated by Turner Consulting, Inc. Consultants and Actuaries. The accrued liabilities for IBNR in the medical trust fund are based on industry standards applied by underwriters when evaluating a plan.

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

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

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

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

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

1. Inventories
2. Prepaid items
3. Deferred expenditures
4. Long-term receivables

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

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

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

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

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

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

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

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

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

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

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

10. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.
11. The District's investments are reported at cost which approximates fair market value.
12. The Data Control Codes refer to the account code structure prescribed by Texas Education Agency (TEA) in the *Financial Accountability System Resource Guide*. TEA requires school districts to display these codes in the financial statements filed with TEA in order to ensure accuracy in building a State-wide data base for policy development and funding plans.
13. The District utilizes an encumbrance accounting system which is a method of ascertaining the availability of funds and then reserving funds to cover outstanding obligations. During the budgetary period, the District can determine the remaining amount of the new commitments that can be signed by comparing the amount of appropriations to the sum of expenditures recognized and encumbrances outstanding.

Encumbrance balances at June 30, 2015, consisted of the following amounts:

<u>Fund Type</u>	<u>Amount</u>
General Fund	\$ 6,988,023
Special Revenue Fund	4,692,129
Capital Projects Fund	55,639,902
Internal Service Fund	119,240
Total	<u><u>\$ 67,439,294</u></u>

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

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

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

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

Once a budget is approved and adopted, any commitment that exceeds the available balance of the appropriation on the function level requires a budget amendment before the commitment is made. As dictated by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. All budget amendments enacted at the function level during fiscal year 2015 were legally approved.

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The expenditures shown below were in excess of the final amended budgeted amounts. For Special Revenue Funds, the Texas Education Agency does not require a school district to submit an amendment to the grant as long as the total amount of funds expended is twenty-five percent or less of the total current approved budget. None of the Special Revenue Funds passed through TEA listed below exceeded twenty-five percent of the total approved budget.

Fund Type	Budgeted Expenditures	Actual Amount	Overage
<u>Special Revenue Funds</u>			
IDEA-B Formula School Leadership	-	4,245	(4,245) a
Carl D. Perkins Basic Grant Guidance, Counseling & Evaluation Services	163,085	164,199	(1,114) a
Regional Day School for Deaf General Administration	-	8,211	(8,211) b
ICA Donation Fund School Leadership	-	590	(590) c
Guidance, Counseling & Evaluation Services	-	542	(542) c
Health Services	-	544	(544) c
Student Transportation	-	526	(526) c
Food Service	-	1,119	(1,119) c
Facilities Maintenance & Operations	-	1,115	(1,115) c

a: Occurred as a result of payroll exceeding final estimate due to extra duty pay.

b: Occurred due to a lack of budgeted expenditures for planned administrative overhead charge to the program.

c: Occurred due to approved budget not being allocated to the corresponding account used within this fund.

C. DEFICIT FUND EQUITY

No deficits in fund equity occurred.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

Legal and Contractual Provisions Governing Deposits and Investments

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

Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

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

Policies Governing Deposits and Investments

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

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

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

- b. Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus, the District’s positions in external investment pools are not subject to custodial credit risk.
- c. Interest-Rate Risk – Interest-rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average maturity limits and diversification.

While all of the District’s investments are available on demand, the underlying weighted average maturity of investments of the external investment pools that the District invests in are listed below as of June 30, 2015:

<u>Investment Pool</u>	<u>Fair Value</u>	<u>Weighted Average Maturity of Pool's Underlying Investments</u>
TexPool	\$ 152,259,311	48 Days
Lone Star	\$ 16,942,256	32 Days
TexSTAR	\$ 15,229,711	53 Days

- d. Other Credit Risk Exposure – The District, in accordance with its investment policy, invests in external public fund investment pools, meeting the requirements of Government Code 2256.016 and 2256.019. These pools invest in U.S. Government agencies and repurchase agreements. The Standard & Poor’s credit ratings of the pools are as follows:

Texpool Investment Pool	AAAm
LoneStar Liquidity Plus Fund	AAAm
TexSTAR Investment Pool	AAAm

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

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

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

The District's investments at June 30, 2015, are shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Days Until Maturity</u>	<u>% of Total Portfolio</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 152,259,311	1	82.55	0.8255
Lone Star	16,942,256	1	9.19	0.0919
TexSTAR	15,229,711	1	8.26	0.0826
High Yield Savings	<u>1,526</u>	1	0.00	0.0000
Total Fair Value	<u>\$ 184,432,804</u>			
Portfolio Weighted Average Maturity				1.0000

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

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

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

TexSTAR Internet: www.texstar.org
 Phone: 1-800-839-7827
 Address: TexStar Participant Services
 First Southwest Asset Management, Inc.
 325 North St. Paul Street, Suite 800
 Dallas, TX 75201

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the District's fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2015, consisted of the following amounts:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	\$ -	\$ 138,833
Special Revenue Fund	-	-
Capital Projects Fund	-	47,419,363
Internal Service Fund	298,656	-
General Fund	76,025,742	76,021,557
Total General Fund	<u>76,324,398</u>	<u>123,579,753</u>
Debt Service Fund:		
General Fund	138,833	-
Total Debt Service Fund	<u>138,833</u>	<u>-</u>
Capital Project Fund:		
Special Revenue Fund	-	2,624
General Fund	47,419,363	-
Total Capital Projects Fund	<u>47,419,363</u>	<u>2,624</u>
Special Revenue Fund:		
Capital Projects Fund	2,624	-
General Fund	1,353,581	1,357,766
Total Special Revenue Fund	<u>1,356,205</u>	<u>1,357,766</u>
Internal Service Fund:		
General Fund	-	298,656
Total Internal Service Fund	<u>-</u>	<u>298,656</u>
Totals	<u>\$ 125,238,799</u>	<u>\$ 125,238,799</u>

The purpose of the interfund balances as of June 30, 2015, represents amounts owed to and from other funds, payroll and related benefits, and operations that will be cleared the following month when money is received from the granting agency or when subsequent transfers/repayments are made.

Interfund transfers for the year ended June 30, 2015 consisted of the following amounts:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund:	\$ 35,613,036	\$ 4,986
Special Revenue Fund:	-	278,812
Capital Project Fund:	-	35,329,238
Totals	\$ 35,613,036	\$ 35,613,036

The transfers from the general fund were for the following purposes:

- 1) To fund the District's portion of the Regional Day School for the Deaf Program - \$278,812.
- 2) To provide funding for campus and instruction - \$3,250,000.
- 3) To provide funding for athletics – \$4,470,000.
- 4) To provide funding for information technology - \$9,922,238.
- 5) To provide funding for facilities and operations - \$10,987,000.
- 6) To fund the 2013 Bond Construction Fund - \$6,700,000.

The transfer to the general fund was from unused local funds from construction projects - \$4,986.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$ 11,742,170	\$ 13,362,033	\$ 76,324,398	\$ 7,179	\$ 101,435,780
Capital Projects Funds	-	-	6,965,937	-	6,965,937
Other Funds	1,103,644	4,842,556	41,948,464	-	47,894,664
Total - Governmental Activities	\$ 12,845,814	\$ 18,204,589	\$ 125,238,799	\$ 7,179	\$ 156,296,381

Payables at June 30, 2015 were as follows:

	<u>Accounts Payable</u>	<u>Other Governments</u>	<u>Payroll Deductions and Withholdings Payable</u>	<u>Due To Other Funds</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 5,594,273	\$ -	\$ 1,635,891	\$ 123,579,753	\$ 130,809,917
Capital Projects Funds	8,292,889	-	-	-	8,292,889
Other Funds	8,486,534	150,018	-	1,360,390	9,996,942
Internal Service Funds	605,915	-	-	298,656	904,571
Total - Governmental Activities	\$ 22,979,611	\$ 150,018	\$ 1,635,891	\$ 125,238,799	\$ 150,004,319

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	\$ 8,464,197	\$ -	\$ -	\$ 8,464,197
Buildings and Improvements	300,600,605	1,742,365	\$ -	302,342,970
Equipment	37,402,662	2,554,073	\$ (240,483)	39,716,252
Software	3,674,293	278,092	\$ -	3,952,385
Construction in Progress	10,467,650	93,632,898	\$ -	104,100,548
Totals at Historical Costs	<u>360,609,407</u>	<u>98,207,428</u>	<u>(240,483)</u>	<u>458,576,352</u>
Less accumulated depreciation and amortization for:				
Buildings and Improvements	(134,004,350)	(5,666,540)	-	(139,670,890)
All Equipment	(25,537,012)	(3,466,594)	240,318	(28,763,288)
Software	(1,251,997)	(726,692)	-	(1,978,689)
Total accumulated depreciation for:	<u>(160,793,359)</u>	<u>(9,859,826)</u>	<u>240,318</u>	<u>(170,412,867)</u>
Governmental activities capital assets, net	<u>\$ 199,816,048</u>	<u>\$ 88,347,602</u>	<u>\$ (165)</u>	<u>\$ 288,163,485</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction	3,367,871
Instruction Resources & Media Services	160,194
Instructional Leadership	50,173
School Leadership	178,083
Guidance, Counseling & Evaluation Services	12,534
Health Services	1,755
Student Transportation	949,501
Food Service	827,222
Co-Curricular/Extracurricular Activities	969,260
General Administration	27,678
Plant Maintenance & Operations	1,173,351
Securities & Monitoring Services	213,433
Data Processing Services	1,889,335
Community Services	39,436
Total Depreciation Expense	<u>9,859,826</u>

G. BONDS PAYABLE

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

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

On February 20, 2007, the District issued \$56,380,113 of Unlimited Tax Refunding Bonds, Series 2007 (the "Bonds") maturing from August 15, 2007 through August 15, 2027. Interest rates vary from 4.00% through 4.64%. The Bonds were issued to advance refund a portion of the District's outstanding bonds to lower the District's debt service payments by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. The refunding resulted in an economic gain to the District of \$2,027,926. On June 30, 2015, \$55,364,650 of bonds considered defeased by the Series 2007 Bonds are still outstanding.

On June 20, 2012, the District issued \$4,690,000 of Unlimited Tax Refunding Bonds, Series 2012 (the "Bonds") maturing from August 15, 2012 through August 15, 2025. Interest rates vary from 2.00% to 3.00%. The Bonds were issued to advance refund a portion of the District's outstanding bonds to lower the District's debt service payments by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. The refunding resulted in an economic gain to the District of \$637,628. The net cash flow decrease from the refunding over the life of the bond issue is \$687,402. On June 30, 2015, \$2,240,000 of bonds considered defeased by the series 2012 bonds are still outstanding.

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

A summary of changes in general long-term debt for the year ended June 30, 2015 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Outstanding 7/1/2014	Issued	Retired	Payable Outstanding 6/30/2015
ECISD Unlimited Tax School Building and Refunding Bonds, Series 2001	3.55, 3.90, 4.20, 4.50, 4.68, 4.80, 4.90, 5.01, 5.13, 5.26, 5.36, 5.46, 5.56, 5.64, 5.7, 5.75%	\$ 55,868,558	\$ 3,364,167	\$ 9,268,607	\$ -	\$ 880,833	\$ 8,387,774
ECISD Unlimited Tax School Refunding Bonds, Series 2007	4.00, 4.16, 4.20, 4.23, 4.25, 4.29, 4.30, 4.35, 4.36, 4.50, 4.56, 4.64%	56,380,113	3,573,866	56,290,113	-	127,944	56,162,169
ECISD Unlimited Tax Refunding Bonds, Series 2012	2.00, 3.00%	4,690,000	74,925	3,135,000	-	1,025,000	2,110,000
ECISD Unlimited Tax School Building Bonds, Series 2013	3.00, 3.125, 3.25, 4.00, 5.00%	121,595,000	5,025,269	121,595,000	-	230,000	121,365,000
TOTAL		\$ 238,533,671	\$ 12,038,227	\$ 190,288,720	\$ -	\$ 2,263,777	\$ 188,024,943

Debt service requirements are as follows:

Year Ended June 30,	General Obligations		
	Principal	Interest	Total Requirements
2016	\$ 7,067,517	\$11,142,462	\$ 18,209,979
2017	2,947,440	11,190,764	14,138,204
2018	2,850,430	11,290,174	14,140,604
2019	2,754,088	11,383,091	14,137,179
2020-2024	34,420,468	35,661,329	70,081,797
2025-2029	42,375,000	24,663,931	67,038,931
2030-2034	44,885,000	14,429,047	59,314,047
2035-2038	50,725,000	4,656,688	55,381,688
	\$ 188,024,943	\$ 124,417,485	\$ 312,442,428

H. COMMITMENTS UNDER OPERATING LEASES

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of June 30, 2015, are as follows:

<u>Year Ending June 30,</u>	<u>Future Rental Payments</u>
2016	\$ 618,985
2017	463,971
2018	272,110
2019	3,807
2020	2,292
Total Minimum Rentals	<u>\$ 1,361,165</u>
Rental Expenditures in Fiscal Year 2015	<u>\$ 928,971</u>

I. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

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

1. Hourly position employees not working a scheduled 40-hour week are not eligible to be paid for accrued leave.
2. Sick Leave: Any employee not mentioned above who retired after completing five consecutive years or resigns after completing 20 years of service with the District shall be paid for accrued sick leave. Accrued sick leave shall be computed at one-half the daily rate at the time of retirement or resignation times the number of accrued leave days, which shall not exceed one-half the number of working days in an annual contract. In order to receive payment for unused sick leave, retirement must occur at the end of the employee’s contract period, or when retirement is necessitated by a medical disability as approved by the Teacher Retirement System. Exceptions to this provision were reviewed by the Board upon recommendation of the Superintendent. No benefits shall be calculated on a salary schedule exceeding that of a regular teacher’s salary schedule. Individuals who are retiring and have worked less than 85 days of the contract year shall have accrued sick leave paid based on the previous year’s salary schedule.
3. Vacation Leave: Any accrued vacation leave is paid upon separation at the employee’s current daily rate of pay.

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

	<u>Sick Leave</u>	<u>Vacation Leave</u>
Balance June 30, 2014	\$ 3,989,911	\$ 1,502,793
Additions/Adjustments - New Entrants and Salary Increments	1,457,382	45,102
Deductions - Payments to Participants	(657,822)	(87,083)
Balance June 30, 2015	<u>\$ 4,789,471</u>	<u>\$ 1,460,812</u>

J. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.state.tx.us under TRS Publications and then Financial Reports; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2014.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 159,496,075,886
Less: Plan Fiduciary Net Position	<u>(132,779,243,085)</u>
Net Pension Liability	<u>\$ 26,716,832,801</u>
 Net Position as percentage of Total Pension Liability	 83.25%

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

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates		
	2014	2015
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Employer 0576 - 2014 Employer Contributions		\$3,186,435
Employer 0576 - 2014 Member Contributions		\$2,963,232
Employer 0576 - 2014 NECE On-behalf Contributions		\$7,190,163

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

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by a federal funding source or a privately sponsored source

In addition to the employer contributions listed above, 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.

Actuarial Assumptions. The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
Total	<u>100%</u>		<u>8.7%</u>

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
ECISD proportionate share of the net pension liability:	\$59,990,964	\$33,571,908	\$13,815,375

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$33,571,908 for its proportionate share of the TRS's net pension liability from TRS data provided as of measurement date August 31, 2014. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

ECISD's Proportionate share of the collective net pension liability	\$ 33,571,908
State's proportionate share that is associated with ECISD	75,916,290
Total	<u>109,488,198</u>

The net pension liability was measured as of August 31, 2014 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, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .001256839%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and therefore disregarded this year.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended June 30, 2015, the District recognized pension expense of \$7,018,320 and revenue of \$7,018,320 for support provided by the State based on information provided by TRS as of measurement date August 31, 2014.

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 as of measurement date August 31, 2014 as provided by TRS information for the year ended June 30, 2015:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$519,200	\$0
Changes in actuarial assumptions	\$2,182,211	\$0
Difference between projected and actual investment earnings	\$0	\$10,260,946
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$0	\$8,800
Contributions paid to TRS subsequent to the measurement date	\$8,406,792	\$0
Total	\$11,108,203	\$10,269,746

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions were provided by TRS as of measurement date August 31, 2014. These will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2015	(\$2,110,994)
2016	(\$2,110,994)
2017	(\$2,110,994)
2018	(\$2,110,994)
2019	\$454,243
Thereafter	\$421,398

At June 30, 2015, the District reported Deferred Resource Outflows and Deferred Resource Inflows for the TRS pension plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total net amounts as of August 31, 2014 Measurement Date	\$2,701,411	\$10,269,746
Contributions made subsequent to the Measurement Date	\$8,406,792	-
Reported by District as of June 30, 2015	\$11,108,203	\$10,269,746

K. DEFINED RETIREE HEALTH PLAN

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the TRS. 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 Web site at www.trs.state.tx.us under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teachers Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2015-2013.

Year	Active Member		Contribution Rates		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2015	0.65%	\$978,525	1.0%	\$1,505,423	0.55%	\$827,983
2014	0.65%	\$957,776	1.0%	\$1,473,502	0.55%	\$810,426
2013	0.65%	\$912,288	0.5%	\$701,760	0.55%	\$771,936

L. RISK MANAGEMENT

Health Insurance

The District sponsors a self-funded plan to provide health care benefits to staff members and their dependents. Transactions related to the plan are accounted for in the Medical Trust Fund (the "Fund"), an internal service fund of the District. The District contributed \$330 per month per employee and each employee contributed \$55 per month, for the period of July through December 2014. Contributions increased to \$335 and \$60 for the period of January through June 2015. Employees, at their option, authorized payroll withholding to pay contributions for dependents. Third party administrators paid all claims from the fund. The plan was authorized by Section 21.922, Texas Education Code, and was documented by contractual agreement. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Westport Insurance Corporation July through December 2014 and Sirius America Insurance Company January through June 2015, commercial insurers licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop loss coverage was in effect for individual claims exceeding \$275,000 annually and aggregate coverage with an attachment point of \$22,637,771. Estimates of claims payable and of claims incurred, but not reported at June 30, 2015, are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due.

For the school year 2014-2015, five claims exceeded the \$275,000 limit plus two one-time aggregating specifics of \$125,000. Changes in the balances of claims liabilities during the past year are as follows:

	Year Ended June 30, 2014	Year Ended June 30, 2015
Unpaid claims, beginning of the year	\$ 1,379,350	\$ 1,619,929
Incurred claims (including IBNR's)	15,739,774	18,344,129
Claim Payments	<u>(15,499,195)</u>	<u>(18,009,096)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,619,929</u>	<u>\$ 1,954,962</u>

Worker's Compensation

The District sponsors a self-funded Worker's Compensation Fund. Claims exceeding \$400,000 up to the State of Texas statutory limits per occurrence are covered by a stop loss plan through the Texas Association of School Boards, whose carrier is Safety National Casualty Corporation.

For the school year 2014-2015, no claims exceeded the \$400,000 limit. Changes in the balances of the claims liability during the past year are as follows:

	Year Ended June 30, 2014	Year Ended June 30, 2015
Unpaid claims, beginning of the year	\$ 3,765,290	\$ 3,373,116
Incurred claims (including IBNR's)	703,241	920,808
Claim Payments	<u>(1,095,415)</u>	<u>(1,142,657)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,373,116</u>	<u>\$ 3,151,267</u>

M. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
School Building and Refunding Bonds	\$ 190,288,720	\$ -	\$ (2,263,777)	\$ 188,024,943	\$ 7,067,517
Accumulated Accretion	16,193,124	2,144,169	(4,506,223)	13,831,070	-
Net Bond Premium	12,221,850	-	(1,683,375)	10,538,475	-
Total Bonds and Notes Payable	218,703,694	2,144,169	(8,453,375)	212,394,488	7,067,517
Governmental Activities:					
Pension Liability:					
Net Pension Liability	39,562,494	7,916,521	(13,907,107)	33,571,908	-
Governmental Activities:					
Other Liabilities:					
Worker's Compensation (IBNR)	3,373,116	920,808	(1,142,658)	3,151,266	666,868
Sick Leave Benefits	3,989,911	1,457,382	(657,822)	4,789,471	654,608
Total Other	7,363,027	2,378,190	(1,800,480)	7,940,737	1,321,476
Total Governmental Activities Long-Term Liabilities	\$265,629,215	\$ 12,438,880	\$ (24,160,962)	\$253,907,133	\$ 8,388,993

N. UNEARNED REVENUES

Unearned revenues at year end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Net Tax Revenue	\$ 3,625,982	\$ -	\$ 340,805	\$ 3,966,787
Project Lead the Way	-	150,000	-	150,000
Jason's Project Stem	-	112,411	-	112,411
ICA Donation	-	76,244	-	76,244
Brown Agriculture Fund	-	49,821	-	49,821
Permian Basin Child's Play, Inc.	46,299	-	-	46,299
Odessa Regional School Clinic	-	30,221	-	30,221
AVID	-	28,558	-	28,558
Weldon Scholarship Fund	-	27,545	-	27,545
Advanced Placement Incentives	-	27,474	-	27,474
Title VI, LEP Summer School (K-1)	-	25,577	-	25,577
Education Foundation Awards	-	24,925	-	24,925
ESEA, Title II, Part A, Teacher/Principal Training	-	16,850	-	16,850
Robotics	5,000	-	-	5,000
PHS Science Giants Award	-	4,933	-	4,933
State Textbook Fund	-	4,711	-	4,711
Texas Comptroller LEOSE	2,364	-	-	2,364
Total	<u>\$ 3,679,645</u>	<u>\$ 579,270</u>	<u>\$ 340,805</u>	<u>\$ 4,599,720</u>

O. DUE FROM STATE AND FEDERAL AGENCIES

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2015, are summarized below.

Fund Name	State Entitlements	Federal Grants	Total
General Fund	\$ 13,362,033	\$ -	\$ 13,362,033
ESEA Title I, Part A - Improving Basic Programs	-	3,429,497	3,429,497
IDEA - Part B, Formula	-	582,880	582,880
ESEA Title III, Part A - English Language Acquisition	-	257,816	257,816
Regional Day School - Deaf	256,307	-	256,307
National School Breakfast and Lunch Program	-	208,693	208,693
Career and Technical Basic Grant	-	45,241	45,241
IDEA - Part B, Preschool	-	40,890	40,890
IDEA - Part B, Deaf	-	16,694	16,694
IDEA - Part B, Preschool Deaf	-	2,963	2,963
IDEA - Part B, Discretionary Deaf	-	1,509	1,509
IDEA -C Early Intervention	-	66	66
Total	<u>\$ 13,618,340</u>	<u>\$ 4,586,249</u>	<u>\$ 18,204,589</u>

P. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the year ended June 30, 2015, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$ 146,001,538	\$ -	\$ 16,984,366	\$ -	\$162,985,904
Penalties, Interest and Other					
Tax-Related Income	1,930,876	-	224,046	-	2,154,922
Investment Income	53,216	1,896	3,938	34,991	94,041
Food Sales	-	5,086,118	-	-	5,086,118
Co-Curricular Student Activities	510,446	-	-	-	510,446
Other	2,994,647	528,918	-	-	3,523,565
Total	\$ 151,490,723	\$ 5,616,932	\$ 17,212,350	\$ 34,991	\$174,354,996

Q. CONTINGENT LIABILITIES

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

In the opinion of management, the District has materially complied with all requirements. However, such programs are subject to future audit or review, the possibility of disallowed expenditures exists. In the event of such disallowance of claimed expenditures, the District does not expect the resulting liability to have a material adverse effect on its combined financial statements at June 30, 2015.

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

R. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement (“SSA”) that provides deaf education to member districts. In addition to the District, other member districts include Midland, Big Spring, Andrews, Coahoma, Kermit, McCamey, Monahans, Ft. Stockton, Stanton, and Big Lake-Reagan. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Fund 315, 316, 317, 340 and 435 using Model 3 in the SSA section. Expenditures of the SSA are summarized below:

Ector County Independent School District	\$	656,030
Midland Independent School District		113,109
Andrews Independent School District		113,109
Big Spring Independent School District		22,622
Coahoma Independent School District		22,622
Kermit Independent School District		22,622
McCamey Independent School District		22,622
Ft. Stockton Independent School District		22,622
		<u>22,622</u>
Total	\$	<u><u>1,017,980</u></u>

S. CONSTRUCTION COMMITMENT

The District had the following construction commitments as of June 30, 2015:

<u>Name of Project</u>	<u>Contractor</u>	<u>Contract Amount</u>
Odessa High School	Lee Lewis	\$ 29,447,669
Permian High School	Lee Lewis	\$ 29,239,091
Odessa High School Addition	JSA Architects	\$ 2,611,394
Permian High School Addition	Parkhill Smith & Cooper, Inc.	\$ 2,239,091

T. PRIOR PERIOD ADJUSTMENT

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the District must assume their proportionate share of the Net Pension Liability of the Teachers Retirement System of Texas. Adoption of GASB 68 required a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is (39,562,494). The restated beginning net position for the Governmental Activities is \$203,279,714 and the Primary Government is \$203,279,714.

U. SUBSEQUENT EVENT

At the redemption date of August 15, 2015, the District redeemed the \$4 million of 2013 series bonds outstanding as of June 30, 2015. The redemption was approved by the Board of Trustees action on June 16, 2015 in order to reduce future debt payments of the District.

The District has evaluated events subsequent to June 30, 2015 through November , 2015, the date the financial statements were available to be issued and concluded there are no other events requiring disclosure in the notes or recognition in the financial statements.

BUDGETARY COMPARISON REPORTING

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 151,656,200	\$ 150,370,101	\$ 151,490,723	\$ 1,120,622
5800	State Program Revenues	70,742,758	74,091,415	72,271,162	(1,820,253)
5900	Federal Program Revenues	2,840,828	2,840,828	2,120,558	(720,270)
5020	Total Revenues	225,239,786	227,302,344	225,882,443	(1,419,901)
EXPENDITURES:					
Current:					
0011	Instruction	131,626,941	128,940,951	128,919,227	21,724
0012	Instructional Resources and Media Services	2,708,633	2,740,104	2,549,426	190,678
0013	Curriculum and Instructional Staff Development	4,697,832	6,256,612	4,777,029	1,479,583
0021	Instructional Leadership	3,706,618	3,838,803	3,172,203	666,600
0023	School Leadership	16,441,013	16,699,910	15,984,843	715,067
0031	Guidance, Counseling and Evaluation Services	9,060,285	9,434,367	9,043,132	391,235
0032	Social Work Services	525,797	549,053	515,649	33,404
0033	Health Services	1,924,526	1,995,276	1,905,311	89,965
0034	Student (Pupil) Transportation	8,759,807	8,681,565	7,959,681	721,884
0035	Food Services	15,000	15,000	3,532	11,468
0036	Extracurricular Activities	5,479,967	5,446,351	5,181,940	264,411
0041	General Administration	6,488,276	6,990,098	6,452,400	537,698
0051	Facilities Maintenance and Operations	21,659,262	22,252,258	22,193,345	58,913
0052	Security and Monitoring Services	2,526,650	2,607,027	2,324,758	282,269
0053	Data Processing Services	5,050,623	5,326,071	5,171,467	154,604
0061	Community Services	1,200,788	1,222,308	1,159,843	62,465
Capital Outlay:					
0081	Facilities Acquisition and Construction	152,000	902,000	756,682	145,318
Intergovernmental:					
0091	Contracted Instructional Services Between Schools	1,093,815	995,402	966,520	28,882
0099	Other Intergovernmental Charges	1,724,535	1,724,535	1,591,313	133,222
6030	Total Expenditures	224,842,368	226,617,691	220,628,301	5,989,390
1100	Excess of Revenues Over Expenditures	397,418	684,653	5,254,142	4,569,489
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	65,000	65,000	3,945	(61,055)
7915	Transfers In	-	-	4,986	4,986
8911	Transfers Out (Use)	(462,418)	(35,791,656)	(35,608,050)	183,606
7080	Total Other Financing Sources (Uses)	(397,418)	(35,726,656)	(35,599,119)	127,537
1200	Net Change in Fund Balances	-	(35,042,003)	(30,344,977)	4,697,026
0100	Fund Balance - July 1 (Beginning)	84,347,388	84,347,388	84,347,388	-
3000	Fund Balance - June 30 (Ending)	\$ 84,347,388	\$ 49,305,385	\$ 54,002,411	\$ 4,697,026

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REQUIRED SUPPLEMENTARY INFORMATION

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT G-2

	2015
District's Proportion of the Net Pension Liability (Asset)	0.001256839%
District's Proportionate Share of Net Pension Liability (Asset)	33,571,908
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	75,916,290
Total	\$ 109,488,198
District's Covered-Employee Payroll	\$ 147,350,185
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	22.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note: GASB 68, 81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASBS #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."

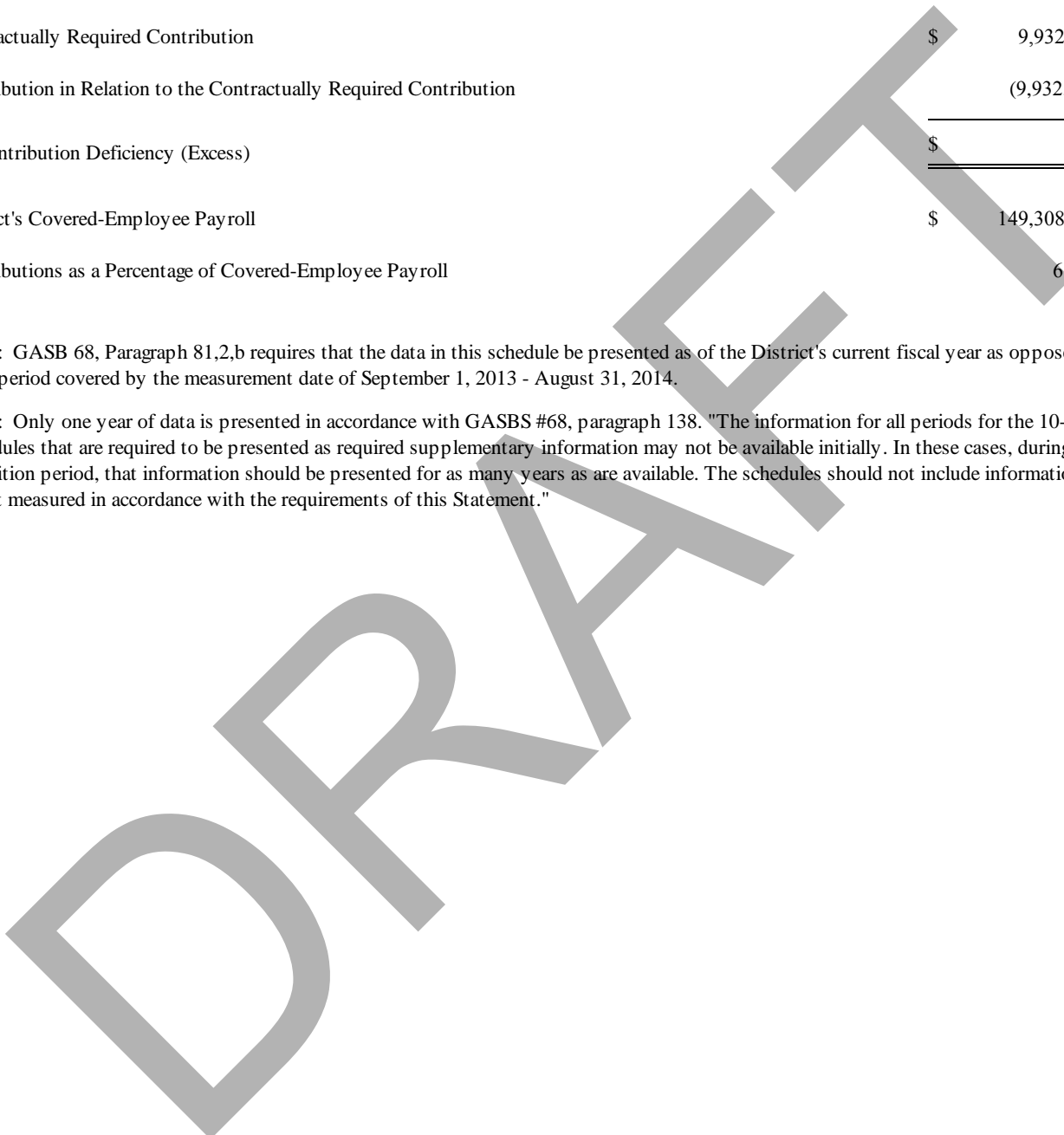
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM

FOR FISCAL YEAR 2015

		2015
Contractually Required Contribution	\$	9,932,172
Contribution in Relation to the Contractually Required Contribution		(9,932,172)
		-
Contribution Deficiency (Excess)	\$	-0-
District's Covered-Employee Payroll	\$	149,308,655
Contributions as a Percentage of Covered-Employee Payroll		6.65%

Note: GASB 68, Paragraph 81,2,b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASBS #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."



ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

1) Changes of Benefit Terms

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

2) Changes of Assumptions

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

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COMBINING SCHEDULES

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS				
1110	\$ 11,482	\$ -	\$ -	\$ 160,960
1120	-	-	-	5,802,205
1220	-	-	-	-
1230	-	-	-	-
1240	3,429,497	582,880	40,890	208,693
1260	-	-	-	836,552
1300	-	-	-	1,237,825
1000	<u>\$ 3,440,979</u>	<u>\$ 582,880</u>	<u>\$ 40,890</u>	<u>\$ 8,246,235</u>
LIABILITIES				
2110	\$ 2,775,634	\$ 58,970	\$ -	\$ 1,412,273
2170	646,927	523,910	40,890	-
2180	-	-	-	-
2200	18,418	-	-	103,103
2300	-	-	-	-
2000	<u>3,440,979</u>	<u>582,880</u>	<u>40,890</u>	<u>1,515,376</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	-	-	-	1,237,825
Restricted Fund Balance:				
3450	-	-	-	5,493,034
3480	-	-	-	-
3490	-	-	-	-
Committed Fund Balance:				
3510	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,730,859</u>
4000	<u>\$ 3,440,979</u>	<u>\$ 582,880</u>	<u>\$ 40,890</u>	<u>\$ 8,246,235</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	289 Title VI LEP Summer Program	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf	317 SSA - IDEA, B Preschool Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
45,241	-	257,816	-	-	1,509	16,694	2,963
-	34,400	-	-	25,577	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 45,241</u>	<u>\$ 34,400</u>	<u>\$ 257,816</u>	<u>\$ -</u>	<u>\$ 25,577</u>	<u>\$ 1,509</u>	<u>\$ 16,694</u>	<u>\$ 2,963</u>
\$ 16,125	\$ -	\$ 230,055	\$ -	\$ -	\$ -	\$ 13,768	\$ -
29,116	-	27,761	-	-	1,509	2,926	2,963
-	-	-	-	-	-	-	-
-	17,550	-	-	-	-	-	-
-	16,850	-	-	25,577	-	-	-
<u>45,241</u>	<u>34,400</u>	<u>257,816</u>	<u>-</u>	<u>25,577</u>	<u>1,509</u>	<u>16,694</u>	<u>2,963</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 45,241</u>	<u>\$ 34,400</u>	<u>\$ 257,816</u>	<u>\$ -</u>	<u>\$ 25,577</u>	<u>\$ 1,509</u>	<u>\$ 16,694</u>	<u>\$ 2,963</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

Data Control Codes	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook Fund
ASSETS				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
1220	-	-	-	-
1230	-	-	-	-
1240	66	-	-	-
1260	-	27,474	-	4,711
1300	-	-	-	-
1000	<u>\$ 66</u>	<u>\$ 27,474</u>	<u>\$ -</u>	<u>\$ 4,711</u>
LIABILITIES				
2110	\$ -	\$ -	\$ -	\$ -
2170	66	-	-	-
2180	-	-	-	-
2200	-	-	-	-
2300	-	27,474	-	4,711
2000	<u>66</u>	<u>27,474</u>	<u>-</u>	<u>4,711</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	-	-	-	-
Restricted Fund Balance:				
3450	-	-	-	-
3480	-	-	-	-
3490	-	-	-	-
Committed Fund Balance:				
3510	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 66</u>	<u>\$ 27,474</u>	<u>\$ -</u>	<u>\$ 4,711</u>

435 SSA Regional Day School - Deaf	482 Education Foundation Awards	483 Citi Foundation Awards	489 Brown Agriculture Award	490 Barbara Jordan Trust	491 OHS Scholarship Fund	492 Jason's Project STEM	493 ICA Donation Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	75,059	52,700	32,176	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
256,307	-	-	-	-	-	-	-
-	25,074	28,558	-	-	-	112,461	76,244
-	-	-	-	-	-	-	-
<u>\$ 256,307</u>	<u>\$ 25,074</u>	<u>\$ 28,558</u>	<u>\$ 75,059</u>	<u>\$ 52,700</u>	<u>\$ 32,176</u>	<u>\$ 112,461</u>	<u>\$ 76,244</u>
\$ 57,679	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -
48,610	-	-	25,238	-	7,250	-	-
150,018	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	24,925	28,558	49,821	-	-	112,411	76,244
<u>256,307</u>	<u>25,074</u>	<u>28,558</u>	<u>75,059</u>	<u>-</u>	<u>7,250</u>	<u>112,461</u>	<u>76,244</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	52,700	24,926	-	-
-	-	-	-	-	-	-	-
-	-	-	-	52,700	24,926	-	-
<u>\$ 256,307</u>	<u>\$ 25,074</u>	<u>\$ 28,558</u>	<u>\$ 75,059</u>	<u>\$ 52,700</u>	<u>\$ 32,176</u>	<u>\$ 112,461</u>	<u>\$ 76,244</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

Data Control Codes	494 Chevron Project Lead The Way	496 School Clinic	497 Weldon Scholarship Fund	498 PHS Science Giant Award
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	28,343	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-
1240	Receivables from Other Governments	-	-	-
1260	Due from Other Funds	150,000	30,221	4,933
1300	Inventories	-	-	-
1000	Total Assets	<u>\$ 150,000</u>	<u>\$ 30,221</u>	<u>\$ 28,343</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ -	\$ -
2170	Due to Other Funds	-	600	-
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	-	-	-
2300	Unearned Revenues	150,000	30,221	4,933
2000	Total Liabilities	<u>150,000</u>	<u>30,221</u>	<u>28,145</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3480	Retirement of Long-Term Debt	-	-	-
3490	Other Restricted Fund Balance	-	198	-
Committed Fund Balance:				
3510	Construction	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>198</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 150,000</u>	<u>\$ 30,221</u>	<u>\$ 28,343</u>

Total Nonmajor Special Revenue Funds	511 Debt Service Fund	671 Security Infra- Structure	674 Maintenance Projects	675 OHS Science Labs	676 Sewer Plant Expansion	678 New Elementary Fund	681 2013 Maint Projects Fund
\$ 172,442	\$ 5,422	\$ 20,162	\$ -	\$ 2,624	\$ -	\$ -	\$ 1
5,990,483	16,542,912	-	-	-	-	-	-
-	1,103,644	-	-	-	-	-	-
-	(762,839)	-	-	-	-	-	-
4,842,556	-	-	-	-	-	-	-
1,356,205	138,833	3,324,804	-	-	190,000	9,283,019	223,713
1,237,825	-	-	-	-	-	-	-
<u>\$ 13,599,511</u>	<u>\$ 17,027,972</u>	<u>\$ 3,344,966</u>	<u>\$ -</u>	<u>\$ 2,624</u>	<u>\$ 190,000</u>	<u>\$ 9,283,019</u>	<u>\$ 223,714</u>
\$ 4,564,703	\$ 139,574	\$ 461,686	\$ -	\$ -	\$ -	\$ -	\$ 21,566
1,357,766	-	-	-	2,624	-	-	-
150,018	-	-	-	-	-	-	-
139,071	-	-	-	-	-	-	-
579,270	340,805	-	-	-	-	-	-
<u>6,790,828</u>	<u>480,379</u>	<u>461,686</u>	<u>-</u>	<u>2,624</u>	<u>-</u>	<u>-</u>	<u>21,566</u>
1,237,825	-	-	-	-	-	-	-
5,493,034	-	-	-	-	-	-	-
-	16,547,593	-	-	-	-	-	-
77,824	-	-	-	-	-	-	-
-	-	2,883,280	-	-	190,000	9,283,019	202,148
<u>6,808,683</u>	<u>16,547,593</u>	<u>2,883,280</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>9,283,019</u>	<u>202,148</u>
<u>\$ 13,599,511</u>	<u>\$ 17,027,972</u>	<u>\$ 3,344,966</u>	<u>\$ -</u>	<u>\$ 2,624</u>	<u>\$ 190,000</u>	<u>\$ 9,283,019</u>	<u>\$ 223,714</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

Data Control Codes	682 Student Info Software Fund	684 2014 Turf Installation Fund	685 2014 Sewer Infra- Structure	686 2015 Capital Projects
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Receivables from Other Governments	-	-	-	-
1260 Due from Other Funds	1,080,000	54,385	1,087,050	25,210,455
1300 Inventories	-	-	-	-
1000 Total Assets	<u>\$ 1,080,000</u>	<u>\$ 54,385</u>	<u>\$ 1,087,050</u>	<u>\$ 25,210,455</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ 26,295	\$ 3,272,710
2170 Due to Other Funds	-	-	-	-
2180 Due to Other Governments	-	-	-	-
2200 Accrued Expenditures	-	-	-	4,762
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>26,295</u>	<u>3,277,472</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3510 Construction	1,080,000	54,385	1,060,755	21,932,983
3000 Total Fund Balances	<u>1,080,000</u>	<u>54,385</u>	<u>1,060,755</u>	<u>21,932,983</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,080,000</u>	<u>\$ 54,385</u>	<u>\$ 1,087,050</u>	<u>\$ 25,210,455</u>

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 22,787	\$ 200,651
-	22,533,395
-	1,103,644
-	(762,839)
-	4,842,556
40,453,426	41,948,464
-	1,237,825
<u>\$ 40,476,213</u>	<u>\$ 71,103,696</u>
\$ 3,782,257	\$ 8,486,534
2,624	1,360,390
-	150,018
4,762	143,833
-	920,075
<u>3,789,643</u>	<u>11,060,850</u>
-	1,237,825
-	5,493,034
-	16,547,593
-	77,824
<u>36,686,570</u>	<u>36,686,570</u>
<u>36,686,570</u>	<u>60,042,846</u>
<u>\$ 40,476,213</u>	<u>\$ 71,103,696</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 5,093,752
5800 State Program Revenues	-	-	-	330,065
5900 Federal Program Revenues	9,705,754	5,103,500	170,276	9,808,687
5020 Total Revenues	<u>9,705,754</u>	<u>5,103,500</u>	<u>170,276</u>	<u>15,232,504</u>
EXPENDITURES:				
Current:				
0011 Instruction	6,761,939	4,807,492	170,276	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	2,590,728	102,928	-	-
0021 Instructional Leadership	15,776	3,670	-	-
0023 School Leadership	32,548	4,245	-	-
0031 Guidance, Counseling and Evaluation Services	72,056	185,165	-	-
0032 Social Work Services	65,885	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	15,501,966
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	1,203,939
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	166,822	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>9,705,754</u>	<u>5,103,500</u>	<u>170,276</u>	<u>16,705,905</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,473,401)</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	11,785
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,785</u>
1200 Net Change in Fund Balance	-	-	-	(1,461,616)
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,192,475</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,730,859</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	272 Medicaid Admin. Claim MAC	289 Title VI LEP Summer Program	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf	317 SSA - IDEA, B Preschool Deaf
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
275,070	1,201,418	691,527	51,192	-	17,723	49,396	7,450
275,070	1,201,418	691,527	51,192	-	17,723	49,396	7,450
15,650	246,115	445,735	-	-	17,671	49,396	6,290
-	-	-	-	-	-	-	-
5,806	951,696	149,577	-	-	52	-	1,160
-	-	86,254	-	-	-	-	-
82,486	3,607	7,994	-	-	-	-	-
164,199	-	-	-	-	-	-	-
-	-	-	51,192	-	-	-	-
-	-	-	-	-	-	-	-
6,929	-	680	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,287	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
275,070	1,201,418	691,527	51,192	-	17,723	49,396	7,450
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 12,007
5800 State Program Revenues	-	-	-	3,326,879
5900 Federal Program Revenues	752	-	-	-
5020 Total Revenues	<u>752</u>	<u>-</u>	<u>-</u>	<u>3,338,886</u>
EXPENDITURES:				
Current:				
0011 Instruction	752	-	-	3,338,886
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>752</u>	<u>-</u>	<u>-</u>	<u>3,338,886</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

435 SSA Regional Day School - Deaf	482 Education Foundation Awards	483 Citi Foundation Awards	489 Brown Agriculture Award	490 Barbara Jordan Trust	491 OHS Scholarship Fund	492 Jason's Project STEM	493 ICA Donation Fund
\$ 191,983	\$ 159,879	\$ 889	\$ 4,653	\$ 26	\$ 13	\$ 123,129	\$ 23,756
470,962	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>662,945</u>	<u>159,879</u>	<u>889</u>	<u>4,653</u>	<u>26</u>	<u>13</u>	<u>123,129</u>	<u>23,756</u>
825,591	146,960	370	4,653	-	-	104,200	19,321
-	9,926	-	-	-	-	-	-
11,723	2,993	-	-	-	-	18,929	-
-	-	-	-	-	-	-	-
59,739	-	-	-	-	-	-	590
36,493	-	519	-	-	-	-	542
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	544
-	-	-	-	-	-	-	525
-	-	-	-	-	-	-	1,119
-	-	-	-	-	-	-	-
8,211	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>941,757</u>	<u>159,879</u>	<u>889</u>	<u>4,653</u>	<u>-</u>	<u>-</u>	<u>123,129</u>	<u>23,756</u>
(278,812)	-	-	-	26	13	-	-
-	-	-	-	-	-	-	-
278,812	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>278,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	26	13	-	-
-	-	-	-	52,674	24,913	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,700</u>	<u>\$ 24,926</u>	<u>\$ -</u>	<u>\$ -</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	494 Chevron Project Lead The Way	496 School Clinic	497 Weldon Scholarship Fund	498 PHS Science Giant Award
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 6,835	\$ 10	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>6,835</u>	<u>10</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	6,835	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>-</u>	<u>6,835</u>	<u>-</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	10	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>188</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ -</u>

Total Nonmajor Special Revenue Funds	511 Debt Service Fund	671 Security Infra- Structure	674 Maintenance Projects	675 OHS Science Labs	676 Sewer Plant Expansion	678 New Elementary Fund	681 2013 Maint Projects Fund
\$ 5,616,932	\$ 17,212,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,127,906	-	-	-	-	-	-	-
27,082,745	-	-	-	-	-	-	-
<u>36,827,583</u>	<u>17,212,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
16,961,297	-	-	-	-	-	-	-
9,926	-	-	-	-	-	-	-
3,835,592	-	-	-	-	-	-	-
105,700	-	-	-	-	-	-	-
191,209	-	-	-	-	-	-	-
458,974	-	-	-	-	-	-	-
65,885	-	-	-	-	-	-	-
58,571	-	-	-	-	-	-	-
525	-	-	-	-	-	-	-
15,503,085	-	-	-	-	-	-	-
7,609	-	-	-	-	-	-	-
8,211	-	-	-	-	-	-	-
1,205,054	-	-	-	-	-	-	413,929
-	-	495,752	-	-	-	-	-
-	-	168,000	-	-	-	-	-
168,109	-	-	-	-	-	-	-
-	2,263,777	-	-	-	-	-	-
-	12,038,227	-	-	-	-	-	-
-	1,750	-	-	-	-	-	-
-	-	4,528,880	-	270,197	-	-	-
<u>38,579,747</u>	<u>14,303,754</u>	<u>5,192,632</u>	<u>-</u>	<u>270,197</u>	<u>-</u>	<u>-</u>	<u>413,929</u>
<u>(1,752,164)</u>	<u>2,908,596</u>	<u>(5,192,632)</u>	<u>-</u>	<u>(270,197)</u>	<u>-</u>	<u>-</u>	<u>(413,929)</u>
11,785	-	-	-	-	-	-	-
278,812	-	-	-	-	-	-	-
-	-	-	(4,986)	-	-	-	-
<u>290,597</u>	<u>-</u>	<u>-</u>	<u>(4,986)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,461,567)	2,908,596	(5,192,632)	(4,986)	(270,197)	-	-	(413,929)
<u>8,270,250</u>	<u>13,638,997</u>	<u>8,075,912</u>	<u>4,986</u>	<u>270,197</u>	<u>190,000</u>	<u>9,283,019</u>	<u>616,077</u>
<u>\$ 6,808,683</u>	<u>\$ 16,547,593</u>	<u>\$ 2,883,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 9,283,019</u>	<u>\$ 202,148</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	682 Student Info Software Fund	684 2014 Turf Installation Fund	685 2014 Sewer Infra- Structure	686 2015 Capital Projects
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	3,333,979
0012 Instructional Resources and Media Services	-	-	-	4,109
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	119,867
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	4,601
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	83,462
0052 Security and Monitoring Services	-	-	-	99,915
0053 Data Processing Services	-	-	-	821,264
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	1,684,248	2,438,832	2,229,058
6030 Total Expenditures	<u>-</u>	<u>1,684,248</u>	<u>2,438,832</u>	<u>6,696,255</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,684,248)</u>	<u>(2,438,832)</u>	<u>(6,696,255)</u>
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	28,629,238
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,629,238</u>
1200 Net Change in Fund Balance	-	(1,684,248)	(2,438,832)	21,932,983
0100 Fund Balance - July 1 (Beginning)	<u>1,080,000</u>	<u>1,738,633</u>	<u>3,499,587</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 1,080,000</u>	<u>\$ 54,385</u>	<u>\$ 1,060,755</u>	<u>\$ 21,932,983</u>

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 22,829,282
-	4,127,906
-	27,082,745
-	54,039,933
3,333,979	20,295,276
4,109	14,035
-	3,835,592
-	105,700
119,867	311,076
-	458,974
-	65,885
4,601	63,172
-	525
-	15,503,085
-	7,609
-	8,211
497,391	1,702,445
595,667	595,667
989,264	989,264
-	168,109
-	2,263,777
-	12,038,227
-	1,750
11,151,215	11,151,215
16,696,093	69,579,594
(16,696,093)	(15,539,661)
-	11,785
28,629,238	28,908,050
(4,986)	(4,986)
28,624,252	28,914,849
11,928,159	13,375,188
24,758,411	46,667,658
\$ 36,686,570	\$ 60,042,846

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COMBINING SCHEDULES – INTERNAL SERVICE FUNDS

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2015

	771 Worker's Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 2,978,865	\$ 2,978,865
Investments - Current	7,577,226	7,006,433	14,583,659
Total Assets	<u>7,577,226</u>	<u>9,985,298</u>	<u>17,562,524</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	605,915	605,915
Due to Other Funds	298,656	-	298,656
Accrued Expenses	666,868	1,954,962	2,621,830
Total Current Liabilities	<u>965,524</u>	<u>2,560,877</u>	<u>3,526,401</u>
NonCurrent Liabilities:			
Other Long-Term Debt - Due in More than One Year	2,484,399	-	2,484,399
Total Noncurrent Liabilities	<u>2,484,399</u>	<u>-</u>	<u>2,484,399</u>
Total Liabilities	<u>3,449,923</u>	<u>2,560,877</u>	<u>6,010,800</u>
NET POSITION			
Unrestricted Net Position	4,127,303	7,424,421	11,551,724
Total Net Position	<u>\$ 4,127,303</u>	<u>\$ 7,424,421</u>	<u>\$ 11,551,724</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	771 Worker's Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
OPERATING REVENUES:			
Employee and Employer Premiums	\$ 928,821	\$ 19,349,177	\$ 20,277,998
Stop Loss Reimbursement	26,092	278,502	304,594
Total Operating Revenues	<u>954,913</u>	<u>19,627,679</u>	<u>20,582,592</u>
OPERATING EXPENSES:			
Claims and Prescriptions	920,808	18,344,129	19,264,937
Professional and Contracted Services	58,910	33,000	91,910
Other Operating Costs	-	2,208,042	2,208,042
Total Operating Expenses	<u>979,718</u>	<u>20,585,171</u>	<u>21,564,889</u>
Operating Income (Loss)	<u>(24,805)</u>	<u>(957,492)</u>	<u>(982,297)</u>
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	<u>3,237</u>	<u>3,230</u>	<u>6,467</u>
Total Nonoperating Revenues (Expenses)	<u>3,237</u>	<u>3,230</u>	<u>6,467</u>
Change in Net Position	(21,568)	(954,262)	(975,830)
Total Net Position - July 1 (Beginning)	<u>4,148,871</u>	<u>8,378,683</u>	<u>12,527,554</u>
Total Net Position June 30 (Ending)	<u>\$ 4,127,303</u>	<u>\$ 7,424,421</u>	<u>\$ 11,551,724</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	771 Worker's Compensation Fund	772 Medical Trust Fund	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Employees and Employer	\$ 776,014	\$ 19,581,072	\$ 20,357,086
Cash Received from Stop Loss Carrier	26,092	278,502	304,594
Cash Payments for Claims	(1,142,657)	(18,009,096)	(19,151,753)
Other Payments	(58,910)	(2,022,148)	(2,081,058)
Net Cash Used For Operating Activities	<u>(399,461)</u>	<u>(171,670)</u>	<u>(571,131)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	<u>3,237</u>	<u>3,230</u>	<u>6,467</u>
Net Decrease in Cash and Cash Equivalents	(396,224)	(168,440)	(564,664)
Cash and Cash Equivalents at Beginning of Year	7,973,450	10,153,739	18,127,189
Cash and Cash Equivalents at End of Year	<u>\$ 7,577,226</u>	<u>\$ 9,985,299</u>	<u>\$ 17,562,525</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</u>			
Operating Income (Loss):	\$ (24,805)	\$ (957,492)	\$ (982,297)
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease in Due From Other Funds	-	231,895	231,895
Decrease in Due to Other Funds	(152,807)	-	(152,807)
Decrease in Accrued Expenses	(221,849)	-	(221,849)
Increase in Accrued Expenses	-	335,033	335,033
Increase in Accounts Payable	-	218,894	218,894
Net Cash Used for Operating Activities	<u>\$ (399,461)</u>	<u>\$ (171,670)</u>	<u>\$ (571,131)</u>

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REQUIRED TEA SCHEDULES

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2015

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	\$ 1.450000	\$ 0.069200	\$ 5,509,142,000
2007	1.400000	0.072500	6,569,269,000
2008	1.280000	0.080000	7,597,165,000
2009	1.030000	0.082000	9,273,311,000
2010	1.040000	0.088600	9,000,890,000
2011	1.040000	0.095000	9,565,177,000
2012	1.040000	0.095000	10,232,624,000
2013	1.040000	0.079500	11,598,844,880
2014	1.040000	0.121000	13,401,694,166
2015 (School year under audit)	1.040000	0.121000	14,256,078,650
1000 TOTALS			

(10) Beginning Balance 7/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2015
\$ 2,195,877	\$ -	\$ 84,669	\$ 4,041	\$ (73,122)	\$ 2,034,045
307,867	-	19,882	1,030	(3,182)	283,773
315,596	-	31,158	1,947	(2,035)	280,456
575,479	-	62,807	5,000	(1,791)	505,881
603,111	-	110,073	9,377	6,940	490,601
730,582	-	172,614	15,768	23,304	565,504
1,333,494	-	331,079	38,511	17,098	981,002
1,545,521	-	454,349	71,462	15,495	1,035,205
3,919,788	-	1,789,662	208,175	(95,146)	1,826,805
-	165,513,071	142,958,814	16,629,056	(1,082,659)	4,842,542
<u>\$ 11,527,315</u>	<u>\$ 165,513,071</u>	<u>\$ 146,015,107</u>	<u>\$ 16,984,367</u>	<u>\$ (1,195,098)</u>	<u>\$ 12,845,814</u>

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 4,948,550	\$ 4,948,550	\$ 5,093,752	\$ 145,202
5800 State Program Revenues	350,071	350,071	330,065	(20,006)
5900 Federal Program Revenues	9,616,250	9,616,250	9,808,687	192,437
5020 Total Revenues	14,914,871	14,914,871	15,232,504	317,633
EXPENDITURES:				
0035 Food Services	16,373,986	17,127,526	15,501,966	1,625,560
0051 Facilities Maintenance and Operations	1,211,885	1,211,885	1,203,939	7,946
6030 Total Expenditures	17,585,871	18,339,411	16,705,905	1,633,506
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,671,000)	(3,424,540)	(1,473,401)	1,951,139
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	11,785	11,785
1200 Net Change in Fund Balances	(2,671,000)	(3,424,540)	(1,461,616)	1,962,924
0100 Fund Balance - July 1 (Beginning)	8,192,475	8,192,475	8,192,475	-
3000 Fund Balance - June 30 (Ending)	\$ 5,521,475	\$ 4,767,935	\$ 6,730,859	\$ 1,962,924

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 17,151,444	\$ 17,192,300	\$ 17,212,350	\$ 20,050
5020	Total Revenues	17,151,444	17,192,300	17,212,350	20,050
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	2,263,777	2,263,777	2,263,777	-
0072	Interest on Long Term Debt	12,038,227	12,038,227	12,038,227	-
0073	Bond Issuance Cost and Fees	9,800	9,800	1,750	8,050
6030	Total Expenditures	14,311,804	14,311,804	14,303,754	8,050
1200	Net Change in Fund Balances	2,839,640	2,880,496	2,908,596	28,100
0100	Fund Balance - July 1 (Beginning)	13,638,997	13,638,997	13,638,997	-
3000	Fund Balance - June 30 (Ending)	\$ 16,478,637	\$ 16,519,493	\$ 16,547,593	\$ 28,100

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

Board of Trustees
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ector County Independent School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **Date_, 2015**.

Internal Control over Financial Reporting

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

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

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Internal Control over Financial Reporting (Continued)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Example Entity's [consolidated] financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of [consolidated] financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

We performed tests designed to verify the District's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended June 30, 2015, no instances of noncompliance were found.

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.

Odessa, Texas
Date_, 2015

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

Report on Compliance for Each Major Federal Program

We have audited the Ector County Independent School District (the "District")'s compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

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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, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Odessa, Texas

Date __, 2015

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2015

Section I – Summary of the Auditor’s Results:

Type of Auditor’s Report Issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be Material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be Material weaknesses?	No
Type of Auditor’s Report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Program Name</u>
84.048A	Vocational Education – Basic Grant
84.365A	Title III, Part A, English Language Acquisition
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
Dollar threshold used to distinguish between Type A and Type B programs:	\$821,548
Auditee qualified as a low-risk auditee?	Yes

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

FINDING 2015-001

Criteria:

Under Government Accountability Office (GAO) Government Auditing Standards chapter 6 the District is required to establish and maintain a system of internal control designed to provide reasonable assurance regarding compliance with applicable laws, regulations, contracts and grant agreements

Condition:

The District has established and implemented a system of internal control over the payroll cycle designed to provide assurance consistent with GAO Government Auditing Standards chapter 6 and compliance over payroll reporting. However, during February 2015 the internal controls over the electronic payment of payroll taxes reporting system did not function effectively.

Cause:

The District's administrative offices were closed due to inclement weather.

Effect:

District personnel did not anticipate the inclement weather and did not submit the required payroll tax deposit within the time frame prescribed by law.

Recommendation:

We recommend that the District implement and maintain procedures to ensure all payroll tax deposits are submitted within the time frame prescribed by law.

Questioned Costs:

None

Views of Responsible Officials:

Due dates for taxes for employee payroll payments are monitored closely by the Payroll Director, Assistant Payroll Director and Chief Financial Officer and payments are entered in time to make a timely ACH payment of payroll taxes due. Copies of the IRS payment receipt notifications from the Assistant Payroll Director or Payroll Director are forwarded to the Accounting Supervisor, Director of Finance, Payroll Director and Chief Financial Officer.

Daily bank account cash worksheets displaying cash balances, and upcoming payments, are prepared by the Accounting Supervisor, and reviewed daily by the Director of Finance, Payroll Director and Chief Financial Officer to determine compliance with IRS payment deadlines.

In addition, the District has recently added a payroll accountant position with part of the duties being an emphasis on timely payment and reporting of Federal and State payroll tax liabilities.

If there are other questions or concerns regarding this matter, please contact David Harwell, District Chief Financial Officer at (432) 456-9490.

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE PERIOD ENDED JUNE 30, 2014

Section II – Financial Statement Findings

Significant Deficiency in Internal Control over Financial Reporting

Finding 2014-001

Resolved, the finding was not repeated in fiscal 2015.

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FEDERAL AWARDS SECTION

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ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
Junior Reserve Officer's Training Corp	12.000	068901	\$ 100,328
Total Direct Programs			\$ 100,328
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 100,328
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101068901	\$ 1,147,176
ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101068901	6,959,931
ESEA Title I, Part D, Subpart 2 - Delin. Programs	84.010A	14610103068901	7,678
ESEA Title I, Part D, Subpart 2 - Delin. Programs	84.010A	15610103068901	92,467
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901101	31,616
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901102	10,960
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901103	43,315
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901105	86,594
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901107	5,538
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901110	36,381
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901113	8,853
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901117	1,145
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901119	1,942
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901121	70,680
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901122	350
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901123	61,894
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901124	31,763
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901126	53,923
TTL I 1003(A) Priority and Focus School Grant	84.010A	14610112068901127	7,126
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901101	157,622
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901102	7,644
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901103	63,213
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901105	170,074
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901107	16,174
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901110	169,473
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901113	21,611
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901117	7,409
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901119	7,022
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901121	132,703
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901122	11,075
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901123	168,754
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901124	129,385
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901126	100,552
TTL I 1003(A) Priority and Focus School Grant	84.010A	15610112068901127	15,987
Total CFDA Number 84.010A			9,838,030
IDEA - Part B, Formula	84.027	146600010689016600	422,914
IDEA - Part B, Formula	84.027	156600010689016600	4,680,586
IDEA B Discretionary Deaf	84.027	156600110689016673	17,723
IDEA B Discretionary Deaf Formula	84.027	146600010689016601	3,181
IDEA B Discretionary Deaf Formula	84.027	156600010689016601	46,968
Total CFDA Number 84.027			5,171,372
IDEA - Part B, Preschool	84.173	146610010689016610	21,407
IDEA - Part B, Preschool	84.173	156610010689016610	153,195
IDEA B Preschool Deaf	84.173	146610010689016611	790
IDEA B Preschool Deaf	84.173	156610010689016611	6,807

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Total CFDA Number 84.173			182,199
Total Special Education Cluster (IDEA)			5,353,571
Carl D. Perkins Basic Formula	84.048	14420006068901	22,360
Carl D. Perkins Basic Formula	84.048	15420006068901	258,802
Total CFDA Number 84.048			281,162
IDEA C Early Intervention	84.181A	153911010689013911	752
Title III, Part A - English Language Acquisition	84.365A	14671001068901	41,213
2013-2014 Title III, Part A-LEP	84.365A	15671001068901	506,825
2013-2014 Title III, Part A-Immigrant	84.365A	15671003068901	143,489
Total CFDA Number 84.365A			691,527
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501068901	183,390
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501068901	1,064,976
Total CFDA Number 84.367A			1,248,366
Total Passed Through State Department of Education			\$ 17,413,408
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 17,413,408
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through State Department of HHS</u>			
Medicaid Administrative Claiming Program - MAC	93.778	068901	\$ 51,192
Federal Child Care Tuition	93.556	09030C02FY15	11,304
Total Passed Through State Department of HHS			\$ 62,496
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 62,496
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program	10.553	71401501	\$ 3,171,063
National School Lunch Program - Cash Assistance	10.555	71301501	5,812,119
National School Lunch Prog. - Non-Cash Assistance	10.555	068901	643,489
Total CFDA Number 10.555			6,455,608
Non Cash Assistance - Summer Feeding Program	10.559	068901	182,016
Total Child Nutrition Cluster			9,808,687
Total Passed Through the State Department of Agriculture			\$ 9,808,687
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 9,808,687
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 27,384,919

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2015

1) General

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

2) Basis of Accounting

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

Indirect costs shown on the Schedule of Expenditures of Federal Awards are properly credited as revenues to the General Fund. These indirect cost revenues were determined by applying approved indirect cost rates to actual applicable expenditures of the projects.

3) Relationship to General Purpose Financial Statements

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

	100-199 General Fund	2,120,558
	200-499 Special Revenue Funds	27,082,745
		29,203,303
	Less: SHARS revenue	(1,818,384)
	Schedule of Federal Awards	27,384,919

4) Relationship to Federal Financial Reports

Amounts reported in the accompanying exhibits agree with the amounts reported in the related Federal financial reports.