

**FRUITVALE INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2015**

RUTHERFORD, TAYLOR & COMPANY, P.C.  
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FRUITVALE INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2015

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**CERTIFICATE OF BOARD**

Fruitvale Independent School District  
Name of School District

Van Zandt  
County

234-909  
Co.-Dist. Number

We, the undersigned, certify that the attached auditor's report of the above named school district was reviewed and 6 approved/ 0 disapproved for the year ended August 31, 2015, at a meeting of the board of school trustees of such school district on 11/29/15.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

If the auditor's report was checked above as disapproved, the reasons(s) therefore is/are (attach list if necessary):

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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Members of the Board:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Avinger Independent School District (District), as of and for the year ended August 31, 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Avinger Independent School District as of August 31, 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.

Independent Auditor's Report – Continued

**Change in Accounting Principle**

As discussed in Note Q to the financial statements, in 2015 the District adopted various accounting pronouncements issued by the Governmental Accounting Standards Board. Our opinions are not modified with respect to this 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 budgetary comparison information 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 as a whole. The schedules identified in the table of contents as other supplementary information are presented for the purpose of additional analysis, and are not a required part of the basic financial statements. These other supplementary information schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 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.

November 16, 2015  
Greenville, Texas

*Rutherford, Taylor & Company, PC*

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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*

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Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fruitvale Independent School District (District), as of and for the year ended August 31, 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 November 16, 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.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

**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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 16, 2015  
Greenville, Texas

*Rutherford, Taylor & Company PC*



FRUITVALE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Financial Statement Findings (Section II)**

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NONE

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Prior Year Findings (Section IV)**

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NONE

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2015

**Corrective Action Plans (Section V)**

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NONE

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

This section of Fruitvale Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2015. Please read it in conjunction with the District's basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

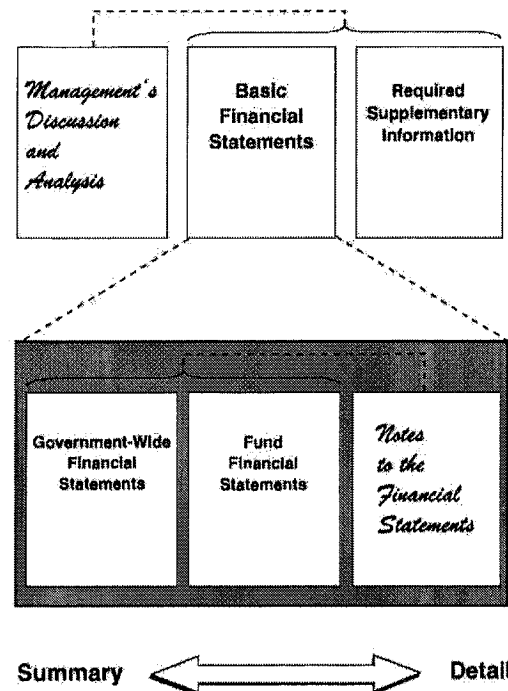
- The District's total combined net position was \$ 7,085,185 at August 31, 2015.
- During the year, the District's expenses were \$ 1,024 less than the \$ 4,756,156 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs was increased from last year to provide for overall increased operations.
- The General Fund reported a fund balance this year of \$ 2,260,227 a decrease of \$ 9,373 over the previous year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

**Figure A-1, Required Components of the District's Annual Financial Report**



The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

Figure A-2 summarizes the major features of the District's basic financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**GOVERNMENT-WIDE STATEMENTS**

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

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base and student population.

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

**FUND FINANCIAL STATEMENTS**

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

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

The District has the following kinds of funds:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

- Fiduciary funds—The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's combined net position was \$ 7,085,185 at August 31, 2015.

Fruitvale Independent School District's Net Position			Table A-1
	Governmental Activities		Total Percentage Change
	2015	2014	2014-15
<b>Assets:</b>			
Cash and Investments	\$ 2,546,407	\$ 2,511,584	1.4%
Other Assets	232,695	246,982	-5.8%
Capital Assets less Accumulated Depreciation	6,130,960	6,221,619	-1.5%
<b>Total Assets</b>	<b>\$ 8,910,062</b>	<b>\$ 8,980,185</b>	<b>-0.8%</b>
Total Deferred Net Outflow s of Resources	\$ 124,760	\$ -	100.0%
<b>Liabilities:</b>			
Current Liabilities	\$ 397,343	\$ 361,524	9.9%
Long-term Liabilities	1,408,033	1,000,186	40.8%
<b>Total Liabilities</b>	<b>\$ 1,805,376</b>	<b>\$ 1,361,710</b>	<b>32.6%</b>
Total Deferred Net Inflow s of Resources	\$ 144,261	\$ -	100.0%
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 5,062,646	\$ 5,230,571	-3.2%
Restricted	57,734	90,374	-36.1%
Unrestricted	1,964,805	2,297,530	14.5%
<b>Total Net Position</b>	<b>\$ 7,085,185</b>	<b>\$ 7,618,475</b>	<b>-7.0%</b>

None of the District's restricted net position represents funds held for debt retirement. The unrestricted net asset represents resources available to fund the programs of the District next year.

**CHANGES IN NET POSITION**

The District's total revenues were \$ 4,756,156. Less than 1% of the District's revenue comes from local property taxes (See Table A-2). 98% comes from state aid and federal grants, while only 2% relates to charges for services and other miscellaneous revenues including investment earnings.

The total cost of all programs and services was \$ 4,755,132. 56% of these costs are for instruction and instructional related services.

The District's current tax collection rate (base tax only – current and delinquent) was 98.63%. The total collection rate (base tax and penalty and interest) was 100.33%.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

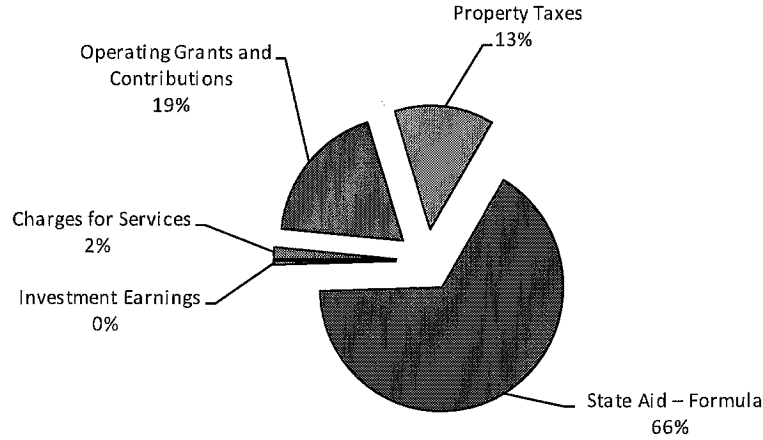
**Table A-2**

**Changes in Fruitvale Independent School District's Net Position**

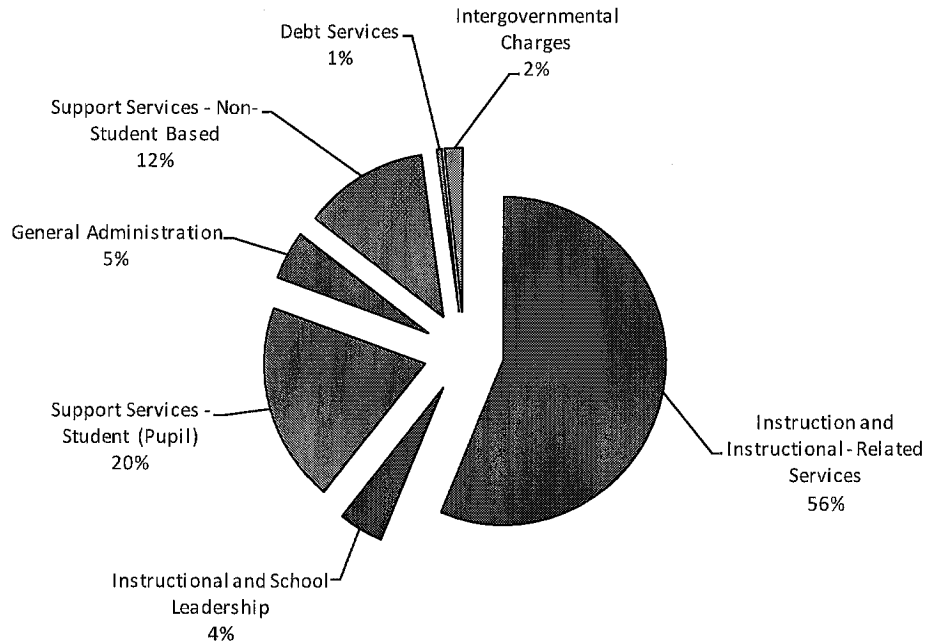
	Governmental Activities		Total Percentage Change
	2015	2014	2014-15
<b>Program Revenues:</b>			
Charges for Services	\$ 71,721	\$ 104,791	-31.56%
Operating Grants and Contributions	874,960	637,634	37.22%
<b>General Revenues:</b>			
Property Taxes	615,677	668,512	-7.90%
State Aid – Formula	3,093,387	3,023,738	2.30%
Investment Earnings	21,542	18,930	13.80%
Miscellaneous	78,869	113,130	-30.28%
<b>Total Revenues</b>	<b>\$ 4,756,156</b>	<b>\$ 4,566,735</b>	<b>4.15%</b>
<b>Expenses:</b>			
Instruction	\$ 2,468,536	\$ 2,336,058	5.67%
Instructional Resources and Media Services	99,042	101,504	-2.43%
Curriculum and Staff Development	99,947	108,158	-7.59%
School Leadership	212,149	210,715	0.68%
Guidance, Counseling and Evaluation Services	211,513	141,160	49.84%
Health Services	115,069	60,349	90.67%
Student (Pupil) Transportation	134,751	99,929	34.85%
Food Services	316,478	262,156	20.72%
Cocurricular/Extracurricular Activities	159,003	220,036	-27.74%
General Administration	227,536	212,908	6.87%
Plant Maintenance and Operations	456,028	397,698	14.67%
Security and Monitoring Services	3,218	3,083	4.38%
Data Processing Services	129,053	115,774	11.47%
Other Governmental Charges	14,284	15,107	-5.45%
Debt Service	22,908	91,932	-75.08%
Payments for Shared Service Arrangements	617	103,278	-99.40%
Capital Outlay	85,000	51,004	66.65%
<b>Total Expenses</b>	<b>\$ 4,755,132</b>	<b>\$ 4,530,849</b>	<b>4.95%</b>
<b>Excess (Deficiency) Before Other Resources,</b>			
Uses and Transfers	\$ 1,024	\$ 35,886	-97.15%
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,024</b>	<b>\$ 35,886</b>	<b>-97.15%</b>
Net Position - Beginning (September 1)	\$ 7,618,474	\$ 7,582,588	0.47%
Prior Period Adjustment	(534,313)	-	100.00%
Net Position - Beginning, as restated	7,084,161	7,582,588	-6.57%
<b>Net Position - Ending (August 31)</b>	<b>\$ 7,085,185</b>	<b>\$ 7,618,474</b>	<b>-7.00%</b>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**Sources of Revenue for Fiscal Year 2015 - See Table A-2**



**Functional Expenses for Fiscal Year 2015 - See Table A-2**





FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

- Table A-3 presents the cost of selected District functions as well as the selected function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.
- The cost of all governmental activities this year was \$ 4,755,132.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$ 615,677,
- Some of the cost was paid by those who directly benefited from the programs, \$ 71,721, or
- By grants and contributions \$ 874,960.

**Table A-3**

**Fruitvale Independent School District's  
Net Cost of Selected District Functions**

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2015	2014		2015	2014	
Instruction	\$ 2,468,536	\$ 2,336,058	5.67%	\$ 2,114,140	\$ 1,979,021	6.83%
School Leadership	212,149	210,715	0.68%	202,114	201,133	0.49%
General Administration	227,536	212,908	6.87%	216,613	203,157	6.62%
Plant Maintenance and Operations	456,028	397,698	14.67%	434,514	379,501	14.50%
Debt Service	22,908	91,932	-75.08%	(26,758)	84,626	-131.62%

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The District's fund equity in the governmental funds totaled \$ 2,323,623.

Revenues from governmental fund types totaled \$ 4,733,210 which is an increase of \$ 258,403 from the prior year. The increase is representative of the increase in foundation aid received from the state.

Expenditures of governmental fund types totaled \$ 4,777,916 which is an increase of \$ 159,288 from the prior year. The increase was due to increased operating expenditures primarily related to capital outlay.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised its General Fund budget several times. Even with these adjustments, actual expenditures were \$ 138,721 below final General Fund budget amounts. The most significant positive variance resulted from instruction.

Resources available were \$ 133,568 above the final General Fund budgeted amount. The favorable variance was primarily due to increased state foundation aid.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

At year end, the District had invested \$ 9,373,067 in a broad range of capital assets, including land, equipment, buildings, and vehicles (See Table A-4).

<b>Fruitvale Independent School District's Capital Assets</b>			<b>Table A-4</b>
	Governmental Activities		Total Percentage Change
	2015	2014	2014-15
Land	\$ 141,350	\$ 141,350	0.00%
Buildings and Improvements	8,395,522	8,327,112	0.82%
Vehicles	593,290	526,733	12.64%
Equipment	242,905	242,905	0.00%
Totals at Historical Cost	\$ 9,373,067	\$ 9,238,100	1.46%
Total Accumulated Depreciation	(3,242,107)	(3,016,481)	7.48%
Net Capital Assets	<u>\$ 6,130,960</u>	<u>\$ 6,221,619</u>	-1.46%

**DEBT**

At year-end, the District had \$ 936,444 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

<b>Fruitvale Independent School District's Debt</b>			<b>Table A-5</b>
	Governmental Activities		Total Percentage Change
	2015	2014	2014-15
Bonds Payable	\$ 880,000	\$ 940,000	-6.38%
Other Debt Payable	56,444	60,186	-6.22%
Total Debt Payable	<u>\$ 936,444</u>	<u>\$ 1,000,186</u>	-6.37%

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015

**ECONOMIC FACTORS**

The District's property valuation has dropped significantly due to economic conditions in the area. Local property tax rates are restricted by state statute, without local elections, to \$ 1.04 for maintenance and operations. The state funding formula was changed in prior years to provide state funds to replace the lost local property tax revenue. This change in funding and other legislative changes could impact the District's financial operations, including cash flows.

Student population has continued to decline over the past few years at a minor rate. The economic outlook for the area is for growth to be relatively slow, as indicated by the decline in local property values. Housing has not expanded at the rate of other north central Texas communities. These economic conditions allow the District to maintain constant funding and staffing levels.

The State has increased funding levels for the 2013-2015 biennium, which will affect the revenue levels of the District. With these increases in funding, the District anticipates monitoring expenditure levels to ensure financial stability remains strong.

A challenge to the State's funding system resulted in the system being held unconstitutional and inequitable. The 2013 legislative session produced additional funding for the student population. However, the legal process continues with challenges by the various interested parties. It is anticipated that a final resolution will be considered during the 2013-2015 biennium.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rebecca Bain, Superintendent of the District.

## BASIC FINANCIAL STATEMENTS

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2015

Data Control <u>Codes</u>	1  Governmental <u>Activities</u>
<b>ASSETS</b>	
1110 Cash and Investments	\$ 2,546,407
1225 Property Taxes Receivable, Net	38,761
1240 Due from Other Governments	180,843
1290 Other Receivables, Net	4,074
1410 Unrealized Expenses	9,017
Capital Assets:	
1510 Land	141,350
1520 Building and Improvements, Net	5,621,490
1530 Furniture and Equipment, Net	<u>368,120</u>
<b>1000 Total Assets</b>	<b><u>\$ 8,910,062</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1705 Deferred Outflows - Pensions	<u>\$ 124,760</u>
<b>1700 Total Deferred Outflows of Resources</b>	<b><u>\$ 124,760</u></b>
<b>LIABILITIES</b>	
2110 Accounts Payable	\$ 92,357
2140 Interest Payable	1,071
2165 Accrued Liabilities	129,408
2300 Unearned Revenue	174,507
Noncurrent Liabilities:	
2501 Due within one year	60,000
2502 Due in more than one year	876,444
2540 Net Pension Liability	<u>471,589</u>
<b>2000 Total Liabilities</b>	<b><u>\$ 1,805,376</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflows - Pensions	<u>\$ 144,261</u>
<b>2600 Total Deferred Inflows of Resources</b>	<b><u>\$ 144,261</u></b>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	\$ 5,062,646
Restricted For:	
3820 Federal and State Programs	44,119
3890 Other Programs	13,615
3900 Unrestricted	<u>1,964,805</u>
<b>3000 Total Net Position</b>	<b><u>\$ 7,085,185</u></b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Functions/Programs	1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
				Program Revenues	Governmental Activities
				Operating Grants and Contributions	Governmental Activities
Governmental Activities:					
11	Instruction	\$ 2,468,536	\$ -	\$ 354,396	\$ (2,114,140)
12	Instructional Resources and Media Services	99,042	-	4,443	(94,599)
13	Curriculum and Staff Development	99,947	-	82,268	(17,679)
23	School Leadership	212,149	-	10,035	(202,114)
31	Guidance, Counseling and Evaluation Services	211,513	-	54,056	(157,457)
33	Health Services	115,069	-	48,775	(66,294)
34	Student (Pupil) Transportation	134,751	-	7,402	(127,349)
35	Food Services	316,478	37,435	215,930	(63,113)
36	Cocurricular/Extracurricular Activities	159,003	34,286	5,073	(119,644)
41	General Administration	227,536	-	10,923	(216,613)
51	Plant Maintenance and Operations	456,028	-	21,514	(434,514)
52	Security and Monitoring Services	3,218	-	148	(3,070)
53	Data Processing Services	129,053	-	6,221	(122,832)
72	Interest on Long-term Debt	22,508	-	49,666	27,158
73	Debt Issuance Costs and Fees	400	-	-	(400)
81	Capital Outlay	85,000	-	4,073	(80,927)
93	Payments to Shared Service Arrangements	617	-	37	(580)
99	Other Intergovernmental Charges	14,284	-	-	(14,284)
TG	Total Governmental Activities	<u>\$ 4,755,132</u>	<u>\$ 71,721</u>	<u>\$ 874,960</u>	<u>\$ (3,808,451)</u>
TP	Total Primary Government	<u>\$ 4,755,132</u>	<u>\$ 71,721</u>	<u>\$ 874,960</u>	<u>\$ (3,808,451)</u>
General Revenues:					
MT	Property Taxes, Levied for General Purpose				\$ 615,668
DT	Property Taxes, Levied for Debt Service				9
IE	Investment Earnings				21,542
GC	Grants and Contributions Not Restricted to Specific Purp				3,093,387
MI	Miscellaneous				53,164
Special and Extraordinary Items:					
S1	Special Item Inflow				<u>25,705</u>
TR	Total General Revenues				<u>\$ 3,809,475</u>
CN	Change in Net Position				<u>\$ 1,024</u>
NB	Net Position - Beginning (September 1)				\$ 7,618,474
PA	Prior Period Adjustment				<u>(534,313)</u>
	Net Position - Beginning, as Restated				<u>\$ 7,084,161</u>
NE	Net Position - Ending (August 31)				<u>\$ 7,085,185</u>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
AUGUST 31, 2015

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Investments	\$ 2,475,790	\$ 43,705	\$ 2,519,495
1225 Property Taxes Receivable, Net	38,454	307	38,761
1240 Due from Other Governments	113,188	67,655	180,843
1290 Other Receivables	4,074	-	4,074
<b>1000 Total Assets</b>	<b><u>\$ 2,631,506</u></b>	<b><u>\$ 111,667</u></b>	<b><u>\$ 2,743,173</u></b>
<b>LIABILITIES</b>			
Current Liabilities:			
2110 Accounts Payable	\$ 34,714	\$ 42,160	\$ 76,874
2150 Payroll Deductions & Withholdings	1,098	-	1,098
2160 Accrued Wages Payable	120,831	5,000	125,831
2200 Accrued Expenditures	2,186	293	2,479
2300 Deferred Revenues	173,996	511	174,507
<b>2000 Total Liabilities</b>	<b><u>\$ 332,825</u></b>	<b><u>\$ 47,964</u></b>	<b><u>\$ 380,789</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600 Total Deferred Inflows of Resources	\$ 38,454	\$ 307	\$ 38,761
<b>FUND BALANCES</b>			
Restricted Fund Balances:			
3450 Federal/State Funds Grants	\$ -	\$ 34,529	\$ 34,529
3480 Retirement of Long-Term Debt	-	114	114
3490 Other Restrictions of Fund Balance	-	13,614	13,614
Committed Fund Balances:			
3530 Capital Expenditures for Equipment	260,000	-	260,000
3545 Other Committed Fund Balance	400,000	15,139	415,139
3600 Unassigned	1,600,227	-	1,600,227
<b>3000 Total Fund Balances</b>	<b><u>\$ 2,260,227</u></b>	<b><u>\$ 63,396</u></b>	<b><u>\$ 2,323,623</u></b>
<b>4000 Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 2,631,506</u></b>	<b><u>\$ 111,667</u></b>	<b><u>\$ 2,743,173</u></b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)  
 TO THE STATEMENT OF NET POSITION  
 AUGUST 31, 2015

Total fund balances - Balance Sheet (governmental funds)	\$	2,323,623
<p>Amounts reported for governmental activities in the statement  of net position are different because:</p>		
Capital assets used in governmental activities are not reported in the funds.		6,130,960
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		38,761
The assets and liabilities of internal service funds are included in governmental activities in the SNA.		20,446
Payables for bond principal which are not due in the current period are not reported in the funds.		(880,000)
Payables for bond interest which are not due in the current period are not reported in the funds.		(1,071)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.		(56,444)
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.		(471,589)
Deferred Resource Inflows related to TRS are not reported in the funds.		(144,261)
Deferred Resource Outflows related to TRS are not reported in the funds.		<u>124,760</u>
Net position of governmental activities - Statement of Net Position	\$	<u>7,085,185</u>

The accompanying notes are an integral part of this statement.



FRUITVALE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES</b>			
5700 Local and Intermediate Sources	\$ 711,015	\$ 66,097	\$ 777,112
5800 State Program Revenues	3,281,856	89,858	3,371,714
5900 Federal Program Revenues	84,394	499,990	584,384
<b>5020 Total Revenues</b>	<b>\$ 4,077,265</b>	<b>\$ 655,945</b>	<b>\$ 4,733,210</b>
<b>EXPENDITURES</b>			
Current:			
0011 Instruction	\$ 2,189,383	\$ 153,334	\$ 2,342,717
0012 Instructional Resources and Media Services	92,654	-	92,654
0013 Curriculum and Staff Development	21,249	81,250	102,499
0023 School Leadership	209,007	1,694	210,701
0031 Guidance, Counseling and Evaluation Services	166,200	46,080	212,280
0033 Health Services	71,325	45,350	116,675
0034 Student (Pupil) Transportation	219,364	2,848	222,212
0035 Food Services	-	293,376	293,376
0036 Cocurricular/Extracurricular Activities	173,964	15,541	189,505
0041 General Administration	227,498	-	227,498
0051 Plant Maintenance and Operations	448,558	-	448,558
0052 Security and Monitoring Services	2,991	-	2,991
0053 Data Processing Services	129,649	-	129,649
0071 Principal on Long-term Debt	-	60,000	60,000
0072 Interest on Long-term Debt	-	26,300	26,300
0073 Debt Issuance Cost and Fees	-	400	400
0081 Capital Outlay	85,000	-	85,000
0093 Payments for Shared Service Arrangements	617	-	617
0099 Other Intergovernmental Charges	14,284	-	14,284
<b>6030 Total Expenditures</b>	<b>\$ 4,051,743</b>	<b>\$ 726,173</b>	<b>\$ 4,777,916</b>
<b>1100 Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 25,522</b>	<b>\$ (70,228)</b>	<b>\$ (44,706)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 Transfers In	\$ -	\$ 60,600	\$ 60,600
8911 Transfers Out	(60,600)	-	(60,600)
<b>7080 Net Other Financing Sources (Uses)</b>	<b>\$ (60,600)</b>	<b>\$ 60,600</b>	<b>\$ -</b>
<b>SPECIAL ITEM</b>			
7918 Special Item (Resource)	25,705	-	25,705
<b>1200 Net Changes in Fund Balances</b>	<b>\$ (9,373)</b>	<b>\$ (9,628)</b>	<b>\$ (19,001)</b>
0100 Fund Balances - Beginning (September 1)	2,269,600	73,024	2,342,624
<b>3000 Fund Balances - Ending (August 31)</b>	<b>\$ 2,260,227</b>	<b>\$ 63,396</b>	<b>\$ 2,323,623</b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2015

Net change in fund balances - total governmental funds	\$	(19,001)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are not reported as expenses in the SOA.		192,775
The depreciation of capital assets used in governmental activities is not reported in the funds.		(282,851)
The gain or loss on the sale of capital assets is not reported in the funds.		(583)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		(2,759)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.		4,084
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		60,000
The accretion of interest on capital appreciation bonds is not reported in the funds.		(342)
(Increase) decrease in accrued interest expense from beginning of period to end of period.		50
The net revenue (expense) of internal service funds is reported with governmental activities.		6,428
Implementing GASB 68 required certain expenditures to be de-expanded and recorded as deferred resource outflows.		(43,590)
Pension contributions made before the measurement date but in current FY were de-expanded and reduced NPO.		<u>86,813</u>
Change in net position of governmental activities - Statement of Activities	\$	<u>1,024</u>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
AUGUST 31, 2015

Data Control Codes	Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
1110 Cash and Investments	\$ 26,912
1410 Unrealized Expenses	9,017
<b>1000 Total Assets</b>	<b>\$ 35,929</b>
<b>LIABILITIES</b>	
Current Liabilities:	
2110 Accounts Payable	\$ 15,483
<b>2000 Total Liabilities</b>	<b>\$ 15,483</b>
<b>NET POSITION</b>	
3900 Unrestricted Net Position	\$ 20,446
<b>3000 Total Net Position</b>	<b>\$ 20,446</b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND NET POSITION - PROPRIETARY FUNDS  
 YEAR ENDED AUGUST 31, 2015

<u>Data Control Codes</u>		<u>Internal Service Fund</u>
	<b>OPERATING REVENUES</b>	
5700	Local and Intermediate Sources	<u>\$ 10,946</u>
<b>5020</b>	<b>Total Revenues</b>	<u>\$ 10,946</u>
	<b>OPERATING EXPENSES</b>	
6100	Payroll Costs	<u>\$ 4,518</u>
<b>6030</b>	<b>Total Expenses</b>	<u>\$ 4,518</u>
1200	Change in Net Position	\$ 6,428
0100	Total Net Position - Beginning (September 1)	<u>14,018</u>
<b>3000</b>	<b>Total Net Position - Ending (August 31)</b>	<u><u>\$ 20,446</u></u>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED AUGUST 31, 2015

	Internal Service Fund
Cash Flows from Operating Activities:	
Cash Receipts from Other Sources	\$ 10,943
Cash Receipts from Investment Earnings	3
Cash Payments for Claims	(10,775)
Cash Payments for Administration	(4,518)
	(4,518)
Net Cash Provided by (Used for) Operating Activities	\$ (4,347)
Cash Flows from Capital and Other Related Financing Activities:	
NONE	
Cash Flows from Noncapital Financing Activities:	
NONE	
Cash Flows from Investing Activities:	
NONE	
Net Increase (Decrease) in Cash and Investments	\$ (4,347)
Cash and Investments - Beginning (September 1)	31,259
<b>Cash and Investments - Ending (August 31)</b>	<b>\$ 26,912</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ 6,428
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase (Decrease) in Unrealized Expenses	-
Increase (Decrease) in Claims Liability	(10,775)
	(10,775)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (4,347)</b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
 AUGUST 31, 2015

Data Control Codes		Agency Funds
	<b>ASSETS</b>	
1110	Cash and Investments	\$ 15,866
<b>1000</b>	<b>Total Assets</b>	<b>\$ 15,866</b>
	<b>LIABILITIES</b>	
	Current Liabilities:	
2190	Due to Student Groups	\$ 15,866
<b>2000</b>	<b>Total Liabilities</b>	<b>\$ 15,866</b>
	<b>NET POSITION</b>	
<b>3000</b>	<b>Total Net Position</b>	<b>\$ -</b>

The accompanying notes are an integral part of this statement.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies

The basic financial statements of the Fruitvale Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's *Financial Accountability System Resource Guide (Guide)*. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (Board), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and as a body corporate has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

*Government-wide Statements* – The statement of net position (SNP) and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities (SOA) presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements* – The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund – This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

In addition, the District reports the following fund types:

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of general long-term Debt principal, interest and related costs.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

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. The Board can commit specific types of resources to specific purposes which are included as special revenue funds.

Internal Service Funds – These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Agency Funds – These funds are reported in the fiduciary fund financial statements. These funds are used to report student activity funds and other resources held in purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

b. Measurement Focus – Basis of Accounting

*Government-wide and Fiduciary Fund Financial Statements* – These financial statements are reported using the economic resources measurement focus. The government-wide fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.



FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB Standards.

3. Budgetary Data

The official budget was prepared for adoption for the general, food service and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1.
- b. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
- c. Prior to the expenditure of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the function level by personnel responsible for organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

4. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$	0
Special Revenue Fund		0
Debt Service Fund		0
Total	\$	0

5. Financial Statement Amounts

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as a part of the District's cash and temporary investments.

For the purpose of the statement of cash flows, highly liquid investments are considered to be cash and investments if they have a maturity of three months or less when purchased.

Inventories

The purchase method is used to account for inventories of school supplies, athletic equipment and food products. Under this method supplies and materials are debited as expenditures when purchased.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

Fund Equity

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

*Nonspendable fund balance* – represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

*Restricted fund balance* – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed fund balance* – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

*Assigned fund balance* – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

*Unassigned fund balance* – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The following schedule provides information about the specific fund balance classification by fund:

	General	Other Governmental	Total
Restricted			
Food Service	\$ -	\$ 34,529	\$ 34,529
Retirement of Long Term Debt	-	114	114
Bobcat Supplies	-	70	70
Scholarships	-	13,544	13,544
Committed			-
Capital Expenditures for Equipment	260,000	-	260,000
Future Budget Deficits	-	8,589	8,589
Campus Activity Funds	-	5,550	5,550
Other Purposes	400,000	-	400,000
Unassigned	<u>1,600,227</u>	<u>-</u>	<u>1,600,227</u>
Totals	<u>\$ 2,260,227</u>	<u>\$ 62,396</u>	<u>\$ 2,322,623</u>

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$ 5,000 is used.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15-50
Vehicles	5-10
Other Equipment	3-15

6. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

7. Interfund Activities

Interfund activity results from loans, service provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfer" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

8. Vacation, Sick Leave, and Other Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accrues at various rates established by the State and adopted by the Board of Trustees. Sick leave does not vest but accumulates and is recorded as an expenditure as it is paid.

9. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement System of Texas (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, 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.

10. Accretion

Accretion is an adjustment of the difference between the price of a bond issued at an original discount and the par value of the bond. For governmental activities debt, the accreted value is recognized as it accrues by fiscal year.

11. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

A. Summary of Significant Accounting Policies (Continued)

12. Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the *Guide*. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

13. Accounting System

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Guide*. Mandatory codes are utilized in the form provided in that section.

B. Deposits, Securities, and Investments

The District's funds are deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At year end, all District cash deposits appear to be covered by FDIC insurance or by pledged collateral held by the District's agent bank in the name of the District. The District's deposits appear to have been properly secured throughout the fiscal year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to have been in substantial compliance with the requirements of the Act.

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or secured certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include investments in external investment pools, such as TexPool and Lone Star Investment Pool as well as certificates of deposit with local financial institutions. All external investment pool balances are reported at share price (fair value) and are presented as cash and investments.

The *Lone Star Investment Pool* is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors and BNY Mellon Cash Investment Strategies – Investment Managers, RBC Wealth Management – Investment Consultant, Bank of New York Mellon – Custodian, First Public – Administration. In combination with these third party organizations, the pool has received a AAAM rating from Standard and Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

*Texas Local Government Investment Pool (TexPool)* has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities, and Investments (Continued)

The Comptroller of Public Accounts (Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. (Federated), under an agreement with the Comptroller, acting on behalf of the Trust Company.

The Comptroller maintains oversight of the services provided to TexPool by Federated. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

The fund is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's. This rating as well as the operational policies and procedures allow the fund to comply with the requirements of the Public Funds Investment Act.

The following table provides a listing of the District's investment at year end:

	<u>Credit Rating</u>	<u>Fair Value</u>
Lone Star Investment Pool	AAAm	\$ 1,441
TexPool	AAAm	1
Certificates of Deposit	n/a	<u>2,114,098</u>
Total		<u>\$ 2,115,540</u>

In addition, the following is disclosed regarding coverage of combined cash balances on the date of highest balance:

- a. Name of bank: Citizens National Bank, Wills Point, Texas.
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$ 3,678,980.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 3,197,732, and occurred during the month of March 2015.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 262,859.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

B. Deposits, Securities, and Investments (Continued)

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

C. Property Taxes

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the October 1 levy date. On January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Property taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Section 33.05, Property Tax Code, requires the tax collector for the District to cancel and remove from the delinquent tax rolls a tax on real property that has been delinquent for more than 20 years or a tax on personal property that has been delinquent for more than 10 years. Delinquent taxes meeting this criteria may not be canceled if litigation concerning these taxes is pending.

The District levied taxes on property within the District at \$ 1.17 to fund general operations. The District did not levy a tax for the retirement of debt in the fiscal year. The rates were levied on property assessed totaling \$ 52,513,846.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

D. Capital Assets

Capital asset activities during the year were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets not Being Depreciated:				
Land	\$ 141,350	\$ -	\$ -	\$ 141,350
Total Capital Assets not being Depreciated	\$ 141,350	\$ -	\$ -	\$ 141,350
Capital Assets being Depreciated:				
Building and Improvements	\$ 8,327,112	\$ 68,410	\$ -	\$ 8,395,522
Equipment	242,905	-	-	242,905
Vehicles	526,733	124,365	57,808	593,290
Total Capital Assets being Depreciated	\$ 9,096,750	\$ 192,775	\$ 57,808	\$ 9,231,717
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 2,545,582	\$ 228,450	\$ -	\$ 2,774,032
Equipment	179,392	14,698	-	194,090
Vehicles	291,507	39,703	57,225	273,985
Total Accumulated Depreciation	\$ 3,016,481	\$ 282,851	\$ 57,225	\$ 3,242,107
Total Capital Assets being Depreciated, Net	\$ 6,080,269	\$ (90,076)	\$ 583	\$ 5,989,610
Governmental Activities Capital Assets, Net	\$ 6,221,619	\$ (90,076)	\$ 583	\$ 6,130,960

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 158,610
Instructional Resources and Media Services	7,005
School Leadership	3,271
Guidance, Counseling and Evaluation Services	718
Health Services	417
Student (Pupil) Transportation	37,711
Food Services	25,685
Cocurricular/Extracurricular Activities	38,896
General Administration	2,034
Plant Maintenance and Operations	8,277
Security	227
Total	\$ 282,851

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

E. Long Term Obligations

Long-term obligation activities during the year ended were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Amounts Due Within One Year
General Obligation Bonds	\$ 940,000	\$ -	\$ 60,000	\$ 880,000	\$ 60,000
Bond Premium (Discount)	51,048	-	4,084	46,964	-
Accreted Interest	9,138	342	-	9,480	-
Total Governmental Activities	<u>\$ 1,000,186</u>	<u>\$ 342</u>	<u>\$ 64,084</u>	<u>\$ 936,444</u>	<u>\$ 60,000</u>

Bonds

The District has issued various series of general obligation bonds to fund facility construction and improvements. Bonds mature at various times with varying rates of interest. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

The following bonded debt issues are outstanding at year end:

Description	Interest Rate	Original Balance	Outstanding Balances
Unlimited Tax School Refunding Bonds, Series 2014	2.2279%	\$ 940,000	\$ 880,000

Maturity requirements on bonded debt at year end are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2016	\$ 60,000	\$ 25,100	\$ 85,100
2017	60,000	34,150	94,150
2018	65,000	23,150	88,150
2019	70,000	21,450	91,450
2020	70,000	19,350	89,350
2021-2025	385,000	62,375	447,375
2026-2029	170,000	5,950	175,950
Totals	<u>\$ 880,000</u>	<u>\$ 191,525</u>	<u>\$ 1,071,525</u>



FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS's defined benefit pension plan operates primarily under the provision of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas State Legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us).

2. Benefits Provided

TRS administers retirement and disability annuities, and death survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. Benefits are established or amended primarily under the authority of the provisions of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The pension's board of trustees does not have the authority to establish or amend benefits. 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 or exceed 80 years. Reduced service retirement is at age 55 with 5 years of credited service and any age below 50 with 30 years of credited service. A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met. The plan does not provide automatic cost of living adjustments (COLA's). Ad hoc post-employment benefits changes, including ad hoc COLA's can be granted by the Texas Legislature as noted in the Plan Description above.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

3. Contributions

Contribution requirements are established or amended pursuant to the following state laws: (1) Article 16, Section 67 of the Texas Constitution requires the 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. Actuarial implications of the funding provided in this manner are determined by the system's actuary. As the non-employer contributing entity, 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 members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

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. Employee contribution rates are set in state statute, 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. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. Contribution amounts for fiscal year 2014 are as follows:

	<b>Contributions Required and Made</b>	
Member (Employee)	\$	164,377
Non-Employer Contributing Agency (State On Behalf)	\$	139,974
District (Employer)	\$	44,761

Contribution rates for the plan fiscal year (September to August) 2014 and 2015 are as follows:

	<b>Contribution Rates Plan Fiscal Year</b>	
	<b>2014</b>	<b>2015</b>
Member (Employee)	6.4%	6.7%
District (Employer)	6.8%	6.8%
Non-Employer Contributing Agency (State On Behalf)	6.8%	6.8%

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

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

At August 31, 2014, the District reported a liability for its proportionate share of the net pension liability that reflected 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:

District's proportionate share of the net pension liability	\$ 471,589
State's proportionate share of the net pension liability associated with the District	<u>1,477,900</u>
Total	<u>\$ 1,949,489</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 District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating entities. At August 31, 2014, the District's proportion was 0.0017655% which was not measured as of August 31, 2013.

For the year ended August 31, 2014, the District recognized pension expense of \$ 136,629 and revenue of \$ 136,629 for support provided by the State.

At August 31, 2014, the District report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,293	\$ -
Changes of actuarial assumptions	30,654	-
Net difference between projected and actual earnings on pension plan investments	-	144,137
Changes in proportion and differentials between District contributions and proportionate share of contributions	<u>-</u>	<u>124</u>
Total	<u>\$ 37,947</u>	<u>\$ 144,261</u>

At August 31, 2015, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Total Amounts per August 31, 2014 measurement date	\$ 37,947	\$ 144,261
Contribution paid to TRS subsequent to the measurement date	<u>86,813</u>	<u>-</u>
Total Financial Statement Amounts	<u>\$ 124,760</u>	<u>\$ 144,261</u>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>		<b>Amount</b>
<b>August 31</b>		
2015	\$	(29,653)
2016		(29,653)
2017		(29,653)
2018		(29,653)
2019		6,381
Thereafter		5,917

5. Actuarial Assumptions

The total pension liability is determined by an annual actuarial valuation. The active mortality rates were based on the 1994 Group Annuity Mortality Table set back 6 years for both males and females. The Post-retirement mortality rates were based on client specific tables multiplied by 80%. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study 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 significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rate for current and future retirees has decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards Practice No. 35.

The following assumptions were applied to this measurement period:

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 Smoothed Market
Actuarial Assumption:	
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 3.00%

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

6. 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 fiscal 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 new 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 expected rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investment 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 weighing 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 *
<b>Global Equity</b>			
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%
<b>Stable Value</b>			
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%
<b>Real Return</b>			
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%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

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

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

F. Pension Plan (Continued)

For the year ended August 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 16.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Discount Rate Sensitivity Analysis

The following presents the District's share of the net pension liability of the plan using the discount rate of 8%, as well as what the District's share of the net pension liability would be if it were calculated using a discount rate that is 1 - percentage point lower (7%) or 1 - percentage point higher (9%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
District's proportional share of the net pension liability	\$ 842,701	\$ 471,589	\$ 194,066

8. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. 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%

G. School District Retiree Health Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778 or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS publication heading.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

G. School District Retiree Health Plan (Continued)

2. 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. The State of Texas and active public school employees contributed amounts to the plan during the year. Per Texas Insurance Code, Chapters 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 are shown in the table below for fiscal years 2015-2013.

<b>Contribution Rates</b>			
<b>Year</b>	<b>Active Member</b>	<b>State</b>	<b>District</b>
2015	0.65%	1.00%	0.55%
2014	0.65%	1.00%	0.55%
2013	0.65%	0.50%	0.55%

3. On Behalf Payments

In accordance with GASB Statement 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," on-behalf payments (payments made by the State) of \$ 24,481 are reflected in the basic financial statements for Retiree Health Plan contributions. Additionally, the District benefited from payments made by the State totaling \$ 11,464 for subsidies for Medicare Part D and Early Retirement Reinsurance Programs.

H. Risk Management

Health Care

During the year ended, employees of the Fruitvale Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of \$ 225 per month per employee and employees, at their option, authorized payroll withholdings to provide dependents coverage under the Plan. All premiums were paid to a TRS Activecare (Blue Cross/Blue Shield). The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the Fruitvale Independent School District and the TRS Activecare (Blue Cross/Blue Shield) is renewable September 1 of each year and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for Blue Cross/Blue Shield are available for the year ended December 31, 2014, and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Unemployment Compensation Pool

During the year ended, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal agreements that define the responsibilities of the parties.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

H. Risk Management (Continued)

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for Unemployment Compensation pool.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of year end, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Workers' Compensation

The District participates in the East Texas Educational Insurance Association Workers' Compensation Self Insurance Joint Fund. The District is partially self funded to a loss fund maximum of \$ 18,034 for the 14-15 fiscal year. Additionally, the District incurred fixed costs of \$ 9,108 for their share of claims administration, loss control, record keeping and cost of excess insurance.

Claims administration is provided by Claims Administrative Services, Inc. Reinsurance is provided for aggregate claim losses exceeding \$ 225,000. The fixed cost charge is based on total payroll paid by the District. Increases or decreases in the fixed costs will adjust subsequent year charges.

The accrued liability for workers compensation self insurance of \$ 15,483 includes \$ 7,635 of incurred but not reported claims. This liability is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which require that a liability for claims be reported if information indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The liability recorded is an undiscounted actuary calculation.

Changes in the workers' compensation claims liability amounts in fiscal periods 2015 and 2014 are represented below:

	2015	2014
Claims Payable - Beginning	\$ 26,258	\$ 15,304
Claims Incurred and Changes in Estimate	(6,538)	16,026
Claim Payments	(4,237)	(5,072)
Claims Payable - Ending	<u>\$ 15,483</u>	<u>\$ 26,258</u>

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the District purchased commercial insurance to cover these liabilities. There were not significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Litigation

The District is not involved in any litigation as of year end.



FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

J. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at year end, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

K. Interfund Balances and Activities

Interfund Transfers

The composition of transfers between funds occurring during the year ended, is as follows:

Transfers To	Transfers From	Amount	Reason
Debt Service Fund	General Fund	\$ 60,600	Debt Retirement

L. Revenue from Local and Intermediate Sources

During the year ended, the District received revenue from local and intermediate sources consisting of the following:

	Other		Totals
	General	Governmental	
Property Tax Collections	\$ 618,403	\$ 33	\$ 618,436
Investment Income	21,349	192	21,541
Food Service Income	-	37,436	37,436
Cocurricular/Extracurricular Activities	18,099	28,436	46,535
Other	53,164	-	53,164
Totals	\$ 711,015	\$ 66,097	\$ 777,112

M. Receivables

Receivables at year end, for the District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	Other		Totals
	General	Governmental	
Due from Other Governments	\$ 113,188	\$ 67,655	\$ 180,843
Property Taxes Receivable	42,727	-	42,727
Less: Allowance for Uncollectible			
Property Taxes	(4,273)	-	(4,273)
Other Receivables	4,074	-	4,074
Net Receivables	\$ 155,716	\$ 67,655	\$ 223,371

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

N. Subsequent Events

The District's management has evaluated subsequent events through November 16, 2015, the date which the financial statements were available for use.

O. State Aid Reconciliation

The State provides various types of funding for local school districts as provided for in state statute. The following reconciliation presents funding earned by the District in each category presented. Because of the State's delay in reconciling the funding to local districts, the summary below represents an estimate of earnings. The settle-up with the State will occur some 9 to 10 months following the fiscal year end.

Funding is earned for: 1) Available – annual allocation based on prior year enrollment; 2) Foundation – annual allocation based on student attendance, property tax collections and valuations, and special student population; 3) Instructional Facilities Allotment – based on property wealth; and 4) Existing Debt Allotment – based on eligible debt, student attendance and property wealth. Various other sources are received but not reconciled here as these are the major sources of funding.

	Available	Foundation	IFA	EDA
CY Summary of Finances (SOF)	\$ 95,688	\$ 2,968,471	\$ 49,666	Not
August Instructional Days Change	(566)	21,425	-	Eligible
Prior Period Settle-ups	-	8,369	-	
Financial Statement Earnings	<u>\$ 95,122</u>	<u>\$ 2,998,265</u>	<u>\$ 49,666</u>	<u>\$ -</u>
Financial Statement Classifications:				
August Instructional Days Receivable	\$ 2,133	\$ 111,055	\$ -	\$ -
SOF Receivable (Overpayment) *	-	(173,996)	-	(10)

\* Overpayments are reported as Unearned Revenue in the government-wide Statements and governmental fund type financial statements.

P. Compliance, Stewardship and Accountability

Expenditures over Appropriations

The following individual funds incurred expenditures in excess of appropriations at functional expenditure levels:

	Budget	Actual	Excess
General Fund			
Health Services	\$ 165,030	\$ 166,200	\$ 1,170

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

Q. Change in Accounting Principles

The District implemented the following Governmental Accounting Standard Board Statements during the year. The provisions impact the financial reporting for the District. Statement 68, *Accounting and Financial Reporting for Pensions*, created new reporting for pension information including the requirement to reflect pension liabilities in the government with financial statements including proportional shares for cost sharing arrangements. Statement 71, *Pension Transition for Contribution Made Subsequent to the Measurement Date*, resolved issues arising from the implementation of Statement 68.

R. Restatements

Restatements consist of prior period adjustments in the government wide financial statements as a result of the recording of net pension liability in accordance with GASB Statements 68 and 71. The beginning net position was restated to reflect a decrease of \$ 534,313.

S. Special Item

The District was a member of the Van Zandt County Special Education Cooperative (SSA) in prior years. The SSA dissolved and the District received a final payment of its share of the arrangement during the year. While this type of activity is infrequent, it does occur from time to time and as such reported as a special item.

REQUIRED SUPPLEMENTARY INFORMATION

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 703,202	\$ 703,202	\$ 711,015	\$ 7,813
5800	State Program Revenues	3,185,495	3,185,495	3,281,856	96,361
5900	Federal Program Revenues	55,000	55,000	84,394	29,394
<b>5020</b>	<b>Total Revenues</b>	<u>\$ 3,943,697</u>	<u>\$ 3,943,697</u>	<u>\$ 4,077,265</u>	<u>\$ 133,568</u>
<b>EXPENDITURES</b>					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 2,240,252	\$ 2,225,252	\$ 2,189,383	\$ 35,869
0012	Instructional Resources and Media Services	94,809	94,809	92,654	2,155
0013	Curriculum and Staff Development	28,345	28,345	21,249	7,096
	Total Instruction and Instr. Related Services	<u>\$ 2,363,406</u>	<u>\$ 2,348,406</u>	<u>\$ 2,303,286</u>	<u>\$ 45,120</u>
Instructional and School Leadership:					
0023	School Leadership	\$ 220,973	\$ 220,973	\$ 209,007	\$ 11,966
	Total Instructional and School Leadership	<u>\$ 220,973</u>	<u>\$ 220,973</u>	<u>\$ 209,007</u>	<u>\$ 11,966</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 165,030	\$ 165,030	\$ 166,200	\$ (1,170)
0033	Health Services	113,795	71,795	71,325	470
0034	Student (Pupil) Transportation	105,305	229,670	219,364	10,306
0036	Cocurricular/Extracurricular Activities	187,650	187,650	173,964	13,686
	Total Support Services - Student (Pupil)	<u>\$ 571,780</u>	<u>\$ 654,145</u>	<u>\$ 630,853</u>	<u>\$ 23,292</u>
Administrative Support Services:					
0041	General Administration	\$ 224,687	\$ 242,687	\$ 227,498	\$ 15,189
	Total Administrative Support Services	<u>\$ 224,687</u>	<u>\$ 242,687</u>	<u>\$ 227,498</u>	<u>\$ 15,189</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 406,568	\$ 477,913	\$ 448,558	\$ 29,355
0052	Security and Monitoring Services	3,200	3,200	2,991	209
0053	Data Processing Services	126,590	141,590	129,649	11,941
	Total Support Services - Nonstudent Based	<u>\$ 536,358</u>	<u>\$ 622,703</u>	<u>\$ 581,198</u>	<u>\$ 41,505</u>
Capital Outlay:					
0081	Capital Outlay	\$ -	\$ 85,000	\$ 85,000	\$ -
	Total Capital Outlay	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ -</u>
Intergovernmental Charges:					
0093	Payments for Shared Service Arrangements	\$ 650	\$ 650	\$ 617	\$ 33
0099	Other Intergovernmental Charges	-	15,900	14,284	1,616
	Total Intergovernmental Charges	<u>\$ 650</u>	<u>\$ 16,550</u>	<u>\$ 14,901</u>	<u>\$ 1,649</u>
<b>6030</b>	<b>Total Expenditures</b>	<u>\$ 3,917,854</u>	<u>\$ 4,190,464</u>	<u>\$ 4,051,743</u>	<u>\$ 138,721</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,843</u>	<u>\$ (246,767)</u>	<u>\$ 25,522</u>	<u>\$ 272,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
8911	Transfers Out	\$ -	\$ -	\$ (60,600)	\$ (60,600)
<b>7080</b>	<b>Net Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,600)</u>	<u>\$ (60,600)</u>
<b>SPECIAL ITEM</b>					
7918	Special Item (Resource)	\$ -	\$ -	\$ 25,705	\$ 25,705
<b>1200</b>	<b>Net Change in Fund Balance</b>	<u>\$ 25,843</u>	<u>\$ (246,767)</u>	<u>\$ (9,373)</u>	<u>\$ 237,394</u>
0100	Fund Balance - Beginning (September 1)	2,269,600	2,269,600	2,269,600	-
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<u>\$ 2,295,443</u>	<u>\$ 2,022,833</u>	<u>\$ 2,260,227</u>	<u>\$ 237,394</u>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 YEAR ENDED AUGUST 31, 2015

	<b>2015</b>
District's proportion of the net pension liability	0.0017655%
District's proportionate share of the net pension liability	\$ 471,589
State's proportionate share of the net pension liability associated with the District	1,477,900
<b>Total</b>	<b>\$ 1,949,489</b>
District's covered-employee payroll (for Measurement Year)	\$ 2,568,400
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	18.36%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

Note: Only one year of data is presented in accordance with GASB Statement 68, paragraph 138.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2015

	2015
Contractually required contributions	\$ 86,813
Contributions in relations to the contractual required contributions	(86,813)
Contribution deficiency (excess)	\$ -
District's covered employee payroll	\$ 2,830,362
Contributions as a percentage of covered employee payroll	3.07%

Note: Only one year of data is presented in accordance with GASB Statement 68, paragraph 138.

GASB Statement 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 to August 31, 2014.

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2015

A. Changes of Assumptions

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

B. Changes of Benefit Terms

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



OTHER SUPPLEMENTARY INFORMATION

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 YEAR ENDED AUGUST 31, 2013

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2014	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Years Adjustments	50 Ending Balance 8/31/2015
		Maintenance	Debt Service							
XXXX	2006 and Prior Years	1.50000	0.07070	34,285,276	\$ 2,074	\$ -	\$ -	\$ -	(81)	\$ 1,993
2006	2007	1.50000	0.07070	38,915,708	843	-	-	-	(8)	835
2007	2008	1.50000	0.07070	42,822,892	629	-	20	1	(5)	603
2008	2009	1.50000	0.07070	51,737,912	1,408	-	29	1	(6)	1,372
2009	2010	1.37000	0.07070	51,073,299	1,640	-	238	16	(5)	1,381
2010	2011	1.04000	0.07070	55,397,195	2,994	-	780	53	(17)	2,144
2011	2012	1.04000	0.07070	61,562,388	4,660	-	1,045	71	(5)	3,539
2012	2013	1.04000	0.07070	56,287,977	9,122	-	3,640	-	(21)	5,461
2013	2014	1.17000	0.00000	59,577,897	22,764	-	10,126	-	(1,844)	10,794
2014	2015	1.17000	0.00000	52,513,846	-	616,128	591,668	-	(9,514)	14,946
<b>1000 TOTALS</b>					<b>\$ 46,134</b>	<b>\$ 616,128</b>	<b>\$ 607,546</b>	<b>\$ 142</b>	<b>\$ (11,506)</b>	<b>\$ 43,068</b>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 29,200	\$ 29,200	\$ 37,435	\$ 8,235
5800	State Program Revenues	7,300	7,300	7,078	(222)
5900	Federal Program Revenues	226,500	226,500	208,852	(17,648)
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 263,000</b>	<b>\$ 263,000</b>	<b>\$ 253,365</b>	<b>\$ (9,635)</b>
<b>EXPENDITURES</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 262,700	\$ 303,700	\$ 293,376	\$ 10,324
	Total Support Services - Student (Pupil)	\$ 262,700	\$ 303,700	\$ 293,376	\$ 10,324
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 262,700</b>	<b>\$ 303,700</b>	<b>\$ 293,376</b>	<b>\$ 10,324</b>
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ 300	\$ (40,700)	\$ (40,011)	\$ 689
<b>1200</b>	<b>Net Change in Fund Balance</b>	<b>\$ 300</b>	<b>\$ (40,700)</b>	<b>\$ (40,011)</b>	<b>\$ 689</b>
0100	Fund Balance - Beginning (September 1)	84,129	8,429	84,129	75,700
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b>\$ 84,429</b>	<b>\$ (32,271)</b>	<b>\$ 44,118</b>	<b>\$ 76,389</b>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final		Positive (Negative)	
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 65	\$ 65	\$ 95	\$ 30
5800	State Program Revenues	45,832	45,832	49,666	3,834
5900	Federal Program Revenues	49,068	-	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>\$ 94,965</b>	<b>\$ 45,897</b>	<b>\$ 49,761</b>	<b>\$ 3,864</b>
<b>EXPENDITURES</b>					
Debt Service:					
0071	Principal on Long-term Debt	\$ 50,000	\$ 50,000	\$ 60,000	\$ (10,000)
0072	Interest on Long-term Debt	43,765	43,765	26,300	17,465
0073	Debt Issuance Costs and Fees	1,200	1,200	400	800
	Total Debt Service	\$ 94,965	\$ 94,965	\$ 86,700	\$ 8,265
<b>6030</b>	<b>Total Expenditures</b>	<b>\$ 94,965</b>	<b>\$ 94,965</b>	<b>\$ 86,700</b>	<b>\$ 8,265</b>
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ (49,068)	\$ (36,939)	\$ 12,129
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	Transfers in	\$ -	\$ 49,068	\$ 60,600	\$ 11,532
<b>7080</b>	<b>Net Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 49,068</b>	<b>\$ 60,600</b>	<b>\$ 11,532</b>
<b>1200</b>	<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,661</b>	<b>\$ 23,661</b>
0100	Fund Balance - Beginning (September 1)	(23,547)	(23,547)	(23,547)	-
<b>3000</b>	<b>Fund Balance - Ending (August 31)</b>	<b>\$ (23,547)</b>	<b>\$ (23,547)</b>	<b>\$ 114</b>	<b>\$ 23,661</b>

FRUITVALE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2015

<u>Data Control Codes</u>		<u>Response</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 9,480
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -0-
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 471,589
SF13	Pension Expense (6147) at fiscal year-end.	\$ 43,590