



# GOOSE CREEK

Consolidated Independent School District

Baytown, Texas



Comprehensive  
Annual Financial Report  
For Fiscal Year Ended  
June 30, 2014

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GOOSE CREEK CONSOLIDATED INDEPENDENT  
SCHOOL DISTRICT

BAYTOWN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

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PREPARED BY THE BUSINESS SERVICES DEPARTMENT

Margie M. Grimes, CPA  
Chief Financial Officer

Brigitte Clark, CPA  
Director of Finance

LeAna R. Dixon  
Controller

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**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**JUNE 30, 2014**

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# Introductory Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2014

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**CERTIFICATE OF THE BOARD**

GOOSE CREEK CONSOLIDATED ISD  
Name of School District

Harris  
County

101911  
Co. – Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended June 30, 2014 at a meeting of the Board of Trustees of such school district on the 10<sup>th</sup> day of November, 2014.

Vicky Melo  
\_\_\_\_\_  
Signature of Board Secretary

Jimmy Smith  
\_\_\_\_\_  
Signature of Board President

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## **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

November 7, 2014

To the Board of Trustees and Citizens of  
Goose Creek Consolidated Independent School District:

The Comprehensive Annual Financial Report (the "CAFR") of the Goose Creek Consolidated Independent School District (the "District") for the year ended June 30, 2014, is submitted herewith. The CAFR is the administration's report of financial operations to the Board of Trustees (the "Board"), citizens, grantor agencies, employees, the Texas Education Agency (the "TEA"), and other interested parties. The Government-Wide Financial Statements in this report provide an overview of the District's governmental activities, while detailed Fund Financial Statements describe specific activities of each fund group used in accounting for the District's financial transactions. This report has been prepared by the District's Business Services Department in accordance with U.S. generally accepted accounting principles (GAAP) and reporting standards promulgated by the Governmental Accounting Standards Board (GASB) and the official rules published by the TEA.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a list of principal officials and advisors, and an organizational chart. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information and other supplementary information. The Statistical Section is designed to reflect social and economic data, financial and fiscal trends, and demographic information.

The District's administration assumes full responsibility for the completeness, fairness, and accuracy of the information contained in this report. We believe that the data presented is accurate in all material respects and is presented in a manner to fairly display the financial position of the District as measured by the financial activity of its various funds. We also believe that all necessary disclosures are included to enable the reader to gain a full understanding of the District's financial activities.

The TEA requires all school districts publish within 150 days of the close of each fiscal year a complete set of financial statements presented in conformity with GAAP and audited in accordance with U.S. generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. The financial statements of the District have been audited by Start & Busch, LLC and the independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the year ended June 30, 2014 are fairly presented in conformity with GAAP. In addition to meeting the requirements set forth in state statutes, the audit was designed to also meet the provisions of the OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The independent auditors' report is presented as the first component of the financial section of this report. The independent auditor reports related specifically to OMB Circular A-133 are included in a separately issued Single Audit report submitted to TEA and Federal Agencies.

GAAP requires the administration to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.



# **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

## **PROFILE OF THE DISTRICT**

The District's mission is to pursue academic excellence for every student. The District is committed to an outstanding education for every child by being a nurturing, innovative, and participatory organization that produces citizens who will be equipped to successfully meet the cultural, intellectual, and social challenges of a changing world. The District provides a full range of educational programs to grade levels Pre-K through 12. These include regular and enriched academic education, special education including deaf education, gifted and talented classes and many individualized programs, such as specialized instruction for at-risk students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in career and technology, fine arts, and athletics. The District is fully accredited by the TEA at all levels of instruction.

The District, established in February 1919, is the 57<sup>th</sup> largest school district in Texas encompassing 134 square miles (containing the City of Baytown and the community of Highlands) with a current population of over 107,000. The District is located 27 miles east of downtown Houston, Texas, in eastern Harris and western Chambers counties. The District is governed by a seven member Board which sets the tone for instruction and service to students and patrons with its mission statement and goals.

Over 3,100 full-time employees are employed by the District, which provides a high quality education to approximately 23,000 students. Student population is currently growing at a rate of approximately three percent per year. Approximately 25 percent of Goose Creek teachers hold master's degrees or doctorates. District facilities include one primary school; fifteen elementary schools; five junior schools; three traditional high schools; an early college high school as well as a school/community guidance center; an alternative learning program; a career technical education center; administration building; maintenance, operations, and transportation center; technology management services center; and an instructional support center. Two of the fifteen elementary schools are newly built and were opened August, 2014 along with a third elementary school which was constructed to relocate an existing elementary campus. The District has also began the construction of a new (IMPACT) Early College High School campus.

## **FINANCIAL INFORMATION**

### **A. Internal and Budgetary Controls**

The District has established a comprehensive internal control framework designed both to protect the District's assets from loss, theft or misuse and to compile reliable information for the preparation of the District's financial statements in conformity with GAAP. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so transactions are executed in accordance with the administration's authorization and recorded properly. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by the administration.

As a recipient of federal, state and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to the grants. All funded grants are subject to testing as part of the District's Single Audit as mandated by the Office of Management and Budget Circular A-133. The results of the District's Single Audit for the year ended June 30, 2014 reported no material weaknesses in the internal control structure or significant violations of applicable laws and regulations.



## **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

School districts are legally required to adhere to the Texas Education Code by establishing an annual budget. The District follows these legal requirements and an annual budget, prepared on the modified accrual basis of accounting, is adopted for the general fund, child nutrition fund, and the debt service fund. The capital project funds adopt project length budgets as outlined in TEA's *Financial Accountability System Resource Guide*. Budgetary controls are established in accordance with TEA regulations and District policy for all managers with line-item responsibility. TEA regulations set the level of budgetary control at the functional expenditure level. The Board must approve all budget amendments impacting functional expenditures of the General, Debt Service and Child Nutrition Funds. Encumbrances lapse at year-end and all outstanding purchase orders are carried forward into the next fiscal year and re-encumbered. The appropriations for these encumbrances are added to the funds to be appropriated for the next year's budget.

### **B. Long-term Financial Planning**

In response to state funding shortfalls in previous years, the District implemented an austerity program to reduce expenditures and increase operational efficiencies. The austerity program has helped to increase fund balance in the General Fund by \$23 million in fiscal years 2011-2013. These increases in General Fund balance enable the District to provide funding for major facility repairs and improvements and also helps the District to meet financial challenges if additional funding is not provided when the Legislature reconvenes in 2015.

With estimated annual student growth rates of approximately 3 percent, the District must plan ahead. Student enrollment drives the District's planning process along with the administration's commitment to providing the best education possible for our students. The District's strategic planning is an ongoing process lead by the Superintendent and Executive Staff. The planning process begins with statistical analysis of the results of State mandated standardized testing and leads to the development of campus plans and educational programs to achieve the District's goals. This planning process identifies the educational needs of the District to drive the campus plans and the proper allocation of all District resources.

It is the responsibility of the Business Services Department to oversee the financial planning, tracking and accounting for the finances of the District in serving the community and its students. The Superintendent's Office and Executive Staff oversee and coordinate all the elements involved in the strategic and financial planning process for the District on a long-term basis each fiscal year.

The citizens authorized the District to sell bonds in the amount of \$267,540,000 in May 2013 to address its ongoing student growth and facility needs as the age of the District's school buildings range from 4 to 82 years.

### **ECONOMIC CONDITION AND OUTLOOK**

Funding for Texas's public schools comes from three main sources: local school district property taxes, state funds, and federal funds. The majority of funding comes from local property taxes and state funding which is based on the number of students in the District, the type of instructional services provided, and the school district's property wealth and tax collection efforts. Total state revenues guarantee school districts a set amount of funds per student. Each legislative biennium, the amount per student may be revised to account for changes in the cost of educating students.

Property tax revenue can be increased by increasing the property tax rate or by an increase in the valuation of property within the District. Any change in local property tax revenue received due to growth in property value is offset by a comparable reduction in State funding. The property tax rate for the school district's maintenance and



## **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

operations (M&O) rate is capped at a maximum \$1.04 per hundred dollars of valuation without voter approval. The District is taxing at the maximum tax rate without receiving approval from the voters.

Decreases in local M&O property tax revenues increase the amount of State funding that will be received under the “hold-harmless” provisions of the state funding formula. The increase or decrease in property tax revenue triggers a corresponding change in State funding to return the total revenue received for the two primary sources of funding to the target revenue amount. The District’s property values in the current period increased approximately 2.9 percent from the prior year.

The local economy is showing signs of improvement as the local unemployment rate dropped to 5.4% in June 2014, down from 6.7% in June 2013 compared to the current U.S. rate of 6.1%. The State of Texas is experiencing similar good news as the economy picks up state-wide. The improving economy has generated more tax revenue for the State than was predicted in the last legislative biennium.

Baytown/West Chambers County is situated along the prosperous Texas Gulf Coast and has abundant natural resources of oil, natural gas, seawater, and fresh water. The Baytown/West Chambers area has become the hub of such energy-related industries as oil refining, rubber, chemicals, carbon black plants, and industrial distribution sites. A large part of the U.S. petrochemical production is based in the Houston area, and a significant portion of this industry is located in the Baytown/Highlands area.

Planned new facilities and expansions in West Chambers County will result in significant employment growth within the District’s boundaries. ExxonMobil has both the largest employment and financial base within the District, operating over ten plants in the area, and providing one of the world’s largest industrial complexes. In fact, the Baytown Refinery is the largest in the United States. ExxonMobil is constructing a new manufacturing facility for production of Ethylene at their Baytown Chemical Plant complex with construction to be completed in the second quarter of 2016.

Another of the most significant planned new expansions in West Chambers County is the ConocoPhillips joint venture with Chevron to spend \$2.3 billion to build one of the first new ethylene production facilities in the U.S. since 2001. The construction process for this ethane cracker will bring in a possible 10,000 workers – staggered over four years, and is scheduled for completion in 2017. There will be approximately 400 permanent jobs created with this project.

The Houston metropolitan area ranks as the fifth-largest metropolitan area in the country. The Houston and Texas economies, to some extent, have resisted the trend of economic decline experienced around the country, but the national and global recession has impacted our local economy. According to Harris County Appraisal District, the Houston area should see modest increases in property values for 2014-2015.

### **SUMMARY OF ACHIEVEMENTS, AWARDS AND ACKNOWLEDGMENTS**

The District’s achievements continue to be heralded in local and state levels. The District enjoys a well-deserved reputation for academic and financial excellence, and continues to receive numerous accolades for the performance of its students. Most recently, the District has been recognized for the following:

- The District received a rating of Superior on the Schools Financial Integrity Rating System of Texas (FIRST) for the twelfth consecutive year.



## GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

- The state accountability rating “Met Standard” was received from the Texas Education Agency for the District and all Goose Creek CISD campuses, the highest rating earned by any school or district this year. The District also received the rating of “Met Standard” for the prior school year.

### **A. Certificates of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association (GFOA) of the United States and Canada and the Association of School Business Officials International (ASBO) awarded Certificates of Achievement for Excellence in Financial Reporting to the District for its CAFR for the ten months ended June 30, 2013. In order to be awarded a Certification of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

Each of these awards is valid for a period of one year only. The District has received the GFOA award for sixteen consecutive years and the ASBO award for twenty consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we will once again submit them to the GFOA and the ASBO.

### **B. Acknowledgments**

We appreciate the support of the Board, the citizens of the District, and the business community, all who work cooperatively to ensure the best education for District students. This cooperation is indicative of strong support for the attainment of excellence in the District’s educational programs.

Also, we would like to express appreciation to all employees of the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

The preparation of this report on a timely basis involves the entire staff of the Finance and Business Services Department. We are grateful for everyone’s assistance in making this system work smoothly and efficiently. We also want to express our appreciation to the bookkeepers and administrative assistants for their contributions to the process. We also acknowledge the Technology Department for the help and support they provide in managing our databases and helping us with financial reporting.

We also want to thank our independent auditors, Start & Busch, LLC, whose professional competence and leadership assisted us in developing this award-winning report.

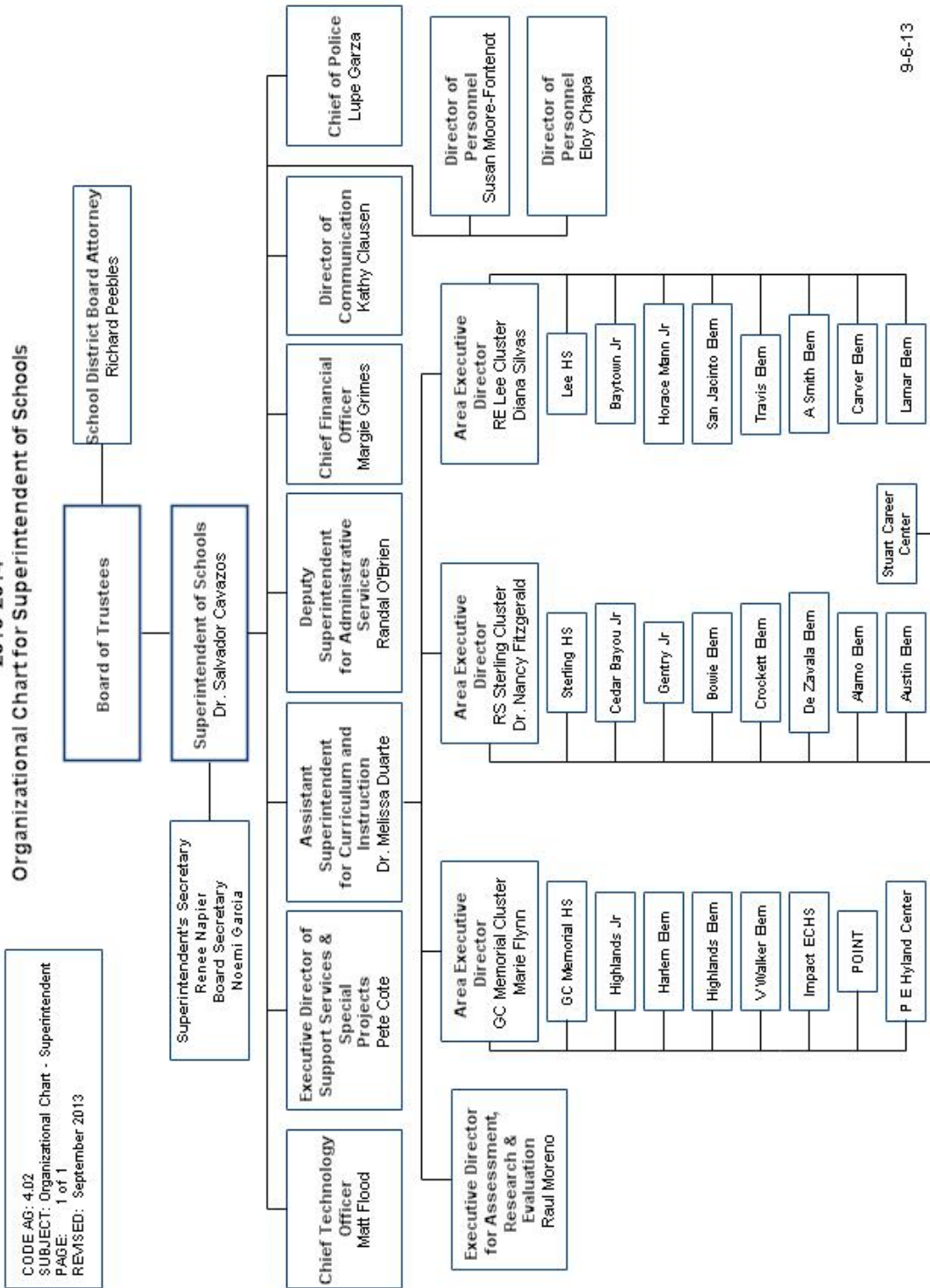
//Signature on File//

Randal O’Brien, Acting Superintendent

//Signature on File//

Margie M. Grimes, Chief Financial Officer

**GOOSE CREEK CISD  
2013-2014  
Organizational Chart for Superintendent of Schools**



9-6-13



# Goose Creek Consolidated Independent School District Baytown, Texas

## Principal Officials and Advisors

### Board of Trustees

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>	<u>Term Expires May</u>	<u>Occupation</u>
Mr. Jimmy Smith	President – District 6	3 Years	2015	Business Owner
Mr. Agustin Loreda III	Vice President – District 2	8 Years	2017	Teacher
Ms. Vicky Melo	Secretary – District 4	(a)	2015	Billing Agent
Mr. Ken Martin	Assistant Secretary – District 3	6 Years	2015	Safety & Security Supervisor
Mr. Daniel Blackford	Board Member – District 7	3 Years	2015	Federal Agent
Mr. Howard Sampson	Member – District 1	5 Years	2017	Assistant Superintendent
Mrs. Jenice Coffey	Board Member – District 5	5 Years	2017	Retired

(a) Ms. Melo was appointed to the Board on February 10, 2014.

### Administrative Staff

Dr. Salvador Cavazos.....	Superintendent
Randal O'Brien.....	Acting Superintendent/Deputy Superintendent
Dr. Melissa Duarte.....	Assistant Superintendent for Curriculum and Instruction
Jaime Huerta.....	Assistant Superintendent for Human Resources
Nancy Fitzgerald.....	Area Executive Director
Raul Moreno.....	Area Executive Director
Marie Flynn.....	Area Executive Director
Margie M. Grimes, CPA.....	Chief Financial Officer
Matthew Flood.....	Chief Technology Officer
Vacant.....	Director of Communications

### Accountants and Advisors

Start & Busch, LLC.....	Auditors
Certified Public Accountants, Baytown, Texas	
Vinson & Elkins L.L.P.....	Bond Counsel
BOSC, Inc.....	Financial Advisor

### Report Preparation

Margie M. Grimes, CPA.....	Chief Financial Officer
Brigitte Clark, CPA.....	Director of Finance
LeAna R. Dixon.....	Controller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Goose Creek Consolidated  
Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Ten Months Ended  
**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Goose Creek Consolidated Independent School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

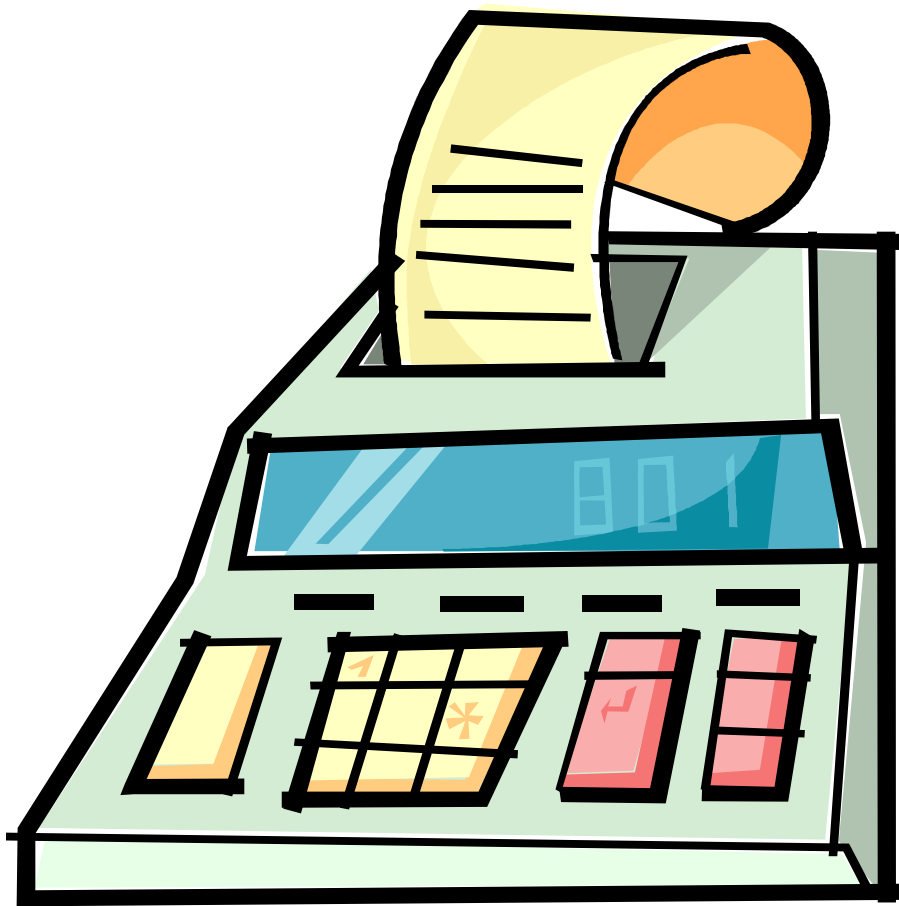
John D. Musso, CAE, RSBA  
Executive Director

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# Financial Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2014

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
Baytown, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Goose Creek Consolidated Independent School District (the District), as of and for the year ended June 30, 2014, 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and budgetary comparison information on pages 19-28 and 69-70 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, compliance schedules required by the Texas Education Agency, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and compliance schedules required by the Texas Education Agency are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual nonmajor fund financial statements and compliance schedules required by the Texas Education Agency are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014, 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.



Start & Busch, LLC

Baytown, Texas  
November 7, 2014



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

As management of Goose Creek Consolidated Independent School District (the District), we provide this narrative overview of the District's financial performance for the year ended June 30, 2014. We encourage readers to consider the information presented below in conjunction with the information included in the independent auditors' report and the District's Basic Financial Statements which follow this section.

**FINANCIAL HIGHLIGHTS**

The District's total assets and deferred outflows of resources exceeded liabilities at June 30, 2014 by \$188,488,612 on the government-wide financial statements. Of this amount, \$97,572,434 represents unrestricted net position, which may be used to meet the District's ongoing obligations. The District's total net position decreased by \$16,239,776 for the current fiscal period.

The District's governmental funds reported combined ending fund balances of \$251,058,938 at June 30, 2014. Of this amount, \$743,494 is non-spendable inventories and prepaid items and \$73,145,012 is unassigned and available to spend at the District's discretion.

At the end of the current fiscal period, the total fund balance for the general fund was \$89,229,034, or 47% of total general fund expenditures. The unassigned fund balance of \$73,145,012 (39% of total general fund expenditures) is available to spend at the District's discretion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

*Management's discussion and analysis* (this section) is intended to serve as an introduction to the District's *basic financial statements*. The *basic financial statements* are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

- 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 the District's self-insurance workers' compensation program. *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.
- The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

The basic financial statements are followed by a section of other *required supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of *management's discussion and analysis* explains the structure and contents of each of the statements.

**Basic Financial Statements**

***Government-Wide Statements***

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. All of the District's services are reported in the government-wide financial statements, including instruction, instructional leadership, student support services, curriculum and staff development, general administration and debt services. Property taxes, state foundation funds and grants finance most of these activities.

The Statement of Net Position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as total net position. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are indicators of whether its financial health is improving or deteriorating, respectively. To fully assess the overall health of the District, however, non-financial factors need to be considered as well, such as changes in the District's average daily attendance, its property tax base and the condition of the District's facilities.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

***Fund Financial Statements***

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. 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 used by the District to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three fund types:

*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 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, it is

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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useful to compare the information presented for governmental funds, with similar information presented for governmental activities in the government-wide financial statements. In doing so, readers may better understand the long-term impact of the government's near-term financial decisions. To further assist readers, reconciliations are provided that include additional information explaining the relationship (or differences) between the fund financial statements and government-wide financial statements on Exhibits C-2 and C-4.

The District maintains numerous governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital project funds, which are considered to be major funds. Data from the other governmental funds are combined in a single, aggregated presentation. The District adopts an annual appropriated budget for its General Fund, Child Nutrition Program, and Debt Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

*Proprietary funds* – Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. Proprietary funds, like government-wide statements, provide both long- and short-term financial information. The District reports one type of proprietary fund, the Internal Service Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses an internal service fund to report activities for its self-insured workers' compensation program.

*Fiduciary funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary fund net position. The fiduciary funds are excluded from the activities reported in the District's government-wide financial statements because the District cannot use these assets to finance its operations.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Required Supplementary Information relates to comparison of the original adopted budget, the final amended budget, and the actual results for the fiscal period. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds during the period.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Presented in Tables I and II below are summarized Statement of Net Position and Statement of Activities for both current period and prior-year data. Our analysis focuses on the current period and the comparison of prior year amounts on the net position (Table I) and changes in net position (Table II) of the District's governmental activities. The District elected to change its fiscal year end to June 30 effective with the fiscal period beginning September 1, 2012; therefore, the financial data for 2013 represents the ten-month transitional period from September 1, 2012 through June 30, 2013.

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's total financial position. For the year ended June 30, 2014, assets and deferred outflows of resources exceed liabilities by \$188,488,612.

**Table I - Net Position Summary**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 298,774,223	\$ 138,374,952
Capital assets	428,762,927	421,222,476
<b>Total Assets</b>	<b><u>727,537,150</u></b>	<b><u>559,597,428</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>6,578,855</u></b>	<b><u>7,633,532</u></b>
Current liabilities	37,730,267	26,549,754
Long-term liabilities	507,897,126	335,952,818
<b>Total Liabilities</b>	<b><u>545,627,393</u></b>	<b><u>362,502,572</u></b>
Net Investment in Capital Assets	54,510,728	57,426,229
Restricted	36,405,450	33,765,017
Unrestricted	97,572,434	113,537,142
<b>Total Net Position</b>	<b><u>\$ 188,488,612</u></b>	<b><u>\$ 204,728,388</u></b>

Net Investment in Capital Assets used for governmental activities (e.g., land, buildings and improvements, furniture and equipment, and construction in progress) is \$54.5 million as of June 30, 2014. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position, which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, amounted to \$97.6 million at June 30, 2014.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Changes in Net Position**

The Net Position of the District decreased by \$16,239,776 for the fiscal year ended June 30, 2014. The total revenue from taxpayers, user service fees, grants and other sources for the District was \$241.5 million, an increase from fiscal year 2013 (ten-month fiscal year) of \$19.2 million. Total expenses for 2014 were \$257.7 million or \$54.5 million more than expenses of fiscal year 2013 (ten-month fiscal period).

**Table II - Changes in Net Position**

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for services	\$ 7,070,863	\$ 6,039,986
Operating grants and contributions	32,638,215	27,454,602
<b>General Revenues:</b>		
Property taxes	125,237,264	118,277,042
State and other grants	67,861,572	63,527,360
Other	8,679,477	7,032,111
<b>Total Revenues</b>	<u>\$ 241,487,391</u>	<u>\$ 222,331,101</u>
<b>Expenses</b>		
Instructional	\$ 144,085,625	\$ 113,856,310
Instructional leadership	16,025,094	12,608,468
Student support services	37,998,510	32,594,833
General administration	7,836,681	5,435,733
Support services	4,758,298	3,957,980
Community services	1,728,511	1,424,758
Interest expense & debt service fees	17,628,569	11,225,510
Facilities repairs and maintenance	27,644,908	21,265,038
Intergovernmental charges	20,971	860,738
<b>Total Expenses</b>	<u>\$ 257,727,167</u>	<u>\$ 203,229,368</u>
Increase (decrease) in net position	(16,239,776)	19,101,733
<b>Beginning Net Position</b>	204,728,388	185,626,655
<b>Ending Net Position</b>	<u>\$ 188,488,612</u>	<u>\$ 204,728,388</u>

**Governmental Activities**

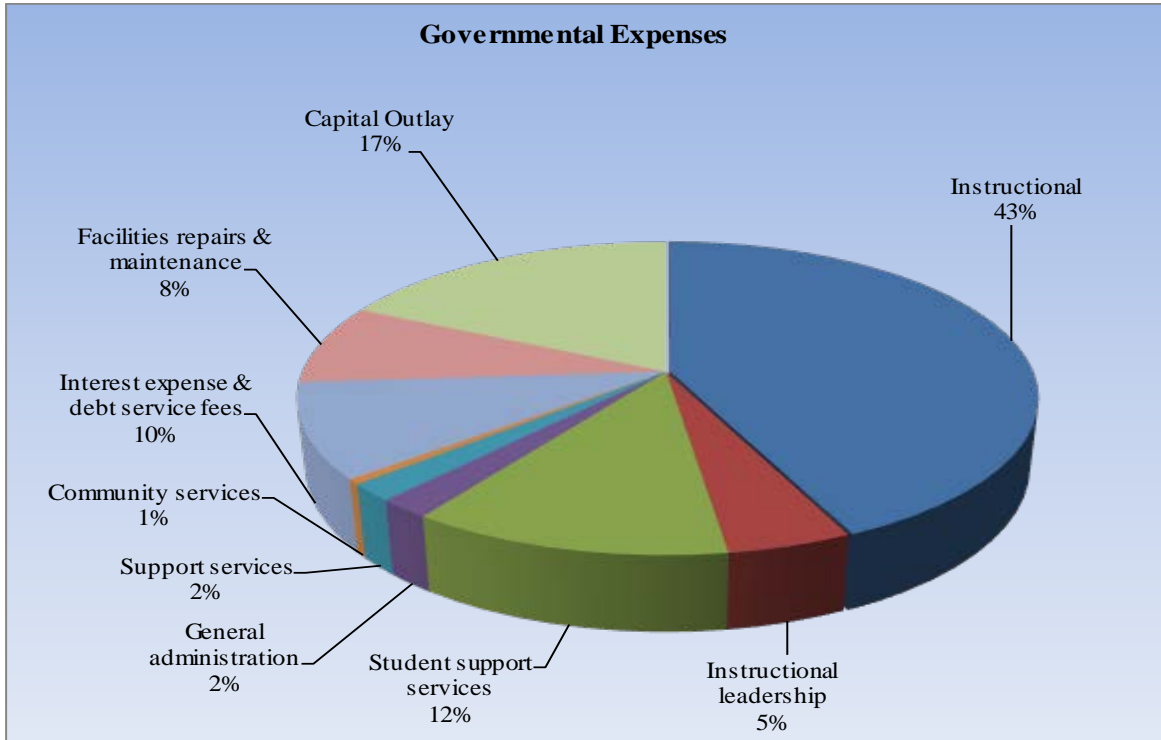
Total revenues for the District's governmental activities for the fiscal year increased by \$19.2 million or 8.6 percent from fiscal year 2013. Local property tax revenues increased by \$7 million and state funding and program revenues increased by \$10.5 million. The increase in revenues primarily results from both the ten months of operations for 2013 compared to the standard twelve months of operations for 2014 and the growth in student enrollment. Expenditures increased \$54.5 million primarily from (1) ten months of operations compared to the standard twelve months of operations caused by the change in fiscal year, (2) Increase in salaries due to added positions and salary increases, and (3) capital outlay for facilities acquisition and construction related to the expenditure of bond proceeds.

Approximately 59 percent of the District's revenues came from property taxes and other local revenue, while 41 percent was derived from state aid and operating grants.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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Total governmental activities (general, debt service and child nutrition) expenses per pupil totaled \$10,504 in 2014 versus \$10,084 in 2013, which is primarily due to the short (ten-month) fiscal period which resulted in lower operating expenditures for 2013.

The District expended 48 percent of total governmental expense for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 60 percent of the District's expenses were for direct student services.



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

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements, bond covenants, and segregation for particular purposes.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and the balances available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of June 30, 2014, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$251.1 million, an increase of \$112.2 million from the prior year, June 30, 2013.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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Of the total fund balance, \$73.1 million, or approximately 29 percent, constitutes unassigned fund balance. The remainder of fund balance is nonspendable, restricted, committed or assigned for particular purposes as follows:

<b>Nonspendable:</b>	
Inventories	\$ 575,055
Prepaid items	168,439
<b>Restricted:</b>	
Grant Funds	2,373,218
Capital acquisitions and contractual obligation	121,116,538
Debt service	36,676,310
Restricted for other purposes	3,859,392
<b>Committed:</b>	
Committed for other purposes	11,150,186
<b>Assigned:</b>	
Assigned for other purposes	1,994,788
<b>Unassigned:</b>	
Unassigned	<u>73,145,012</u>
<b>Total Fund Balances</b>	<u><u>\$ 251,058,938</u></u>

The General Fund is the primary fund of the District. As of June 30, 2014, unassigned fund balance of the General Fund was \$73.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.5 percent of total general fund expenditures for the year ended June 30, 2014, while total fund balance represents 47 percent of that same amount.

The fund balance of the District's general fund decreased \$11.7 million for the year ended June 30, 2014. The primary factor relating to the change in fund balance is increased instructional expenditures for instructional training, new positions added and capital outlay expenditures for buses, facility improvements and major repairs and maintenance financed with excess general fund balance.

The Debt Service Fund realized revenues of \$32.2 million and expenditures of \$30.9 million for the year ended June 30, 2014. The fund balance of the debt service fund, restricted for the payment of the District's debt, increased by \$3.1 million and totaled \$36.7 million as of June 30, 2014.

The Capital Projects Fund incurred construction-related expenditures of \$68.8 million for the year ended June 30, 2014, primarily for the construction of two new elementary schools and one additional new elementary campus for an existing campus relocation. An operating transfer of \$7 million was made from the General Fund to the Capital Projects Fund for the purchase of buses and capital project expenditures. Fund balance in the Capital Projects Fund at June 30, 2014 was \$121.1 million.

The Proprietary Funds statements (Exhibit D-1 to D-3) provide the same type of information found in the government-wide financial statement but in more detail. The District's internal service fund is used to support governmental activities of the District's self-insured workers' compensation program. After a \$4

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

million operating transfer to the General Fund, the District's self-insured workers' compensation program total net position was decreased to \$708 thousand at June 30, 2014.

**General Fund Budgetary Highlights**

The District adopted a deficit budget of \$6.5 million for fiscal year 2014 to provide funding for capital outlay expenditures for buses, facility improvements and major repairs and maintenance with excess general fund balance. Through budget amendments during the year, the District increased its estimated revenues from \$175.8 million to 176.9 million. In addition, the District increased its expenditures and other sources and uses from \$182.3 million to \$191.3 million, resulting in a deficit budget of \$14.4 million. These budget amendments were primarily for the acquisition of capital improvements and renovations.

For the year ended June 30, 2014, actual revenues were higher than estimated revenues by \$1 million. In addition, actual expenditures fell below budgeted expenditures and other sources and uses by \$1.7 million. This resulted in a net favorable variance of \$2.8 million. This favorable variance resulted primarily from the delay in receiving goods and services ordered which resulted in outstanding encumbrances to be rolled forward to the next fiscal year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2014, the District's investment in capital assets was \$428.8 million, net of accumulated depreciation. The investments in capital assets include a broad range of capital assets, including land, buildings and improvements (including infrastructure), furniture and equipment and construction in progress (see Table III). This amount represents a net increase (including additions and deductions) of \$48.9 million or 12.9 percent from last year.

**Table III - Capital Asset Summary**

	Governmental Activities	
	<b>2014</b>	<b>2013</b>
Land	\$ 12,818,536	\$ 12,538,866
Buildings and Improvements	489,475,722	485,011,291
Furniture and Equipment	34,040,167	29,581,149
Construction in Progress	55,154,977	897,606
Less Accumulated Depreciation	(162,726,475)	(148,182,898)
<b>Total Capital Assets</b>	<b>\$ 428,762,927</b>	<b>\$ 379,846,014</b>

The most significant addition to capital assets during 2014 was the construction of three new elementary school buildings, one of which was constructed for the replacement an existing elementary school (Alamo Elementary). Additional information on the District's capital assets can be found in Note II.B. of the financial statements.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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**Long-Term Liabilities**

At June 30, 2014, the District had long-term liabilities of \$507.9 million. The District also has a loan agreement (LoanSTAR Revolving Loan Program) with the State Energy Conservation Office to reduce consumption of electrical energy throughout the District. The loan totaled \$4.9 million and the project was completed March 2013. The first payment on the loan was November 2013.

The District also has Qualified Zone Academy Bonds (QZAB) outstanding for which annual payments are made to sinking funds held at Wells Fargo Bank and Bank of New York to be used to pay the principal on the bonds when they mature. More detailed information about the District's debt is presented in Note II.E. and II.F. of the financial statements.

The District's bonds are rated "AAA" by both Standard and Poor's and Fitch Ratings as a result of the guarantee by the Permanent School Fund of the State of Texas.

**Table IV – District's Outstanding Debt**

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Bonds Payable (net)	\$ 312,425,000	\$ 172,050,000	\$ (13,160,000)	\$ 471,315,000
Other Liabilities	23,527,818	15,292,791	(2,238,483)	36,582,126
<b>Total Long-Term Liabilities</b>	<b>\$ 335,952,818</b>	<b>\$ 187,342,791</b>	<b>\$ (15,398,483)</b>	<b>\$ 507,897,126</b>

**ECONOMIC FACTORS, NEXT YEAR'S BUDGETS AND TAX RATES**

The State of Texas increased the funding of public education by approximately \$3.4 billion for the 2014-2015 biennium. The District received additional state funding of approximately \$6 million for the 2013-2014 school year and is expected to receive \$4.5 million for the 2014-2015 school year.

The District adopted a General Fund budget for 2014-2015 with appropriations of 188.4 million compared to a \$191.7 million final adopted budget for fiscal period ended June 30, 2014. The decreased budget for 2015 results from excess general fund balance used to fund capital project expenditures not expected to be repeated in 2015. The reduction in capital project expenditures is offset with higher budgeted expenditures for added positions, growth in enrollment and the additional operating and start-up costs of two new elementary schools. The 2014-2015 General Fund Budget includes an average 3% raise per employee (\$4.5 million). The Goose Creek CISD 2014-2015 budget included a maintenance and operations tax rate of \$1.04 and a debt service tax rate of \$.39189 for a total tax rate of \$1.43189 which represents an increase of 4.51 cents (3.25%) from the prior year. The tax increase is to provide funds for payment of the bond principal and interest related to the sale of \$80.95 million bonds sold in February 2014. This was the second issuance of bonds, authorized in May 2013, which included funding for new technology and transportation facilities, technology improvements to District facilities, major renovations to the Stuart Career Center, high school additions and improvements for the District's Career and Technology programs and other major improvements to existing facilities.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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The District has entered into agreements pursuant to Tax Code, Chapter 313, Texas Economic Development Act, to strengthen the local economy by expanding the ad valorem property tax base. Long-term financial projections include additional local revenues which will help to improve the overall performance of the District's education system.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's financial services office.

## BASIC FINANCIAL STATEMENTS

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 117,540,709
1120 Current Investments	128,443,617
1220 Property Taxes Receivable (Delinquent)	19,495,392
1230 Allowance for Uncollectible Taxes	(10,218,920)
1240 Due from Other Governments	20,476,934
1250 Accrued Interest	427,529
1290 Other Receivables, net	21,259
1300 Inventories	575,055
1410 Prepayments	168,439
Capital Assets:	
1510 Land	12,818,536
1520 Buildings, Net	347,793,041
1530 Furniture and Equipment, Net	12,996,373
1580 Construction in Progress	55,154,977
1800 Restricted Assets	18,341,999
1990 Other Assets	3,502,210
1000 Total Assets	727,537,150
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge on Refunding	6,578,855
1700 Total Deferred Outflows of Resources	6,578,855
<b>LIABILITIES</b>	
2110 Accounts Payable	8,625,169
2150 Payroll Deductions & Withholdings	1,315,265
2160 Accrued Wages Payable	21,945,403
2180 Due to Other Governments	221,873
2200 Accrued Expenses	3,804,861
2300 Unearned Revenue	1,817,696
Noncurrent Liabilities	
2501 Due Within One Year	37,084,774
2502 Due in More Than One Year	470,812,352
2000 Total Liabilities	545,627,393
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	54,510,728
3820 Restricted for Federal and State Programs	2,529,688
3850 Restricted for Debt Service	32,368,394
3870 Restricted for Campus Activities	1,150,186
3890 Restricted for Other Purposes	357,182
3900 Unrestricted	97,572,434
3000 Total Net Position	\$ 188,488,612

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
11 Instruction	\$ 137,194,199	\$ 1,808,958	\$ 15,946,920	\$ (119,438,321)
12 Instructional Resources and Media Services	2,594,886	-	86,514	(2,508,372)
13 Curriculum and Instructional Staff Development	4,296,540	-	1,494,077	(2,802,463)
21 Instructional Leadership	4,232,550	-	480,143	(3,752,407)
23 School Leadership	11,792,544	-	514,377	(11,278,167)
31 Guidance, Counseling and Evaluation Services	7,413,935	-	797,635	(6,616,300)
32 Social Work Services	1,152,551	-	45,853	(1,106,698)
33 Health Services	1,789,031	-	82,726	(1,706,305)
34 Student (Pupil) Transportation	8,308,026	147,520	180,978	(7,979,528)
35 Food Services	13,932,718	3,741,231	10,037,690	(153,797)
36 Extracurricular Activities	5,402,249	1,165,856	142,641	(4,093,752)
41 General Administration	7,836,681	-	451,324	(7,385,357)
51 Facilities Maintenance and Operations	27,644,908	67,438	659,983	(26,917,487)
52 Security and Monitoring Services	1,867,076	-	48,356	(1,818,720)
53 Data Processing Services	2,891,222	-	98,452	(2,792,770)
61 Community Services	1,728,511	139,860	1,542,445	(46,206)
72 Debt Service - Interest on Long Term Debt	17,628,569	-	-	(17,628,569)
81 Capital Outlay	-	-	28,101	28,101
95 Payments to Juvenile Justice Alternative Ed. Prg.	20,971	-	-	(20,971)
<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 257,727,167</b>	<b>\$ 7,070,863</b>	<b>\$ 32,638,215</b>	<b>(218,018,089)</b>

Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		93,949,545
DT	Property Taxes, Levied for Debt Service		31,287,719
SF	State Aid - Formula Grants		64,305,653
GC	Grants and Contributions not Restricted		3,555,919
IE	Investment Earnings		1,301,363
MI	Miscellaneous Local and Intermediate Revenue		7,378,114
TR	Total General Revenues		<u>201,778,313</u>
CN	Change in Net Position		(16,239,776)
NB	Net Position - Beginning		<u>204,728,388</u>
NE	Net Position--Ending		<u>\$ 188,488,612</u>

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 27,144,886	\$ 12,101,631	\$ 76,294,216
1120 Investments - Current	72,126,312	6,301,660	50,015,645
1220 Property Taxes - Delinquent	16,141,633	3,353,759	-
1230 Allowance for Uncollectible Taxes (Credit)	(8,506,779)	(1,712,141)	-
1240 Receivables from Other Governments	15,209,893	-	111,650
1250 Accrued Interest	321,114	21,291	85,124
1260 Due from Other Funds	2,951,724	34,229	2,943,200
1290 Other Receivables	14,152	-	-
1300 Inventories	418,585	-	-
1410 Prepayments	168,439	-	-
1800 Restricted Assets	-	18,341,999	-
1900 Other Assets	3,502,210	-	-
1000 Total Assets	<u>\$ 129,492,169</u>	<u>\$ 38,442,428</u>	<u>\$ 129,449,835</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 2,209,286	\$ 124,500	\$ 5,833,355
2150 Payroll Deductions and Withholdings Payable	1,315,265	-	-
2160 Accrued Wages Payable	19,807,048	-	8,692
2170 Due to Other Funds	7,912,712	-	10,000
2180 Due to Other Governments	221,873	-	-
2200 Accrued Expenditures	70,303	-	2,481,250
2300 Unearned Revenues	1,091,794	-	-
2000 Total Liabilities	<u>32,628,281</u>	<u>124,500</u>	<u>8,333,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	7,634,854	1,641,618	-
2600 Total Deferred Inflows of Resources	<u>7,634,854</u>	<u>1,641,618</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	418,585	-	-
3430 Prepaid Items	168,439	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	121,116,538
3480 Retirement of Long-Term Debt	-	36,676,310	-
3490 Restricted Fund Balance - L-T Investments	3,502,210	-	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3545 Committed Fund Balance - Campus Activities	-	-	-
3545 Committed Fund Balance - Disaster Recovery	10,000,000	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	1,994,788	-	-
3600 Unassigned Fund Balance	73,145,012	-	-
3000 Total Fund Balances	<u>89,229,034</u>	<u>36,676,310</u>	<u>121,116,538</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 129,492,169</u>	<u>\$ 38,442,428</u>	<u>\$ 129,449,835</u>

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

Non-major Governmental Funds	Total Governmental Funds
\$ 6,492	\$ 115,547,225
-	128,443,617
-	19,495,392
-	(10,218,920)
5,155,391	20,476,934
-	427,529
4,935,283	10,864,436
7,107	21,259
156,470	575,055
-	168,439
-	18,341,999
-	3,502,210
<u>\$ 10,260,743</u>	<u>\$ 307,645,175</u>
\$ 426,368	\$ 8,593,509
-	1,315,265
2,129,663	21,945,403
2,941,754	10,864,466
-	221,873
-	2,551,553
725,902	1,817,696
<u>6,223,687</u>	<u>47,309,765</u>
-	9,276,472
<u>-</u>	<u>9,276,472</u>
156,470	575,055
-	168,439
2,373,218	2,373,218
-	121,116,538
-	36,676,310
-	3,502,210
357,182	357,182
1,150,186	1,150,186
-	10,000,000
-	1,994,788
-	73,145,012
<u>4,037,056</u>	<u>251,058,938</u>
<u>\$ 10,260,743</u>	<u>\$ 307,645,175</u>

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2014

<b>Total Fund Balances - Governmental Funds</b>	\$	251,058,938
1 The District uses an internal service fund to charge the costs of the District's self-insured workers' compensation plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		708,546
2 Capital assets used in the governmental activities are not financial resources and therefore are not reported in governmental funds. At the end of the year, the cost of these assets was \$591,489,402 and the accumulated depreciation was \$162,726,475. The net effect is an increase to net position (See Note II. B.).		428,762,927
3 Long-term liabilities, including bonds payable, accrued interest, and liabilities associated with long-term debt, are not due and payable in the current period and therefore are not reported in the governmental funds. The effect of these long-term liabilities is a decrease to net position (See Note II. E.).		(507,897,126)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred tax revenues of \$9,276,472 as revenue and eliminating interfund transactions. Deferred charges on refundings totaling \$6,578,855 are not financial resources and therefore, are not reported in the funds. Deferred charges are amortized over the life of the debt. The net effect of these reclassifications is an increase in net position.		15,855,327
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>188,488,612</b>

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 102,295,322	\$ 32,238,450	\$ 474,947
5800 State Program Revenues	71,780,012	-	-
5900 Federal Program Revenues	3,855,391	-	-
5020 Total Revenues	<u>177,930,725</u>	<u>32,238,450</u>	<u>474,947</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
0011 Instruction	109,849,121	-	8,712,706
0012 Instructional Resources and Media Services	2,410,599	-	-
0013 Curriculum and Instructional Staff Development	2,748,186	-	-
0021 Instructional Leadership	3,672,966	-	-
0023 School Leadership	11,008,078	-	-
0031 Guidance, Counseling and Evaluation Services	6,425,962	-	-
0032 Social Work Services	726,790	-	-
0033 Health Services	1,663,110	-	-
0034 Student (Pupil) Transportation	7,787,207	-	2,533,566
0035 Food Services	-	-	-
0036 Extracurricular Activities	4,076,852	-	-
0041 General Administration	6,163,795	-	185,629
0051 Facilities Maintenance and Operations	24,480,124	-	1,660,132
0052 Security and Monitoring Services	1,828,484	-	209,231
0053 Data Processing Services	3,207,471	-	660,666
0061 Community Services	135,540	-	-
<b>Debt Service:</b>			
0071 Principal on Long Term Debt	405,674	13,160,000	-
0072 Interest on Long Term Debt	109,567	16,348,208	-
0073 Bond Issuance Cost and Fees	-	1,413,276	-
<b>Capital Outlay:</b>			
0081 Facilities Acquisition and Construction	2,195,107	-	54,831,394
<b>Intergovernmental:</b>			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	20,971	-	-
0099 Other Intergovernmental Charges	1,009,031	-	-
6030 Total Expenditures	<u>189,924,635</u>	<u>30,921,484</u>	<u>68,793,324</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,993,910)</u>	<u>1,316,966</u>	<u>(68,318,377)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	172,050,000
7912 Sale of Real and Personal Property	324,990	-	-
7915 Transfers In	7,354,276	-	7,000,000
7916 Premium or Discount on Issuance of Bonds	-	1,503,556	12,950,000
7917 Prepaid Interest	-	303,585	-
8911 Transfers Out (Use)	(7,346,686)	-	(3,354,276)
7080 Total Other Financing Sources (Uses)	<u>332,580</u>	<u>1,807,141</u>	<u>188,645,724</u>
1200 Net Change in Fund Balances	(11,661,330)	3,124,107	120,327,347
0100 Fund Balance - July 1 (Beginning)	100,890,364	33,552,203	789,191
3000 Fund Balance - June 30 (Ending)	<u>\$ 89,229,034</u>	<u>\$ 36,676,310</u>	<u>\$ 121,116,538</u>

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

	Non-major Governmental Funds	Total Governmental Funds
\$	7,106,585	\$ 142,115,304
	4,611,780	76,391,792
	19,725,598	23,580,989
	<u>31,443,963</u>	<u>242,088,085</u>
	12,602,250	131,164,077
	2,345	2,412,944
	1,354,033	4,102,219
	320,406	3,993,372
	-	11,008,078
	506,338	6,932,300
	342,911	1,069,701
	6,485	1,669,595
	-	10,320,773
	13,370,315	13,370,315
	1,048,363	5,125,215
	55,705	6,405,129
	279,704	26,419,960
	236	2,037,951
	-	3,868,137
	1,479,220	1,614,760
	-	13,565,674
	-	16,457,775
	-	1,413,276
	-	57,026,501
	-	20,971
	-	1,009,031
	<u>31,368,311</u>	<u>321,007,754</u>
	75,652	(78,919,669)
	-	172,050,000
	-	324,990
	346,686	14,700,962
	-	14,453,556
	-	303,585
	-	(10,700,962)
	<u>346,686</u>	<u>191,132,131</u>
	422,338	112,212,462
	<u>3,614,718</u>	<u>138,846,476</u>
\$	<u>4,037,056</u>	<u>\$ 251,058,938</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	112,212,462
The District uses an internal service fund to charge the costs of the District's self-insured workers' compensation plan to appropriate functions in other funds. The net income of internal service funds is reported with governmental activities. The net effect of this consolidation is to increase net position.		555,528
Current year capital outlay of \$63,654,659 and long-term debt principal payments of \$13,565,674 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to increase net position.		77,220,333
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(14,656,821)
The issuance of long-term debt (\$172,050,000), including premiums (\$14,453,556), is reported as other financing sources in the governmental funds and thus, increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		(186,503,556)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the change in deferred tax revenue of (\$925,684) to show the revenue earned from the current year's tax levy and adjustments, eliminating interfund transactions (\$4,000,000), recognizing the net effect of retirement of capital assets totaling (\$80,934), and recognizing the liabilities and deferred charges for refundings associated with maturing long-term debt and interest of (\$61,104). The net effect of these reclassifications and recognitions is to decrease net position.		(5,067,722)
<b>Change in Net Position of Governmental Activities</b>	<u>\$</u>	<u>(16,239,776)</u>

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

	Governmental Activities -
	Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,993,484
Due from Other Funds	30
Total Assets	1,993,514
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	31,660
Accrued Expenses	1,253,308
Total Liabilities	1,284,968
<b>NET POSITION</b>	
Unrestricted Net Position	708,546
Total Net Position	\$ 708,546

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Internal Service Fund
<b>OPERATING REVENUES:</b>	
Local and Intermediate Sources	\$ 874,937
Total Operating Revenues	<u>874,937</u>
<b>OPERATING EXPENSES:</b>	
Payroll Costs	319,409
Total Operating Expenses	<u>319,409</u>
Income Before Transfers	555,528
Transfers Out	<u>(4,000,000)</u>
Change in Net Position	(3,444,472)
Total Net Position - July 1 (Beginning)	<u>4,153,018</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 708,546</u></u>

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 874,907
Cash Payments for Other Operating Expenses	(527,028)
Net Cash Provided by Operating Activities	<u>347,879</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Interfund Borrowings	5,645,605
Operating Transfer Out	(4,000,000)
Net Cash Provided by Non-Capital Financing Activities	<u>1,645,605</u>
Net Increase in Cash and Cash Equivalents	1,993,484
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,993,484</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	\$ 555,528
Operating Income:	
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Due from Other Funds	(30)
Increase (decrease) in Accounts Payable	(31,811)
Increase (decrease) in Accrued Expenses	(175,808)
Net Cash Provided by Operating Activities	<u><u>\$ 347,879</u></u>

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2014

EXHIBIT E-1

	Private Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 157,912	\$ 699,246
Other Receivables	-	240
Total Assets	157,912	\$ 699,486
<b>LIABILITIES</b>		
Accounts Payable	-	\$ 99,648
Due to Student Groups	-	599,838
Total Liabilities	-	\$ 699,486
<b>NET POSITION</b>		
Held in Trust for Private Purposes	157,912	
Total Net Position	\$ 157,912	

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



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 6,000
Interest and Investment Earnings	608
Total Additions	<u>6,608</u>
DEDUCTIONS:	
Other Operating Costs	<u>5,000</u>
Total Deductions	<u>5,000</u>
Change in Net Position	1,608
Total Net Position - July 1 (Beginning)	<u>156,304</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 157,912</u></u>

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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The Board of Trustees (the "Board"), a seven member group, has fiscal responsibility over all activities related to public elementary and secondary education within the jurisdiction of the District. The public elects the Board that corporately 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 ("TEA") or to the Texas State Board of Education are reserved for the Board, and TEA 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 Statement No. 61, *"The Financial Reporting Entity": Omnibus - an amendment by GASB Statements No. 14 and 34*. There are no component units or entities for which the District is considered financially accountable included within the reporting entity.

**B. Basis of Presentation**

**1. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effects of interfund activities not involving services provided and used have been eliminated in these statements. Governmental activities are generally financed through tax revenues and intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each program or 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. Indirect costs are allocated based on the ratio of function expense to total expense. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Revenues not classified as program revenues, including taxes, are reported as general revenues.

**2. Fund Financial Statements**

The District presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are reported in the aggregate as non-major funds.

**C. Fund Accounting**

District financial records are maintained in fund groups that are organized by sub-funds within a separate set of self-balancing accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**1. Governmental Funds**

Most governmental functions of the District are financed through governmental funds. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The general fund, the debt service fund, and the capital projects fund are the District's major governmental funds.

**General Fund** – This fund accounts for resources which finance the fundamental operations of the District. It includes all financial resources not required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation School Program. All expenditures related to the daily operations of the District are included except specific program expenditures funded by the federal or state government, food service, debt service, and capital projects. This is a budgeted fund and any fund balances are considered resources available for current operations.

**Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Capital Projects Fund** – This fund accounts for proceeds from the sale of voter-approved bonds and other resources to be used for Board authorized acquisition, construction, and renovations of major capital facilities as well as providing their furnishings and equipment. Upon completion of a bond project, any unused proceeds are transferred to the debt service fund to retire related bond principal.

The other governmental funds of the District account for grants and other resources of the District whose uses are restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the food service and campus activity funds, funds are rolled over from year to year for use in the program.

**2. Proprietary Fund**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the District's internal service fund include charges of certain services and activities to other individual funds of the District on a cost reimbursement basis. Operating expenses include insurance claims, premiums, and administrative costs for the workers' compensation program. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The District uses the following internal service fund:

**Workers' Compensation Fund** – The District's statutory workers' compensation obligations are accounted for in the internal service fund using a cost reimbursement basis. All funds within the District that expend resources for salaries and wages contribute a percentage to the workers' compensation program.

**3. Fiduciary Funds**

**Private Purpose Trust Fund** – This fund accounts for donations to scholarship funds received by the District for awards to current and former students for post-secondary education purposes.

**Agency Fund** – This fund accounts for the resources of student groups and other campus organizations received by the District in a custodial capacity that do not constitute District property.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**D. Measurement Focus and Basis of Accounting**

**1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements while agency funds have no measurement focus. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of the District are included in the statement of net position. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recorded as revenues in the year of levy.

**2. Fund Financial Statements**

All governmental fund statements are prepared using a flow of current financial resources measurement focus and the modified accrual basis. Only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized when measurable and available. Revenues (excluding property taxes) are considered available if they are expected to be collected during the current budgetary period or within 60 days thereafter to pay liabilities outstanding at the close of the budgetary period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. To reflect the differences in the manner in which the District accounts for its financial resources in the government-wide financial statements and the fund financial statements, reconciliations are provided in the fund financial statements.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept, meaning they must be available and measurable. Miscellaneous revenues, recorded when received, are generally not measurable until actually received; however, interest revenue and building rentals are recorded when earned since they are measurable and available.

Revenues from state and federal grants are considered earned to the extent of expenditures made under the provisions of the grant. Funds received but unearned are reflected as unearned revenues or if required, returned to the grantor agency. Funds expended but not yet received are shown as receivables. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted funds are available.

**E. Assets, Liabilities, and Net Position or Fund Equity**

**1. Deposits and Investments**

Under Texas state law, a bank serving as the school depository must have a bond, or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

Investments consist of balances in privately managed public funds investment pools, commercial paper, and municipal bonds. The District reports all investments at fair value based on quoted market prices at year-end date. The reported value of the pools is the same as the fair value of the pool shares.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**2. Cash and Cash Equivalents**

For purposes of the statement of cash flows for proprietary funds, the District considers cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition to be cash and cash equivalents.

**3. Property Taxes**

Property taxes are considered available when collected within the current period. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and become past due, subject to interest and penalty, if not paid by February 1 of the year following the October 1 levy date. On January 1 of each year, a tax lien attaches to property securing payment of all taxes, penalties, and interest ultimately imposed. The tax rates assessed for the year ended June 30, 2014 to finance general fund operations and voter approved debt service principal and interest payments were \$1.04 and \$.34679, respectively, per \$100 of assessed valuation.

Current tax collections for the year ended June 30, 2014 were 98% of the year-end adjusted levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of levy. A significant portion of delinquent taxes outstanding at any fiscal year end is generally not collected in the ensuing fiscal year. Allowances for uncollectible taxes within the general and debt service funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The property taxes receivable allowance is equal to 52% of outstanding property taxes receivable at June 30, 2014.

Property taxes (and payments in lieu of property taxes) collected from three major petrochemical complexes within the District for the year ended June 30, 2014 accounted for approximately 31% of the District's total combined revenues.

**4. Due From (To) Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations. Interfund receivables and payables are eliminated in the government-wide financial statements as are transfers between funds.

**5. Inventories**

The District reports inventories of supplies using the first-in, first-out method of accounting. Inventories for food, school, maintenance, and custodial supplies are carried at cost and charged to a respective fund expenditure account when consumed. Inventories of food commodities are recorded at fair values. Although commodities are received at no cost, their fair value is provided by the Texas Department of Agriculture and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized in an equal amount.

**6. Deferred Expenditures/Expenses**

Certain payments to vendors reflect costs applicable to the next fiscal period and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**7. Capital Assets**

Land, buildings and improvements, furniture, and equipment either acquired or constructed for general purposes through the governmental funds are recorded as capital assets in the government-wide financial statements. Donated assets are recorded at their estimated fair market value on the date of acceptance. Furniture and equipment costing in excess of \$5,000 are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized. When assets are retired or disposed of, the related costs or other recorded amounts are removed.

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

Capital Asset:	Years
Land Improvements	20
Buildings	40-60
Building Improvements	20
Furniture, Fixtures & Equipment	7-10
Computer Equipment	5
Automobiles & Light Duty Trucks	7
Buses	15

**8. Budgetary Data**

The Board adopts an “appropriated budget” for the General Fund, the Child Nutrition Fund (which is included in the Special Revenue Funds) and Debt Service Fund. The District compares the final amended budget to actual revenues and expenditures. The Budgetary Comparison Schedules appear in Exhibits F-1, I-2, and I-3.

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

- a) Prior to June 20, the District prepares an operating budget for the next succeeding fiscal year beginning July 1. The budget includes proposed expenditures and the means of financing them.
- b) A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten day’s public notice of the meeting must be given.
- c) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the fiscal year end.
- d) Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
- e) Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year’s budget.

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**9. Compensated Absences**

District employees earning vacation leave are permitted to accumulate up to five unused days to be used in the next fiscal year. Such days do not vest. Accordingly, no liability has been recorded in the accompanying financial statements.

District employees are entitled to sick leave based on category/class of employment. Sick leave accumulates but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

**10. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term indebtedness is reported as a liability. Bond premiums and discounts, as well as defeasance costs, are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium, discount, and other costs.

In the fund financial statements, bond premiums (net of discounts) are recognized in the current period and recorded as other financing sources. Issuance costs are recognized in the current period as debt service expenditures. The face amount of the debt issued is reported as other financing sources; whereas, bonds refunded during the period are recorded as other financing uses.

**11. Deferred Outflows/Inflows of Resources**

In addition to assets, the financial statements will include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred charges on refunding in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable property tax revenue in the fund financial statements.

**12. Fund Balance**

Generally, governmental fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. The government fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective government funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. (Inventories and Prepaid Items are considered *Nonspendable* as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.)
- *Restricted* – includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors,

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contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- *Committed* – includes amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. The District has committed 100 percent of Fund 461 Campus Activity Funds' fund balance.
- *Assigned* – includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Superintendent or Chief Financial Officer through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the *general fund*.
- *Unassigned* – includes the residual fund balance for amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the *general fund*. The *Unassigned* classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of *Assigned* fund balance amounts.

The Board has adopted a minimum fund balance policy for the *general fund* to have sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. This policy requires the District to maintain total fund balance and unassigned fund balance in the general fund sufficient to cover 33 and 25 percent, respectively, of total general fund operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

### **13. Net Position**

Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The classifications used in the government-wide financial statements are as follows:

- *Net investment in capital assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- *Restricted net position* – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
- *Unrestricted net position* – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.



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**14. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year, can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30 will change and those changes could be material.

**15. Data Control Codes**

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

**II. Detailed Notes On All Funds**

**A. Deposits and Investments**

A summary of the District's cash and investments at June 30, 2014 is shown below: **(000's)**

	<b>Cash and Deposits</b>	<b>Investment Pools</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>Investments</b>	<b>Total Cash &amp; Investments</b>
Governmental funds:					
General fund	\$ 1,557	\$ 25,588	\$ 27,145	\$ 75,628	\$ 102,773
Debt service fund	3,732	8,369	12,101	6,302	18,403
Capital projects fund	8,484	67,810	76,294	50,016	126,310
Other governmental funds	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>
Total governmental funds	<u>13,780</u>	<u>101,767</u>	<u>115,547</u>	<u>131,946</u>	<u>247,493</u>
Proprietary funds	<u>1,993</u>	<u>-</u>	<u>1,993</u>	<u>-</u>	<u>1,993</u>
Fiduciary funds	<u>191</u>	<u>667</u>	<u>858</u>	<u>-</u>	<u>858</u>
Total	<u>\$ 15,964</u>	<u>\$ 102,434</u>	<u>\$ 118,398</u>	<u>\$ 131,946</u>	<u>\$ 250,344</u>

At June 30, 2014, the net carrying amount of the District's cash and deposits was \$15,964,148 and the bank balance was \$19,077,221. At June 30, 2014, and during the year ended June 30, 2014, the District's combined deposits were fully insured by FDIC insurance or collateralized with securities held by the Bank's agent in the District's name.

The Public Funds Investment Act ("the Act") and Board policy governs the District's investment policies. The Act contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6), maximum allowable stated maturity of portfolio, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposits. Statutes authorize the District to invest in: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) securities lending programs, (6) repurchase agreements, (7) bankers acceptances, (8) mutual funds, (9) investment pools, and (10) guaranteed investment contracts.

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The District's cash equivalents and investments at June 30, 2014 are as shown below: (000's)

<u>Investment Type:</u>	<u>Cost</u>	<u>Fair Value **</u>	<u>Investment Maturity in Years</u>	
			<u>Less Than 1</u>	<u>1 - 2 Years</u>
			<u>Year</u>	<u>1 - 2 Years</u>
Cash in Bank	\$ 15,964	\$ 15,964	\$ 15,964	\$ -
Local Government Investment Pools:				
TexPool	35,811	35,811	35,811	-
LoneStar	19,582	19,582	19,582	-
TexSTAR	1,785	1,785	1,785	-
LOGIC	4,002	4,002	4,002	-
TexasTERM	12,305	12,305	12,305	-
TexasCLASS	28,949	28,949	28,949	-
Cash and Cash Equivalents - subtotal	<u>118,398</u>	<u>118,398</u>	<u>118,398</u>	<u>-</u>
Municipal Bonds	76,997	77,017	73,515	3,502
Commercial Paper	54,929	54,929	54,929	-
Investments - subtotal	<u>131,926</u>	<u>131,946</u>	<u>128,444</u>	<u>3,502</u>
Total Cash & Investments	<u>\$ 250,324</u>	<u>\$ 250,344</u>	<u>\$ 246,842</u>	<u>\$ 3,502</u>

\*\*The fair value of the position in the external investment pools is the same as the value of the pool shares. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Texas Local Government Investment Pool ("TexPool"), Lone Star Investment Pool ("LoneStar"), Texas Short Term Asset Reserve Program ("TexSTAR"), Local Government Investment Cooperative ("LOGIC"), TexasTERM Local Government Investment Pool ("TexasTERM"), and Texas Cooperative Liquid Assets Securities System ("TexasCLASS") are local government investment "pools" organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in TexPool, LoneStar, TexSTAR, LOGIC, TexasTERM, and TexasCLASS are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Investments in the pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The District's management believes that it has complied with the requirements of the Act and with local policies.

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The District's sinking funds at June 30, 2014 were invested in the following: (000's)

<u>Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Discount	\$ 14,433	\$ 14,813	09/15/14
U.S. Treasury Note	3,486	3,529	11/15/14
Total Restricted Assets	<u>\$ 17,919</u>	<u>\$ 18,342</u>	

Each of the above sinking funds is held in the District's name. The sinking funds were established to invest the annual contributions required for future principal payments on the Series 2001 and Series 2005 Qualified Zone Academy Bonds ("QZAB"). These annual contributions will continue until each of the bonds mature in fiscal years 2015 and 2022, respectively. Use of each of the sinking funds is restricted for the QZAB principal payments only (See Note II. E).

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

- 1) Credit Risk – State law and the District's Investment Policy restrict time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks and savings banks) doing business in Texas. By State law, Certificate of Deposits ("CD") are further collateralized to 100%. CD's are limited to a stated maturity of one year. Brokered CD's must be FDIC insured and delivered versus payments to the District's depository. Maximum maturity is one year and FDIC insurance must be verified before purchase. The District's Investment Policy requires 102% with pledged securities (with 110% margin on mortgage backed securities) and all collateral is to be held by an independent custodian. State law and the District's Investment Policy requires inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating.

State law and the District's Investment Policy limit repurchase agreements to Texas banks and primary dealers. The law requires an industry standard, written master repurchase agreement; independent safekeeping of collateral; and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of three months. Fully collateralized flex repurchase agreements are restricted to the use in bond funds and are required to match the expenditure schedule of the bonds.

Municipal obligations of the State of Texas or any other state or political subdivision must be rated A or better by at least two nationally recognized securities ratings organizations (NRSRO).

Commercial paper is restricted by state law and the District's Investment Policy to dual rated A1/P1 paper and is limited by the District's Investment Policy to mature in 270 days or less.

Fully FDIC insured brokered certificates of deposit securities must be delivered versus payment and not exceed one (1) year to stated maturity. The FDIC status of the bank must be monitored weekly.

State of Texas local government investment pools, as defined by State law (2256.016) and approved by the District's Investment Policy, are authorized. By State law all local government pools must be rated AAA or equivalent by at least one NRSRO.

The District's Investment Policy allows investment in AAA rated money market mutual fund accounts.

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As of June 30, 2014, the District's portfolio included the following:

<u>Investment Type</u>	<u>Percent of Total Portfolio</u>
Local Government Investment Pools	41%
FDIC fully insured checking accounts	6%
Commercial Paper	22%
Municipal Obligations rated A or better by at least two NRSRO's	31%

- 2) **Custodial Credit Risk** – To control custody risk State law and the District's Investment Policy require collateral for all time and demand deposits and repurchase agreements with securities transferred only on a delivery versus payment basis and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% (with 110% on mortgage-backed securities) and transactions are required to be executed under a written agreement. As of June 30, 2014, the District was not exposed to custodial credit risk.
- 3) **Concentration of Credit Risk** – The District's Investment Policy requires diversification on all authorized investment types which are monitored on at least a monthly basis. The District's Investment Policy requires the following diversification:

<u>Type of Investment</u>	<u>Maximum Allowed % of Portfolio</u>	<u>Actual % of Portfolio at June 30, 2014</u>
Money Market Accounts	100%	n/a
Certificates of Deposit	40%	n/a
Brokered FDIC CD's	15%	n/a
U.S. Government Securities	100%	n/a
State and Local Obligations	40%	31%
Repurchase Agreements	100%	n/a
Interest Bearing Accounts	100%	n/a
Investment Pools	100%	41%
Money Market Mutual Funds	15%	n/a
Commercial Paper	40%	22%

- 4) **Interest Rate Risk** – In order to limit interest and market rate risk from changes in interest rates, the District's Investment Policy sets a maximum maturity of three (3) years and a maximum weighted average maturity (WAM) of one (1) year. As of June 30, 2014, the portfolio contained one municipal security with a stated maturity greater than one year. The dollar weighted average maturity of the total portfolio was 86 days.

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**B. Capital Assets**

Capital asset activity for the year ended June 30, 2014, was as follows: (000's)

	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b><u>Capital assets not being depreciated:</u></b>					
Land	\$ 12,539	\$ 350	\$ (71)	\$ -	\$ 12,818
Construction in progress	897	54,577	-	(319)	55,155
Total capital assets not being depreciated	<u>13,436</u>	<u>54,927</u>	<u>(71)</u>	<u>(319)</u>	<u>67,973</u>
<b><u>Capital assets being depreciated:</u></b>					
Buildings and improvements	485,012	4,146	-	319	489,477
Furniture and equipment	29,580	4,583	(123)	-	34,040
Total capital assets being depreciated	<u>514,592</u>	<u>8,729</u>	<u>(123)</u>	<u>319</u>	<u>523,517</u>
-					
<b><u>Less accumulated depreciation for:</u></b>					
Buildings and improvements	(128,872)	(12,810)	-	-	(141,682)
Furniture and equipment	(19,310)	(1,847)	113	-	(21,044)
Total accumulated depreciation	<u>(148,182)</u>	<u>(14,657)</u>	<u>113</u>	<u>-</u>	<u>(162,726)</u>
Capital assets, net	<u>\$ 379,846</u>	<u>\$ 48,999</u>	<u>\$ (81)</u>	<u>\$ -</u>	<u>\$ 428,764</u>

Depreciation expense was charged to the following functions as follows: (000's)

Instruction	\$ 8,204
Instructional resources and media services	181
Curriculum and instructional staff development	193
Instructional leadership	238
School leadership	780
Guidance, counseling and evaluation services	479
Social work services	83
Health services	119
Student (pupil) transportation	518
Food services	891
Extracurricular activities	351
General administration	420
Facilities maintenance and operations	1,803
Security and monitoring services	116
Data processing services	168
Community services	113
Total depreciation expense	<u>\$ 14,657</u>

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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**C. Receivables and Unearned Revenue**

Receivables as of June 30, 2014, for the District's individual major funds and non-major funds including the applicable allowances for uncollectible accounts are as follows: **(000's)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Taxes	\$ 8,668	\$ 2,035	\$ -	\$ -	\$ 10,703
Taxes - penalty & interest	7,474	1,319	-	-	8,793
Due from other governments-federal	1,828	-	-	3,992	5,820
Due from other governments-state	11,978	-	-	264	12,242
Due from other governments-other	1,404	-	112	899	2,415
Interest	321	21	85	-	427
Other receivables	14	-	-	7	21
Gross receivables	31,687	3,375	197	5,162	40,421
Less: allowance for uncollectibles	(8,507)	(1,712)	-	-	(10,219)
Net total receivables	<u>\$ 23,180</u>	<u>\$ 1,663</u>	<u>\$ 197</u>	<u>\$ 5,162</u>	<u>\$ 30,202</u>

Unearned revenue at June 30, 2014, for the District's governmental funds is as follows: **(000's)**

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable - General Fund	\$ 7,635	\$ -
Delinquent property taxes receivable - Debt Service Fund	1,642	-
State funding overpayment	-	1,089
Federal food commodities	-	10
Athletic revenue	-	2
Advance funding	-	717
Total deferred revenue	<u>\$ 9,277</u>	<u>\$ 1,818</u>

**D. Interfund Receivables, Payables and Transfers**

Interfund balances in the fund financial statements at June 30, 2014, consisted of the following: **(000's)**

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Debt Service Fund	\$ -	\$ 34
Capital Projects Fund	10	2,943
Non-major Governmental Funds	2,942	4,935
Total General Fund	\$ 2,952	\$ 7,912
Debt Service Fund:		
General Fund	\$ 34	\$ -
Capital Projects Fund		
General Fund	\$ 2,943	\$ 10
Non-major Governmental Funds:		
General Fund	\$ 4,935	\$ 2,942

District expenditures are paid from a centralized-pooled operating bank account maintained in the general fund. Since all cash transactions flow through this account, each District fund carries a receivable/payable balance with the general fund. This balance will be repaid within one year.

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Interfund transfers in the fund financial statements at June 30, 2014, consisted of the following: **(000's)**

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 347
General Fund	Capital Projects	7,000
Capital Projects Fund	General Fund	3,354
Internal Service Fund	General Fund	4,000
Total Transfers		<u>\$ 14,701</u>

The District transferred \$347 thousand from the general fund into a special revenue fund to fund various local programs. The District transferred \$7 million from the general fund to the capital projects fund to separately account for expenditures on a project basis. The District transferred \$3.4 million from the capital projects fund to reimburse the general fund for approved bond expenditures. The District transferred \$4 million of excess funds from the internal service fund to the general fund.

**E. Long-Term Liabilities**

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and capital appreciation bonds (CAB) with various amounts of principal maturing each year. Bonded debt as of June 30, 2014 is as follows: **(000's)**

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2014</u>
Unlimited Tax School Building Bonds, Series 2001 QZAB	0%	03/15/15	\$ 16,000	\$ 16,000
Unlimited Tax Refunding Bonds, Series 2003	3.800-5.000%	02/15/16	13,075	5,630
Unlimited Tax Refunding Bonds, Series 2004	4.000-5.000%	02/15/18	31,425	28,065
Unlimited Tax Schoolhouse Bonds, Series 2005	3.500-4.550%	02/15/30	60,000	43,675
Unlimited Tax School Building Bonds, Series 2005A QZAB	0.25%	11/15/21	8,000	8,000
Unlimited Tax Schoolhouse & Refunding Bonds, Series 2006	4.000-5.000%	02/15/30	127,335	95,135
Unlimited Tax Schoolhouse Bonds, Series 2007	3.500-5.000%	02/15/30	54,440	44,335
Unlimited Tax Schoolhouse Bonds, Series 2007A	4.625-6.000%	02/15/30	8,000	6,850
Unlimited Tax Refunding Bonds, Series 2008	3.625-5.000%	02/15/16	13,290	4,075
Unlimited Tax Refunding Bonds, Series 2011	2.000-5.000%	02/15/20	9,890	7,035
Unlimited Tax Refunding Bonds, Series 2012	5.000%	02/15/24	41,160	41,160
Unlimited Tax Schoolhouse Bonds, Series 2013	2.000-5.000%	02/15/38	91,100	90,405
Unlimited Tax School Building Bonds, Series 2014A	1.500-5.000%	02/15/30	18,330	18,330
Variable Rate Unlimited Tax School Building Bonds, Series 2014B	Variable	02/15/40	62,620	62,620
			<u>\$ 554,665</u>	<u>\$ 471,315</u>

*Variable Rate Terms* – The Series 2014B variable rate bonds will bear interest at the initial rate of 2% and 3% on the term bonds during the initial rate period. The interest payment dates during the initial rate period will be on February 15 and August 15. Upon the conversion date following the initial rate period, the bonds will bear interest at a term rate as determined by the remarking agent, which mode may thereafter be changed from time to time by the District, prior to conversion to a fixed rate. During each rate period after the initial rate period, the rate of interest on the bonds will be the rate that the remarketing agent determines, under prevailing market conditions on the date of such determination, would result in the market value of the bonds being 100% of the principal amount thereof; provided that at no time may the rate of the bonds exceed 8% per annum.

The District entered into a loan agreement (LoanSTAR Revolving Loan Program) sponsored by the State Energy Conservation Office (SECO) totaling \$4.8 million to reduce consumption of electrical energy. The loan is payable in quarterly installments of principal and interest and bears interest at 3%. The balance outstanding at June 30, 2014 is \$4,451,450.

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In July 2013, the District issued Unlimited Tax Schoolhouse Bonds, Series 2013 totaling \$91,100,000. The bonds were issued at a net premium of \$9,731,489 and issuance costs of \$831,489. The bonds bear interest from 2% to 5% and are due in annual installments ranging from \$695,000 to \$7,010,000 through February 15, 2038. Proceeds from the sale of the bonds, together with other available District funds, will be used (i) for the construction, acquisition and equipment of school facilities; (ii) for technology improvements to District facilities; (iii) for security to District facilities; and (iv) to pay costs of issuance related to the bonds.

In February 2014, the District issued Unlimited Tax School Building Bonds, Series 2014A totaling \$18,330,000. The bonds were issued at a net premium of \$1,895,964 and issuance costs of \$225,280. The bonds bear interest from 1.5% to 5% and are due in annual installments ranging from \$290,000 to \$1,690,000 through February 15, 2030. In addition, the District issued Variable Rate Unlimited Tax School Building Bonds, Series 2014B totaling \$62,620,000. The bonds were issued at a net premium of \$2,826,103 and issuance costs of \$669,095. The bonds bear interest from 1.5% to 5% and are due in annual installments ranging from \$5,640,000 to \$6,925,000 through February 15, 2040. Proceeds from the sale of the bonds, together with other available District funds, will be used (i) for the construction, acquisition and equipment of school facilities; (ii) for technology improvements to District facilities; (iii) for security to District facilities; and (iv) to pay costs of issuance related to the bonds.

Long-term liability activity for the year ended June 30, 2014, was as follows: (000's)

	<b>Beginning</b>			<b>Ending</b>	<b>Due within</b>
Governmental Activities	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>One Year</b>
General Obligation - 2001 (QZAB)	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ 16,000
General Obligation - 2003	8,295	-	(2,665)	5,630	2,805
General Obligation - 2004	30,630	-	(2,565)	28,065	4,805
General Obligation - 2005	44,025	-	(350)	43,675	350
General Obligation - 2005A (QZAB)	8,000	-	-	8,000	-
General Obligation - 2006	95,640	-	(505)	95,135	715
General Obligation - 2007	46,050	-	(1,715)	44,335	1,800
General Obligation - 2007A	7,065	-	(215)	6,850	260
General Obligation - 2008	5,990	-	(1,915)	4,075	1,995
General Obligation - 2011	9,570	-	(2,535)	7,035	305
General Obligation - 2012	41,160	-	-	41,160	-
General Obligation - 2013	-	91,100	(695)	90,405	1,255
General Obligation - 2014A	-	18,330	-	18,330	290
General Obligation - 2014B	-	62,620	-	62,620	-
Total Bonds Payable	312,425	172,050	(13,160)	471,315	30,580
Other Liabilities:					
Accrued Interest	5,110	839	-	5,949	5,949
Premium on Issuance of Bonds	15,086	14,454	(1,926)	27,614	-
Discount on Issuance of Bonds	(1,526)	-	94	(1,432)	-
SECO-LoanSTAR Revolving Loan	4,857	-	(406)	4,451	555
Total Other Liabilities	23,527	15,293	(2,238)	36,582	6,504
Total Long-term Liabilities	<u>\$ 335,952</u>	<u>\$ 187,343</u>	<u>\$ (15,398)</u>	<u>\$ 507,897</u>	<u>\$ 37,084</u>

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, contractual obligations and loans. The District has no local policies regarding debt limitation or debt margin, but must comply with State requirements. At June 30, 2014, the District had no outstanding capital appreciation bonds.

During each year while bonds are outstanding, the District is required to levy and collect sufficient ad valorem taxes to provide for the payment of principal and interest through the debt service fund as the payments become due. Principal and interest expenditures for note and loan payables are accounted for in the general fund.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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The 2001 QZAB requires annual payments (approximately \$800,000 per year) to a sinking fund held at the Bank of New York, which will be used to pay the principal on the bonds when they mature in fiscal year 2015 (See Note II. A). The 2005 QZAB requires annual payments (approximately \$400,000) to a sinking fund held at Wells Fargo Bank which will be used to pay the principal on the bonds when they mature in fiscal year 2022 (See Note II. A).

Debt service requirements at June 30, 2014 were as follows: **(000's)**

Fiscal Year Ending June 30,	General Obligation		Notes and Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 30,580	\$ 19,642	\$ 555	\$ 127	\$ 31,135	\$ 19,769
2016	16,130	19,941	577	110	16,707	20,051
2017	16,910	19,989	594	93	17,504	20,082
2018	16,220	19,796	612	75	16,832	19,871
2019	16,980	19,675	631	56	17,611	19,731
2020-2024	107,500	85,032	1,482	55	108,982	85,087
2025-2029	127,765	58,368	-	-	127,765	58,368
2030-2034	74,545	31,099	-	-	74,545	31,099
2035-2039	57,760	12,461	-	-	57,760	12,461
2040	6,925	485	-	-	6,925	485
Total	<u>\$ 471,315</u>	<u>\$ 286,488</u>	<u>\$ 4,451</u>	<u>\$ 516</u>	<u>\$ 475,766</u>	<u>\$ 287,004</u>

**F. Defeased Debt**

The District has defeased certain general obligation and other bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2014, bonds outstanding of \$43 million were considered defeased.

**G. Arbitrage**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2014, the District does not anticipate any arbitrage liability.

**H. Operating Leases**

The District leases certain equipment and facilities under non-cancelable operating leases. Total rental expenditures for year ended June 30, 2014 were \$1.4 million and made from the general fund. Future minimum lease payments are as follows: **(000's)**

Fiscal Year Ending June 30,	Lease Payment
2015	\$ 708
2016	115
Total	<u>\$ 823</u>

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**III. Other Information**

**A. Risk Management**

Property Casualty

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. The District purchases property and casualty insurance to mitigate the financial burden associated with these risks. For the year ended June 30, 2014, physical damage to the District’s schedule of insured assets is limited to \$250 million per occurrence for several covered perils, as expressed within the insurance policy terms and conditions. Coverage for “Wind” damage associated with “Named Storms” is limited \$25 million per occurrence. Flood insurance is subject to an annual aggregate limit depending upon FEMA Flood Zones. Policy deductibles range from \$5,000 to 3% of the Total Insured Values, depending on the peril or cause of loss. Settled claims have not exceed the policy limit in any of the past (3) three fiscal years.

Workers’ Compensation

For the year ended June 30, 2014, the District met its statutory workers’ compensation obligations 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 program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers’ compensation benefits to its members and their injured employees.

The District participates in the Fund’s reimbursable aggregate deductible program. As such, the District is responsible for a certain amount of claims liability as outlined in the District’s Contribution and Coverage Summary document. After the District’s deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop-loss coverage for any claim in excess of the Fund’s self-insured retention of \$1.5 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2013, the Fund carried a discounted reserve of \$57 million for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2014, the Fund anticipates no additional liability to member districts beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The liability estimation, obtained from an actuarial report prepared by Turner Consulting, Inc., requires the estimate of loss development over an extended period of time. During this time numerous internal and external factors will affect the ultimate settlement value of claims. Due to the inherent uncertainty with regard to the impact of these factors, there can be no guarantee that actual losses will not vary, perhaps significantly, from the estimates. The following is a summary of the changes in the balances of claims liabilities for workers’ compensation for the year ended June 30, 2014 and the ten months ended June 30, 2013: **(000’s)**

	<u>6/30/2014</u>	<u>6/30/2013</u>
Liability, beginning of period	\$ 1,429	\$ 1,346
Changes in the est. for current & prior period claims	176	610
Payments on claims	(352)	(527)
Liability, end of period	\$ 1,253	\$ 1,429

The Fund engages the services of independent auditors 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 August 31, 2013 are available on the

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
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TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin, Texas.

**B. Health Care**

The District provides medical insurance coverage for its employees through the TRS-Active Care insurance provided by the Texas Retirement System of Texas. This is a premium-based plan: payments are made on a monthly basis for all covered employees. The District contributes \$225 per month for each employee enrolled in the health insurance plan. Employees are able to choose from three types of coverage and are responsible for premiums in excess of the District subsidy, including dependent coverage.

**C. Retiree Health Plan**

*Plan Description.* The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care 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 Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the [TRS Web site](#) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

*Funding Policy.* Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for the fiscal years 2014-2012: **(000's)**

<b>Contribution Rates and Contribution Amounts</b>						
<b>Year</b>	<b>Member</b>		<b>State</b>		<b>District</b>	
	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
6/30/2014	0.65%	\$ 925	1.00%	\$ 549	0.55%	\$ 783
6/30/2013	0.65%	668	0.50%	514	0.55%	565
8/31/2012	0.65%	809	1.00%	464	0.55%	782

The State's on-behalf contribution is recorded as revenues and expenditures/expenses in the financial statements.

**D. Medicare Part D – On-Behalf Payments**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended June 30, 2014, the ten months ended June 30, 2013, and fiscal year ended August 31, 2012, the subsidy payments received by TRS-Care on-behalf of the District were \$379,509, \$472,792, and \$323,255, respectively. These payments are recorded as equal revenues and expenditures/expenses in the financial statements.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**E. Pension Plan**

*Plan Description.* The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions 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 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), under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member’s annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute 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.

Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state’s and/or member’s contribution and on the portion of the employees’ salaries that exceeded the statutory minimum. (000’s)

Year	Contribution Rates and Contribution Amounts					
	Member		State		Statutory Minimum	
	Rate	Amount	Rate	Amount	Amount	
6/30/2014	6.4%	\$ 9,106	6.800%	\$ 6,652	\$ 2,225	
6/30/2013	6.4%	6,581	6.400%	4,784	1,259	
8/31/2012	6.4%	7,970	6.000%	5,433	1,380	

The State’s on-behalf contribution is recorded as revenues and expenditures/expenses in the financial statements.

**Money Purchase Pension Plan**

The District also sponsors a defined contribution pension plan, the Goose Creek Consolidated Independent School District Money Purchase Pension Plan, (the “Pension Plan”) for all full-time employees with eligibility attained immediately upon employment with the District. The Pension Plan is administered by the District’s Chief Financial Officer and a seven member Administrative Committee. The Trustees for the Pension Plan are the same as the Administrative Committee. The Board of Trustees of the School District have the sole right to amend the Pension Plan.

In February 2013, the Board amended the Pension Plan whereby freezing all employer contributions effective July 1, 2013.

Benefits provided are based solely on the amount contributed to a participant’s account. Effective July 1, 2009, a participant is immediately 100% vested in his or her account on the date the participant becomes a member of the Pension Plan. The Pension Plan issues separate financial statements from the District. This annual financial report and other required disclosure information can be requested in writing from

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

the Goose Creek Consolidated Independent School District Business Office, P.O. Box 30, Baytown, Texas 77522.

The District has discontinued its contributions to the Pension Plan but has not expressed any intent to terminate the Pension Plan. In the event of the Pension Plan termination, the net assets of the Pension Plan would be distributed to participants and beneficiaries as prescribed by the Pension Plan document.

**F. Litigation and Contingencies**

The District is a party to various legal actions none of which the Administration, based on consultation with its legal counsel, believes will have a material effect on the financial condition of the District. Accordingly, no provisions for gains or losses have been recorded in the accompanying government-wide or fund financial statements for contingencies.

The District participates in numerous state and federal grant programs governed by various rules and regulations of the grantor agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. To the extent that the District has not complied with the rules and regulations governing the grants, if any, claims may be disallowed. Any disallowed claims, including amounts already collected, may constitute a liability of the District. In the opinion of the Administration, no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants exist; therefore, no provision has been recorded in the accompanying government-wide or fund financial statements.

**G. Shared Service Arrangements**

The District participates in the East Harris County Cooperative For Deaf Education Regional Day School Program For the Deaf, a Shared Service Arrangement (SSA), with 15 member Districts. The District is acting as the fiscal agent for the parties involved. This program is to provide a system of direct and supportive special education services to eligible hearing impaired students. Funding for this program is provided by the TEA and by the member districts at a per pupil cost of approximately \$10,096. In 2014, approximately 40% of the funding was from the state grant and 60% from the member districts. Revenue from the respective member districts, including the District's contribution, is as follows: **(000's)**

Barbers Hill ISD	\$	35
Channelview ISD		142
Cleveland ISD		12
Crosby ISD		83
Dayton ISD		83
Deer Park ISD		142
Devers ISD		1
Galena Park ISD		251
Goose Creek CISD		82
Hardin ISD		1
Hull-Daisetta ISD		1
La Porte ISD		106
Liberty ISD		35
Pasadena ISD		698
Sheldon ISD		24
	\$	1,696

As fiscal agent, the District is responsible for reporting all financial activities of the SSA. The District accounts for the activity in Special Revenue Fund #435. No fund balance accumulates in the SSA and there are no separately issued financial statements. The SSA is an annually renewable agreement.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**H. Outstanding Encumbrances**

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executory contracts), and are used to control expenditures for the year and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate accounts are checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes.

Prior to the end of the year, every effort should be made to liquidate outstanding encumbrances. When encumbrances are outstanding at year end, the school district likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, outstanding encumbrances are not considered expenditures for the fiscal year, only a commitment to expend resources. If the school district allows encumbrances to lapse, even though it plans to honor encumbrances, the appropriations authority expires and the items represented by the encumbrances are usually reappropriated in the following year's budget. Open encumbrances at fiscal year are included in restricted, committed, or assigned fund balance, as appropriate.

At June 30, 2014, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

Encumbrances Included in the Following Fund Balance:

Fund	Restricted	Committed	Assigned	Total
General	\$ -	\$ -	\$ 1,994,788	\$ 1,994,788
Capital Projects Fund	19,221,441	-	-	19,221,441
Non-major Governmental Funds	<u>107,054</u>	<u>4,500</u>	<u>-</u>	<u>111,554</u>
Total	<u>\$ 19,328,495</u>	<u>\$ 4,500</u>	<u>\$ 1,994,788</u>	<u>\$ 21,327,783</u>

**I. Related Organizations**

The Goose Creek CISD Education Foundation (“Foundation”), a non-profit entity which was organized in 2009 to provide funds for District teaching and education programs, is a “related organization” as defined by GASB Statement No. 61. The members of the Board of Directors of the Foundation serve without financial compensation.

**J. Instructional Materials Allotment**

In May 2011, Senate Bill 6, repealed the technology allotment used by Texas schools and created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional material purchases must be made through TEA’s online requisition system. Instructional materials purchased from IMA totaling \$3,193,804 are recorded as revenues and expenditures/expenses in the financial statements.

**K. Construction Commitments**

At June 30, 2014, the District had commitments under construction contracts totaling approximately \$6.7 million.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

**L. Excess Expenditures over Appropriations**

The TEA requires the budgets for the General, Child Nutrition Program, and Debt Service Funds to be filed with the TEA. The budget should not be exceeded in any functional category under TEA requirements. For the year ended June 30, 2014, expenditures exceeded appropriations in the following functional categories:

Fund	Function	Final Budget	Actual	Variance
General	21 Instructional Leadership	\$ 3,533,028	\$ 3,672,966	\$ (139,938)
General	23 School Leadership	10,645,936	11,008,078	(362,142)
General	36 Extracurricular Activities	3,768,039	4,076,852	(308,813)
General	41 General Administration	6,004,656	6,163,795	(159,139)

**M. Subsequent Events**

In July 2014, the District issued \$71,465,000 in Unlimited Tax Refunding Bonds, Series 2014C to refund \$41,575,000 of the outstanding Unlimited Tax Schoolhouse Bonds, Series 2005 and \$36,120,000 of the Unlimited Tax Schoolhouse and Refunding Bonds, Series 2006. The bonds were issued at a net premium of \$10,533,808 and issuance costs of \$706,390. The bonds bear interest from 4% to 5% and are due in annual installments ranging from \$5,210,000 to \$14,095,000 through February 15, 2030. As a result of this refunding, the District reduced its total debt service requirements by \$10,646,480 and realized a present value savings of \$8,103,180.

The District has evaluated subsequent events through November 7, 2014, the date the financials were available to be issued.

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## REQUIRED SUPPLEMENTARY INFORMATION

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 97,837,639	\$ 101,929,611	\$ 102,295,322	\$ 365,711
5800 State Program Revenues	74,070,000	71,117,470	71,780,012	662,542
5900 Federal Program Revenues	3,935,000	3,850,745	3,855,391	4,646
5020 Total Revenues	175,842,639	176,897,826	177,930,725	1,032,899
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	100,852,142	111,220,967	109,849,121	1,371,846
0012 Instructional Resources and Media Services	2,155,714	2,421,507	2,410,599	10,908
0013 Curriculum and Instructional Staff Development	2,615,144	2,752,195	2,748,186	4,009
0021 Instructional Leadership	3,309,213	3,533,028	3,672,966	(139,938)
0023 School Leadership	10,962,857	10,645,936	11,008,078	(362,142)
0031 Guidance, Counseling and Evaluation Services	6,501,274	6,456,695	6,425,962	30,733
0032 Social Work Services	666,286	784,206	726,790	57,416
0033 Health Services	1,709,383	1,717,333	1,663,110	54,223
0034 Student (Pupil) Transportation	7,505,957	8,257,957	7,787,207	470,750
0036 Extracurricular Activities	3,867,480	3,768,039	4,076,852	(308,813)
0041 General Administration	5,743,546	6,004,656	6,163,795	(159,139)
0051 Facilities Maintenance and Operations	24,175,693	24,735,160	24,480,124	255,036
0052 Security and Monitoring Services	1,882,451	1,837,462	1,828,484	8,978
0053 Data Processing Services	2,250,701	3,305,057	3,207,471	97,586
0061 Community Services	134,101	180,101	135,540	44,561
<b>Debt Service:</b>				
0071 Principal on Long Term Debt	-	405,674	405,674	-
0072 Interest on Long Term Debt	-	109,567	109,567	-
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	1,652,217	2,528,168	2,195,107	333,061
<b>Intergovernmental:</b>				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	34,000	27,962	20,971	6,991
0099 Other Intergovernmental Charges	1,039,480	1,039,480	1,009,031	30,449
6030 Total Expenditures	177,057,639	191,731,150	189,924,635	1,806,515
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,215,000)	(14,833,324)	(11,993,910)	2,839,414
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	324,990	324,990	-
7915 Transfers In	2,000,000	7,354,276	7,354,276	-
8911 Transfers Out (Use)	(7,285,000)	(7,285,000)	(7,346,686)	(61,686)
7080 Total Other Financing Sources (Uses)	(5,285,000)	394,266	332,580	(61,686)
1200 Net Change in Fund Balances	(6,500,000)	(14,439,058)	(11,661,330)	2,777,728
0100 Fund Balance - July 1 (Beginning)	100,890,364	100,890,364	100,890,364	-
3000 Fund Balance - June 30 (Ending)	\$ 94,390,364	\$ 86,451,306	\$ 89,229,034	\$ 2,777,728

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

Compliance

**Budgetary Information**

The District adopts an “appropriated budget” for the General Fund, the Debt Service Fund, and the Child Nutrition Fund using the same method of accounting as for financial reporting, as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed length budgets and monitoring through submission of reimbursement reports.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available or estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund budget during the year ended June 30, 2014.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2014. The budget was adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the comprehensive annual financial report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods and purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year’s budget.

COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES

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## Non-major Governmental Funds

### Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for particular purposes. Most, but not all, of these funds must be applied for through the Standard Application System (SAS).

- 211 **ESEA, Title I, Part A, Improving Basic Programs** – Provide supplemental educational opportunities to help economically disadvantaged children master state academic standards.
- 212 **ESEA, Title I, Part C, Migrant Program** – Develop programs to meet the special educational needs of children of migratory agricultural workers.
- 224 **IDEA, Title VI, Part B, Formula** – Provide instructional personnel, supplies, equipment and related services to students with disabilities.
- 225 **IDEA, Title VI, Part B, Preschool** – Provide instructional personnel, supplies, equipment and related services to preschool students with disabilities.
- 240 **Child Nutrition Program** – Support programs using federal reimbursement revenues from the United States Department of Agriculture (USDA).
- 244 **Career and Technical – Basic Grant** – Provide educational programs which allow students the opportunity to apply academic skills in a vocational setting.
- 255 **ESEA, Title II, Part A Teacher and Principal Training and Recruiting Fund** – To increase student achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.
- 263 **ESEA, Title III, LEP** – To improve the education of limited English proficient students.
- 265 **Title IV, Part B - 21st Century Community Learning** – Provide funds to rural and inner-city public schools to enable them to plan, implement or expand projects that benefit the educational, health, social services, cultural and recreational needs of the community.
- 289 **Title VI, Part A, Summer LEP Program** – Providing funding for summer program for students with limited English proficiency.
- 315 **SSA - IDEA-Part B, Discretionary Deaf** – To supplement the level of state and local funds for students with disabilities. This program serves several member districts including Goose Creek CISD.

## Non-major Governmental Funds

### Special Revenue Funds

- 316 **SSA - IDEA-Part B, Deaf** – To provide an equitable education to all students with disabilities. This program serves several member districts including Goose Creek CISD.
- 317 **SSA - IDEA-Part B, Preschool Deaf** – To supplement the level of state and local funds for three through five-year old students with disabilities. This program serves several member districts including Goose Creek CISD.
- 340 **SSA - IDEA-Part C, Early Intervention Deaf** – Provide funding for early intervention programs for infants and toddlers who are deaf.
- 397 **Advanced Placement Incentives** – Reward campuses for performance on the Advanced Placement and International Baccalaureate Examinations.
- 404 **Student Success Initiative** –To implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.
- 410 **State Instructional Materials Fund** – To account for funds awarded to school districts under the textbook allotment.
- 429 **Read To Succeed** – Funds provided by state through the sale of specialty license plates for public school libraries and to strengthen campus reading programs.
- 435 **SSA – Regional Day School for the Deaf** – Provide funding for staff and activities of the Regional Day School for the Deaf. This program serves several member districts including Goose Creek CISD.
- 461 **Campus Activity Funds** – To account for transactions related to the principals’ activity funds.
- 499 **Local Funded Special Revenue Funds** – Locally funded special revenue funds not specified above.



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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	1,453,098	208,053	1,586,738
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1000	<b>Total Assets</b>	<u>\$ 1,453,098</u>	<u>\$ 208,053</u>	<u>\$ 1,586,738</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 13,369	\$ 6,478	\$ 76,428
2160	Accrued Wages Payable	574,992	68,015	389,455
2170	Due to Other Funds	864,737	133,560	1,120,855
2300	Unearned Revenues	-	-	-
2000	<b>Total Liabilities</b>	<u>1,453,098</u>	<u>208,053</u>	<u>1,586,738</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410	Inventories	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3491	Other Restricted Fund Balance	-	-	-
Committed Fund Balance:				
3544	Committed Fund Balance - Campus Activities	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,453,098</u>	<u>\$ 208,053</u>	<u>\$ 1,586,738</u>

240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	289 Title VI, Part A Summer LEP	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
\$ 6,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
236,877	60,732	264,442	96,250	7,567	-	42,438	18,439
2,816,110	-	-	-	-	24,488	-	-
1,508	-	-	-	-	-	-	-
156,470	-	-	-	-	-	-	-
<u>\$ 3,217,457</u>	<u>\$ 60,732</u>	<u>\$ 264,442</u>	<u>\$ 96,250</u>	<u>\$ 7,567</u>	<u>\$ 24,488</u>	<u>\$ 42,438</u>	<u>\$ 18,439</u>
\$ 105,526	\$ 3,403	\$ 1,907	\$ 207	\$ -	\$ -	\$ -	\$ 1,568
572,319	28,370	67,384	40,414	-	-	13,170	3,697
-	28,959	195,151	55,629	-	-	29,268	13,174
9,924	-	-	-	7,567	24,488	-	-
<u>687,769</u>	<u>60,732</u>	<u>264,442</u>	<u>96,250</u>	<u>7,567</u>	<u>24,488</u>	<u>42,438</u>	<u>18,439</u>
156,470	-	-	-	-	-	-	-
2,373,218	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,529,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,217,457</u>	<u>\$ 60,732</u>	<u>\$ 264,442</u>	<u>\$ 96,250</u>	<u>\$ 7,567</u>	<u>\$ 24,488</u>	<u>\$ 42,438</u>	<u>\$ 18,439</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

Data Control Codes	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative
<b>ASSETS</b>				
1110	\$ -	\$ -	\$ -	\$ -
1240	1,363	428	-	-
1260	-	-	38,241	-
1290	-	-	-	-
1300	-	-	-	-
1000	<u>\$ 1,363</u>	<u>\$ 428</u>	<u>\$ 38,241</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
2110	\$ -	\$ -	\$ -	\$ -
2160	-	-	-	-
2170	1,363	428	-	-
2300	-	-	38,241	-
2000	<u>1,363</u>	<u>428</u>	<u>38,241</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410	-	-	-	-
Restricted Fund Balance:				
3450	-	-	-	-
3491	-	-	-	-
Committed Fund Balance:				
3544	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 1,363</u>	<u>\$ 428</u>	<u>\$ 38,241</u>	<u>\$ -</u>

410 Instructional Materials Allotment	429 Read to Succeed	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,492
-	-	972,923	-	190,531	5,155,391
257,018	2,014	-	1,160,176	637,236	4,935,283
-	-	-	4,593	1,006	7,107
-	-	-	-	-	156,470
<u>\$ 257,018</u>	<u>\$ 2,014</u>	<u>\$ 972,923</u>	<u>\$ 1,164,769</u>	<u>\$ 828,773</u>	<u>\$ 10,260,743</u>
\$ -	\$ -	\$ 5,734	\$ 14,583	\$ 197,165	\$ 426,368
-	-	360,464	-	5,208	2,129,663
-	-	264,302	-	224,991	2,941,754
257,018	2,014	342,423	-	44,227	725,902
<u>257,018</u>	<u>2,014</u>	<u>972,923</u>	<u>14,583</u>	<u>471,591</u>	<u>6,223,687</u>
-	-	-	-	-	156,470
-	-	-	-	-	2,373,218
-	-	-	-	357,182	357,182
-	-	-	1,150,186	-	1,150,186
-	-	-	1,150,186	357,182	4,037,056
<u>\$ 257,018</u>	<u>\$ 2,014</u>	<u>\$ 972,923</u>	<u>\$ 1,164,769</u>	<u>\$ 828,773</u>	<u>\$ 10,260,743</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	4,246,953	681,742	3,268,968	56,702
5020 Total Revenues	<u>4,246,953</u>	<u>681,742</u>	<u>3,268,968</u>	<u>56,702</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	2,631,155	247,900	2,875,068	56,702
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	398,991	4,862	86,025	-
0021 Instructional Leadership	17,685	272,517	29,196	-
0031 Guidance, Counseling and Evaluation Services	-	72,928	278,521	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	150	-	-
0052 Security and Monitoring Services	-	78	158	-
0061 Community Services	1,199,122	83,307	-	-
6030 Total Expenditures	<u>4,246,953</u>	<u>681,742</u>	<u>3,268,968</u>	<u>56,702</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

240 Child Nutrition Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	289 Title VI, Part A Summer LEP	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
\$ 3,753,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234,465	-	-	-	-	-	-	-
10,033,225	239,912	751,839	262,799	167	-	97,101	68,711
14,020,712	239,912	751,839	262,799	167	-	97,101	68,711
-	112,024	46	262,799	-	-	96,199	63,615
-	-	-	-	-	-	-	-
-	124,660	696,088	-	-	-	-	-
-	1,008	-	-	-	-	-	-
-	-	-	-	-	-	902	5,096
-	-	-	-	167	-	-	-
-	-	-	-	-	-	-	-
13,370,315	-	-	-	-	-	-	-
-	2,220	-	-	-	-	-	-
-	-	55,705	-	-	-	-	-
230,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,600,315	239,912	751,839	262,799	167	-	97,101	68,711
420,397	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
420,397	-	-	-	-	-	-	-
2,109,291	-	-	-	-	-	-	-
\$ 2,529,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	1,497	5,312
5900 Federal Program Revenues	14,113	3,366	-	-
5020 Total Revenues	<u>14,113</u>	<u>3,366</u>	<u>1,497</u>	<u>5,312</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	14,113	3,366	-	5,312
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	1,497	-
0021 Instructional Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>14,113</u>	<u>3,366</u>	<u>1,497</u>	<u>5,312</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



410 Instructional Materials Allotment	429 Read to Succeed	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Non-major Governmental Funds
\$ -	\$ -	\$ 1,750,710	\$ 1,075,846	\$ 527,007	\$ 7,106,585
3,193,804	50	1,170,517	-	6,135	4,611,780
-	-	-	-	-	19,725,598
<u>3,193,804</u>	<u>50</u>	<u>2,921,227</u>	<u>1,075,846</u>	<u>533,142</u>	<u>31,443,963</u>
3,193,804	-	2,772,710	-	267,437	12,602,250
-	50	-	-	2,295	2,345
-	-	1,026	-	40,884	1,354,033
-	-	-	-	-	320,406
-	-	147,491	-	1,400	506,338
-	-	-	-	342,744	342,911
-	-	-	-	6,485	6,485
-	-	-	-	-	13,370,315
-	-	-	1,032,893	13,250	1,048,363
-	-	-	-	-	55,705
-	-	-	-	49,554	279,704
-	-	-	-	-	236
-	-	-	-	196,791	1,479,220
<u>3,193,804</u>	<u>50</u>	<u>2,921,227</u>	<u>1,032,893</u>	<u>920,840</u>	<u>31,368,311</u>
-	-	-	42,953	(387,698)	75,652
-	-	-	-	346,686	346,686
-	-	-	42,953	(41,012)	422,338
-	-	-	1,107,233	398,194	3,614,718
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,186</u>	<u>\$ 357,182</u>	<u>\$ 4,037,056</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2014

	BALANCE JULY 1 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2014
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 510,000	\$ 1,398,163	\$ 1,208,917	\$ 699,246
Due From Other Funds	66,580	-	66,580	-
Other Receivables	2,480	-	2,240	240
Total Assets	<u>\$ 579,060</u>	<u>\$ 1,398,163</u>	<u>\$ 1,277,737</u>	<u>\$ 699,486</u>
Liabilities:				
Accounts Payable	\$ 68,268	\$ 99,648	\$ 68,268	\$ 99,648
Due to Student Groups	510,792	1,398,163	1,309,117	599,838
Total Liabilities	<u>\$ 579,060</u>	<u>\$ 1,497,811</u>	<u>\$ 1,377,385</u>	<u>\$ 699,486</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 510,000	\$ 1,398,163	\$ 1,208,917	\$ 699,246
Due From Other Funds	66,580	-	66,580	-
Other Receivables	2,480	-	2,240	240
Total Assets	<u>\$ 579,060</u>	<u>\$ 1,398,163</u>	<u>\$ 1,277,737</u>	<u>\$ 699,486</u>
Liabilities:				
Accounts Payable	\$ 68,268	\$ 99,648	\$ 68,268	\$ 99,648
Due to Student Groups	510,792	1,398,163	1,309,117	599,838
Total Liabilities	<u>\$ 579,060</u>	<u>\$ 1,497,811</u>	<u>\$ 1,377,385</u>	<u>\$ 699,486</u>

## COMPLIANCE SCHEDULES

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2014

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	Various	Various	\$ Various
2006	1.500000	0.227500	7,508,776,945
2007	1.330000	0.265600	8,627,872,865
2008	1.000000	0.301960	8,532,304,585
2009	1.040000	0.242130	8,813,382,486
2010	1.040000	0.242130	8,363,261,562
2011	1.040000	0.262130	7,379,255,424
2012	1.040000	0.292130	7,754,582,202
2013	1.040000	0.292130	8,323,350,976
2014 (School year under audit)	1.040000	0.346790	8,369,102,532
1000 TOTALS			

(10) Beginning Balance 7/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2014
\$ 3,311,214	\$ -	\$ 137,526	\$ 17,877	\$ (368,571)	\$ 2,787,240
535,577	-	34,408	5,218	(11,598)	484,353
499,530	-	49,407	9,867	(14,630)	425,626
498,890	-	57,246	17,286	(11,496)	412,862
585,244	-	104,930	24,429	16,563	472,448
829,864	-	151,919	35,369	(1,602)	640,974
1,222,629	-	224,116	56,488	(198,281)	743,744
1,592,814	-	515,450	144,787	22,612	955,189
2,581,825	-	46,872	13,166	(1,342,892)	1,178,895
-	116,061,877	92,246,909	30,759,909	9,546,795	2,601,854
<u>\$ 11,657,587</u>	<u>\$ 116,061,877</u>	<u>\$ 93,568,783</u>	<u>\$ 31,084,396</u>	<u>\$ 7,636,900</u>	<u>\$ 10,703,185</u>

See Note II. C on page 56 for reconciliation to Exhibit C-1.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 4,604,912	\$ 4,604,912	\$ 3,753,022	\$ (851,890)
5800 State Program Revenues	249,836	249,836	234,465	(15,371)
5900 Federal Program Revenues	9,118,211	9,118,211	10,033,225	915,014
5020 Total Revenues	13,972,959	13,972,959	14,020,712	47,753
<b>EXPENDITURES:</b>				
0035 Food Services	13,986,458	14,306,970	13,370,315	936,655
0051 Facilities Maintenance and Operations	-	230,000	230,000	-
6030 Total Expenditures	13,986,458	14,536,970	13,600,315	936,655
1200 Net Change in Fund Balances	(13,499)	(564,011)	420,397	984,408
0100 Fund Balance - July 1 (Beginning)	2,109,291	2,109,291	2,109,291	-
3000 Fund Balance - June 30 (Ending)	\$ 2,095,792	\$ 1,545,280	\$ 2,529,688	\$ 984,408

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 30,265,559	\$ 30,265,559	\$ 32,238,450	\$ 1,972,891
5020	Total Revenues	30,265,559	30,265,559	32,238,450	1,972,891
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long Term Debt	15,079,148	14,334,148	13,160,000	1,174,148
0072	Interest on Long Term Debt	9,150,399	16,348,208	16,348,208	-
0073	Bond Issuance Cost and Fees	50,000	1,293,092	1,413,276	(120,184)
6030	Total Expenditures	24,279,547	31,975,448	30,921,484	1,053,964
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	5,986,012	(1,709,889)	1,316,966	3,026,855
<b>OTHER FINANCING SOURCES (USES):</b>					
7916	Premium or Discount on Issuance of Bonds	-	1,503,556	1,503,556	-
7917	Prepaid Interest	-	304,585	303,585	(1,000)
7080	Total Other Financing Sources (Uses)	-	1,808,141	1,807,141	(1,000)
1200	Net Change in Fund Balances	5,986,012	98,252	3,124,107	3,025,855
0100	Fund Balance - July 1 (Beginning)	33,552,203	33,552,203	33,552,203	-
3000	Fund Balance - June 30 (Ending)	\$ 39,538,215	\$ 33,650,455	\$ 36,676,310	\$ 3,025,855

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# Statistical Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2014

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**Statistical Section  
(Unaudited)**

This section of the Goose Creek Independent School District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information represents about the District’s overall financial health.

**Page**

**Financial Trends .....94**

These schedules include trend information to assist the reader in following the District’s financial performance and condition over a period of time.

**Revenue Capacity.....102**

These schedules contain information to help evaluate the District’s most significant local revenue source, the property tax.

**Debt Capacity .....107**

These schedules present information to assess the District’s current outstanding debt level. This information may also be useful in measuring the District’s ability to issue additional debt.

**Demographic and Economic Information .....112**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.

**Operating Information .....115**

These schedules contain service and infrastructure data to aid in evaluating how the information in the District’s comprehensive annual financial report relates to the services the District provides and the activities it performs.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(accrual basis of accounting)  
(unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 77,423,136	\$ 77,913,026	\$ 96,245,296	\$ 86,323,324
Restricted for Federal and State Programs	1,686,245	1,872,374	2,341,517	2,429,343
Restricted for Debt Service	5,547,406	7,581,958	9,244,765	11,177,265
Restricted for Capital Projects	1,591,065	5,913,256	14,155,683	-
Restricted for Campus Activities	-	-	-	695,259
Restricted for Other Purposes	-	-	-	-
Unrestricted	44,133,997	49,418,265	42,660,731	57,952,738
Total Net Position	<u>\$ 130,381,849</u>	<u>\$ 142,698,879</u>	<u>\$ 164,647,992</u>	<u>\$ 158,577,929</u>

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Due to the fiscal year change from August 31 to June 30 in 2013, balances for 2013 and future years will be reflected as June 30.

Net asset components for fiscal years prior to 2013 have been renamed to reflect GASB Statement No. 63 requirements for comparative purposes.

In 2013, the District implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The prior years were not restated.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(accrual basis of accounting)  
(unaudited)

	8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$	79,955,505	\$ 74,454,021	\$ 68,207,444	54,765,228	57,426,229	54,510,728
	2,287,044	1,656,564	1,444,526	992,903	2,109,291	2,529,688
	12,061,453	11,376,054	13,144,470	27,097,448	30,150,299	32,368,394
	-	-	-	-	-	-
	979,820	1,084,451	1,146,958	1,108,169	1,107,233	1,150,186
	-	3,143,215	501,859	281,288	398,194	357,182
	63,298,628	63,357,137	83,004,421	103,527,996	113,537,142	97,572,434
\$	<u>158,582,450</u>	<u>\$ 155,071,442</u>	<u>\$ 167,449,678</u>	<u>\$ 187,773,032</u>	<u>\$ 204,728,388</u>	<u>\$ 188,488,612</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 CHANGES IN NET POSITION  
 LAST TEN YEARS  
 (accrual basis of accounting)  
 (unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008
<b>Governmental Activities Expenses:</b>				
Instruction	\$ 83,497,576	\$ 91,014,357	\$ 95,065,297	\$ 110,121,461
Facilities Acquisition and Construction	1,167,709	2,467,645	5,100,836	6,171,671
Instructional Resources and Media Services	1,998,851	2,225,164	2,268,931	2,508,398
Curriculum and Instructional Staff Development	2,096,749	2,464,911	2,503,966	2,819,730
Instructional Leadership	2,493,783	2,760,728	2,834,236	3,276,102
School Leadership	8,170,274	8,458,796	8,743,692	10,576,520
Guidance, Counseling and Evaluation Services	5,699,537	6,040,698	5,000,160	6,322,310
Social Work Services	1,452,034	1,569,249	1,624,792	1,518,986
Health Services	1,219,890	1,297,163	1,306,277	1,565,918
Student (Pupil) Transportation	4,160,627	4,578,961	4,989,255	6,119,006
Food Services	8,367,789	8,697,947	9,444,275	10,429,483
Cocurricular/Extracurricular Activities	3,584,437	3,372,122	3,500,807	3,802,916
General Administration	5,464,038	5,687,757	5,876,011	6,723,930
Facilities Maintenance and Operations	17,809,802	21,213,744	23,058,584	26,892,771
Security and Monitoring Services	883,076	1,085,818	1,138,839	1,347,928
Data Processing Services	1,629,677	1,967,227	1,856,997	2,135,838
Community Services	1,333,553	1,275,851	1,311,456	1,324,037
Debt Service	7,351,963	11,266,698	15,683,646	17,587,872
Intergovernmental - Shared Service Arrangements	-	-	-	195,600
Intergovernmental - Juvenile Justice Alt Ed Prg	13,894	3,241	5,087	22,340
Intergovernmental - County Appraisal Districts	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>\$ 158,395,259</b>	<b>\$ 177,448,077</b>	<b>\$ 191,313,144</b>	<b>\$ 221,462,817</b>
<b>Governmental Activities Program Revenues:</b>				
Charges for Services:				
Instruction	\$ 816,453	\$ 845,194	\$ 906,608	\$ 1,321,782
Instructional Leadership	66,444	77,151	59,935	40,810
School Leadership	12,036	9,493	-	-
Guidance, Counseling and Evaluation Services	20,739	30,032	135,169	40,810
Student (Pupil) Transportation	84,381	62,805	91,247	-
Food Services	2,638,536	2,784,555	3,129,619	3,361,950
Extracurricular Activities	649,002	187,638	235,932	205,216
General Administration	291,715	168,281	209,299	225,552
Facilities Maintenance & Operations	80,899	69,593	858,658	396,873
Data Processing Services	-	-	73,255	-
Community Services	144,429	151,885	-	162,964
Operating Grants and Contributions	25,044,534	29,869,558	27,076,734	28,981,161
<b>Total Governmental Activities Program Revenues</b>	<b>29,849,168</b>	<b>34,256,185</b>	<b>32,776,456</b>	<b>34,737,118</b>
<b>Total Governmental Activities Net Expenses</b>	<b>\$ (128,546,091)</b>	<b>\$ (143,191,892)</b>	<b>\$ (158,536,688)</b>	<b>\$ (186,725,699)</b>
<b>Governmental Activities General Revenues and Other Changes in Net Positions:</b>				
Property Taxes - General	107,276,830	113,259,667	115,373,738	88,985,560
Property Taxes - Debt Service	13,204,289	17,230,558	22,753,694	26,920,116
State Aid - Formula Grants	12,888,193	11,873,462	24,559,511	50,013,133
Grants and Contributions not Restricted	474,741	1,655,319	607,548	726,072
Investment Earnings	2,315,418	7,936,325	12,583,388	8,763,643
Miscellaneous	3,093,048	3,553,587	4,607,922	4,865,551
Special Item:				
Gain (loss) on Disposition of Capital Assets	-	-	-	381,561
<b>Total Governmental Activities General Revenues and Other Changes in Net Assets</b>	<b>\$ 139,252,519</b>	<b>\$ 155,508,918</b>	<b>\$ 180,485,801</b>	<b>\$ 180,655,636</b>
<b>Changes in Net Position</b>	<b>\$ 10,706,428</b>	<b>\$ 12,317,026</b>	<b>\$ 21,949,113</b>	<b>\$ (6,070,063)</b>

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Due to the fiscal year change there are ten months for the 2013 fiscal period.

In 2013, the District implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The prior years were not restated.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 CHANGES IN NET POSITION  
 LAST TEN YEARS  
 (accrual basis of accounting)  
 (unaudited)

	8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$	113,590,565	\$ 120,182,389	\$ 119,150,241	\$ 113,969,625	\$ 108,830,667	\$ 137,194,199
	729,185	-	-	-	-	-
	2,548,650	2,803,948	2,330,545	2,813,407	2,077,529	2,594,886
	2,558,346	2,863,752	2,441,088	2,611,455	2,948,114	4,296,540
	4,858,913	3,473,690	3,380,904	3,453,276	2,970,345	4,232,550
	11,221,000	11,809,372	11,366,458	11,069,528	9,638,123	11,792,544
	6,694,847	7,066,868	6,882,313	6,772,661	6,168,985	7,413,935
	1,294,189	1,237,309	1,083,403	1,085,807	1,018,330	1,152,551
	1,618,504	1,734,571	1,708,388	1,689,956	1,622,268	1,789,031
	5,774,167	6,773,261	6,785,717	7,007,457	6,798,741	8,308,026
	10,828,376	11,419,538	12,868,101	12,805,743	12,376,722	13,932,718
	4,714,827	5,272,188	4,940,612	4,841,872	4,609,787	5,402,249
	5,887,902	6,312,786	6,970,645	6,841,895	6,296,471	7,836,681
	27,100,297	28,022,912	23,814,240	25,260,819	21,265,038	27,644,908
	1,358,817	1,548,343	1,543,394	1,571,309	1,559,954	1,867,076
	2,114,207	2,212,660	2,115,301	2,032,208	2,391,926	2,891,222
	1,402,576	1,513,932	1,740,979	1,630,601	1,424,758	1,728,511
	14,596,632	15,234,934	15,078,247	13,821,849	11,225,510	17,628,569
	324,004	317,955	166,708	375,000	-	-
	8,779	4,506	13,355	900	6,100	20,971
	1,037,957	1,006,628	-	-	-	-
\$	<u>220,262,740</u>	<u>\$ 230,811,542</u>	<u>\$ 224,380,639</u>	<u>\$ 219,655,368</u>	<u>\$ 203,229,368</u>	<u>\$ 257,727,167</u>
\$	1,390,298	\$ 1,475,167	\$ 1,566,228	\$ 1,261,531	\$ 1,262,537	\$ 1,808,958
	88,132	45,105	-	-	-	-
	-	-	-	-	-	-
	44,066	90,209	-	-	-	-
	63,177	152,160	120,707	-	113,601	147,520
	3,302,714	3,432,050	3,094,851	3,129,428	3,299,688	3,741,231
	226,140	250,113	1,515,241	1,219,805	1,141,668	1,165,856
	211,979	211,042	-	269,824	-	-
	428,278	547,142	52,801	59,583	81,953	67,438
	-	-	-	-	-	-
	185,123	199,870	-	158,544	140,539	139,860
	31,496,481	38,527,389	39,740,211	33,772,035	27,454,602	32,638,215
	37,436,388	44,930,247	46,090,039	39,870,750	33,494,588	39,709,078
\$	<u>(182,826,352)</u>	<u>\$ (185,881,295)</u>	<u>\$ (178,290,600)</u>	<u>\$ (179,784,618)</u>	<u>\$ (169,734,780)</u>	<u>\$ (218,018,089)</u>
	97,749,888	90,820,085	80,662,393	89,812,714	92,571,600	93,949,545
	22,706,494	21,111,355	20,365,552	24,873,945	25,705,442	31,287,719
	51,200,913	62,822,847	82,076,154	74,130,858	59,089,766	64,305,653
	1,542,580	1,530,490	2,365,003	3,566,205	3,677,262	3,555,919
	3,642,065	1,124,782	815,806	918,457	938,809	1,301,363
	5,951,310	4,960,728	4,383,928	6,805,793	6,853,634	7,378,114
	37,623	-	-	-	-	-
\$	<u>182,830,873</u>	<u>\$ 182,370,287</u>	<u>\$ 190,668,836</u>	<u>\$ 200,107,972</u>	<u>\$ 188,836,513</u>	<u>\$ 201,778,313</u>
\$	<u>4,521</u>	<u>\$ (3,511,008)</u>	<u>\$ 12,378,236</u>	<u>\$ 20,323,354</u>	<u>\$ 19,101,733</u>	<u>\$ (16,239,776)</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008	8/31/2009
<b>General Fund:</b>					
Nonspendable	\$ 948,670	\$ 615,473	\$ 706,393	\$ 492,590	\$ 432,498
Restricted	-	-	-	-	-
Committed	-	11,000,000	21,500,000	11,500,000	11,500,000
Assigned	931,293	1,597,550	2,860,979	2,381,982	8,932,480
Unassigned	45,890,010	42,874,423	50,795,209	54,509,908	43,742,066
<b>Total General Fund</b>	<b><u>\$ 47,769,973</u></b>	<b><u>\$ 56,087,446</u></b>	<b><u>\$ 75,862,581</u></b>	<b><u>\$ 68,884,480</u></b>	<b><u>\$ 64,607,044</u></b>
<b>All Other Governmental Funds:</b>					
Nonspendable	\$ -	\$ 1,558,595	\$ 1,749,072	\$ 895,778	\$ 154,534
Restricted					
Debt Service Fund:	5,547,406	7,581,958	9,244,765	11,177,265	12,061,453
Capital Projects Funds	52,462,012	152,181,570	127,830,407	58,774,409	23,131,293
Special Revenue Funds	1,114,493	1,252,362	1,779,657	2,429,343	5,287,044
Committed	571,752	620,012	561,860	695,259	979,820
Assigned	-	-	-	-	10,012,500
<b>Total All Other Governmental Funds</b>	<b><u>\$ 59,695,663</u></b>	<b><u>\$ 163,194,497</u></b>	<b><u>\$ 141,165,761</u></b>	<b><u>\$ 73,972,054</u></b>	<b><u>\$ 51,626,644</u></b>

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

Changes in Fund Balances are explained in Management Discussion and Analysis section of this CAFR.

Due to the fiscal year change from August 31 to June 30 in 2013, balances for 2013 and future years will be reflected as June 30.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$ 458,669	\$ 391,744	\$ 1,392,732	\$ 2,061,963	\$ 587,024
-	-	-	25,046,886	3,502,210
5,500,000	10,500,000	18,500,000	17,500,000	10,000,000
21,511,356	543,799	2,901,274	1,734,203	1,994,788
33,075,340	65,990,802	69,703,521	54,547,312	73,145,012
<u>\$ 60,545,365</u>	<u>\$ 77,426,345</u>	<u>\$ 92,497,527</u>	<u>\$ 100,890,364</u>	<u>\$ 89,229,034</u>
\$ 277,123	\$ 217,458	\$ 157,811	\$ 134,708	\$ 156,470
11,416,815	13,209,898	26,142,292	33,552,203	36,676,310
22,051,196	14,741,785	1,329,057	789,191	121,116,538
4,522,656	1,728,927	1,116,380	2,372,777	2,730,400
1,084,451	1,146,958	1,108,169	1,107,233	1,150,186
-	-	-	-	-
<u>\$ 39,352,241</u>	<u>\$ 31,045,026</u>	<u>\$ 29,853,709</u>	<u>\$ 37,956,112</u>	<u>\$ 161,829,904</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008
<b>Revenues:</b>				
Local:				
Property Tax	\$ 119,620,627	\$ 128,804,398	\$ 137,029,670	\$ 116,446,720
Other	11,320,840	16,681,391	25,712,801	21,212,536
Total Local Revenue	130,941,467	145,485,789	162,742,471	137,659,256
State Revenue	21,324,881	21,221,561	34,724,002	61,005,773
Federal Revenue	17,130,594	22,118,729	17,462,191	18,685,490
Total Revenues	169,396,942	188,826,079	214,928,664	217,350,519
<b>Expenditures By Function:</b>				
Current:				
Instruction	79,399,622	86,077,644	88,463,419	97,216,978
Instructional Resources and Media Services	1,880,380	2,037,909	2,182,094	2,209,757
Curriculum and Instructional Staff Development	2,021,804	2,371,284	2,377,460	2,587,087
Instructional Leadership	2,390,130	2,573,473	2,641,585	2,897,931
School Leadership	7,689,106	7,897,030	8,041,012	9,191,572
Guidance, Counseling and Evaluation Services	5,392,120	5,666,188	4,649,060	5,593,492
Social Work Services	1,425,325	1,569,249	1,581,410	1,457,020
Health Service	1,147,535	1,203,536	1,198,959	1,354,761
Student (Pupil) Transportation	4,177,923	4,298,079	4,598,414	5,482,629
Food Services	8,389,569	8,697,947	9,539,103	10,429,483
Extracurricular Activities	3,399,173	3,192,692	3,297,300	3,485,232
General Administration	5,143,144	5,410,794	5,417,826	5,841,823
Facilities Maintenance And Operations	17,421,546	20,210,190	22,221,406	26,195,723
Security and Monitoring Services	849,336	1,031,841	1,061,847	1,269,871
Data Processing Services	2,071,542	2,049,972	1,759,137	2,164,273
Community Services	1,333,180	1,275,851	1,311,062	1,322,881
Debt Service:				
Principal on Long Term Debt	6,070,685	5,095,000	7,040,000	6,398,541
Interest on Long Term Debt	7,065,322	10,955,355	15,482,019	19,651,105
Bond Issuance Cost and Fees	853,057	1,189,116	497,475	258,025
Capital Outlay:				
Facilities Acquisition and Construction	14,464,769	24,381,625	96,940,788	82,591,545
Intergovernmental Charges	13,062	3,241	5,087	217,940
Total Expenditures	172,598,330	197,188,016	280,306,463	287,817,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,201,388)	(8,361,937)	(65,377,799)	(70,467,150)
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	31,425,000	19,715,000	-	13,290,000
Bonds Issued	60,000,000	115,620,000	62,440,000	-
Sale of Real and Personal Property	77,857	52,161	50,210	547,377
Non-Current Loans	-	-	-	-
Transfers In	383,301	365,340	1,150,481	6,455,360
Premium or Discount on Issuance of Bonds	4,036,912	5,303,943	559,992	648,615
Prepaid Interest	-	411,900	73,996	6,567
Transfers Out (Use)	(400,726)	(365,340)	(1,150,481)	(9,198,516)
Payment to Bond Refunding Escrow Agent (Use)	(34,601,490)	(20,924,760)	-	(13,750,746)
Other Uses	(244,727)	-	-	(1,703,315)
Total Other Financing Sources (Uses)	60,676,127	120,178,244	63,124,198	(3,704,658)
Net Change in Fund Balances	\$ 57,474,739	\$ 111,816,307	\$ (2,253,601)	\$ (74,171,808)
Debt Service as a percentage of NonCapital Expenditures	8.89%	9.92%	12.32%	12.69%

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

This table includes all governmental fund types of the Goose Creek Consolidated Independent School District. Expenditure classifications are in accordance with those prescribed by the Texas Education Agency.

Due to the fiscal year change there are ten months for the 2013 fiscal period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$ 119,096,988	\$ 110,808,234	\$ 99,857,358	\$ 106,266,574	\$ 114,706,106	\$ 123,006,818
16,197,017	14,359,890	17,670,089	17,101,032	18,293,134	19,108,486
135,294,005	125,168,124	117,527,447	123,367,606	132,999,240	142,115,304
62,807,640	72,920,041	91,014,162	84,549,679	65,969,293	76,391,792
21,426,639	29,960,685	30,699,593	26,632,075	22,467,139	23,580,989
219,528,284	228,048,850	239,241,202	234,549,360	221,435,672	242,088,085
104,544,789	110,973,691	111,679,795	105,967,515	102,460,626	131,164,077
2,364,191	2,556,079	2,231,061	2,739,130	1,922,736	2,412,944
2,428,312	2,694,606	2,275,454	2,429,209	2,789,299	4,102,219
3,199,037	3,196,572	3,151,501	3,212,282	2,770,048	3,993,372
10,352,578	10,705,244	10,595,214	10,297,017	8,983,891	11,008,078
6,227,209	6,557,904	6,415,330	6,300,016	5,771,214	6,932,300
1,248,678	1,167,778	1,009,891	1,010,032	942,938	1,069,701
1,493,244	1,571,776	1,592,469	1,572,019	1,525,246	1,669,595
5,562,601	6,137,460	8,084,940	7,653,234	6,377,599	10,320,773
10,895,279	11,419,538	12,016,360	12,107,858	11,704,183	13,370,315
4,577,368	4,887,617	4,613,791	4,518,068	4,351,107	5,125,215
5,498,949	5,736,959	5,642,376	5,480,258	5,074,978	6,405,129
25,219,413	26,017,983	23,417,411	23,622,317	19,420,592	26,419,960
1,290,214	1,504,718	1,461,973	1,465,129	1,865,486	2,037,951
2,766,856	2,030,098	1,971,772	1,890,386	2,299,008	3,868,137
1,402,126	1,513,263	1,622,849	1,516,806	1,330,376	1,614,760
6,470,797	6,735,662	10,860,000	9,610,000	9,285,000	13,565,674
18,448,585	18,588,211	14,760,242	14,639,327	9,721,741	16,457,775
33,249	1,240,971	12,910	579,449	13,800	1,413,276
29,544,538	17,869,692	3,846,136	7,244,987	6,178,975	57,026,501
1,370,740	1,329,089	1,112,230	1,326,393	866,838	1,030,002
244,938,753	244,434,911	228,373,705	225,181,432	205,655,681	321,007,754
(25,410,469)	(16,386,061)	10,867,497	9,367,928	15,779,991	(78,919,669)
-	-	-	51,050,000	-	-
-	-	-	-	-	172,050,000
37,623	15,500	-	-	-	324,990
-	-	-	4,141,875	715,249	-
6,362,027	5,529,349	10,269,988	13,383,442	1,643,436	14,700,962
-	-	-	9,699,676	-	14,453,556
-	-	-	120,746	-	303,585
(7,612,027)	(4,758,911)	(10,112,682)	(13,365,712)	(1,643,436)	(10,700,962)
-	-	-	(60,518,090)	-	-
-	(735,959)	(2,451,038)	-	-	-
(1,212,377)	49,979	(2,293,732)	4,511,937	715,249	191,132,131
\$ (26,622,846)	\$ (16,336,082)	\$ 8,573,765	\$ 13,879,865	\$ 16,495,240	\$ 112,212,462
11.72%	11.78%	11.60%	11.22%	9.56%	11.67%

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS  
(unaudited)

Taxing Entity	8/31/2005	8/31/2006	8/31/2007	8/31/2008
Baytown, City of	\$ 0.73703	\$ 0.73703	\$ 0.73703	\$ 0.78703
Cedar Bayou Park UD	0.17500	0.17500	0.17500	0.10000
Chambers County	0.46687	0.49679	0.49679	0.49679
Chambers County ID #1	0.19000	0.19000	0.19000	0.42000
Chambers County MUD #1	0.82000	0.82000	0.80500	0.80500
Goose Creek CISD	1.72750	1.59562	1.30196	1.28213
Harris County WCID #1	0.28500	0.28000	0.28000	0.25000
Harris County FWSD #1A	0.50000	0.50000	0.50000	0.50000
Harris County FWSD #27	0.65500	0.65500	0.63000	0.62000
Harris County	0.39986	0.40239	0.39239	0.38923
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00630	0.00600	0.00585	0.00605
Harris County Flood Control District	0.03322	0.03241	0.03106	0.03086
Harris County Port of Houston Authority	0.01474	0.01302	0.01437	0.01773
Lake MUD	0.67000	0.67000	0.67000	0.67000
Lee College District	0.20680	0.20200	0.20678	0.20588
Spring Meadows MUD	1.25000	1.25000	1.25000	1.23000
	<u>\$ 8.32948</u>	<u>\$ 8.21742</u>	<u>\$ 7.87839</u>	<u>\$ 8.00286</u>

Source of Information: Harris and Chambers County Appraisal Districts

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS  
(unaudited)

	8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$	0.78703	\$ 0.78703	\$ 0.78703	\$ 0.82203	\$ 0.82203	\$ 0.82203
	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
	0.49679	0.49679	0.49679	0.49679	0.49679	0.53269
	0.60000	0.62000	0.62000	0.60000	0.60000	0.60000
	0.80500	0.80500	0.94000	0.98000	0.98000	0.89000
	1.28213	1.30213	1.30213	1.33213	1.33213	1.38679
	0.25000	0.25000	0.25000	0.25000	0.23000	0.22000
	0.50000	0.55000	0.55000	0.55000	0.55000	0.55000
	0.62000	0.67500	0.67500	0.67500	0.73500	0.73500
	0.39224	0.38805	0.38805	0.39117	0.40021	0.41455
	0.19216	0.19216	0.19216	0.19216	0.18216	0.17000
	0.00605	0.00658	0.00658	0.00658	0.00662	0.00636
	0.02922	0.02923	0.02923	0.02809	0.02809	0.02827
	0.01636	0.20540	0.20540	0.18560	0.01952	0.01716
	0.67000	0.67000	0.67000	0.67000	0.70000	0.70000
	0.22120	0.25200	0.25200	0.25200	0.24100	0.26070
	<u>1.23000</u>	<u>1.21000</u>	<u>1.21000</u>	<u>1.21000</u>	<u>1.21000</u>	<u>1.21000</u>
\$	<u>8.19818</u>	<u>\$ 8.53937</u>	<u>\$ 8.67437</u>	<u>\$ 8.74155</u>	<u>\$ 8.63355</u>	<u>\$ 8.64355</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (unaudited)

Year Ended	Actual/Appraised Value (1)			Less: Exemptions	Total Assessed/Taxable Value*	Total Direct Tax Rate (2)	Assessed/Taxable Value as a Percentage of Actual/Appraised Value
	Real Property	Personal Property	Total Property				
8/31/2005	7,420,376,158	669,510,693	8,089,886,851	957,683,621	7,132,203,230	1.6837	88%
8/31/2006	7,793,016,349	803,533,702	8,596,550,051	1,012,657,026	7,583,893,025	1.7275	88%
8/31/2007	8,847,629,781	861,610,074	9,709,239,855	1,188,810,429	8,520,429,426	1.5956	88%
8/31/2008	9,977,982,381	1,152,172,749	11,130,155,130	2,166,282,123	8,963,873,007	1.3020	81%
8/31/2009	10,052,310,137	1,345,488,446	11,397,798,583	2,323,726,668	9,074,071,915	1.2821	80%
8/31/2010	9,616,603,691	1,256,531,033	10,873,134,724	2,053,550,562	8,819,584,162	1.2821	81%
8/31/2011	8,570,541,301	1,571,145,165	10,141,686,466	2,189,723,734	7,951,962,732	1.3021	78%
8/31/2012	8,169,010,660	1,916,540,624	10,085,551,284	2,230,345,324	7,855,205,960	1.3321	78%
6/30/2013	8,554,718,523	2,207,243,861	10,761,962,384	2,343,904,535	8,418,057,849	1.3321	78%
6/30/2014	8,560,148,759	2,065,835,428	10,625,984,187	2,185,324,821	8,440,659,366	1.3868	79%

\* Source: Harris and Chambers County (Texas) Appraisal Districts annually provide the District's Tax Office with appraised values for properties within the District's taxing authority. Appraised value equals actual value. Actual value less exemptions equals taxable/assessed value. Taxable/assessed value times the tax rate set by the District's Board of Trustees equals the tax levy.

- (1) Represents original certified appraised value which are subject to change after protests and preliminary values are certified.  
 (2) Tax rates are per \$100 of assessed value

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE PREVIOUS YEARS  
 (unaudited)

Taxpayer	Type Of Property	Tax Year 2013 Assessed Value (1)	Rank	Percent of Total Value	Tax Year 2004 Assessed Value (1)	Rank	Percent of Total Value
ExxonMobil	Oil Refining, Storage, & Chemical Plant	\$ 2,408,461,703	1	28.53%	\$ 2,304,966,150	1	32.32%
Bayer Material Science	Chemical Plant	1,103,530,809	2	13.07%	1,167,544,020	2	16.37%
Chevron Chemical	Petro Chemical Plant	529,033,344	3	6.27%	471,199,790	3	6.61%
Wal-Mart Stores, Inc.	Retail	259,428,240	4	3.07%	-	-	-
NRG Texas Power LLC	Generation, Electric Power	148,931,000	5	1.76%	-	-	-
Baytown Energy Center LP	Oil & Gas Production	96,891,603	6	1.15%	180,058,290	4	-
Nabors Offshore Corp.		74,000,000	7	0.88%	-	-	-
Air Products	Hydrogen Production	68,600,120	8	0.81%	-	-	-
First Chemical Texas LLP	Chemical Plant	65,889,270	9	0.78%	46,934,640	5	0.66%
JSW Steel USA Inc.	Manufacturing	65,583,586	10	0.78%	-	-	-
Home Depot	Retail	-	-	0.00%	85,613,750	6	-
Center Point Energy	Electric Utility	-	-	0.00%	66,236,900	7	-
Eldorado Nitrogen	Chemical Plant	-	-	-	42,667,420	8	0.60%
Texas Brine Corporation	Chemical Plant	-	-	-	38,075,920	9	0.53%
Verizon Southwest	Communications	-	-	-	30,615,450	10	0.43%
Totals		<u>4,820,349,675</u>		57.11%	<u>4,433,912,330</u>		57.51%
Total Assessed Value Goose Creek CISD (1)		<u>\$ 8,440,659,366</u>			<u>\$ 7,132,203,230</u>		

Source of Information: District Tax Office

(1) See *Assessed Value and Actual Value of Taxable Property* Schedule

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
(unaudited)

Tax Roll and Levy Year	Year Ended	Adjusted Tax Levy for the Fiscal Year	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
			Amount	Percentage of Net Tax Levy	Collections in Subsequent Years	Amount	Percent of Total Tax Collections to Net Tax Levy
2004	8/31/2005	120,085,619	117,831,391	98.12%	2,318,233	120,149,624	100.05%
2005	8/31/2006	131,011,752	127,060,727	96.98%	3,466,671	130,527,398	99.63%
2006	8/31/2007	135,953,676	133,555,293	98.24%	1,972,759	135,528,052	99.69%
2007	8/31/2008	116,706,041	114,312,947	97.95%	1,980,233	116,293,180	99.65%
2008	8/31/2009	119,588,025	117,154,457	97.97%	1,961,121	119,115,578	99.60%
2009	8/31/2010	111,630,204	109,346,635	97.95%	1,642,704	110,989,339	99.43%
2010	8/31/2011	102,304,814	100,196,865	97.94%	1,364,207	101,561,072	99.27%
2011	8/31/2012	108,289,335	106,266,574	98.13%	1,067,571	107,334,145	99.12%
2012	6/30/2013	117,287,931	114,706,106	97.80%	1,402,930	116,109,036	98.99%
2013	6/30/2014	117,287,931	123,006,818	104.88%	-	123,006,818	104.88%

Source of Information: Schedule of Delinquent Taxes Receivable, General Ledger

Due to the fiscal year change there are ten months for the 2013 fiscal period.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(unaudited)

Year Ended	General Obligation Debt (2)	Capital Leases	Loans Payable	Premium or (Discount)	Total Primary Government	Percentage of Debt to Assessed Value (1)	Debt Per Capita (2)	Debt Per Student (2)	Percentage of Debt to Personal Income (2)
8/31/2005	199,500,000	-	105,000	4,820,342	\$ 204,425,342	2.87%	2,235	11,030	13.36%
8/31/2006	309,010,000	-	-	11,150,000	\$ 320,160,000	4.22%	3,483	17,187	21.28%
8/31/2007	364,410,000	-	-	10,750,000	\$ 375,160,000	4.40%	4,061	19,954	19.88%
8/31/2008	357,856,459	-	-	9,857,000	\$ 367,713,459	4.10%	3,961	19,281	22.00%
8/31/2009	351,385,662	-	-	8,951,000	\$ 360,336,662	3.97%	3,862	18,657	22.42%
8/31/2010	344,650,000	-	-	8,111,593	\$ 352,761,593	4.00%	3,561	17,867	22.08%
8/31/2011	333,790,000	-	-	7,338,376	\$ 341,128,376	4.29%	3,365	17,058	20.87%
8/31/2012	321,710,000	-	4,141,875	14,722,234	\$ 340,574,109	4.34%	3,360	17,030	14.50%
6/30/2013	312,425,000	-	4,857,124	13,560,394	\$ 330,842,518	3.93%	3,058	16,416	14.08%
6/30/2014	471,315,000	-	4,451,450	26,181,142	\$ 501,947,592	5.95%	4,668	24,307	20.14%

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

(1) See *Assessed Value and Actual Value of Taxable Property* schedule

(2) See *Demographic and Economic Statistics* schedule for details on population, student data and personal income

Due to the fiscal year change there are ten months for the 2013 fiscal period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN YEARS  
 (unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008
Debt Limit	\$ 713,220,323	\$ 758,389,302	\$ 852,042,943	\$ 896,387,301
Total Net Debt Applicable to Limit	<u>193,952,594</u>	<u>301,428,042</u>	<u>355,165,235</u>	<u>346,679,194</u>
Legal Debt Margin	<u>\$ 519,267,729</u>	<u>\$ 456,961,260</u>	<u>\$ 496,877,708</u>	<u>\$ 549,708,107</u>
Total Net Debt Applicable to the limit as a percentage of debt limit	27.19%	39.75%	41.68%	38.68%

The debt limit percentage is in accordance with the Codification of Governmental Accounting and Financial Reporting Standards (Cod. Sec. 2800.103).

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS  
(unaudited)

8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
\$ 907,407,192	\$ 881,958,416	\$ 795,196,273	\$ 785,520,596	\$ 841,805,785	\$ 844,065,937
<u>339,324,209</u>	<u>333,233,185</u>	<u>320,580,102</u>	<u>295,567,708</u>	<u>292,433,191</u>	<u>434,638,690</u>
<u>\$ 568,082,983</u>	<u>\$ 548,725,231</u>	<u>\$ 474,616,171</u>	<u>\$ 489,952,888</u>	<u>\$ 549,372,594</u>	<u>\$ 409,427,247</u>
37.39%	37.78%	40.31%	37.63%	34.74%	51.49%

**Legal Debt Margin Calculation for 2014**

Assessed/Taxable Value 2014	\$ 8,440,659,366
Debt Limit Percent of Assessed Value	<u>10%</u>
Amount of Debt Applicable to Debt Limit	844,065,937
Total Bonded Debt	\$ 471,315,000
Less Amounts Available for Retirement of Bonds	<u>36,676,310</u>
Amount of Debt Applicable to Debt Limit	<u>434,638,690</u>
Legal Debt Margin	<u>\$ 409,427,247</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING  
 LAST TEN YEARS  
 (unaudited)

Year Ended	Schoolhouse and Refunding Bonds Outstanding	Less Reserve Available for Retirement of Debt	Net Bonded Debt Outstanding at Year End	Percentage of Bonded Debt to Actual Property Value (1)	Net Bonded Debt Per Student (2)
8/31/2005	199,500,000	5,547,406	193,952,594	2.40%	10,465
8/31/2006	309,010,000	7,581,958	301,428,042	3.51%	16,181
8/31/2007	364,410,000	9,244,765	355,165,235	3.66%	18,891
8/31/2008	357,856,459	11,177,265	346,679,194	3.11%	18,178
8/31/2009	351,385,662	12,061,453	339,324,209	2.98%	17,569
8/31/2010	344,650,000	11,416,815	333,233,185	3.06%	16,878
8/31/2011	333,790,000	13,209,898	320,580,102	3.16%	16,031
8/31/2012	321,710,000	26,142,292	295,567,708	2.93%	14,780
6/30/2013	312,425,000	33,552,203	278,872,797	3.31%	13,837
6/30/2014	471,315,000	36,676,310	434,638,690	5.15%	21,048

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements

(1) See *Assessed Value and Actual Value of Taxable Property* Schedule

(2) See *Demographic* and *Operating* Sections for student data

Due to the fiscal year change there are ten months for the 2013 fiscal period.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2014

(unaudited)

Governmental Unit	Debt Outstanding	As of	Percentage Overlapping (1)	Estimated Overlapping Debt
Baytown, City of	\$ 200,265,000	6/30/2014	100.00%	\$ 200,265,000
Chambers County *	15,835,000	6/30/2014	32.10%	5,083,035
Chambers County ID #1	49,590,000	6/30/2014	96.26%	47,735,334
Chambers County MUD #1	9,960,000	6/30/2014	100.00%	9,960,000
Harris County *	2,415,028,704	6/30/2014	2.04%	49,266,586
Harris County Department of Education	7,410,000	6/30/2014	2.04%	151,164
Harris County Flood Control District	129,525,000	6/30/2014	2.04%	2,642,310
Harris County FWSD #1-A	375,000	6/30/2014	100.00%	375,000
Harris County FWSD #27	1,270,000	6/30/2014	100.00%	1,270,000
Harris County MUD #459	1,750,000	6/30/2014	100.00%	1,750,000
Harris County WCID #1	2,025,000	6/30/2014	100.00%	2,025,000
Lake MUD	11,235,000	6/30/2014	100.00%	11,235,000
Lee College District	50,235,000	6/30/2014	100.00%	50,235,000
Port of Houston Authority	717,624,397	6/30/2014	2.04%	14,639,538
Spring Meadows MUD	17,965,000	6/30/2014	100.00%	17,965,000
				<hr/>
				Total Overlapping Debt
				414,597,966
				<hr/>
				Goose Creek CISD Direct Debt
				475,766,450
				<hr/>
				Total Direct and Overlapping Net Debt
				<u>\$ 890,364,416</u>

Source: The Municipal Advisory Council of Texas.

\* Goose Creek CISD is located in both Harris and Chambers County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the boundaries of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt is estimated using assessed/taxable property values. Percentages were estimated by determining the portion of the overlapping tax authority's assessed/taxable value that is within the District's boundaries and dividing it by the overlapping taxing authority's total assessed/taxable value.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 DEMOGRAPHIC AND  
 ECONOMIC STATISTICS  
 LAST TEN YEARS  
 (unaudited)

Fiscal Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)				Percentage of Students in Free/Reduced Lunch Program (4)	Average Daily Attendance (4)
				Harris County	Chambers County	Texas	United States		
8/31/2005	91,008	1,258,273,530	13,826	5.40%	6.60%	5.30%	4.90%	63.77%	18,047
8/31/2006	91,463	1,529,571,318	16,723	5.10%	5.50%	5.00%	4.70%	67.57%	18,533
8/31/2007	91,920	1,504,705,356	16,370	4.30%	4.80%	4.30%	4.60%	73.46%	18,628
8/31/2008	92,380	1,886,824,864	20,425	5.20%	6.00%	5.30%	6.10%	65.74%	18,801
8/31/2009	92,841	1,671,629,784	18,005	8.20%	9.90%	8.00%	9.60%	65.76%	19,071
8/31/2010	93,306	1,606,961,280	17,223	8.60%	9.20%	8.30%	9.50%	76.63%	19,314
8/31/2011	99,072	1,597,377,346	16,123	8.50%	9.40%	8.20%	9.00%	70.71%	19,743
8/31/2012	101,369	1,634,412,793	16,123	7.00%	8.40%	7.00%	8.10%	72.08%	19,998
6/30/2013	104,398	2,349,476,990	22,505	6.80%	7.50%	6.90%	7.60%	73.47%	20,154
6/30/2014	107,530	2,492,560,139	23,180	5.40%	7.10%	5.10%	6.10%	72.70%	20,650

(1) Years 2002- 2010 based on 2000 U.S. Census Data and increased .5% each year thereafter; 2011-2013 based on annual Census Data

(2) Years 2005-2011 based on U.S. Census Bureau/American Community Survey annual data; 2003 & 2004 estimated from 2005 data, 2012-2014 estimated from 2011 data.

(3) Bureau of Labor Statistics

(4) Free/Reduced Lunch Program and Average Daily Attendance information obtained from Texas Education Agency Summary of Finance

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS PREVIOUS  
 (unaudited)

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Exxon Mobil-Baytown Complex	3,785	1	12.01%	3,515	1	10.20%
Goose Creek Consolidated ISD	3,012	2	9.56%	2,250	2	6.53%
San Jacinto Methodist Hospital	1,687	3	5.35%	1,400	4	4.06%
Bayer, Inc	1,100	4	3.49%	1,650	3	4.79%
JSW Steel	800	5	2.54%	-	-	-
Chevron Phillips Chemical Company	685	6	2.17%	650	-	1.89%
Wal-Mart Distribution	600	7	1.90%	653	5	-
Home Depot Distribution Center	325	8	1.03%	650	6	-
TMK-IPSCO	245	9	0.78%	-	-	-
Exel Logistics	200	10	0.63%	385	7	-
	<u>12,439</u>		<u>39.47%</u>	<u>11,153</u>		<u>28.21%</u>

Source of information : West Chambers County Economic Development Corp. and Baytown Chamber of Commerce

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST TEN YEARS  
 (unaudited)

	8/31/2005	8/31/2006	8/31/2007	8/31/2008	8/31/2009	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014
Instruction	1,419	1,305	1,513	1,578	1,649	1,692	1,733	1,621	1,645	1,723
Instructional Resources and Media Services	30	27	29	29	33	32	29	26	29	30
Curriculum and Instructional Staff Development	12	13	17	17	16	16	16	20	30	43
Instructional Leadership	37	34	41	43	49	56	48	58	57	58
School Leadership	162	161	173	176	191	200	195	189	189	197
Guidance, Counseling and Evaluation Services	94	94	69	75	81	83	79	77	77	79
Social Work Services	10	9	11	11	11	10	11	10	10	13
Health Services	24	23	24	24	26	27	27	27	27	27
Student (Pupil) Transportation	133	132	132	149	156	166	166	161	147	156
Food Services	136	129	137	154	162	169	171	165	163	153
Extracurricular Activities	13	24	27	23	29	32	32	28	28	29
General Administration	50	55	55	55	50	59	61	59	60	63
Facilities Maintenance and Operations	214	222	236	246	256	269	287	260	263	264
Security and Monitoring Services	13	13	14	16	18	18	18	19	17	30
Data Processing Services	20	19	19	20	21	21	21	21	41	43
Community Services	23	18	22	23	21	22	23	20	18	20
Facilities Acquisition and Construction	2	3	5	5	4	4	5	5	4	8
Grand Total	<u>2,391</u>	<u>2,281</u>	<u>2,522</u>	<u>2,642</u>	<u>2,773</u>	<u>2,875</u>	<u>2,920</u>	<u>2,766</u>	<u>2,805</u>	<u>2,937</u>

Source: TASBO



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN YEARS  
 (unaudited)

Year Ended	Operating Expenditures (1)	Average Daily Attendance	Cost Per Student ADA	Government Wide Expenses	Cost Per Student ADA	Teaching Staff (2)	Student to Teacher Ratio (2)
8/31/2005	143,406,877	18,047	7,946	158,395,259	8,777	1,228	15.70
8/31/2006	156,566,823	18,533	8,448	177,448,077	9,575	1,130	17.80
8/31/2007	163,758,829	18,628	8,791	191,313,144	10,270	1,298	15.50
8/31/2008	181,023,461	18,801	9,628	221,462,817	11,779	1,343	15.10
8/31/2009	187,881,323	19,071	9,852	220,262,740	11,550	1,423	14.40
8/31/2010	198,862,589	19,314	10,296	230,811,542	11,950	1,463	14.50
8/31/2011	195,410,475	19,743	9,898	224,380,639	11,365	1,476	14.30
8/31/2012	191,326,920	19,998	9,567	219,655,368	10,984	1,354	15.89
6/30/2013	179,876,893	20,154	8,925	203,229,368	10,084	1372	15.90
6/30/2014	227,329,646	20,650	11,009	257,727,167	12,481	1457	15.32

Source: District records and Texas Education Agency

(1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditures categories.

(2) Teacher information and Student/Teacher Ratio obtained from Texas Association of School Business Officials (TASBO's) eFACTS+

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 TEACHER SALARY DATA  
 LAST TEN YEARS  
 (unaudited)

Year Ended	Average Years Experience of Teachers	District Average Teacher Salary	Education Region Average Teacher Salary	State Average Teacher Salary
8/31/2005	11.70	42,455	43,107	41,011
8/31/2006	11.60	43,463	43,852	41,744
8/31/2007	11.04	44,793	46,675	44,897
8/31/2008	10.72	46,992	48,053	46,179
8/31/2009	10.61	48,953	49,186	47,159
8/31/2010	10.74	50,698	50,129	48,263
8/31/2011	10.77	50,503	50,616	48,639
8/31/2012	11.02	51,360	50,383	48,375
6/30/2013	10.70	51,045	49,907	48,821
6/30/2014	10.24	56,136	52,261	50,179

Source: TEA Academic Excellence Indicator System, eFACTS+ and TASB.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
INSTRUCTIONAL BUILDING DATA  
JUNE 30, 2014  
(unaudited)

Instructional Facility	Year of Construction	Square Feet	Instructional Capacity	Final 13-14 Enrollment	Final 12-13 Enrollment
<u>High Schools:</u>					
Robert E. Lee	1930	392,391	2,319	1,376	1,439
Ross S. Sterling	1966	405,788	2,408	2,209	2,208
Goose Creek Memorial High School	2008	370,000	1,800	1,786	1,729
Impact Early College	(2)	(2)	(2)	356	283
Peter Hyland Center	2010	29,000	(1)	133	160
Point Alternative Learning Center	2003	25,000	(1)	49	61
Stuart Career Center	1973	34,066	(1)	(1)	(1)
High Point and JJAEP High School	n/a	n/a	n/a	13	16
<u>Junior Highs:</u>					
Baytown Junior High	1982	153,230	975	791	776
Cedar Bayou Junior High	2002	176,730	1,100	1,043	994
Gentry Junior High	1980	147,958	1,125	1,000	957
Highlands Junior High	2008	111,072	1,225	1,162	1,094
Horace Mann Junior High	1994	151,839	1,225	946	917
Point Alternative Learning Center	2003	25,000	(1)	22	36
High Point and JJAEP High School	n/a	n/a	n/a	5	5
<u>Elementaries:</u>					
Alamo Elementary	1980	77,252	585	597	612
Ashbel Smith Elementary	1994	95,000	924	833	800
Austin Elementary	1994	110,785	814	974	969
Bowie Elementary	2008	64,686	880	793	823
Carver Elementary	2002	96,196	836	765	706
Crockett Elementary	1981	66,170	638	724	691
DeZavala Elementary	1992	94,953	924	772	749
Harlem Elementary	1992	94,953	814	1,013	885
Highlands Elementary	1992	94,953	814	882	903
Hopper Primary	1980	58,778	462	638	574
Lamar Elementary	1994	95,000	858	839	848
San Jacinto Elementary	1982	69,513	528	557	563
Travis Elementary	2002	96,196	880	875	900
Victoria Walker Elementary	2007	96,799	924	1,001	939
Total			23,058	22,154	21,637

Source: District records, GCCISD May 2014 Membership Reports

Note: The District utilized temporary buildings which provided additional classrooms at schools where enrollment exceeded building capacity.

(1) Alternative Learning Program, Special Education, Guidance Center, Stuart Career Center are considered programs rather than campuses. Students enrolled in these programs are reported in PEIMS data according to their home campus.

(2) Impact Early College began in the 10-11 & is located within Lee College Campus.

# Goose Creek C.I.S.D. District Map

