



# GOOSE CREEK

Consolidated Independent School District

Baytown, Texas



Comprehensive  
Annual Financial Report  
For Fiscal Year Ended  
June 30, 2015

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GOOSE CREEK CONSOLIDATED INDEPENDENT  
SCHOOL DISTRICT

BAYTOWN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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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, 2015**

**TABLE OF CONTENTS**

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of the Board.....	3	-
Transmittal Letter .....	5	
Organizational Chart .....	10	-
Principal Officials and Advisors .....	11	-
Government Finance Officers Association – Certificate of Achievement for Excellence in Financial Reporting .....	12	-
Association of School Business Officials International – Certificate of Excellence in Financial Reporting .....	13	-
<b>FINANCIAL SECTION</b>		
Independent Auditors’ Report.....	17	-
Management’s Discussion and Analysis.....	19	-
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
Statement of Net Position .....	30	A-1
Statement of Activities .....	31	B-1
<b>Funds Financial Statements:</b>		
Balance Sheet – Governmental Funds .....	32	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	35	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	36	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	38	C-4
Statement of Net Position – Proprietary Funds.....	39	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	40	D-2
Statement of Cash Flows – Proprietary Funds.....	41	D-3
Statement of Fiduciary Net Position – Fiduciary Funds .....	42	E-1
Statement of Changes in Fiduciary Fund Net Position – Fiduciary Funds .....	43	E-2
<b>Notes to the Financial Statements</b> .....	44	-
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund.....	73	F-1
Schedule of the District’s Proportionate Share of the Net Pension Liability .....	74	F-2
Schedule of District Contributions.....	75	F-3
Notes to the Required Supplementary Information .....	76	-
<b>Combining and Individual Fund Statements and Compliance Schedules:</b>		
Combining Balance Sheet – Nonmajor Governmental Funds .....	82	G-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	86	G-2
Statement of Changes in Assets and Liabilities – Agency Fund .....	90	H-1
Schedule of Delinquent Taxes Receivable.....	92	I-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Child Nutrition Program .....	94	I-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	95	I-3

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

**JUNE 30, 2015**

**TABLE OF CONTENTS**

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>STATISTICAL SECTION (UNAUDITED)</b>		
<b>Financial Trends:</b>		
<b>Government-wide Information:</b>		
Net Position by Component .....	100	
Changes in Net Position .....	102	
<b>Fund Information:</b>		
Fund Balances of Governmental Funds .....	104	
Changes in Fund Balances of Governmental Funds .....	106	
<b>Revenue Capacity:</b>		
Property Tax Rates per \$100 of Assessed Value –		
Direct and Overlapping Governments .....	108	
Assessed Value and Actual Value of Taxable Property .....	110	
Principal Property Taxpayers .....	111	
Property Tax Levies and Collections .....	112	
<b>Debt Capacity:</b>		
Ratio of Outstanding Debt by Type .....	113	
Legal Debt Margin Information .....	114	
Ratio of Net General Obligation Bonded Debt Outstanding .....	116	
Computation of Estimated Direct and Overlapping Debt .....	117	
<b>Demographic and Economic Information:</b>		
Demographic and Economic Statistics .....	118	
Principal Employers .....	119	
Full Time District Equivalent Employees by Position .....	120	
<b>Operating Information:</b>		
Operating Statistics .....	121	
Teacher Salary Data .....	122	
Instructional Building Data .....	123	
District Map .....	124	

# Introductory Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2015

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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, 2015 at a meeting of the Board of Trustees of such school district on the 9<sup>th</sup> day of November, 2015.

PETE PAPE  
\_\_\_\_\_  
Signature of Board Secretary

JANICE COFFEY  
\_\_\_\_\_  
Signature of Board President

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

November 6, 2015

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, 2015, 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, Garcia & Stanley, LLC and the independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended June 30, 2015 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 3,000 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.

## **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, 2015 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 enabled the District to provide funding for the construction of a new early college high school (IMPACT) which was completed and opened in August 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 3.6 percent from the prior year after applying the increased homestead exemption of \$25K to the total taxable values.

The local economy is showing signs of improvement as the local unemployment rate dropped to 4.5% in June 2015, down from 5.4% in June 2014 compared to the current U.S. rate of 5.3%. 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 continue to see modest increases in property values for 2016.

### **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 passed the Schools Financial Integrity Rating System of Texas (FIRST) for the 13th 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 year ended June 30, 2014. 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 17 consecutive years and the ASBO award for 21 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, Garcia & Stanley, LLC, whose professional competence and leadership assisted us in developing this award-winning report.

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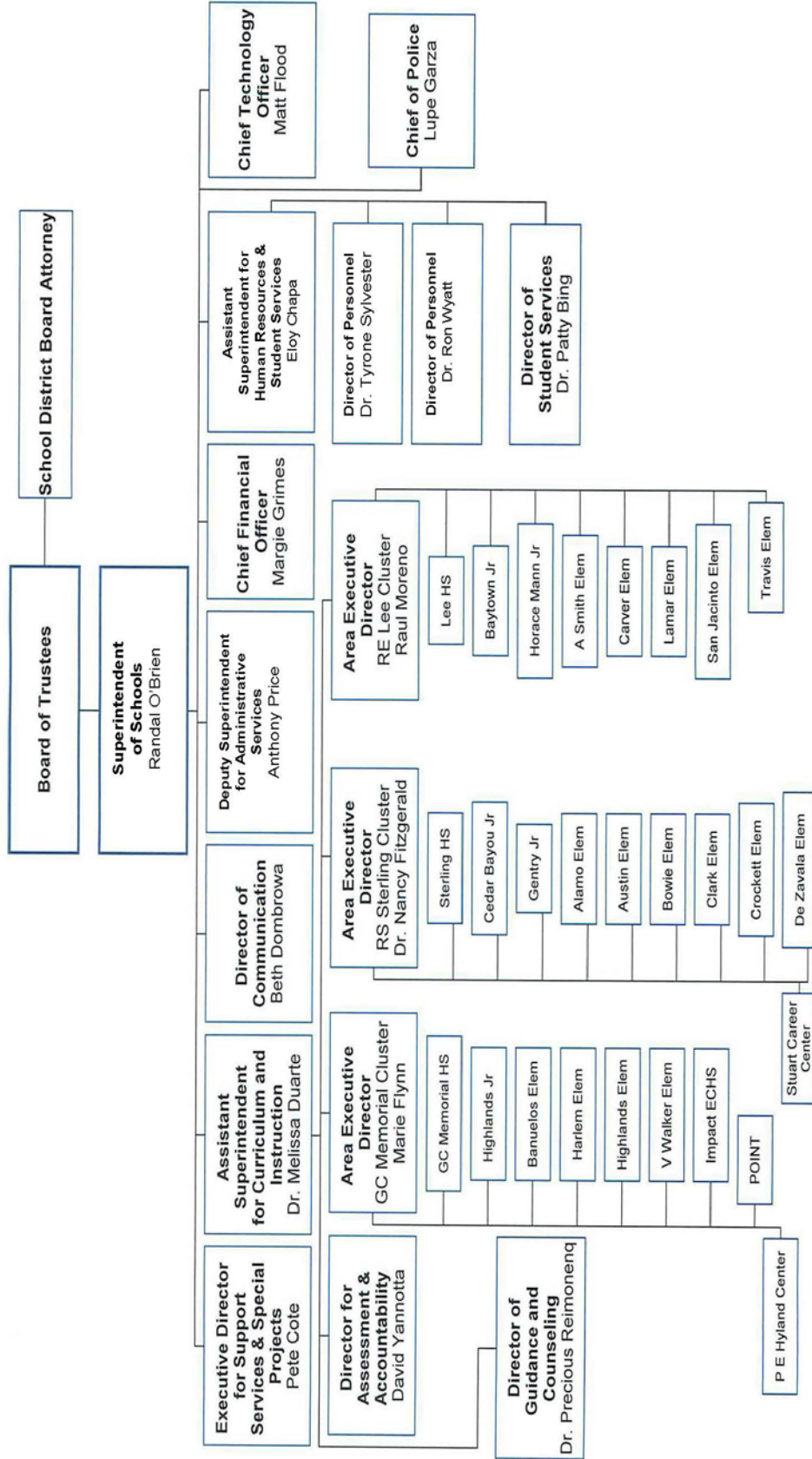
Randal O’Brien, Superintendent of Schools

//Signature on File//

Margie M. Grimes, Chief Financial Officer

**GOOSE CREEK CISD  
2015**

**Organizational Chart for Superintendent of Schools**





Goose Creek Consolidated Independent School District  
Baytown, Texas

**Principal Officials and Advisors**

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>	<u>Term Expires May</u>	<u>Occupation</u>
Mrs. Jenice Coffey	President – District 5	6 Years	2017	Retired
Mr. Al Richard	Vice President – District 6	1 Year	2019	Headmaster
Mr. Pete Pape	Secretary – District 7	1 Year	2019	Assistant Superintendent
Mrs. Jessica Woods	Assistant Secretary – District 3	1 Year	2019	Executive Director
Mr. Howard Sampson	Board Member – District 1	6 Years	2017	Assistant Superintendent
Mr. Agustin Loreda, III	Board Member – District 2	9 Years	2017	Teacher
Mrs. Gigi Cockrell	Board Member – District 4	1 Year	2019	Jeweler

**Certain District Officials**

**Administrative Staff**

Randal O'Brien.....Superintendent

Anthony Price..... Deputy Superintendent for Administrative Services

Dr. Melissa Duarte.....Assistant Superintendent for Curriculum and Instruction

Eloy Chapa.....Assistant Superintendent for Human Resources

Margie M. Grimes, CPA .....Chief Financial Officer

Matthew Flood.....Chief Technology Officer

Beth Dombrowa..... Director of Communications

**Accountants and Advisors**

Start, Garcia & Stanley, LLC..... Auditors  
Certified Public Accountants, Baytown, Texas

Andrews Kurth, LLP..... Bond Counsel

Frost Bank – Capital Markets. .... 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 Fiscal Year Ended

**June 30, 2014**

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, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

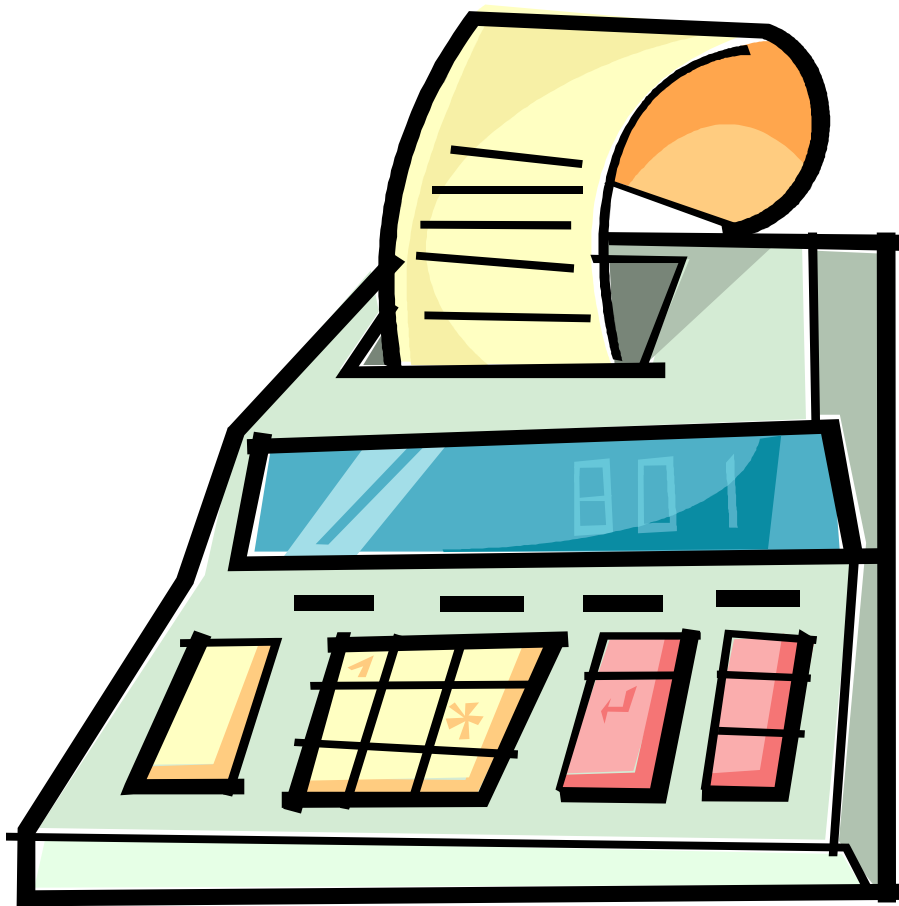
John D. Musso, CAE, RSBA  
Executive Director

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# Financial Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2015

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**Start, Garcia & Stanley, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2015, 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.

### **Change in Accounting Principle**

As described in Note I.B.1. to the financial statements, the District adopted new accounting guidance, Governmental Accounting Standards Board Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information, and TRS pension schedules on pages 19-28, 73, and 74-76, respectively, 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 6, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Start, Garcia & Stanley*

Start, Garcia & Stanley, LLC

Baytown, Texas  
November 6, 2015



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

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, 2015. 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 and deferred inflows at June 30, 2015 by \$134,584,260 on the government-wide financial statements. Of this amount, \$42,577,066 represents unrestricted net position, which may be used to meet the District's ongoing obligations. The District's total net position decreased by \$53,904,352 for the current fiscal period.

The District's governmental funds reported combined ending fund balances of \$254,560,873 at June 30, 2015. Of this amount, \$806,213 is non-spendable inventories and prepaid items, \$183,654,642 is restricted, and \$68,243,589 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 \$69,533,633, or 35% of total general fund expenditures. The unassigned fund balance of \$68,243,589 (34.7% 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.

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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**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 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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

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.

In addition, information related to the District's proportionate share of its net pension liability and contributions to the Texas Retirement System of Texas is also presented.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**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.

**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, 2015, assets and deferred outflows of resources exceed liabilities by \$134,584,260 which is \$53.9 million decrease from 2014.

**Table I - Net Position Summary**

	Governmental Activities	
	2015	2014
Current and other assets	\$ 307,360,223	\$ 298,774,223
Capital assets	460,029,487	428,762,927
<b>Total Assets</b>	<b>767,389,710</b>	<b>727,537,150</b>
<b>Deferred Outflows of Resources</b>	<b>18,129,133</b>	<b>6,578,855</b>
Current liabilities	42,436,482	37,730,267
Long-term liabilities	598,269,480	507,897,126
<b>Total Liabilities</b>	<b>640,705,962</b>	<b>545,627,393</b>
<b>Deferred Inflows of Resources</b>	<b>10,228,621</b>	<b>-</b>
Net Investment in Capital Assets	70,555,510	54,510,728
Restricted	21,451,684	36,405,450
Unrestricted	42,577,066	97,572,434
<b>Total Net Position</b>	<b>\$ 134,584,260</b>	<b>\$ 188,488,612</b>

Net Investment in Capital Assets used for governmental activities (e.g., land, buildings and improvements, furniture and equipment, and construction in progress) is \$70.5 million as of June 30, 2015. 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 \$42.6 million at June 30, 2015.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Changes in Net Position**

The Net Position of the District decreased by \$53.9 million for the fiscal year ended June 30, 2015. The total revenue from taxpayers, user service fees, grants and other sources for the District was \$260.2 million, an increase from fiscal year 2014 of \$18.7 million. Total expenses for 2015 were \$275.7 million or \$18 million more than expenses of fiscal year 2014.

**Table II - Changes in Net Position**

<b>Revenues</b>	<b>2015</b>	<b>2014</b>
<b>Program Revenues:</b>		
Charges for services	\$ 7,181,589	\$ 7,070,863
Operating grants and contributions	31,230,262	32,638,215
<b>General Revenues:</b>		
Property taxes	138,063,604	125,237,264
State and other grants	73,406,208	67,861,572
Other	10,347,679	8,679,477
<b>Total Revenues</b>	<b>\$ 260,229,342</b>	<b>\$ 241,487,391</b>
<b>Expenses</b>		
Instructional	\$ 154,828,894	\$ 144,085,625
Instructional leadership	17,480,880	16,025,094
Student support services	40,130,269	37,998,510
General administration	7,415,202	7,836,681
Support services	5,950,873	4,758,298
Community services	1,662,075	1,728,511
Interest expense & debt service fees	19,978,227	17,628,569
Facilities repairs and maintenance	27,131,409	27,644,908
Intergovernmental charges	1,099,495	20,971
<b>Total Expenses</b>	<b>\$ 275,677,324</b>	<b>\$ 257,727,167</b>
Increase (decrease) in net position	(15,447,982)	(16,239,776)
<b>Beginning Net Position</b>	188,488,612	204,728,388
<b>Prior Period Adjustment</b>	(38,456,370)	-
<b>Ending Net Position</b>	<b>\$ 134,584,260</b>	<b>\$ 188,488,612</b>

The decrease in Net Position of \$53.9 million is partially attributable to the implementation of Governmental Accounting Standards Board, Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions.

The District participates in a statewide teacher retirement system (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS is the largest public retirement system in Texas in both membership and assets. The TRS trust fund is sustained principally by three sources — earnings on investments, employer contributions, and member contributions. For the first time, governments providing defined benefit pension plans are now required to recognize their long-term obligation for pension benefits as a liability on their accrual-based, government-wide statement of net position. This provides citizens and other users of these financial reports with a clearer picture of the size and nature of the financial obligations to current and former employees. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

This is an important change that will more clearly depict the government's financial position. While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed. Reporting the net pension liability on the face of the financial statements will more clearly portray the government's financial status because the pension liability will be placed on an equal footing with other long-term obligations.

At June 30, 2015, the District reported a net pension liability of \$33,437,470 for its proportionate share of TRS's net pension liability. A prior period adjustment of \$38,456,370 is reported on the Statement of Activities which represents the effect of the net pension liability for prior years. The remaining decrease in Net Position is primarily related to the depreciation of District assets.

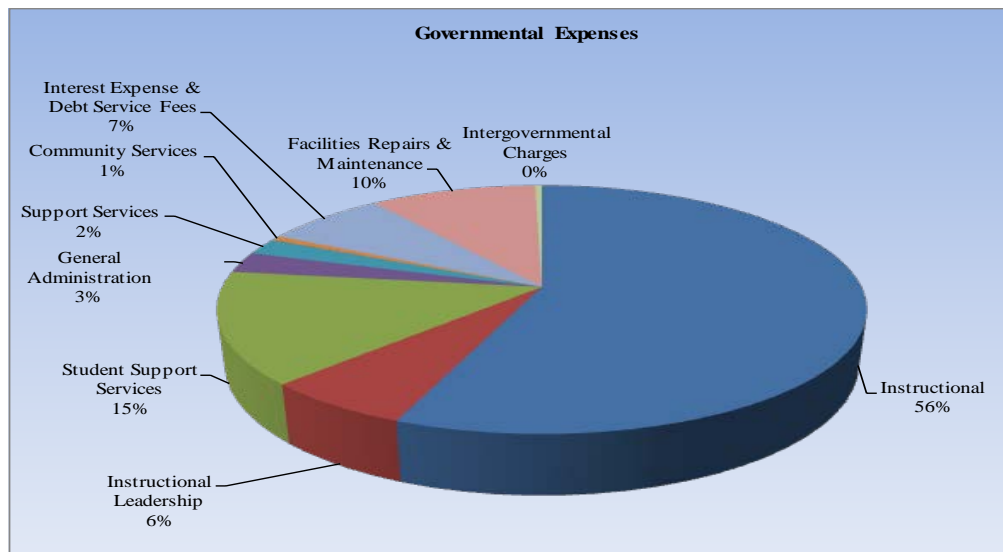
**Governmental Activities**

Total revenues for the District's governmental activities for the fiscal year increased by \$18.7 million or 7.8 percent over fiscal year 2014. Local property tax revenues increased by \$12.8 million and state funding and program revenues increased by \$5.5 million. The increase in revenues primarily results from the growth in both the tax base and in student enrollment. Total expenses increased \$17.9 million primarily from (1) an increase in salaries due to added positions and salary increases, (2) supplies and materials associated with new facilities, and (3) interest expense associated with new debt.

Approximately 60 percent of the District's revenues came from property taxes and other local revenue, while 40 percent was derived from state aid and operating grants.

Total governmental activities expenses per pupil totaled \$12,862 in 2015 versus \$12,788 in 2014.

The District expended 56 percent of total governmental expense for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 73 percent of the District's expenses were for direct student services.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**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, 2015, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$254.6 million, an increase of \$3.5 million from the prior year, June 30, 2014.

Of the total fund balance, \$68.2 million, or approximately 27 percent, constitutes unassigned fund balance. The remainder of fund balance is non-spendable, restricted, committed or assigned for particular purposes as follows:

<b>Nonspendable:</b>	
Inventories	\$ 626,065
Prepaid items	180,148
<b>Restricted:</b>	
Grant Funds	2,162,573
Capital acquisitions and contractual obligation	156,042,156
Debt service	25,042,613
Restricted for other purposes	407,300
<b>Committed:</b>	
Committed for other purposes	1,264,448
<b>Assigned:</b>	
Assigned for other purposes	591,981
<b>Unassigned:</b>	
Unassigned	68,243,589
<b>Total Fund Balances</b>	<u><u>\$ 254,560,873</u></u>

The General Fund is the primary fund of the District. As of June 30, 2015, unassigned fund balance of the General Fund was \$68.2 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 34.7 percent of total general fund expenditures for the year ended June 30, 2015, while total fund balance represents 35.4 percent of that same amount.

The fund balance of the District's general fund decreased \$19.7 million for the year ended June 30, 2015. The primary factor relating to the change in fund balance is increased instructional expenditures related to the opening of two new elementary schools and capital outlay expenditures for the construction of a new early college high school (IMPACT) which was financed with excess general fund balance.

The Debt Service Fund realized revenues of \$38.1 million and expenditures of \$49.8 million for the year ended June 30, 2015. The fund balance of the debt service fund, restricted for the payment of the District's debt, decreased by \$11.6 million and totaled \$25 million as of June 30, 2015. The change in fund balance of the debt service fund is attributable an increase in local property tax collection, savings from refinancing long-tem debt, and the retirement of Series 2001 Qualified Zone Academy Bonds

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

(QZAB) in the amount of \$16 million. Annual payments were accumulated in a sinking fund, reported on the balance sheet as Restricted Assets, which was used to pay the principal on the 2001 QZAB bonds upon maturity in fiscal year 2015.

The Capital Projects Fund incurred construction-related expenditures of \$63.6 million for the year ended June 30, 2015. Projects for 2015 included the construction of a new early college high school and major improvements for facilities, including district-wide career and technical education improvements, technology improvements and equipment and district-wide security upgrades. The Capital Projects Fund reported other financing sources for both proceeds of \$75,330,000 from the sale of Series 2015 bonds and \$15,068,476 received from the General Fund to provide additional funding for the construction of a new early college high school (IMPACT). Fund balance in the Capital Projects Fund at June 30, 2015 was \$156 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. The District's self-insured workers' compensation program total net position was \$1.3 million at June 30, 2015, an increase of \$600 thousand over the prior year. This increase was attributed to reduced claim expenses in 2015.

### **General Fund Budgetary Highlights**

The District adopted a deficit operating budget of \$3.5 million for fiscal year 2015. Through budget amendments during the year, the District has also provided for operating transfers out of \$15 million to the Capital Projects fund to finance the construction of a new early college high school (IMPACT) with excess general fund balance. Estimated revenues were increased \$3.5 million from \$184.9 million to \$188.4 due to increased local and state funding from enrollment growth. In addition, the District increased its operating expenditures from \$188.1 million to \$198.7 million, and the District also received \$2.1 million from the sale of real property, resulting in a deficit budget of \$23.6 million. These budget amendments were primarily for increases in staffing and other operating costs related to the opening of two new elementary schools.

For the year ended June 30, 2015, actual revenues were higher than estimated revenues by \$1.7 million. In addition, actual expenditures fell below budgeted expenditures and other sources and uses by \$2.2 million. This resulted in a net favorable variance of \$3.9 million. This favorable variance resulted primarily from both increased local revenues and slightly lower operating costs than projected. Also a delay in receiving goods and services ordered resulted in outstanding encumbrances to be rolled forward to the next fiscal year.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2015, the District's investment in capital assets was \$460 million, net of accumulated depreciation. The investments in capital assets include a broad range of capital assets, such as 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 \$31.2 million or 7.3 percent from last year.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Table III - Capital Asset Summary (000's)**

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Land	\$ 12,819	\$ 12,819
Buildings and Improvements	555,104	489,476
Furniture and Equipment	36,998	34,040
Construction in Progress	34,682	55,155
Less Accumulated Depreciation	(179,572)	(162,726)
<b>Total Capital Assets</b>	<u>\$ 460,031</u>	<u>\$ 428,764</u>

The most significant addition to capital assets during 2015 was the construction of a new early college high school. Additional information on the District's capital assets can be found in Note II.B. of the financial statements.

**Long-Term Liabilities**

At June 30, 2015, the District had long-term liabilities of \$564.8 million. Included in long-term debt is a loan agreement (LoanSTAR Revolving Loan Program) with the State Energy Conservation Office to reduce consumption of electrical energy throughout the District. The original loan totaled \$4.9 million, the project was completed March 2013 and a balance of \$3.9 is owed on the loan at June 30, 2015.

The District also has Series 2005 Qualified Zone Academy Bonds (QZAB) outstanding for which annual payments are made to sinking funds held at Wells Fargo Bank 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 (000's)**

Governmental Activities	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Bonds Payable (net)	\$ 471,315	\$ 183,970	\$ (147,865)	\$ 507,420
Other Liabilities	36,581	25,835	(5,005)	57,411
<b>Total Long-Term Liabilities</b>	<u>\$ 507,896</u>	<u>\$ 209,805</u>	<u>\$ (152,870)</u>	<u>\$ 564,831</u>

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**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 \$4.5 million for 2015.

The District adopted a General Fund budget for 2015-2016 with appropriations of \$201 million compared to a \$198.7 million final adopted budget for fiscal period ended June 30, 2014, excluding the operating transfers to the capital projects fund. The District is currently developing an overall plan to achieve greater efficiencies in student-teacher ratios and other operating costs. The 2015-2016 General Fund Budget includes an average 2% raise per employee (\$3.5 million).

The Goose Creek CISD 2015-2016 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 no increase in the tax rate from the prior year. The District has sold all of the bonds authorized by voters in May 2013, which included funding for new elementary schools, technology and transportation facilities, technology improvements to District facilities, major renovations to the Stuart-Kilgore Career Center, high school additions and improvements for the District's Career and Technology programs and other major improvements to existing facilities.

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, 2015

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 105,280,073
1120 Current Investments	160,913,744
1220 Property Taxes Receivable (Delinquent)	18,211,783
1230 Allowance for Uncollectible Taxes	(9,173,930)
1240 Due from Other Governments	26,590,203
1250 Accrued Interest	450,043
1290 Other Receivables, net	217,225
1300 Inventories	626,065
1410 Prepayments	180,148
Capital Assets:	
1510 Land	12,818,536
1520 Buildings, Net	398,829,929
1530 Furniture and Equipment, Net	13,698,858
1580 Construction in Progress	34,682,164
1800 Restricted Assets	4,064,869
1000 Total Assets	767,389,710
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	11,425,084
1705 Deferred Outflow Related to TRS	6,704,049
1700 Total Deferred Outflows of Resources	18,129,133
<b>LIABILITIES</b>	
2110 Accounts Payable	16,118,401
2150 Payroll Deductions & Withholdings	1,481,810
2160 Accrued Wages Payable	21,447,147
2180 Due to Other Governments	438,915
2200 Accrued Expenses	2,418,047
2300 Unearned Revenue	532,162
Noncurrent Liabilities	
2501 Due Within One Year	24,367,879
2502 Due in More Than One Year	540,464,131
2540 Net Pension Liability (District's Share)	33,437,470
2000 Total Liabilities	640,705,962
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS	10,228,621
2600 Total Deferred Inflows of Resources	10,228,621
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	70,555,510
3820 Restricted for Federal and State Programs	2,162,573
3850 Restricted for Debt Service	18,881,811
3890 Restricted for Other Purposes	407,300
3900 Unrestricted	42,577,066
3000 Total Net Position	\$ 134,584,260

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, 2015

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11	Instruction	\$ 146,482,874	\$ 2,058,574	\$ 14,030,917	\$ (130,393,383)
12	Instructional Resources and Media Services	4,305,920	-	92,244	(4,213,676)
13	Curriculum and Staff Development	4,040,100	-	1,414,934	(2,625,166)
21	Instructional Leadership	4,508,429	-	379,194	(4,129,235)
23	School Leadership	12,972,451	-	611,263	(12,361,188)
31	Guidance, Counseling and Evaluation Services	7,736,919	-	892,814	(6,844,105)
32	Social Work Services	1,214,386	-	181,749	(1,032,637)
33	Health Services	2,004,534	-	90,971	(1,913,563)
34	Student (Pupil) Transportation	8,664,920	47,186	325,883	(8,291,851)
35	Food Services	14,715,361	3,403,503	10,199,095	(1,112,763)
36	Extracurricular Activities	5,794,149	1,410,947	165,442	(4,217,760)
41	General Administration	7,415,202	-	264,442	(7,150,760)
51	Facilities Maintenance and Operations	27,131,409	94,523	883,811	(26,153,075)
52	Security and Monitoring Services	2,348,123	-	103,178	(2,244,945)
53	Data Processing Services	3,602,750	-	143,013	(3,459,737)
61	Community Services	1,662,075	166,856	1,451,312	(43,907)
72	Debt Service - Interest on Long Term Debt	19,978,227	-	-	(19,978,227)
95	Payments to Juvenile Justice Alternative Ed. Prg.	7,528	-	-	(7,528)
99	Other Intergovernmental Charges	1,091,967	-	-	(1,091,967)
	<b>[TP] TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 275,677,324</b>	<b>\$ 7,181,589</b>	<b>\$ 31,230,262</b>	<b>(237,265,473)</b>

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	100,441,834
DT	Property Taxes, Levied for Debt Service	37,621,770
SF	State Aid - Formula Grants	69,113,395
GC	Grants and Contributions not Restricted	4,292,813
IE	Investment Earnings	1,038,267
MI	Miscellaneous Local and Intermediate Revenue	9,309,412
TR	Total General Revenues	221,817,491
CN	Change in Net Position	(15,447,982)
NB	Net Position - Beginning	188,488,612
PA	Prior Period Adjustment - GASB 68	(38,456,370)
NE	Net Position--Ending	\$ 134,584,260

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, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 34,379,243	\$ 21,208,876	\$ 42,452,222
1120 Investments - Current	38,024,942	-	122,888,802
1220 Property Taxes - Delinquent	14,829,609	3,382,174	-
1230 Allowance for Uncollectible Taxes (Credit)	(7,521,748)	(1,652,182)	-
1240 Receivables from Other Governments	19,470,139	-	-
1250 Accrued Interest	83,896	-	366,147
1260 Due from Other Funds	5,220,961	-	5,433,909
1290 Other Receivables	215,329	-	-
1300 Inventories	517,915	-	-
1410 Prepayments	180,148	-	-
1800 Restricted Assets	-	4,064,869	-
1000 Total Assets	<u>\$ 105,400,434</u>	<u>\$ 27,003,737</u>	<u>\$ 171,141,080</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 1,947,107	\$ -	\$ 13,572,325
2150 Payroll Deductions and Withholdings Payable	1,481,810	-	-
2160 Accrued Wages Payable	19,245,018	-	19,264
2170 Due to Other Funds	5,433,909	231,132	-
2180 Due to Other Governments	438,915	-	-
2200 Accrued Expenditures	12,181	-	1,507,335
2300 Unearned Revenues	-	-	-
2000 Total Liabilities	<u>28,558,940</u>	<u>231,132</u>	<u>15,098,924</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	7,307,861	1,729,992	-
2600 Total Deferred Inflows of Resources	<u>7,307,861</u>	<u>1,729,992</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	517,915	-	-
3430 Prepaid Items	180,148	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	156,042,156
3480 Retirement of Long-Term Debt	-	25,042,613	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	591,981	-	-
3600 Unassigned Fund Balance	68,243,589	-	-
3000 Total Fund Balances	<u>69,533,633</u>	<u>25,042,613</u>	<u>156,042,156</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 105,400,434</u>	<u>\$ 27,003,737</u>	<u>\$ 171,141,080</u>

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

Other Nonmajor Funds	Total Governmental Funds
\$ 4,940,862	\$ 102,981,203
-	160,913,744
-	18,211,783
-	(9,173,930)
7,120,064	26,590,203
-	450,043
-	10,654,870
1,896	217,225
108,150	626,065
-	180,148
-	4,064,869
<u>\$ 12,170,972</u>	<u>\$ 315,716,223</u>
\$ 523,645	\$ 16,043,077
-	1,481,810
2,182,865	21,447,147
4,989,829	10,654,870
-	438,915
-	1,519,516
532,162	532,162
<u>8,228,501</u>	<u>52,117,497</u>
-	9,037,853
<u>-</u>	<u>9,037,853</u>
108,150	626,065
-	180,148
2,162,573	2,162,573
-	156,042,156
-	25,042,613
407,300	407,300
1,264,448	1,264,448
-	591,981
-	68,243,589
<u>3,942,471</u>	<u>254,560,873</u>
<u>\$ 12,170,972</u>	<u>\$ 315,716,223</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, 2015

<b>Total Fund Balances - Governmental Funds</b>	\$	254,560,873
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.		1,325,015
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 \$639,602,283 and the accumulated depreciation was \$179,572,796. The net effect is an increase to net position (See Note II. B.).		460,029,487
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.).		(564,832,010)
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 \$9,037,853 as revenue and eliminating interfund transactions. Deferred charges on refundings totaling \$11,425,084 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.		20,462,937
5 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$33,437,470, a Deferred Resource Inflow related to TRS in the amount of \$10,228,621, and a Deferred Resource Outflow related to TRS in the amount of \$6,704,049. The net effect is a decrease in net position (See Note III. E.).		(36,962,042)
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>134,584,260</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 BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 108,451,864	\$ 38,108,886	\$ 474,609
5800 State Program Revenues	77,271,197	-	-
5900 Federal Program Revenues	4,403,772	-	-
5020 Total Revenues	<u>190,126,833</u>	<u>38,108,886</u>	<u>474,609</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	113,857,069	-	16,507,303
0012 Instructional Resources and Media Services	2,351,341	-	1,761,035
0013 Curriculum and Instructional Staff Development	2,517,216	-	-
0021 Instructional Leadership	4,093,627	-	-
0023 School Leadership	12,033,712	-	130,025
0031 Guidance, Counseling and Evaluation Services	6,653,296	-	-
0032 Social Work Services	692,468	-	-
0033 Health Services	1,873,991	-	7,376
0034 Student (Pupil) Transportation	8,082,145	-	-
0035 Food Services	-	-	33,933
0036 Extracurricular Activities	4,307,884	-	-
0041 General Administration	6,882,199	-	86,044
0051 Facilities Maintenance and Operations	24,898,237	-	31,992
0052 Security and Monitoring Services	2,356,040	-	960,881
0053 Data Processing Services	3,522,256	-	392,391
0061 Community Services	114,241	-	-
Debt Service:			
0071 Principal on Long Term Debt	555,243	30,580,000	-
0072 Interest on Long Term Debt	131,745	18,037,018	-
0073 Bond Issuance Cost and Fees	-	1,224,895	399,542
Capital Outlay:			
0081 Facilities Acquisition and Construction	490,597	-	43,246,486
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	7,528	-	-
0099 Other Intergovernmental Charges	1,091,967	-	-
6030 Total Expenditures	<u>196,512,802</u>	<u>49,841,913</u>	<u>63,557,008</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,385,969)</u>	<u>(11,733,027)</u>	<u>(63,082,399)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7901 Refunding Bonds Issued	-	108,640,000	-
7911 Capital Related Debt Issued (Regular Bonds)	-	-	75,330,000
7912 Sale of Real and Personal Property	2,089,548	-	-
7915 Transfers In	-	408,532	15,068,476
7916 Premium or Discount on Issuance of Bonds	-	15,975,629	7,916,942
7917 Prepaid Interest	-	304,487	101,131
8911 Transfers Out (Use)	(15,398,980)	-	(408,532)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(125,229,318)	-
7080 Total Other Financing Sources (Uses)	<u>(13,309,432)</u>	<u>99,330</u>	<u>98,008,017</u>
1200 Net Change in Fund Balances	<u>(19,695,401)</u>	<u>(11,633,697)</u>	<u>34,925,618</u>
0100 Fund Balance - July 1 (Beginning)	<u>89,229,034</u>	<u>36,676,310</u>	<u>121,116,538</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 69,533,633</u>	<u>\$ 25,042,613</u>	<u>\$ 156,042,156</u>

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

	Other Nonmajor Funds	Total Governmental Funds
\$	7,101,047	\$ 154,136,406
	1,888,837	79,160,034
	20,678,201	25,081,973
	29,668,085	258,378,413
	10,858,465	141,222,837
	1,925	4,114,301
	1,318,856	3,836,072
	175,372	4,268,999
	-	12,163,737
	586,556	7,239,852
	431,360	1,123,828
	-	1,881,367
	-	8,082,145
	13,868,565	13,902,498
	1,096,556	5,404,440
	1,517	6,969,760
	308,599	25,238,828
	-	3,316,921
	-	3,914,647
	1,445,403	1,559,644
	-	31,135,243
	-	18,168,763
	-	1,624,437
	-	43,737,083
	-	7,528
	-	1,091,967
	30,093,174	340,004,897
	(425,089)	(81,626,484)
	-	108,640,000
	-	75,330,000
	-	2,089,548
	330,504	15,807,512
	-	23,892,571
	-	405,618
	-	(15,807,512)
	-	(125,229,318)
	330,504	85,128,419
	(94,585)	3,501,935
	4,037,056	251,058,938
\$	3,942,471	\$ 254,560,873

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, 2015

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	3,501,935
<p>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.</p>		
		616,469
<p>Current year capital outlay of \$48,425,805 and long-term debt principal payments of \$148,420,243 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 effect of removing the 2015 capital outlays and debt principal payments is to increase net position.</p>		
		196,846,048
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.</p>		
		(17,142,333)
<p>The issuance of long-term debt (\$183,970,000), including premiums (\$23,892,571), 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.</p>		
		(207,862,571)
<p>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 (\$238,619) to show the revenue earned from the current year's tax levy and adjustments, eliminating interfund transactions, recognizing the net effect of retirement of capital assets totaling (\$16,912), and recognizing the liabilities and deferred charges for refundings associated with maturing long-term debt and interest of \$7,353,673. The net effect of these reclassifications and recognitions is to increase net position.</p>		
		7,098,142
<p>The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase in the amount of \$4,013,455. Contributions made before the measurement but during the 2015 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This also caused an increase in the change in net position in the amount of \$571,577. The District recorded their proportionate share of the pension expense during the measurement period as part of the net pension liability. The amount expensed for FY2015 was \$5,194,227 for pension expense columns 6 - 12 from TRS data and the amount de-expended for the net deferred inflow of resources recognized by TRS in the measurement period was \$2,103,523. The net effect of all of these changes is an increase to net position.</p>		
		1,494,328
<b>Change in Net Position of Governmental Activities</b>		\$ (15,447,982)

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, 2015

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,298,870
Total Assets	<u>2,298,870</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	75,324
Accrued Expenses	898,531
Total Liabilities	<u>973,855</u>
NET POSITION	
Unrestricted Net Position	<u>1,325,015</u>
Total Net Position	<u><u>\$ 1,325,015</u></u>

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, 2015

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 941,959
Total Operating Revenues	941,959
OPERATING EXPENSES:	
Payroll Costs	325,490
Total Operating Expenses	325,490
Operating Income	616,469
Total Net Position - July 1 (Beginning)	708,546
Total Net Position - June 30 (Ending)	\$ 1,325,015

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, 2015

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 941,989
Cash Payments for Other Operating Expenses	(636,603)
Net Cash Provided by Operating Activities	<u>305,386</u>
Net Increase in Cash and Cash Equivalents	305,386
Cash and Cash Equivalents at Beginning of Year	<u>1,993,484</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,298,870</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 616,469
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Due From Other Funds	30
Increase (decrease) in Accounts Payable	43,664
Increase (decrease) in Accrued Expenses	(354,777)
Net Cash Provided by Operating Activities	<u>\$ 305,386</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, 2015

EXHIBIT E-1

	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 51,330	\$ 701,925
Investments - Current	100,000	-
Accrued Interest	285	-
Total Assets	151,615	\$ 701,925
<b>LIABILITIES</b>		
Accounts Payable	11,450	\$ 74,871
Due to Student Groups	-	627,054
Total Liabilities	11,450	\$ 701,925
<b>NET POSITION</b>		
Held in Trust for Private Purposes	140,165	
Total Net Position	\$ 140,165	

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, 2015

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 19,203
Total Additions	<u>19,203</u>
DEDUCTIONS:	
Other Operating Costs	<u>36,950</u>
Total Deductions	<u>36,950</u>
Change in Net Position	(17,747)
Total Net Position - July 1 (Beginning)	<u>157,912</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 140,165</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, 2015**

**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. New GASB Pronouncements**

GASB has issued several new pronouncements that the District has reviewed for application to their accounting and reporting.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, is effective for periods beginning after June 15, 2014. The statement requires government employers to recognize as a liability, for the first time, their long-term obligation for pension benefits. The employer liability is measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for employers with cost sharing plans is based on their proportionate share of contributions to the pension plan. The statement also requires enhanced note disclosures and schedules of required supplementary information.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68*, is effective for periods beginning after June 15, 2014 as is required to be applied simultaneously with the provisions of GASB Statement No. 68. This statement addresses issues regarding application of the transition provisions of GASB Statement No. 68.

This financial report has been updated in accordance with GASB Statements No. 68 and 71.

**2. 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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.

**3. 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.

**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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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.

**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,

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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, municipal bonds, and U.S. agencies. 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.

**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, 2015 to finance general fund operations and voter approved debt service principal and interest payments were \$1.04 and \$.39189, respectively, per \$100 of assessed valuation for a total tax rate of \$1.43189.

Current tax collections for the year ended June 30, 2015 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 50% of outstanding property taxes receivable at June 30, 2015.

Property taxes (and payments in lieu of property taxes) collected from three major petrochemical complexes within the District for the year ended June 30, 2015 accounted for approximately 31% of the District's total combined revenues.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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.

**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	5-10
Buses & Vehicles	7-15

**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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

- 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.

**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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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, 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* and *debt service 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 three months unassigned fund balance in the general fund and ten percent of the projected annual debt service payments in restricted fund balance in the debt service fund.

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.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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.

**14. Pensions**

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

**15. 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 and available school 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. For the year ended June 30, 2015, the District received approximately 27% of revenues from the State of Texas.

**16. 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**II. Detailed Notes On All Funds**

**A. Deposits and Investments**

A summary of the District's cash and investments by fund at June 30, 2015 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	\$ 23,867	\$ 10,512	\$ 34,379	\$ 38,025	\$ 72,404
Debt service fund	-	21,209	21,209	-	21,209
Capital projects fund	2,600	39,852	42,452	122,889	165,341
Other governmental funds	4,941	-	4,941	-	4,941
Total governmental funds	<u>31,408</u>	<u>71,573</u>	<u>102,981</u>	<u>160,914</u>	<u>263,895</u>
Proprietary funds	<u>2,299</u>	<u>-</u>	<u>2,299</u>	<u>-</u>	<u>2,299</u>
Fiduciary funds	<u>195</u>	<u>558</u>	<u>753</u>	<u>100</u>	<u>853</u>
Total	<u>\$ 33,902</u>	<u>\$ 72,131</u>	<u>\$ 106,033</u>	<u>\$ 161,014</u>	<u>\$ 267,047</u>

At June 30, 2015, the net carrying amount of the District's cash and deposits was \$33,901,270 and the bank balance was \$35,137,261. At June 30, 2015, and during the fiscal year, 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

The District's cash equivalents and investments at June 30, 2015 are as shown below: (000's)

<b>Investment Type:</b>	<b>Cost</b>	<b>Fair Value **</b>	<b>Investment Maturity in Years</b>		
			<b>Less Than 1 Year</b>	<b>1 - 2 Years</b>	<b>2 - 3 Years</b>
Cash in Bank	\$ 33,902	\$ 33,902	\$ 33,902	\$ -	\$ -
Local Government Investment Pools:					
TexPool	34,976	34,976	34,976	-	-
LoneStar	4,925	4,925	4,925	-	-
TexSTAR	-	-	-	-	-
LOGIC	-	-	-	-	-
TexasTERM	21,650	21,650	21,650	-	-
TexasCLASS	10,580	10,580	10,580	-	-
Cash and Cash Equivalents - subtotal	<u>106,033</u>	<u>106,033</u>	<u>106,033</u>	-	-
Municipal Obligations	3,500	3,500	3,500	-	-
US Agencies	60,514	60,514	-	55,527	4,987
Commercial Paper	74,900	74,900	74,900	-	-
Certificate of Deposits	22,100	22,100	22,100	-	-
Investments - subtotal	<u>\$ 161,014</u>	<u>\$ 161,014</u>	<u>\$ 100,500</u>	<u>\$ 55,527</u>	<u>\$ 4,987</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.

The District's sinking funds at June 30, 2015 were invested in the following: (000's)

<b>Investment</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Maturity</b>
U.S. Treasury Note	\$ 3,997	\$ 4,065	11/15/15
Total Restricted Assets	<u>\$ 3,997</u>	<u>\$ 4,065</u>	

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

The sinking fund above is held in the District’s name and was established to invest the annual contributions required for future principal payments on the Series 2005 Qualified Zone Academy Bonds (“QZAB”). Annual contributions continue until the bonds mature in fiscal year 2022. Use of the sinking fund 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% and 110% if collateral pledged is a mortgage-backed security. 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) and have a stated maturity less than two years.

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 and includes procedures to follow in the case of an affected merger or acquisition.

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.

As of June 30, 2015, the District’s portfolio included the following:

<u>Investment Type</u>	<u>Percent of Total Portfolio</u>
FDIC Fully Insured Checking Accounts	13%
Local Government Investment Pools	27%
Municipal Obligations	1%
US Agencies	23%
Commercial Paper	28%
Certificate of Deposits	8%

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

- 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, 2015, 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, 2015</u>
Money Market Accounts	100%	n/a
Certificates of Deposit	40%	8%
Brokered FDIC CD's	15%	n/a
U.S. Government Securities	100%	23%
State and Local Obligations	40%	1%
Repurchase Agreements	100%	n/a
Interest Bearing Accounts	100%	n/a
Investment Pools	100%	27%
Money Market Mutual Funds	15%	n/a
Commercial Paper	40%	28%

- 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, 2015, the portfolio contained one municipal security with a stated maturity greater than one year. The dollar weighted average maturity of the total portfolio was 151 days.

As of June 30, 2015, the portfolio contained two structured/callable notes with a total fair value of \$12,481,755.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2015, was as follows: (000's)

	<b>Beginning</b>				<b>Ending</b>
	<b>Balances</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balances</b>
<b><u>Capital assets not being depreciated:</u></b>					
Land	\$ 12,818	\$ -	\$ -	\$ -	\$ 12,818
Construction in progress	<u>55,155</u>	<u>33,610</u>	<u>-</u>	<u>(54,083)</u>	<u>34,682</u>
Total capital assets not being depreciated	<u>67,973</u>	<u>33,610</u>	<u>-</u>	<u>(54,083)</u>	<u>47,500</u>
<b><u>Capital assets being depreciated:</u></b>					
Buildings and improvements	489,477	11,544	-	54,083	555,104
Furniture and equipment	<u>34,040</u>	<u>3,271</u>	<u>(313)</u>	<u>-</u>	<u>36,998</u>
Total capital assets being depreciated	<u>523,517</u>	<u>14,815</u>	<u>(313)</u>	<u>54,083</u>	<u>592,102</u>
-					
<b><u>Less accumulated depreciation for:</u></b>					
Buildings and improvements	(141,682)	(14,591)	-	-	(156,273)
Furniture and equipment	<u>(21,044)</u>	<u>(2,551)</u>	<u>296</u>	<u>-</u>	<u>(23,299)</u>
Total accumulated depreciation	<u>(162,726)</u>	<u>(17,142)</u>	<u>296</u>	<u>-</u>	<u>(179,572)</u>
Capital assets, net	<u>\$ 428,764</u>	<u>\$ 31,283</u>	<u>\$ (17)</u>	<u>\$ -</u>	<u>\$ 460,030</u>

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

Instruction	\$ 9,630
Instructional resources and media services	206
Curriculum and instructional staff development	249
Instructional leadership	284
School leadership	897
Guidance, counseling and evaluation services	556
Social work services	90
Health services	138
Student (pupil) transportation	627
Food services	1,055
Extracurricular activities	409
General administration	490
Facilities maintenance and operations	2,040
Security and monitoring services	141
Data processing services	198
Community services	<u>132</u>
Total depreciation expense	<u>\$ 17,142</u>

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**C. Receivables and Unearned Revenue**

Receivables as of June 30, 2015, 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	\$ 8,127	\$ 2,122	\$ -	\$ -	\$ 10,249
Taxes - penalty & interest	6,702	1,261	-	-	7,963
Due from other governments-federal	1,895	-	-	5,992	7,887
Due from other governments-state	16,429	-	-	236	16,665
Due from other governments-other	46	-	-	892	938
Interest	84	-	366	-	450
Other receivables	215	-	-	2	217
Gross receivables	33,498	3,383	366	7,122	44,369
Less: allowance for uncollectibles	(7,522)	(1,652)	-	-	(9,174)
Net total receivables	<u>\$ 25,976</u>	<u>\$ 1,731</u>	<u>\$ 366</u>	<u>\$ 7,122</u>	<u>\$ 35,195</u>

Unearned revenue at June 30, 2015, for the District's governmental funds is as follows: **(000's)**

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable - General Fund	\$ 7,308	\$ -
Delinquent property taxes receivable - Debt Service Fund	1,730	-
Federal food commodities	-	15
Advance funding	-	517
Total deferred revenue	<u>\$ 9,038</u>	<u>\$ 532</u>

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

Interfund balances in the fund financial statements at June 30, 2015, consisted of the following: **(000's)**

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Debt Service Fund	\$ 231	\$ -
Capital Projects Fund	-	5,434
Non-major Governmental Funds	4,990	-
Total General Fund	\$ 5,221	\$ 5,434
Debt Service Fund:		
General Fund	\$ -	\$ 231
Capital Projects Fund		
General Fund	\$ 5,434	\$ -
Non-major Governmental Funds:		
General Fund	\$ -	\$ 4,990

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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

Interfund transfers in the fund financial statements at June 30, 2015, consisted of the following: **(000's)**

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	\$ 331
General Fund	Capital Projects Fund	15,068
Capital Projects Fund	Debt Service Fund	409
Total Transfers		<u>\$ 15,808</u>

The District transferred \$331 thousand from the general fund into a special revenue fund to fund various local programs. The District transferred \$15 million from the general fund to the capital projects fund to separately account for expenditures on a project basis. The District transferred \$409 thousand from the capital projects fund to the debt service fund for related bond issuance costs.

**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, 2015 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, 2015</u>
Unlimited Tax Refunding Bonds, Series 2003	3.800-5.000%	02/15/16	\$ 13,075	\$ 2,825
Unlimited Tax Refunding Bonds, Series 2004	4.000-5.000%	02/15/18	31,425	23,260
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	46,275
Unlimited Tax Schoolhouse Bonds, Series 2007	3.500-5.000%	02/15/30	54,440	20,910
Unlimited Tax Schoolhouse Bonds, Series 2007A	4.625-6.000%	02/15/30	8,000	2,400
Unlimited Tax Refunding Bonds, Series 2008	3.625-5.000%	02/15/16	13,290	2,080
Unlimited Tax Refunding Bonds, Series 2011	2.000-5.000%	02/15/20	9,890	6,730
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	89,150
Unlimited Tax School Building Bonds, Series 2014A	1.500-5.000%	02/15/30	18,330	18,040
Variable Rate Unlimited Tax School Building Bonds, Series 2014B	Variable	02/15/40	62,620	62,620
Unlimited Tax Refunding Bonds, Series 2014C	4.000-5.000%	02/15/30	71,465	71,465
Unlimited Tax Building & Refunding Bonds, Series 2015	2.000-5.000%	02/15/41	112,505	112,505
			<u>\$ 662,635</u>	<u>\$ 507,420</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, 2015 is \$3,896,226.

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



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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 \$4,485,000 to \$15,500,000 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.

In March 2015, the District issued Unlimited Tax School Building and Refunding Bonds, Series 2015 totaling \$112,505,000. The bonds were issued at a net premium of \$13,358,763 and issuance costs of \$1,050,026. The bonds bear interest from 2% to 5% and are due in annual installments ranging from \$125,000 to \$12,410,000 through February 15, 2041. 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 buildings, including new elementary campuses, district-wide career and technical education improvements, technology improvements and equipment, and the purchase of necessary sites for school buildings; (ii) major maintenance projects, district-wide security upgrades and technology for school sites; (iii) to pay costs of issuance related to the bonds; and (iv) to refund the following bonds:

Description	000's
Unlimited Tax Schoolhouse Bonds, Series 2005	\$ 1,750
Unlimited Tax Schoolhouse & Refunding Bonds, Series 2006	12,025
Unlimited Tax Schoolhouse Bonds, Series 2007	21,625
Unlimited Tax Schoolhouse Bonds, Series 2007A	4,190
	<u>\$ 39,590</u>

As a result of this refunding, the District reduced its total debt service requirements by \$4,174,306 and realized a present value savings of \$3,612,578.

Long-term liability activity for the year ended June 30, 2015, was as follows: (000's)

	Beginning			Ending		Due within
	Balance	Additions	Reductions	Balance	One Year	
Governmental Activities						
General Obligation - 2001 (QZAB)	\$ 16,000	\$ -	\$ (16,000)	\$ -	\$ -	
General Obligation - 2003	5,630	-	(2,805)	2,825	2,825	
General Obligation - 2004	28,065	-	(4,805)	23,260	5,960	
General Obligation - 2005	43,675	-	(43,675)	-	-	
General Obligation - 2005A (QZAB)	8,000	-	-	8,000	-	
General Obligation - 2006	95,135	-	(48,860)	46,275	740	
General Obligation - 2007	44,335	-	(23,425)	20,910	1,900	
General Obligation - 2007A	6,850	-	(4,450)	2,400	300	
General Obligation - 2008	4,075	-	(1,995)	2,080	2,080	
General Obligation - 2011	7,035	-	(305)	6,730	335	
General Obligation - 2012	41,160	-	-	41,160	-	
General Obligation - 2013	90,405	-	(1,255)	89,150	1,285	
General Obligation - 2014A	18,330	-	(290)	18,040	355	
General Obligation - 2014B	62,620	-	-	62,620	-	
General Obligation - 2014C	-	71,465	-	71,465	-	
General Obligation - 2015	-	112,505	-	112,505	125	
Total Bonds Payable	471,315	183,970	(147,865)	507,420	15,905	
Other Liabilities:						
Accrued Interest	5,949	1,942	-	7,891	7,891	
Premium on Issuance of Bonds	27,613	23,893	(5,236)	46,270	-	
Discount on Issuance of Bonds	(1,432)	-	786	(646)	-	
SECO-LoanSTAR Revolving Loan	4,451	-	(555)	3,896	572	
Total Other Liabilities	36,581	25,835	(5,005)	57,411	8,463	
Total Long-term Liabilities	\$ 507,896	\$ 209,805	\$ (152,870)	\$ 564,831	\$ 24,368	

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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, 2015, 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.

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, 2015 were as follows: **(000's)**

<b>Fiscal Year Ending</b>	<b>General Obligation</b>		<b>Notes and Loans</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30,</b>						
2016	\$ 15,905	\$ 21,958	\$ 572	\$ 114	\$ 16,477	\$ 22,072
2017	16,560	22,112	595	93	17,155	22,205
2018	17,220	21,627	612	75	17,832	21,702
2019	18,040	21,134	631	56	18,671	21,190
2020	18,940	20,287	650	37	19,590	20,324
2021-2025	118,050	86,512	836	18	118,886	86,530
2026-2030	137,980	58,643	-	-	137,980	58,643
2031-2035	79,695	32,389	-	-	79,695	32,389
2036-2040	78,840	12,508	-	-	78,840	12,508
>2041	6,190	310	-	-	6,190	310
Total	\$ 507,420	\$ 297,480	\$ 3,896	\$ 393	\$ 511,316	\$ 297,873

**F. Operating Leases**

The District leases certain equipment and facilities under non-cancelable operating leases. Total rental expenditures for year ended June 30, 2015 were \$1.4 million and made from the general fund. Future minimum lease payments are as follows: **(000's)**

<b>Fiscal Year Ending</b>	<b>Lease</b>
<b>June 30,</b>	<b>Payment</b>
2016	\$ 115
Total	\$ 115

**G. 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, 2015, bonds outstanding of \$103 million were considered defeased.

**H. 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2015, the District does not anticipate any arbitrage liability.

**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, 2015, 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, 2015, 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, 2014, 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, 2015, 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 years ended June 30, 2015 and 2014: **(000’s)**

	<b>2015</b>	<b>2014</b>
Liability, beginning of period	\$ 1,253	\$ 1,429
Changes in the est. for current & prior period claims	14	176
Payments on claims	(369)	(352)
Liability, end of period	\$ 898	\$ 1,253

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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, 2014 are available on the 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 \$250 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). 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 TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the [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 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 2015-2013: (**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>
6/30/2015	0.65%	\$ 992	1.00%	\$ 595	0.55%	\$ 840
6/30/2014	0.65%	925	1.00%	549	0.55%	786
6/30/2013	0.65%	668	0.50%	514	0.55%	565

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 years ended June 30, 2015, June 30, 2014, and the ten months ended June 30, 2013, the subsidy payments

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

received by TRS-Care on-behalf of the District were \$440,972, \$379,509, and \$472,792, respectively. These payments are recorded as equal revenues and expenditures/expenses in the financial statements.

**E. Defined Benefit Pension Plan**

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

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

*Pension Plan Fiduciary Net Position.* Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us); by writing to TRS at 1000 Red River Street, Austin, Texas 78701; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the pension plan fiduciary net position as of August 31, 2014:

<b>Net Pension Liability</b>	<b>000's</b>
Total Pension Liability	\$ 159,496,076
Less: Plan Fiduciary Net Position	(132,779,243)
Net Pension Liability	\$ 26,716,833
Net Position as percentage of Total Pension Liability	83.25%

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

*Contributions.* Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the pension plan during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

	<b>Contribution Rates</b>	
	<b>2014</b>	<b>2015</b>
Member	6.4%	6.7%
Non-Employer Contributing Entity (NECE) (State)	6.8%	6.8%
Employers	6.8%	6.8%
2014 Member Contributions	\$ 9,315,944	
2014 NECE On-Behalf Contributions	\$ 6,834,533	
2014 Employer Contributions	\$ 3,173,677	

Contributors to the pension plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the pension plan in accordance with state statutes and the General Appropriations Act (GAA). The State's on-behalf contribution is recorded as revenues and expenditures/expenses in the financial statements.

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

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

In addition to the employer contributions listed above, when employing a retiree of the pension plan, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%
<i>*Includes Inflation of 3%</i>	

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

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

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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

	1% Decrease in Discount Rate (7.0%) <b>000's</b>	Discount Rate (8.0%) <b>000's</b>	1% Decrease in Discount Rate (9.0%) <b>000's</b>
District's proportionate share of the net pension liability	\$ 59,751	\$ 33,437	\$ 13,760

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2015, the District reported a net pension liability of \$33,437,470 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

	<b>000's</b>
District's proportionate share of the collective net pension liability	\$ 33,437
State's proportionate share that is associated with the District	72,161
Total	\$ 105,598

The net pension liability was measured as of August 31, 2014 and the total pension plan liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating entities to the pension plan for the period September 1, 2013 through August 31, 2014.

At August 31, 2014, the District's proportion of the collective net pension liability was .001251806%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

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

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

There was a change in District contribution requirements that occurred after the measurement date of the net pension liability and the District's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the District's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$6,671,189 and revenue of \$6,671,189 for support provided by the State.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources <u>000's</u>	Deferred Inflows of Resources <u>000's</u>
Differences Between Expected and Actual Economic Experience	\$ 517	\$ -
Changes in Actuarial Assumptions	2,173	-
Difference Between Projected and Actual Investment Earnings	-	10,220
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	-	9
Contributions Paid to TRS Subsequent to the Measurement Date (to be Calculated by District)	4,014	-
Total	<u>\$ 6,704</u>	<u>\$ 10,229</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense Amount <u>000's</u>
<u>Year Ended August 31:</u>	
2016	\$ (2,103)
2017	(2,103)
2018	(2,103)
2019	452
Thereafter	420

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources for the TRS pension plan as follows:

	Deferred Outflows of Resources <u>000's</u>	Deferred Inflows of Resources <u>000's</u>
Total Net Amounts as of August 31, 2014 Measurement Date	\$ 2,690	\$ 10,229
Contributions made Subsequent to the Measurement Date	4,014	-
Reported by District as of June 30, 2015	<u>\$ 6,704</u>	<u>\$ 10,229</u>

**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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

This annual financial report and other required disclosure information can be requested in writing from 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 17 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 \$10,611. In 2015, 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)**

Anahuac ISD	\$	-
Barbers Hill ISD		35
Channelview ISD		117
Cleveland ISD		24
Crosby ISD		84
Dayton ISD		83
Deer Park ISD		189
Devers ISD		1
Galena Park ISD		191
Goose Creek CISD		63
Hardin ISD		24
Hull-Daisetta ISD		1
La Porte ISD		106
Liberty ISD		24
Pasadena ISD		945
Sheldon ISD		12
Tarkington ISD		-
	\$	1,899

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, 2015**

**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, 2015, 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	\$ -	\$ -	\$ 591,981	\$ 591,981
Capital Projects Fund	40,680,539	-	-	40,680,539
Non-major Governmental Funds	<u>304,417</u>	<u>-</u>	<u>-</u>	<u>304,417</u>
Total	<u>\$ 40,984,956</u>	<u>\$ -</u>	<u>\$ 591,981</u>	<u>\$ 41,576,937</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 \$254,832 are recorded as revenues and expenditures/expenses in the financial statements.

**K. Construction Commitments**

At June 30, 2015, the District had commitments under construction contracts totaling approximately \$20 million.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015, expenditures exceeded appropriations in the following functional categories:

Fund	Function	Final Budget	Actual	Variance
General	11 Instruction	\$ 113,222,584	\$ 113,857,069	\$ (634,485)
General	23 School Leadership	11,933,210	12,033,712	(100,502)
General	34 Student (Pupil) Transportation	7,919,146	8,082,145	(162,999)
General	36 Extracurricular Activities	4,111,199	4,307,884	(196,685)
Child Nutrition	35 Food Services	12,644,755	13,868,565	(1,223,810)
Child Nutrition	51 Facilities Maintenance and Operations	249,069	308,599	(59,530)

**M. Prior Period Adjustment**

During fiscal year 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. With GASB 68, the District must assume their proportionate share of the net pension liability of TRS. Due to the implementation of GASB 68, beginning net position has been decreased by \$38,456,370 from \$188,488,612 to \$150,032,242.

**N. Subsequent Events**

In August 2015, outstanding bonds totaling \$32,020,000 were remarketed to a term rate (1.35%) for a period of three years through August 14, 2018. Thereafter, the bonds will bear interest in a mode and at a rate determined by the remarketing agent (First Southwest Company, LLC) and may change at the District's option from time to time to (a) a weekly or term rate of a different duration or (b) a flexible rate not to exceed the lesser of (i) 15% per annum, or (ii) the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended. In addition, at the option of the District, the bonds bearing interest at a variable rate or flexible rate may be converted in whole or in part to a fixed rate to their maturity.

The District has evaluated subsequent events through November 6, 2015, the date the financials were available to be issued.

## 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, 2015

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	\$ 105,922,441	\$ 107,078,000	\$ 108,451,864	\$ 1,373,864
5800 State Program Revenues	74,652,975	77,275,000	77,271,197	(3,803)
5900 Federal Program Revenues	4,320,000	4,080,000	4,403,772	323,772
5020 Total Revenues	184,895,416	188,433,000	190,126,833	1,693,833
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	108,557,040	113,222,584	113,857,069	(634,485)
0012 Instructional Resources and Media Services	2,253,035	2,492,789	2,351,341	141,448
0013 Curriculum and Instructional Staff Development	2,425,907	2,822,184	2,517,216	304,968
0021 Instructional Leadership	4,339,651	4,390,438	4,093,627	296,811
0023 School Leadership	11,441,047	11,933,210	12,033,712	(100,502)
0031 Guidance, Counseling and Evaluation Services	6,590,331	6,810,411	6,653,296	157,115
0032 Social Work Services	718,518	755,836	692,468	63,368
0033 Health Services	1,862,463	1,978,429	1,873,991	104,438
0034 Student (Pupil) Transportation	7,591,829	7,919,146	8,082,145	(162,999)
0036 Extracurricular Activities	3,709,470	4,111,199	4,307,884	(196,685)
0041 General Administration	6,025,205	6,989,346	6,882,199	107,147
0051 Facilities Maintenance and Operations	24,895,664	26,159,053	24,898,237	1,260,816
0052 Security and Monitoring Services	2,203,662	2,440,283	2,356,040	84,243
0053 Data Processing Services	3,093,739	3,772,133	3,522,256	249,877
0061 Community Services	118,915	166,256	114,241	52,015
<b>Debt Service:</b>				
0071 Principal on Long Term Debt	555,240	555,240	555,243	(3)
0072 Interest on Long Term Debt	131,749	131,749	131,745	4
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	428,161	679,556	490,597	188,959
<b>Intergovernmental:</b>				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	34,000	79,380	7,528	71,852
0099 Other Intergovernmental Charges	1,144,351	1,244,351	1,091,967	152,384
6030 Total Expenditures	188,119,977	198,653,573	196,512,802	2,140,771
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,224,561)	(10,220,573)	(6,385,969)	3,834,604
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	2,039,548	2,089,548	50,000
8911 Transfers Out (Use)	(285,000)	(15,438,476)	(15,398,980)	39,496
7080 Total Other Financing Sources (Uses)	(285,000)	(13,398,928)	(13,309,432)	89,496
1200 Net Change in Fund Balances	(3,509,561)	(23,619,501)	(19,695,401)	3,924,100
0100 Fund Balance - July 1 (Beginning)	89,229,034	89,229,034	89,229,034	-
3000 Fund Balance - June 30 (Ending)	\$ 85,719,473	\$ 65,609,533	\$ 69,533,633	\$ 3,924,100

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT F-2

	2015
District's Proportion of the Net Pension Liability (Asset)	0.001251806%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 33,437,470
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	72,161,422
Total	\$ 105,598,892
District's Covered-Employee Payroll	\$ 145,568,629
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	22.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

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

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2015

EXHIBIT F-3

		2015
Contractually Required Contribution	\$	4,585,032
Contribution in Relation to the Contractually Required Contribution		(4,585,032)
		-
Contribution Deficiency (Excess)	\$	-0-
District's Covered-Employee Payroll	\$	152,683,020
Contributions as a Percentage of Covered-Employee Payroll		3.00%

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

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015**

**Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance**

*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, 2015.

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, 2015. 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.

**Notes to Schedule of the District’s Proportionate Share of the Net Pension Liability**

*Changes in Benefit Terms*

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

*Changes of Assumptions.*

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

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.
- 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, 2015

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	1,764,958	203,926	3,248,459
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1000	<b>Total Assets</b>	<u>\$ 1,764,958</u>	<u>\$ 203,926</u>	<u>\$ 3,248,459</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 15,915	\$ 1,168	\$ 94,566
2160	Accrued Wages Payable	485,403	19,948	607,946
2170	Due to Other Funds	1,263,640	182,810	2,545,947
2300	Unearned Revenues	-	-	-
2000	<b>Total Liabilities</b>	<u>1,764,958</u>	<u>203,926</u>	<u>3,248,459</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410	Inventories	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3490	Other Restricted Fund Balance	-	-	-
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,764,958</u>	<u>\$ 203,926</u>	<u>\$ 3,248,459</u>



240 National Breakfast and Lunch 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 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
\$ 2,914,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154,431	56,343	294,136	175,154	7,567	-	25,336	26,697
474	-	-	-	-	-	-	-
108,150	-	-	-	-	-	-	-
<u>\$ 3,177,264</u>	<u>\$ 56,343</u>	<u>\$ 294,136</u>	<u>\$ 175,154</u>	<u>\$ 7,567</u>	<u>\$ -</u>	<u>\$ 25,336</u>	<u>\$ 26,697</u>
\$ 226,854	\$ -	\$ 745	\$ -	\$ -	\$ -	\$ -	\$ -
625,661	8,800	38,389	29,773	-	-	55	3,802
38,972	47,543	255,002	145,381	-	-	25,281	22,895
15,054	-	-	-	7,567	-	-	-
<u>906,541</u>	<u>56,343</u>	<u>294,136</u>	<u>175,154</u>	<u>7,567</u>	<u>-</u>	<u>25,336</u>	<u>26,697</u>
108,150	-	-	-	-	-	-	-
2,162,573	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,270,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,177,264</u>	<u>\$ 56,343</u>	<u>\$ 294,136</u>	<u>\$ 175,154</u>	<u>\$ 7,567</u>	<u>\$ -</u>	<u>\$ 25,336</u>	<u>\$ 26,697</u>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

Data Control Codes	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 Instructional Materials Allotment	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ 41,461	\$ 257,018
1240	Receivables from Other Governments	13,912	129	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 13,912</u>	<u>\$ 129</u>	<u>\$ 41,461</u>	<u>\$ 257,018</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	13,912	129	-	-
2300	Unearned Revenues	-	-	41,461	257,018
2000	<b>Total Liabilities</b>	<u>13,912</u>	<u>129</u>	<u>41,461</u>	<u>257,018</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,912</u>	<u>\$ 129</u>	<u>\$ 41,461</u>	<u>\$ 257,018</u>

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 2,041	\$ -	\$ 1,298,536	\$ 427,597	\$ 4,940,862
-	969,565	-	158,132	7,120,064
-	-	1,422	-	1,896
-	-	-	-	108,150
<u>\$ 2,041</u>	<u>\$ 969,565</u>	<u>\$ 1,299,958</u>	<u>\$ 585,729</u>	<u>\$ 12,170,972</u>
\$ -	\$ 33,928	\$ 26,088	\$ 124,381	\$ 523,645
-	346,891	-	9,821	2,182,865
-	423,952	9,422	-	4,989,829
2,041	164,794	-	44,227	532,162
<u>2,041</u>	<u>969,565</u>	<u>35,510</u>	<u>178,429</u>	<u>8,228,501</u>
-	-	-	-	108,150
-	-	-	-	2,162,573
-	-	-	407,300	407,300
-	-	1,264,448	-	1,264,448
-	-	1,264,448	407,300	3,942,471
<u>\$ 2,041</u>	<u>\$ 969,565</u>	<u>\$ 1,299,958</u>	<u>\$ 585,729</u>	<u>\$ 12,170,972</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, 2015

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	3,843,290	416,220	4,887,521	46,784
5020 Total Revenues	<u>3,843,290</u>	<u>416,220</u>	<u>4,887,521</u>	<u>46,784</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	2,123,409	233,362	4,450,781	46,784
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	455,740	4,799	40,550	-
0021 Instructional Leadership	4,776	169,353	1,243	-
0031 Guidance, Counseling and Evaluation Services	-	569	394,947	-
0032 Social Work Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	1,259,365	8,137	-	-
6030 Total Expenditures	<u>3,843,290</u>	<u>416,220</u>	<u>4,887,521</u>	<u>46,784</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 National Breakfast and Lunch 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 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf
\$ 3,409,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300,355	-	-	-	-	-	-	-
10,207,853	213,307	670,681	179,800	-	52,152	79,351	62,882
13,918,199	213,307	670,681	179,800	-	52,152	79,351	62,882
-	109,821	-	179,800	-	52,152	73,797	60,785
-	-	-	-	-	-	-	-
-	99,418	669,164	-	-	-	1,433	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,121	2,097
-	-	-	-	-	-	-	-
13,868,565	-	-	-	-	-	-	-
-	4,068	-	-	-	-	-	-
-	-	1,517	-	-	-	-	-
308,599	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
14,177,164	213,307	670,681	179,800	-	52,152	79,351	62,882
(258,965)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(258,965)	-	-	-	-	-	-	-
2,529,688	-	-	-	-	-	-	-
\$ 2,270,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

Data Control Codes	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 Instructional Materials Allotment
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	1,280	254,832
5900 Federal Program Revenues	15,922	2,438	-	-
5020 Total Revenues	<u>15,922</u>	<u>2,438</u>	<u>1,280</u>	<u>254,832</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	15,922	2,438	-	254,832
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	1,280	-
0021 Instructional Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>15,922</u>	<u>2,438</u>	<u>1,280</u>	<u>254,832</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>

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Nonmajor Governmental Funds
\$ -	\$ 2,012,824	\$ 1,194,750	\$ 483,482	\$ 7,101,047
-	1,270,634	-	61,736	1,888,837
-	-	-	-	20,678,201
-	3,283,458	1,194,750	545,218	29,668,085
-	3,092,101	-	162,481	10,858,465
-	-	-	1,925	1,925
-	7,143	-	39,329	1,318,856
-	-	-	-	175,372
-	184,214	-	608	586,556
-	-	-	431,360	431,360
-	-	-	-	13,868,565
-	-	1,080,488	12,000	1,096,556
-	-	-	-	1,517
-	-	-	-	308,599
-	-	-	177,901	1,445,403
-	3,283,458	1,080,488	825,604	30,093,174
-	-	114,262	(280,386)	(425,089)
-	-	-	330,504	330,504
-	-	114,262	50,118	(94,585)
-	-	1,150,186	357,182	4,037,056
\$ -	\$ -	\$ 1,264,448	\$ 407,300	\$ 3,942,471

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2015
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 699,246	\$ 1,446,058	\$ 1,443,382	\$ 701,922
Other Receivables	240	159	399	-
Total Assets	<u>\$ 699,486</u>	<u>\$ 1,446,217</u>	<u>\$ 1,443,781</u>	<u>\$ 701,922</u>
Liabilities:				
Accounts Payable	\$ 99,648	\$ 1,827,673	\$ 1,803,460	\$ 123,861
Due to Student Groups	599,838	1,495,773	1,522,422	573,189
Total Liabilities	<u>\$ 699,486</u>	<u>\$ 3,323,446</u>	<u>\$ 3,325,882</u>	<u>\$ 697,050</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 699,246	\$ 1,446,058	\$ 1,443,382	\$ 701,922
Other Receivables	240	159	399	-
Total Assets	<u>\$ 699,486</u>	<u>\$ 1,446,217</u>	<u>\$ 1,443,781</u>	<u>\$ 701,922</u>
Liabilities:				
Accounts Payable	\$ 99,648	\$ 1,827,673	\$ 1,803,460	\$ 123,861
Due to Student Groups	599,838	1,495,773	1,522,422	573,189
Total Liabilities	<u>\$ 699,486</u>	<u>\$ 3,323,446</u>	<u>\$ 3,325,882</u>	<u>\$ 697,050</u>



## COMPLIANCE SCHEDULES

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED JUNE 30, 2015

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	Various	Various	\$ Various
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	1.040000	0.346790	8,369,102,532
2015 (School year under audit)	1.040000	0.391890	8,993,777,455
1000 TOTALS			

(10) Beginning Balance 7/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2015
\$ 3,271,593	\$ -	\$ 169,357	\$ 46,470	\$ (474,707)	\$ 2,581,059
425,626	-	23,574	4,708	(21,438)	375,906
412,862	-	34,746	10,492	(17,918)	349,706
472,448	-	55,872	13,008	(16,841)	386,727
640,974	-	64,236	14,955	(27,033)	534,750
743,744	-	138,420	34,889	(13,579)	556,856
955,189	-	228,389	64,153	2,242	664,889
1,178,895	-	523,710	147,107	258,250	766,328
2,601,854	-	936,456	312,263	(92,024)	1,261,111
-	128,781,000	97,183,011	36,620,240	7,793,880	2,771,629
<u>\$ 10,703,185</u>	<u>\$ 128,781,000</u>	<u>\$ 99,357,771</u>	<u>\$ 37,268,285</u>	<u>\$ 7,390,832</u>	<u>\$ 10,248,961</u>

See Note II. C on page 57 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, 2015

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	\$ 4,697,298	\$ 3,529,207	\$ 3,409,991	\$ (119,216)
5800 State Program Revenues	258,381	258,381	300,355	41,974
5900 Federal Program Revenues	9,631,514	9,127,214	10,207,853	1,080,639
5020 Total Revenues	14,587,193	12,914,802	13,918,199	1,003,397
<b>EXPENDITURES:</b>				
0035 Food Services	14,357,191	12,644,755	13,868,565	(1,223,810)
0051 Facilities Maintenance and Operations	230,000	249,069	308,599	(59,530)
6030 Total Expenditures	14,587,191	12,893,824	14,177,164	(1,283,340)
1200 Net Change in Fund Balances	2	20,978	(258,965)	(279,943)
0100 Fund Balance - July 1 (Beginning)	2,529,688	2,529,688	2,529,688	-
3000 Fund Balance - June 30 (Ending)	\$ 2,529,690	\$ 2,550,666	\$ 2,270,723	\$ (279,943)

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, 2015

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	\$ 36,731,331	\$ 37,246,156	\$ 38,108,886	\$ 862,730
5020	Total Revenues	36,731,331	37,246,156	38,108,886	862,730
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long Term Debt	16,230,398	31,679,998	30,580,000	1,099,998
0072	Interest on Long Term Debt	19,165,624	18,131,168	18,037,018	94,150
0073	Bond Issuance Cost and Fees	50,000	1,296,391	1,224,895	71,496
6030	Total Expenditures	35,446,022	51,107,557	49,841,913	1,265,644
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	1,285,309	(13,861,401)	(11,733,027)	2,128,374
<b>OTHER FINANCING SOURCES (USES):</b>					
7901	Refunding Bonds Issued	-	108,640,000	108,640,000	-
7915	Transfers In	-	408,532	408,532	-
7916	Premium or Discount on Issuance of Bonds	-	15,975,629	15,975,629	-
7917	Prepaid Interest	-	304,487	304,487	-
8940	Payment to Bond Refunding Escrow Agent (Use)	-	(125,229,318)	(125,229,318)	-
7080	Total Other Financing Sources (Uses)	-	99,330	99,330	-
1200	Net Change in Fund Balances	1,285,309	(13,762,071)	(11,633,697)	2,128,374
0100	Fund Balance - July 1 (Beginning)	36,676,310	36,676,310	36,676,310	-
3000	Fund Balance - June 30 (Ending)	\$ 37,961,619	\$ 22,914,239	\$ 25,042,613	\$ 2,128,374

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# Statistical Section

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Goose Creek Consolidated Independent School District  
Baytown, Texas



For the Year Ended June 30, 2015

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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 .....100**

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.....108**

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

**Debt Capacity .....113**

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 .....118**

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 .....121**

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)

	8/31/2006	8/31/2007	8/31/2008	8/31/2009
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 77,913,026	\$ 96,245,296	\$ 86,323,324	\$ 79,955,505
Restricted for Federal and State Programs	1,872,374	2,341,517	2,429,343	2,287,044
Restricted for Debt Service	7,581,958	9,244,765	11,177,265	12,061,453
Restricted for Capital Projects	5,913,256	14,155,683	-	-
Restricted for Other Purposes	-	-	-	-
Unrestricted	49,418,265	42,660,731	58,647,997	64,278,448
Total Net Position	<u>\$ 142,698,879</u>	<u>\$ 164,647,992</u>	<u>\$ 158,577,929</u>	<u>\$ 158,582,450</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.

In 2015, the District implemented GASB Statement No. 68 "Accounting and Reporting for Pensions - an amendment of GASB Statement No. 27" The prior years were not restated.

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

	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$	74,454,021	\$ 68,207,444	54,765,228	57,426,229	54,510,728	70,555,510
	1,656,564	1,444,526	992,903	2,109,291	2,529,688	2,162,573
	11,376,054	13,144,470	27,097,448	30,150,299	32,368,394	18,881,811
	-	-	-	-	-	-
	3,143,215	501,859	281,288	398,194	357,182	407,300
	<u>64,441,588</u>	<u>84,151,379</u>	<u>104,636,165</u>	<u>114,644,375</u>	<u>98,722,620</u>	<u>42,577,066</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>	<u>\$ 134,584,260</u>

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

	8/31/2006	8/31/2007	8/31/2008	8/31/2009	8/31/2010
<b>Governmental Activities Expenses:</b>					
Instruction	\$ 91,014,357	\$ 95,065,297	\$ 110,121,461	\$ 113,590,565	\$ 120,182,389
Facilities Acquisition and Construction	2,467,645	5,100,836	6,171,671	729,185	-
Instructional Resources and Media Services	2,225,164	2,268,931	2,508,398	2,548,650	2,803,948
Curriculum and Staff Development	2,464,911	2,503,966	2,819,730	2,558,346	2,863,752
Instructional Leadership	2,760,728	2,834,236	3,276,102	4,858,913	3,473,690
School Leadership	8,458,796	8,743,692	10,576,520	11,221,000	11,809,372
Guidance, Counseling and Evaluation Services	6,040,698	5,000,160	6,322,310	6,694,847	7,066,868
Social Work Services	1,569,249	1,624,792	1,518,986	1,294,189	1,237,309
Health Services	1,297,163	1,306,277	1,565,918	1,618,504	1,734,571
Student (Pupil) Transportation	4,578,961	4,989,255	6,119,006	5,774,167	6,773,261
Food Services	8,697,947	9,444,275	10,429,483	10,828,376	11,419,538
Cocurricular/Extracurricular Activities	3,372,122	3,500,807	3,802,916	4,714,827	5,272,188
General Administration	5,687,757	5,876,011	6,723,930	5,887,902	6,312,786
Facilities Maintenance and Operations	21,213,744	23,058,584	26,892,771	27,100,297	28,022,912
Security and Monitoring Services	1,085,818	1,138,839	1,347,928	1,358,817	1,548,343
Data Processing Services	1,967,227	1,856,997	2,135,838	2,114,207	2,212,660
Community Services	1,275,851	1,311,456	1,324,037	1,402,576	1,513,932
Debt Service	11,266,698	15,683,646	17,587,872	14,596,632	15,234,934
Intergovernmental - Shared Service Arrangements	-	-	195,600	324,004	317,955
Intergovernmental - Juvenile Justice Alt Ed Prg	3,241	5,087	22,340	8,779	4,506
Intergovernmental - County Appraisal Districts	-	-	-	1,037,957	1,006,628
<b>Total Governmental Activities Expenses</b>	<b>\$ 177,448,077</b>	<b>\$ 191,313,144</b>	<b>\$ 221,462,817</b>	<b>\$ 220,262,740</b>	<b>\$ 230,811,542</b>
<b>Governmental Activities Program Revenues:</b>					
Charges for Services:					
Instruction	\$ 845,194	\$ 906,608	\$ 1,321,782	\$ 1,390,298	\$ 1,475,167
Instructional Leadership	77,151	59,935	40,810	88,132	45,105
School Leadership	9,493	-	-	-	-
Guidance, Counseling and Evaluation Services	30,032	135,169	40,810	44,066	90,209
Student (Pupil) Transportation	62,805	91,247	-	63,177	152,160
Food Services	2,784,555	3,129,619	3,361,950	3,302,714	3,432,050
Extracurricular Activities	187,638	235,932	205,216	226,140	250,113
General Administration	168,281	209,299	225,552	211,979	211,042
Facilities Maintenance & Operations	69,593	858,658	396,873	428,278	547,142
Data Processing Services	-	73,255	-	-	-
Community Services	151,885	-	162,964	185,123	199,870
Operating Grants and Contributions	29,869,558	27,076,734	28,981,161	31,496,481	38,527,389
<b>Total Governmental Activities Program Revenues</b>	<b>34,256,185</b>	<b>32,776,456</b>	<b>34,737,118</b>	<b>37,436,388</b>	<b>44,930,247</b>
<b>Total Governmental Activities Net Expenses</b>	<b>\$ (143,191,892)</b>	<b>\$ (158,536,688)</b>	<b>\$ (186,725,699)</b>	<b>\$ (182,826,352)</b>	<b>\$ (185,881,295)</b>
<b>Governmental Activities General Revenues and Other</b>					
<b>Changes in Net Position:</b>					
Property Taxes - General	113,259,667	115,373,738	88,985,560	97,749,888	90,820,085
Property Taxes - Debt Service	17,230,558	22,753,694	26,920,116	22,706,494	21,111,355
State Aid - Formula Grants	11,873,462	24,559,511	50,013,133	51,200,913	62,822,847
Grants and Contributions not Restricted	1,655,319	607,548	726,072	1,542,580	1,530,490
Investment Earnings	7,936,325	12,583,388	8,763,643	3,642,065	1,124,782
Miscellaneous	3,553,587	4,607,922	4,865,551	5,951,310	4,960,728
Special Item:					
Gain (loss) on Disposition of Capital Assets	-	-	381,561	37,623	-
<b>Total Governmental Activities General Revenues and Other Changes in Net Position</b>	<b>\$ 155,508,918</b>	<b>\$ 180,485,801</b>	<b>\$ 180,655,636</b>	<b>\$ 182,830,873</b>	<b>\$ 182,370,287</b>
<b>Changes in Net Position</b>	<b>\$ 12,317,026</b>	<b>\$ 21,949,113</b>	<b>\$ (6,070,063)</b>	<b>\$ 4,521</b>	<b>\$ (3,511,008)</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.

In 2015, the District implemented GASB Statement No. 68 "Accounting and Reporting for Pensions - an amendment of GASB Statement No. 27" The prior years were not restated.

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

	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$	119,150,241	\$ 113,969,625	\$ 108,830,667	\$ 137,194,199	\$ 146,482,874
	-	-	-	-	-
	2,330,545	2,813,407	2,077,529	2,594,886	4,305,920
	2,441,088	2,611,455	2,948,114	4,296,540	4,040,100
	3,380,904	3,453,276	2,970,345	4,232,550	4,508,429
	11,366,458	11,069,528	9,638,123	11,792,544	12,972,451
	6,882,313	6,772,661	6,168,985	7,413,935	7,736,919
	1,083,403	1,085,807	1,018,330	1,152,551	1,214,386
	1,708,388	1,689,956	1,622,268	1,789,031	2,004,534
	6,785,717	7,007,457	6,798,741	8,308,026	8,664,920
	12,868,101	12,805,743	12,376,722	13,932,718	14,715,361
	4,940,612	4,841,872	4,609,787	5,402,249	5,794,149
	6,970,645	6,841,895	6,296,471	7,836,681	7,415,202
	23,814,240	25,260,819	21,265,038	27,644,908	27,131,409
	1,543,394	1,571,309	1,559,954	1,867,076	2,348,123
	2,115,301	2,032,208	2,391,926	2,891,222	3,602,750
	1,740,979	1,630,601	1,424,758	1,728,511	1,662,075
	15,078,247	13,821,849	11,225,510	17,628,569	19,978,227
	166,708	375,000	-	-	-
	13,355	900	6,100	20,971	7,528
	-	-	-	-	1,091,967
\$	<u>224,380,639</u>	<u>\$ 219,655,368</u>	<u>\$ 203,229,368</u>	<u>\$ 257,727,167</u>	<u>\$ 275,677,324</u>
\$	1,566,228	\$ 1,261,531	\$ 1,262,537	\$ 1,808,958	\$ 2,058,574
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	120,707	-	113,601	147,520	47,186
	3,094,851	3,129,428	3,299,688	3,741,231	3,403,503
	1,515,241	1,219,805	1,141,668	1,165,856	1,410,947
	-	269,824	-	-	-
	52,801	59,583	81,953	67,438	94,523
	-	-	-	-	-
	-	158,544	140,539	139,860	166,856
	39,740,211	33,772,035	27,454,602	32,638,215	31,230,262
	46,090,039	39,870,750	33,494,588	39,709,078	38,411,851
\$	<u>(178,290,600)</u>	<u>\$ (179,784,618)</u>	<u>\$ (169,734,780)</u>	<u>\$ (218,018,089)</u>	<u>\$ (237,265,473)</u>
	80,662,393	89,812,714	92,571,600	93,949,545	100,441,834
	20,365,552	24,873,945	25,705,442	31,287,719	37,621,770
	82,076,154	74,130,858	59,089,766	64,305,653	69,113,395
	2,365,003	3,566,205	3,677,262	3,555,919	4,292,813
	815,806	918,457	938,809	1,301,363	1,038,267
	4,383,928	6,805,793	6,853,634	7,378,114	9,309,412
	-	-	-	-	-
\$	<u>190,668,836</u>	<u>\$ 200,107,972</u>	<u>\$ 188,836,513</u>	<u>\$ 201,778,313</u>	<u>\$ 221,817,491</u>
\$	<u>12,378,236</u>	<u>\$ 20,323,354</u>	<u>\$ 19,101,733</u>	<u>\$ (16,239,776)</u>	<u>\$ (15,447,982)</u>

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

	8/31/2006	8/31/2007	8/31/2008	8/31/2009	8/31/2010
<b>General Fund:</b>					
Nonspendable	\$ 615,473	\$ 706,393	\$ 492,590	\$ 432,498	\$ 458,669
Restricted	-	-	-	-	-
Committed	11,000,000	21,500,000	11,500,000	11,500,000	5,500,000
Assigned	1,597,550	2,860,979	2,381,982	8,932,480	21,511,356
Unassigned	42,874,423	50,795,209	54,509,908	43,742,066	33,075,340
<b>Total General Fund</b>	<u>\$ 56,087,446</u>	<u>\$ 75,862,581</u>	<u>\$ 68,884,480</u>	<u>\$ 64,607,044</u>	<u>\$ 60,545,365</u>
<b>All Other Governmental Funds:</b>					
<b>Debt Service Fund:</b>					
Restricted	\$ 7,581,958	\$ 9,244,765	\$ 11,177,265	\$ 12,061,453	\$ 11,416,815
<b>Total Debt Service Fund</b>	<u>\$ 7,581,958</u>	<u>\$ 9,244,765</u>	<u>\$ 11,177,265</u>	<u>\$ 12,061,453</u>	<u>\$ 11,416,815</u>
<b>Capital Projects Funds</b>					
Nonspendable	\$ 1,558,595	\$ 1,749,072	\$ 895,778	\$ 154,534	\$ -
Assigned	-	-	-	10,012,500	-
Restricted	152,181,570	127,830,407	58,774,409	23,131,293	22,051,196
<b>Total Capital Projects Funds</b>	<u>\$ 153,740,165</u>	<u>\$ 129,579,479</u>	<u>\$ 59,670,187</u>	<u>\$ 33,298,327</u>	<u>\$ 22,051,196</u>
<b>Special Revenue Funds</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 277,123
Restricted	1,252,362	1,779,657	2,429,343	5,287,044	4,522,656
Committed	620,012	561,860	695,259	979,820	1,084,451
<b>Total Special Revenue Funds</b>	<u>\$ 1,872,374</u>	<u>\$ 2,341,517</u>	<u>\$ 3,124,602</u>	<u>\$ 6,266,864</u>	<u>\$ 5,884,230</u>
<b>Total All Other Governmental Funds</b>	<u>\$ 163,194,497</u>	<u>\$ 141,165,761</u>	<u>\$ 73,972,054</u>	<u>\$ 51,626,644</u>	<u>\$ 39,352,241</u>

Source of Information: Goose Creek Consolidated Independent School District's Financial Statements  
 This statement was updated August 31, 2011 in accordance with Fund Balance classifications per GASB 54,  
 accordingly, fiscal years 2002-2010 were restated.

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)

8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$ 391,744	\$ 1,392,732	\$ 2,061,963	\$ 587,024	\$ 698,063
-	-	25,046,886	3,502,210	-
10,500,000	18,500,000	17,500,000	10,000,000	-
543,799	2,901,274	1,734,203	1,994,788	591,981
<u>65,990,802</u>	<u>69,703,521</u>	<u>54,547,312</u>	<u>73,145,012</u>	<u>68,243,589</u>
<u>\$ 77,426,345</u>	<u>\$ 92,497,527</u>	<u>\$ 100,890,364</u>	<u>\$ 89,229,034</u>	<u>\$ 69,533,633</u>
<u>\$ 13,209,898</u>	<u>\$ 26,142,292</u>	<u>\$ 33,552,203</u>	<u>\$ 36,676,310</u>	<u>\$ 25,042,613</u>
<u>\$ 13,209,898</u>	<u>\$ 26,142,292</u>	<u>\$ 33,552,203</u>	<u>\$ 36,676,310</u>	<u>\$ 25,042,613</u>
-	-	-	-	-
-	-	-	-	-
<u>14,741,785</u>	<u>1,329,057</u>	<u>789,191</u>	<u>121,116,538</u>	<u>156,042,156</u>
<u>\$ 14,741,785</u>	<u>\$ 1,329,057</u>	<u>\$ 789,191</u>	<u>\$ 121,116,538</u>	<u>\$ 156,042,156</u>
217,458	157,811	134,708	156,470	108,150
1,728,927	1,116,380	2,372,777	2,730,400	2,569,873
1,146,958	1,108,169	1,107,233	1,150,186	1,264,448
<u>\$ 3,093,343</u>	<u>\$ 2,382,360</u>	<u>\$ 3,614,718</u>	<u>\$ 4,037,056</u>	<u>\$ 3,942,471</u>
<u>\$ 31,045,026</u>	<u>\$ 29,853,709</u>	<u>\$ 37,956,112</u>	<u>\$ 161,829,904</u>	<u>\$ 185,027,240</u>

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

	8/31/2006	8/31/2007	8/31/2008	8/31/2009
<b>Revenues:</b>				
Local:				
Property Tax	\$ 128,804,398	\$ 137,029,670	\$ 116,446,720	\$ 119,096,988
Other	16,681,391	25,712,801	21,212,536	16,197,017
Total Local Revenue	145,485,789	162,742,471	137,659,256	135,294,005
State Revenue	21,221,561	34,724,002	61,005,773	62,807,640
Federal Revenue	22,118,729	17,462,191	18,685,490	21,426,639
Total Revenues	188,826,079	214,928,664	217,350,519	219,528,284
<b>Expenditures By Function:</b>				
Current:				
Instruction	86,077,644	88,463,419	97,216,978	104,544,789
Instructional Resources and Media Services	2,037,909	2,182,094	2,209,757	2,364,191
Curriculum and Instructional Staff Development	2,371,284	2,377,460	2,587,087	2,428,312
Instructional Leadership	2,573,473	2,641,585	2,897,931	3,199,037
School Leadership	7,897,030	8,041,012	9,191,572	10,352,578
Guidance, Counseling and Evaluation Services	5,666,188	4,649,060	5,593,492	6,227,209
Social Work Services	1,569,249	1,581,410	1,457,020	1,248,678
Health Service	1,203,536	1,198,959	1,354,761	1,493,244
Student (Pupil) Transportation	4,298,079	4,598,414	5,482,629	5,562,601
Food Services	8,697,947	9,539,103	10,429,483	10,895,279
Extracurricular Activities	3,192,692	3,297,300	3,485,232	4,577,368
General Administration	5,410,794	5,417,826	5,841,823	5,498,949
Facilities Maintenance And Operations	20,210,190	22,221,406	26,195,723	25,219,413
Security and Monitoring Services	1,031,841	1,061,847	1,269,871	1,290,214
Data Processing Services	2,049,972	1,759,137	2,164,273	2,766,856
Community Services	1,275,851	1,311,062	1,322,881	1,402,126
Debt Service:				
Principal on Long Term Debt	5,095,000	7,040,000	6,398,541	6,470,797
Interest on Long Term Debt	10,955,355	15,482,019	19,651,105	18,448,585
Bond Issuance Cost and Fees	1,189,116	497,475	258,025	33,249
Capital Outlay:				
Facilities Acquisition and Construction	24,381,625	96,940,788	82,591,545	29,544,538
Intergovernmental Charges	3,241	5,087	217,940	1,370,740
Total Expenditures	197,188,016	280,306,463	287,817,669	244,938,753
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,361,937)	(65,377,799)	(70,467,150)	(25,410,469)
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	19,715,000	-	13,290,000	-
Bonds Issued	115,620,000	62,440,000	-	-
Sale of Real and Personal Property	52,161	50,210	547,377	37,623
Non-Current Loans	-	-	-	-
Transfers In	365,340	1,150,481	6,455,360	6,362,027
Premium or Discount on Issuance of Bonds	5,303,943	559,992	648,615	-
Prepaid Interest	411,900	73,996	6,567	-
Transfers Out (Use)	(365,340)	(1,150,481)	(9,198,516)	(7,612,027)
Payment to Bond Refunding Escrow Agent (Use)	(20,924,760)	-	(13,750,746)	-
Other Uses	-	-	(1,703,315)	-
Total Other Financing Sources (Uses)	120,178,244	63,124,198	(3,704,658)	(1,212,377)
Net Change in Fund Balances	\$ 111,816,307	\$ (2,253,601)	\$ (74,171,808)	\$ (26,622,846)
Debt Service as a percentage of NonCapital Expenditures	9.92%	12.32%	12.69%	11.72%

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)

	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$	110,808,234	\$ 99,857,358	\$ 106,266,574	\$ 114,706,106	\$ 123,006,818	\$ 133,803,251
	14,359,890	17,670,089	17,101,032	18,293,134	19,108,486	20,333,155
	125,168,124	117,527,447	123,367,606	132,999,240	142,115,304	154,136,406
	72,920,041	91,014,162	84,549,679	65,969,293	76,391,792	79,160,034
	29,960,685	30,699,593	26,632,075	22,467,139	23,580,989	25,081,973
	228,048,850	239,241,202	234,549,360	221,435,672	242,088,085	258,378,413
	110,973,691	111,679,795	105,967,515	102,460,626	131,164,077	141,222,837
	2,556,079	2,231,061	2,739,130	1,922,736	2,412,944	4,114,301
	2,694,606	2,275,454	2,429,209	2,789,299	4,102,219	3,836,072
	3,196,572	3,151,501	3,212,282	2,770,048	3,993,372	4,268,999
	10,705,244	10,595,214	10,297,017	8,983,891	11,008,078	12,163,737
	6,557,904	6,415,330	6,300,016	5,771,214	6,932,300	7,239,852
	1,167,778	1,009,891	1,010,032	942,938	1,069,701	1,123,828
	1,571,776	1,592,469	1,572,019	1,525,246	1,669,595	1,881,367
	6,137,460	8,084,940	7,653,234	6,377,599	10,320,773	8,082,145
	11,419,538	12,016,360	12,107,858	11,704,183	13,370,315	13,902,498
	4,887,617	4,613,791	4,518,068	4,351,107	5,125,215	5,404,440
	5,736,959	5,642,376	5,480,258	5,074,978	6,405,129	6,969,760
	26,017,983	23,417,411	23,622,317	19,420,592	26,419,960	25,238,828
	1,504,718	1,461,973	1,465,129	1,865,486	2,037,951	3,316,921
	2,030,098	1,971,772	1,890,386	2,299,008	3,868,137	3,914,647
	1,513,263	1,622,849	1,516,806	1,330,376	1,614,760	1,559,644
	6,735,662	10,860,000	9,610,000	9,285,000	13,565,674	31,135,243
	18,588,211	14,760,242	14,639,327	9,721,741	16,457,775	18,168,763
	1,240,971	12,910	579,449	13,800	1,413,276	1,624,437
	17,869,692	3,846,136	7,244,987	6,178,975	57,026,501	43,737,083
	1,329,089	1,112,230	1,326,393	866,838	1,030,002	1,099,495
	244,434,911	228,373,705	225,181,432	205,655,681	321,007,754	340,004,897
	(16,386,061)	10,867,497	9,367,928	15,779,991	(78,919,669)	(81,626,484)
	-	-	51,050,000	-	-	108,640,000
	-	-	-	-	172,050,000	75,330,000
	15,500	-	-	-	324,990	2,089,548
	-	-	4,141,875	715,249	-	-
	5,529,349	10,269,988	13,383,442	1,643,436	14,700,962	15,807,512
	-	-	9,699,676	-	14,453,556	23,892,571
	-	-	120,746	-	303,585	405,618
	(4,758,911)	(10,112,682)	(13,365,712)	(1,643,436)	(10,700,962)	(15,807,512)
	-	-	(60,518,090)	-	-	(125,229,318)
	(735,959)	(2,451,038)	-	-	-	-
	49,979	(2,293,732)	4,511,937	715,249	191,132,131	85,128,419
\$	(16,336,082)	\$ 8,573,765	\$ 13,879,865	\$ 16,495,240	\$ 112,212,462	\$ 3,501,935
	11.78%	11.60%	11.22%	9.56%	11.67%	16.91%

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

Taxing Entity	8/31/2006	8/31/2007	8/31/2008	8/31/2009
Baytown, City of	\$ 0.73703	\$ 0.73703	\$ 0.78703	\$ 0.78703
Cedar Bayou Park UD	0.17500	0.17500	0.10000	0.10000
Chambers County	0.49679	0.49679	0.49679	0.49679
Chambers County ID #1	0.19000	0.19000	0.42000	0.60000
Chambers County MUD #1	0.82000	0.80500	0.80500	0.80500
Goose Creek CISD	1.59562	1.30196	1.28213	1.28213
Harris County WCID #1	0.28000	0.28000	0.25000	0.25000
Harris County FWSD #1A	0.50000	0.50000	0.50000	0.50000
Harris County FWSD #27	0.65500	0.63000	0.62000	0.62000
Harris County	0.40239	0.39239	0.38923	0.39224
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00600	0.00585	0.00605	0.00605
Harris County Flood Control District	0.03241	0.03106	0.03086	0.02922
Harris County Port of Houston Authority	0.01302	0.01437	0.01773	0.01636
Lake MUD	0.67000	0.67000	0.67000	0.67000
Lee College District	0.20200	0.20678	0.20588	0.22120
Spring Meadows MUD	1.25000	1.25000	1.23000	1.23000
	<u>\$ 8.21742</u>	<u>\$ 7.87839</u>	<u>\$ 8.00286</u>	<u>\$ 8.19818</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)

	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$	0.78703	\$ 0.78703	\$ 0.82203	\$ 0.82203	\$ 0.82203	\$ 0.82203
	0.10000	0.10000	0.10000	0.10000	0.10000	0.09600
	0.49679	0.49679	0.49679	0.49679	0.53269	0.55269
	0.62000	0.62000	0.60000	0.60000	0.60000	0.60000
	0.80500	0.94000	0.98000	0.98000	0.89000	0.79000
	1.30213	1.30213	1.33213	1.33213	1.38679	1.43189
	0.25000	0.25000	0.25000	0.23000	0.22000	0.22000
	0.55000	0.55000	0.55000	0.55000	0.55000	0.55000
	0.67500	0.67500	0.67500	0.73500	0.73500	0.70500
	0.38805	0.38805	0.39117	0.40021	0.41455	0.41731
	0.19216	0.19216	0.19216	0.18216	0.17000	0.17000
	0.00658	0.00658	0.00658	0.00662	0.00636	0.00600
	0.02923	0.02923	0.02809	0.02809	0.02827	0.02736
	0.20540	0.20540	0.18560	0.01952	0.01716	0.01531
	0.67000	0.67000	0.67000	0.70000	0.70000	0.68000
	0.25200	0.25200	0.25200	0.24100	0.26070	0.25020
	1.21000	1.21000	1.21000	1.21000	1.21000	1.13000
\$	<u>8.53937</u>	<u>\$ 8.67437</u>	<u>\$ 8.74155</u>	<u>\$ 8.63355</u>	<u>\$ 8.64355</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				
8/31/2006	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%
6/30/2015	8,890,048,137	2,436,966,125	11,327,014,262	2,333,236,861	8,993,777,455	1.4319	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 YEARS PREVIOUS  
 (Unaudited)

Taxpayer	Type Of Property	Tax Year 2014 Assessed Value (1)	Rank	Percent of Total Value	Tax Year 2005 Assessed Value (1)	Rank	Percent of Total Value
ExxonMobil	Oil Refining, Storage, & Chemical Plant	\$ 3,272,076,178	1	36.38%	\$ 2,556,817,051	1	33.71%
Bayer Material Science	Chemical Plant	1,134,790,908	2	12.62%	1,161,857,290	2	15.32%
Chevron Chemical	Petro Chemical Plant	689,930,865	3	7.67%	486,453,758	3	6.41%
Wal-Mart Stores, Inc.	Retail	233,929,795	4	2.60%	-	-	-
Borusan Mannesmann Pipe U.S.	Manufacturing	141,503,516	5	1.57%	-	-	-
NRG Texas Power LLC	Generation, Electric Power	136,715,000	6	1.52%	-	-	-
Baytown Energy Center LP	Oil & Gas Production	105,299,789	7	1.17%	150,534,440	4	1.98%
Air Products	Hydrogen Production	77,503,535	8	0.86%	-	-	-
JSW Steel USA Inc.	Manufacturing	73,272,200	9	-	-	-	-
IPSCO Koppel Tubulars Corp.	Manufacturing	64,506,137	10	-	-	-	-
First Chemical Texas LLP	Chemical Plant	-	-	-	47,435,830	9	1.14%
Home Depot	Retail	-	-	-	86,766,030	5	-
Verizon Southwest	Communications	-	-	-	85,754,200	6	1.13%
Center Point Energy	Electric Utility	-	-	-	78,918,571	7	1.04%
Lanxess	Chemical Plant	-	-	-	67,194,800	8	0.89%
Eldorado Nitrogen	Chemical Plant	-	-	-	44,566,020	10	0.59%
Totals		<u>5,929,527,923</u>		64.40%	<u>4,766,297,990</u>		62.22%
Total Assessed Value Goose Creek CISD (1)		<u>\$ 8,993,777,455</u>			<u>\$ 7,583,893,025</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		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections to Net Tax Levy
2005	8/31/2006	131,011,752	127,060,727	96.98%	4,157,205	131,217,932	100.16%
2006	8/31/2007	135,953,676	133,555,293	98.24%	2,022,479	135,577,772	99.72%
2007	8/31/2008	116,706,041	114,312,947	97.95%	2,043,389	116,356,336	99.70%
2008	8/31/2009	119,588,025	117,154,457	97.97%	2,046,842	119,201,299	99.68%
2009	8/31/2010	111,630,204	109,346,635	97.95%	1,748,928	111,095,563	99.52%
2010	8/31/2011	102,304,814	100,196,865	97.94%	1,551,095	101,747,960	99.46%
2011	8/31/2012	108,289,335	106,266,574	98.13%	1,357,871	107,624,445	99.39%
2012	6/30/2013	117,287,931	114,706,106	97.80%	1,815,497	116,521,603	99.35%
2013	6/30/2014	125,608,672	123,006,818	97.93%	1,340,743	124,347,561	99.00%
2014	6/30/2015	136,574,880	133,803,251	97.97%	-	133,803,251	97.97%

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	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)
8/31/2006	309,010,000	-	-	\$ 309,010,000	4.07%	3,362	16,588	20.54%
8/31/2007	364,410,000	-	-	\$ 364,410,000	4.28%	3,945	19,382	19.31%
8/31/2008	357,856,459	-	-	\$ 357,856,459	3.99%	3,854	18,764	21.41%
8/31/2009	351,385,662	-	-	\$ 351,385,662	3.87%	3,766	18,193	21.87%
8/31/2010	344,650,000	-	-	\$ 344,650,000	3.91%	3,479	17,457	21.58%
8/31/2011	333,790,000	-	-	\$ 333,790,000	4.20%	3,293	16,691	20.42%
8/31/2012	321,710,000	-	4,141,875	\$ 325,851,875	4.15%	3,215	16,294	13.87%
6/30/2013	312,425,000	-	4,857,124	\$ 317,282,124	3.77%	2,933	15,743	13.50%
6/30/2014	471,315,000	-	4,451,450	\$ 475,766,450	5.64%	4,425	23,040	19.09%
6/30/2015	560,934,790	-	3,896,210	\$ 564,831,000	6.28%	5,100	26,352	21.36%

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

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

	<u>8/31/2006</u>	<u>8/31/2007</u>	<u>8/31/2008</u>	<u>8/31/2009</u>
Debt Limit	\$ 758,389,302	\$ 852,042,943	\$ 896,387,301	\$ 907,407,192
Total Net Debt Applicable to Limit	<u>301,428,042</u>	<u>355,165,235</u>	<u>346,679,194</u>	<u>339,324,209</u>
Legal Debt Margin	<u>\$ 456,961,260</u>	<u>\$ 496,877,708</u>	<u>\$ 549,708,107</u>	<u>\$ 568,082,983</u>
Total Net Debt Applicable to the limit as a percentage of debt limit	39.75%	41.68%	38.68%	37.39%

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)

	8/31/2010	8/31/2011	8/31/2012	6/30/2013	6/30/2014	6/30/2015
\$	881,958,416	\$ 795,196,273	\$ 785,520,596	\$ 841,805,785	\$ 844,065,937	\$ 899,377,746
	<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>535,892,177</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>	<u>363,485,569</u>
	37.78%	40.31%	37.63%	34.74%	51.49%	59.58%

**Legal Debt Margin Calculation for 2015**

Assessed/Taxable Value 2015	\$ 8,993,777,455
Debt Limit Percent of Assessed Value	10%
Amount of Debt Applicable to Debt Limit	<u>899,377,746</u>
Total Bonded Debt	\$ 560,934,790
Less Amounts Available for Retirement of Bonds	<u>25,042,613</u>
Amount of Debt Applicable to Debt Limit	<u>535,892,177</u>
Legal Debt Margin	<u><u>\$ 363,485,569</u></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)
8/31/2006	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
6/30/2015	507,420,000	25,042,613	482,377,387	5.36%	22,505

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, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	As of	Percentage Overlapping (1)	Estimated Overlapping Debt
Baytown, City of	\$ 187,080,000	6/30/2015	100.00%	\$ 187,080,000
Chambers County *	21,290,000	6/30/2015	26.84%	\$ 5,714,236
Chambers County ID #1	48,615,000	6/30/2015	96.93%	\$ 47,122,520
Chambers County MUD #1	9,700,000	6/30/2015	100.00%	\$ 9,700,000
Harris County *	2,396,117,860	6/30/2015	1.92%	\$ 46,005,463
Harris County Department of Education	7,210,000	6/30/2015	1.92%	\$ 138,432
Harris County Flood Control District	87,400,000	6/30/2015	1.92%	\$ 1,678,080
Harris County FWSD #27	1,010,000	6/30/2015	100.00%	\$ 1,010,000
Harris County FWSD #1-A	285,000	6/30/2015	100.00%	\$ 285,000
Harris County MUD #459	1,700,000	6/30/2015	100.00%	\$ 1,700,000
Harris County WCID #1	1,830,000	6/30/2015	100.00%	\$ 1,830,000
Lake MUD	16,150,000	6/30/2015	100.00%	\$ 16,150,000
Lee College District	48,915,000	6/30/2015	100.00%	\$ 48,915,000
Port of Houston Authority	702,379,397	6/30/2015	1.92%	\$ 13,485,684
Spring Meadows MUD	17,600,000	6/30/2015	100.00%	\$ 17,600,000
				Total Overlapping Debt
				398,414,415
				Goose Creek CISD Direct Debt
				<u>560,934,790</u>
				Total Direct and Overlapping Net Debt
				<u><u>\$ 959,349,205</u></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		
8/31/2006	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
6/30/2015	110,756	2,644,357,051	23,876	4.50%	5.20%	4.40%	5.30%	71.76%	21,434

(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 Bureau of Labor Statistics

(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	2015			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Exxon Mobil-Baytown Complex	3,785	1	12.08%	3,515	1	10.20%
Goose Creek Consolidated ISD	3,085	2	9.84%	2,250	2	6.53%
San Jacinto Methodist Hospital	1,687	3	5.38%	1,400	4	4.06%
Bayer, Inc	1,009	4	3.22%	1,650	3	4.79%
JSW Steel	696	5	2.22%	-	-	-
Chevron Phillips Chemical Company	705	6	2.25%	650	-	1.89%
Wal-Mart Distribution	600	7	1.91%	653	5	-
Home Depot Distribution Center	325	8	1.04%	650	6	-
TMK-IPSCO	245	9	0.78%	-	-	-
Exel Logistics	200	10	0.64%	385	7	-
	<u>12,337</u>		<u>39.37%</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 DISTRICT EMPLOYEES BY POSITION  
 LAST SIX FISCAL YEARS

<b>Full-Time Equivalent Professional Staff</b>	<u>8/31/2010</u>	<u>8/31/2011</u>	<u>8/31/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>
Teachers	<u>1,463</u>	<u>1,476</u>	<u>1,356</u>	<u>1,372</u>	<u>1,457</u>	<u>1,501</u>
<b>Support Staff</b>						
Athletic Trainers	2	-	2	3	3	3
Counselors	44	40	40	38	38	46
Department Heads	-	-	-	-	-	42
Educational Diagnosticians	20	19	19	20	20	20
Librarians	24	20	18	19	21	21
LSSP/Psychologist	7	8	7	7	9	6
Occupational Therapists	5	5	5	5	5	5
School Nurses	24	24	24	24	4	25
Social Worker	2	2	-	-	27	4
Speech Thrpst/Speech-Lang Pathologists	20	25	23	22	24	25
Teacher Facilitators	17	34	19	21	2	19
Other Support Staff	1	2	68	61	352	33
Other Non-instructional District Professionals	<u>29</u>	<u>26</u>	<u>23</u>	<u>26</u>	<u>35</u>	<u>50</u>
Subtotal	<u>195</u>	<u>204</u>	<u>248</u>	<u>246</u>	<u>540</u>	<u>299</u>
<b>Administrative Staff</b>						
Assistant/Deputy Superintendent	1	2	2	1	2	2
Assistant Principal	48	44	44	47	49	42
Athletic Director	4	1	1	1	1	1
Business Manager	1	1	1	1	1	1
Director of Personnel/Human Resources	2	2	2	2	2	2
District Instructional Program or Executive Director	26	25	29	31	39	19
Principal	23	23	22	22	25	27
Registrar	3	2	1	-	-	-
Superintendent	1	1	1	1	1	1
Tax Assessor And/Or Collector	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Subtotal	<u>109</u>	<u>102</u>	<u>104</u>	<u>107</u>	<u>121</u>	<u>95</u>
<b>Total Professional Staff</b>	1,767	1,782	1,708	1,725	2,118	1,895
Educational Aides	206	213	218	230	227	249
Auxiliary Staff	<u>902</u>	<u>925</u>	<u>863</u>	<u>851</u>	<u>862</u>	<u>941</u>
<b>Total Personnel (FTE's)</b>	<u><u>2,875</u></u>	<u><u>2,919</u></u>	<u><u>2,789</u></u>	<u><u>2,805</u></u>	<u><u>3,207</u></u>	<u><u>3,085</u></u>

Source: Texas Education Agency and OnData Suite

Six years of historical data currently available

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)
8/31/2006	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	1,372	15.90
6/30/2014	227,329,646	20,154	11,280	257,727,167	12,788	1,457	15.32
6/30/2015	242,275,086	21,434	11,303	275,677,324	12,862	1,501	15.90

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) Forecast5 Analytics (previously known as eFACTS+), Texas Education Agency and OnData Suite

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
8/31/2006	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
6/30/2015	10.10	57,552	54,224	50,734



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
INSTRUCTIONAL BUILDING DATA  
JUNE 30, 2015  
(Unaudited)

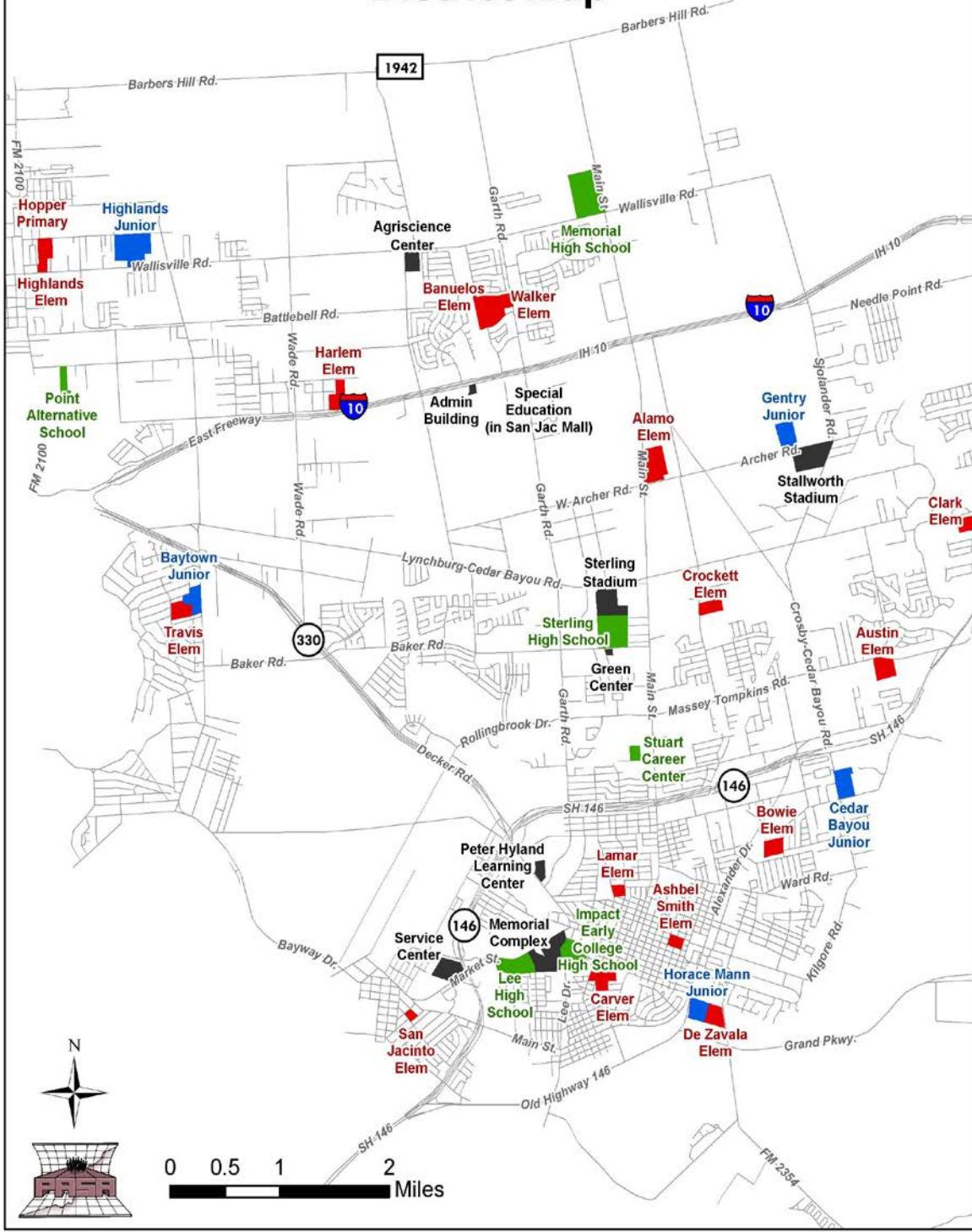
Instructional Facility	Year of Construction	Square Feet	Instructional Capacity	Final 14-15 Enrollment	Final 13-14 Enrollment
<u>High Schools:</u>					
Robert E. Lee	1930	392,391	2,319	1,364	1,376
Ross S. Sterling	1966	405,788	2,408	2,320	2,209
Goose Creek Memorial High School	2008	370,000	1,800	1,923	1,786
Impact Early College	2015	51,139	400	343	356
Peter Hyland Center	2010	29,000	(1)	137	133
Point Alternative Learning Center	2003	25,000	(1)	39	49
Stuart Career Center	1973	34,066	(1)	(1)	(1)
High Point and JJAEP High School	n/a	n/a	n/a	15	13
<u>Junior Highs:</u>					
Baytown Junior High	1982	153,230	975	914	791
Cedar Bayou Junior High	2002	176,730	1,100	1,003	1,043
Gentry Junior High	1980	147,958	1,125	1,011	1,000
Highlands Junior High	2008	111,072	1,225	1,181	1,162
Horace Mann Junior High	1994	151,839	1,225	1,008	946
Point Alternative Learning Center	2003	25,000	(1)	39	22
High Point and JJAEP High School	n/a	n/a	n/a	1	5
<u>Elementaries:</u>					
Alamo Elementary	1980	77,252	585	893	597
Ashbel Smith Elementary	1994	95,000	924	780	833
Austin Elementary	1994	110,785	814	781	974
Banuelos Elementary	2014	96,129	850	722	0
Bowie Elementary	2008	64,686	880	729	793
Carver Elementary	2002	96,196	836	791	765
Clark Elementary	2014	96,129	850	738	0
Crockett Elementary	1981	66,170	638	696	724
DeZavala Elementary	1992	94,953	924	785	772
Harlem Elementary	1992	94,953	814	745	1,013
Highlands Elementary	1992	94,953	814	702	882
Hopper Primary	1980	58,778	462	480	638
Lamar Elementary	1994	95,000	858	742	839
San Jacinto Elementary	1982	69,513	528	482	557
Travis Elementary	2002	96,196	880	798	875
Victoria Walker Elementary	2007	96,799	924	894	1,001
Total			24,758	23,056	22,154

Source: District records, GCCISD May 2015 and 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.

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



**GOOSE CREEK CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT**

**SINGLE AUDIT REPORTS**

**FOR THE YEAR ENDED JUNE 30, 2015**

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**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SINGLE AUDIT REPORTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....</b>	1
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 .....</b>	3
<b>Schedule of Findings and Questioned Costs .....</b>	5
<b>Schedule of Expenditures of Federal Awards .....</b>	7
<b>Notes to Schedule of Expenditures of Federal Awards .....</b>	9

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**Start, Garcia & Stanley, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Goose Creek Consolidated Independent School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 6, 2015.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-1.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Start, Garcia & Stanley*

Start, Garcia & Stanley, LLC

Baytown, Texas  
November 6, 2015





**Start, Garcia & Stanley, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

**Report on Compliance for Each Major Federal Program**

We have audited Goose Creek Consolidated Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on

compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 6, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Start, Garcia & Stanley, LLC

Baytown, Texas  
November 6, 2015

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**Section I - Summary of Auditors' Results**

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*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified that are not considered to be material weaknesses?            yes       X       none reported

Noncompliance material to financial statements noted:            yes       X       no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?            yes       X       no

Significant deficiency(ies) identified that are not considered to be material weaknesses?            yes       X       none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?       None      

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555; 10.559	Child Nutrition Cluster
84.367A	ESEA, Title II, Part A, Teacher and Principal Training and Recruiting

Dollar threshold used to distinguish between type A and type B programs:       \$ 633,064      

Auditee qualified as low-risk auditee?       X       yes                    no

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**II. FINANCIAL STATEMENT FINDINGS**

2015-1 Excess Expenditures over Appropriations

*Condition and Criteria:* State law mandates that expenditures not exceed appropriations on a functional level.

*Cause and Effect:* Expenditures exceeded appropriations in six functional categories (Instructional, School leadership, Student (Pupil) Transportation, Extracurricular Activities, Food Services, Facilities Maintenance and Operations). Most noted functional expenditure that exceeded appropriations was Food Service. Budget amendments were approved for Food Service during the year; however, food cost projections were underestimated during the year causing expenditures to exceed the amended budget.

*Recommendation:* District personnel should continue to review all expenditures during the year to ensure that any necessary budget amendments are brought to the Board of Trustee for approval before June 30.

**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

NONE

**IV. STATUS OF PRIOR YEAR FINDING**

2014-1 Excess Expenditures over Appropriations

*Recommendation:* The District should review all expenditures during the year to ensure that any necessary budget amendments are brought to the Board of Trustees for approval before June 30.

*Action Taken:* The District monitors expenditures and makes Board approved budget amendments during the year. The District will continue to monitor expenditures during the year to ensure the final budget amendment provides for all actual expenditures.

*Anticipated Completion Date:* Ongoing. (See Finding 2015-1 above)

**V. CORRECTIVE ACTION PLAN**

2015-1 Excess Expenditures over Appropriations

*Recommendation:* The District should review all expenditures during the year to ensure that any necessary budget amendments are brought to the Board of Trustees for approval before June 30.

*Action Taken:* The District will closely monitor expenditures during the year to ensure the final budget amendment provides for all actual expenditures.

*Anticipated Completion Date:* Ongoing.

Please contact Margie Grimes, Chief Financial Officer, at 281-707-3458 with any questions regarding this corrective action plan.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<u>Direct Programs</u>			
Reserve Officer Training Corp (ROTC)	12.000	TX070135/TX070170	\$ 170,645
Total Direct Programs			\$ 170,645
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 170,645</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010	14610101101911	\$ 72,333
ESEA, Title I, Part A - Improving Basic Programs	84.010	15610101101911	3,806,457
Title I, 1003 (a) Priority & Focus School Program	84.010	14610112101911111	15,968
Title I, 1003 (a) Priority & Focus School Program	84.010	15610112101911111	16,799
Title I, 1003 (a) Priority & Focus School Program	84.010	14610112101911113	12,344
Title I, 1003 (a) Priority & Focus School Program	84.010	15610112101911113	6,389
Total CFDA Number 84.010			3,930,290
Total Title I, Part A Cluster			3,930,290
ESEA, Title I, Part C - Migratory Children	84.011	14615001101911	7,270
ESEA, Title I, Part C - Migratory Children	84.011	15615001101911	419,693
Total CFDA Number 84.011			426,963
*IDEA - Part B, Formula	84.027	146600011019116600	51,678
*IDEA - Part B, Formula	84.027	156600011019116600	4,932,521
*SSA - IDEA - Part B, Discretionary	84.027	146600111019116673	2,326
*SSA - IDEA - Part B, Discretionary	84.027	156600111019116673	77,025
*SSA - IDEA - Part B, Deaf	84.027	146600011019116601	6,225
*SSA - IDEA - Part B, Deaf	84.027	156600011019116601	57,802
Total CFDA Number 84.027			5,127,577
*IDEA - Part B, Preschool	84.173	146610011019116610	1,595
*IDEA - Part B, Preschool	84.173	156610011019116610	46,093
*SSA - IDEA - Part B, Preschool Deaf	84.173	146610011019116611	2,010
*SSA - IDEA - Part B, Preschool Deaf	84.173	156610011019116611	13,912
Total CFDA Number 84.173			63,610
Total Special Education Cluster (IDEA)			5,191,187
Career and Technical - Basic Grant	84.048	15420006101911	218,946
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181	153911011019113911	2,438
Title III, Part A - English Language Acquisition	84.365	14671001101911	4,651
Title III, Part A - English Language Acquisition	84.365	15671001101911	175,149
Total CFDA Number 84.365			179,800
ESEA, Title II, Part A, Teacher/Principal Training	84.367	14694501101911	7,824
ESEA, Title II, Part A, Teacher/Principal Training	84.367	15694501101911	680,270
Total CFDA Number 84.367			688,094
Summer School LEP	84.369	69551402	52,152
Total Passed Through State Department of Education			\$ 10,689,870
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 10,689,870</b>

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	101911	\$ 33,767
Total Passed Through Texas Dept of Human Services			<u>\$ 33,767</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>\$ 33,767</u>
 <b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	00521	\$ 2,694,250
*National School Lunch Program - Cash Assistance	10.555	00521	6,514,367
*National School Lunch Prog - Non-Cash Assistance	10.555	00521	792,659
Total CFDA Number 10.555			<u>7,307,026</u>
*Summer Feeding Program - Cash Assistance	10.559	00521	154,431
Total Child Nutrition Cluster			<u>10,155,707</u>
Child & Adult Care Food Program - Cash Assistance	10.558	00521	52,146
Total Passed Through the State Department of Agriculture			<u>\$ 10,207,853</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>\$ 10,207,853</u>
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			 <u><u>\$ 21,102,135</u></u>

\*Clustered Programs

See Notes to Schedule of Expenditures of Federal Awards

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

1. The District utilizes the fund types specified in the Texas Education Agency Resource Guide.

Special Revenue Funds are used to account for resources 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 specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types and agency funds are accounted for using a current financial resources measurement focus. All federal grant funds are accounted for in the special revenue funds, a component of the governmental fund type. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

4. Reconciliation of Federal Program Revenues:

Total Expenditures of Federal Awards (page 8)	\$ 21,102,135
Plus: E-Rate reimbursements	867,681
Plus: School Health and Related Services (SHARS)	<u>3,112,157</u>
Total Federal Program Revenues (per Exhibit C-3 of the CAFR)	<u>\$ 25,081,973</u>

(Per TEA Resource Guide – SHARS reimbursements are not to be reported on Schedule of Expenditures of Federal Awards.)

SCHOOLS FIRST QUESTIONNAIRE

Goose Creek Consolidated ISD

Fiscal Year 2015

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SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	0
SF11	Net Pension Assets (1920) at fiscal year-end.	0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	33437470
SF13	Pension Expense (6147) at fiscal year-end.	3090704