



**Comprehensive Annual
Financial Report For
Fiscal Year Ended
June 30, 2017**



**CONSOLIDATED
INDEPENDENT
SCHOOL DISTRICT**

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GOOSE CREEK CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT

BAYTOWN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

PREPARED BY THE BUSINESS SERVICES DEPARTMENT

Margie M. Grimes, CPA
Chief Financial Officer

Renea Dobbs
Director of Finance

LeAna R. Dixon
Controller/Treasurer

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

JUNE 30, 2017

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Introductory Section

Goose Creek Consolidated Independent School District
Baytown, Texas

For the Fiscal Year Ended June 30, 2017



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EMPOWER



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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, 2017 at a meeting of the Board of Trustees of such school district on the 13th day of November, 2017.

Jessica Woods

Signature of Board Secretary

Al Richard

Signature of Board President

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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

November 10, 2017

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

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency (“TEA”) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America. The financial statements must be audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Goose Creek Consolidated Independent School District (“District” or “Goose Creek”) for the year ended June 30, 2017.

This report consists of management’s representations concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to help protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Start, Garcia & Stanley, LLC a firm of licensed certified public accountants, has audited the financial statements of the District. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the District’s basic financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the District is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with emphasis on the administration of federal awards. These reports are presented as part of the CAFR’s Federal Awards Section.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (“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 Independent Auditor’s Report.

PROFILE OF THE DISTRICT

Established in February 1919, the District is the 57th largest school district in Texas encompassing 134 square miles. The District includes both the City of Baytown and the community of Highlands with a current combined population of over 107,000. The District is located 27 miles east of downtown Houston, Texas, in eastern Harris and western Chambers counties.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Over 3,000 full-time employees are employed by the District, which provides a high quality education to approximately 24,000 students. Student population is currently growing at a rate of one to two percent per year. The District prides itself on its diversity. Student demographics for 2016-17 are: 61% Hispanic, 20% White, 15% African American, 1.6% Asian, .3% Native American, 0.1% Native Hawaiian/Pacific Islander, and 2% of two or more races. About 65 percent of students are considered economically disadvantaged.

Residents of the District elect members of the Board of Trustees to four-year terms from each of seven single-member districts. The Trustee seats are up for election on a rotating basis on the second Saturday in May on odd-numbered years. Vacancies may be filled by appointment until the next election. Trustees elect Board officers, including President, Vice President, Secretary and Assistant Secretary. The Trustees serve the citizens of Baytown and Highland's school system without compensation.

District facilities that range from 2 to 87 years old, include one primary school; sixteen elementary schools; five junior schools; three traditional high schools; an early college high school as well as two alternative learning programs; a career technical education center; administration building; maintenance, operations, and transportation center; technology management services center; and an instructional support center.

MISSION, CORE VALUES AND VISION

The District's mission is to develop and enhance each learner's intellectual, social, and emotional well-being facilitated by a high qualified team committed to **Growth, Community, Collaboration, Innovation, Success and Determination.**

The District's core values are:

- Graduate every child**
- Children first, in a safe and nurturing educational environment**
- Collaborative community and parental involvement**
- Integrity, respect, humility and transparency**
- Service before self**
- Diversity respected**

The District's vision is: We empower every student with the knowledge and skills they need to succeed in a global community.

The District provides a full range of educational services for grade levels Pre-K through 12. These programs include regular and enriched academic education, special education for students with disabilities, occupational and vocational education, bilingual instruction for students with limited English proficiency, and specialized instruction for economically disadvantaged students.

Academically talented students may seek challenges in pre-Advanced Placement, Advanced Placement, and dual credit courses in a variety of subjects. In addition, students may study different foreign languages. The District provides programs for gifted students in a variety of settings in grades K-12 that focus on the development of higher-level and cognitive thinking skills. The District is fully accredited by the TEA at all levels of instruction.

FINANCIAL INFORMATION

Internal and Budgetary Controls

The development and evaluation of the District's accounting system considers the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the District's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

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, 2017 reported no material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary controls are established by regulations of the Texas Education Agency and by District policy for all administrators with line item responsibility. TEA regulations set the level of budgetary control at the major functional expenditure level. Administrators have the responsibility to develop and manage their own program budgets once approved. Revisions within the categories are accepted upon request, but additions in amount or revisions between functions require recommendation of the Superintendent and approval by the Board of Trustees.

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, Child Nutrition, and Debt Service funds. The Capital Project funds adopt project length budgets as outlined in TEA's Financial Accountability System Resource Guide. 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.

General Educational Functions

Principally, local taxes and state entitlements support general educational activities. Direct federal aid is nominal in the General Fund; however, the Special Revenue Fund receives most of its funding from Federal grants, which are distributed through the Texas Education Agency. General educational activities are accounted for in the General and Special Revenue Funds. State and federal grants or entitlements primarily support the Special Revenue Fund. They include support for the economically and academically disadvantaged, federal support for special and vocational education, and a variety of other projects as described in the Combining Statements.

Fiscal and Strategic Planning

The estimated annual student growth has reduced from 2 percent to approximately 1 percent. As a result, this requires adequate planning to insure appropriate utilization of limited resources. 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 District has implemented various strategies to ensure a balanced general fund budget is adopted each fiscal year. For the year ended June 30, 2017, the District adopted a total tax rate of \$1.43189 per \$100 property valuation which is equal to the 2016 tax rate.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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 maximum property tax rate for the school district's maintenance and operations (M&O) rate is capped at a maximum \$1.17 per hundred dollars of valuation with voter approval. The District is taxing at the maximum M&O tax rate with the 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 M&O taxable property values in the current period increased approximately 2 percent from the prior year.

The local unemployment rate has increased to 10.4% in June 2017, up from 9.3% in June 2016 compared to the current state unemployment rate of 4.6% and the national rate of 4.4%.

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.

Completion of new facilities and construction in West Chambers County has contributed to employment growth in the area. 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 has constructed a new manufacturing facility for production of Ethylene at their Baytown Chemical Plant complex.

Another of the most significant 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 project is scheduled for completion in 2018. 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 expect modest decreases in residential property values for 2018 as a result of Hurricane Harvey.



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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 fifteenth consecutive year.
- 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.

Certificates in Financial Reporting

For the year ended June 30, 2016, the District was awarded the “Certificate of Achievement for Excellence in Financial Reporting” by the Government Finance Officers Association (GFOA) of the United States and Canada and the “Certificate of Excellence in Financial Reporting Award” by the Association of School Business Officials International (ASBO). In order to be awarded a Certification in Financial Reporting, 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 nineteen consecutive years and the ASBO award for twenty-three 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.

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.

//Signature on File//

Randal O’Brien, Superintendent of Schools

//Signature on File//

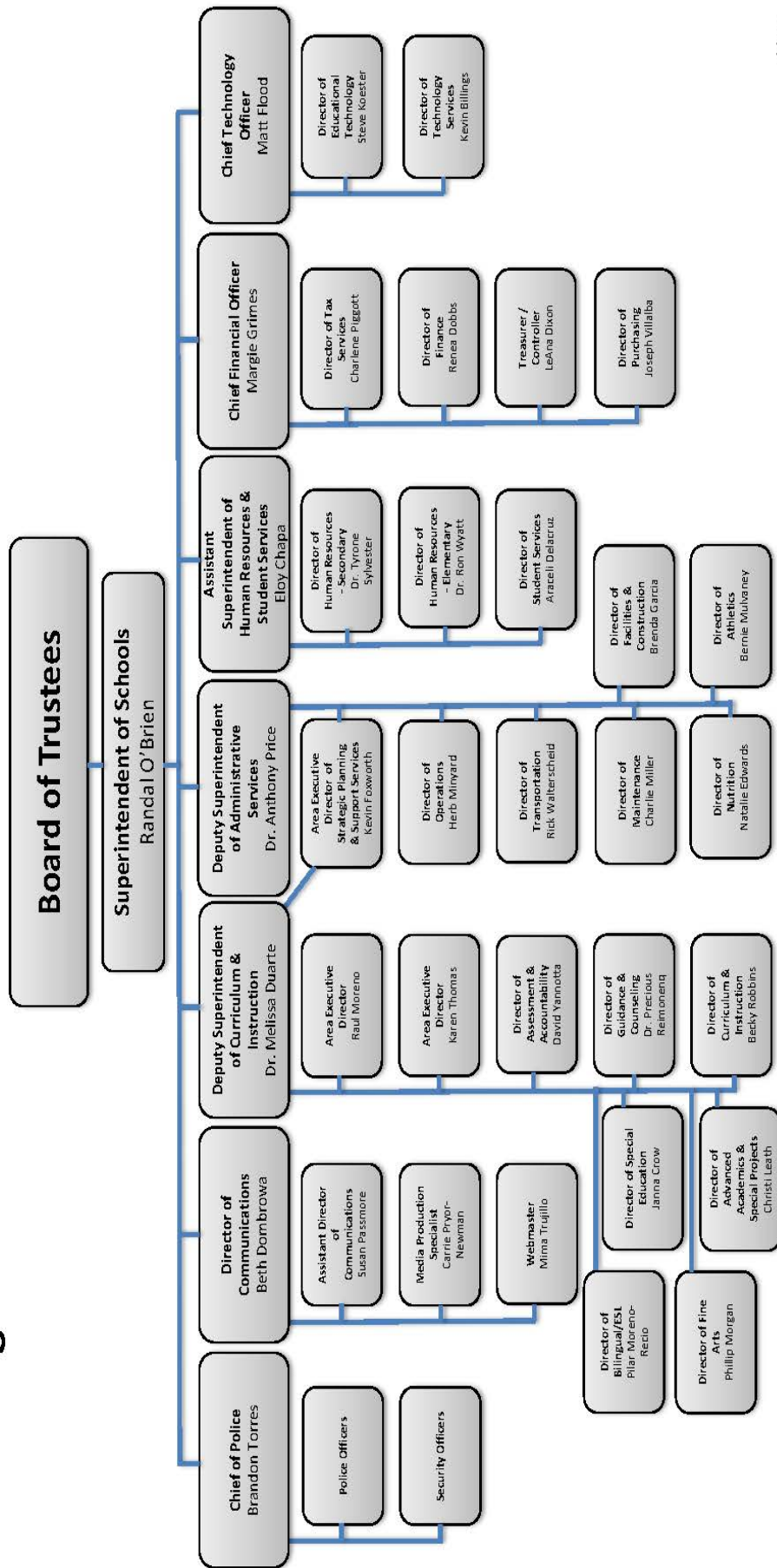
Margie M. Grimes, Chief Financial Officer



Goose Creek Consolidated Independent School District Superintendent of Schools

Organizational Chart

2016-2017



7/9/2017

Goose Creek Consolidated Independent School District
Baytown, Texas

Board of Trustees

| <u>Name</u> | <u>Position</u> | <u>Length of Service</u> | <u>Term Expires May</u> | <u>Occupation</u> |
|-------------------------|----------------------------------|--------------------------|-------------------------|--------------------------|
| Mr. Al Richard | President – District 6 | 3 Years | 2019 | Retired |
| Mr. Pete Pape | Vice President – District 7 | 4 Years | 2019 | Assistant Superintendent |
| Mrs. Jessica Woods | Secretary – District 3 | 5 Years | 2019 | Executive Director |
| Mr. Agustin Loreda, III | Assistant Secretary – District 2 | 11 Years | 2021 | Teacher |
| Mr. Howard Sampson | Board Member – District 1 | 8 Years | 2021 | Assistant Superintendent |
| Mr. Richard Clem | Board Member – District 4 | New | 2021 | Retired |
| Mr. Ben Pape | Board Member – District 5 | New | 2021 | Senior Director |

Administrative Staff

Randal O'Brien.....Superintendent
 Dr. Anthony Price..... Deputy Superintendent for Administrative Services
 Dr. Melissa Duarte.....Deputy Superintendent of Curriculum and Instruction
 Eloy Chapa..... Assistant Superintendent of Human Resources and Student Services
 Margie M. Grimes, CPA.....Chief Financial Officer
 Matthew Flood.....Chief Technology Officer
 Kevin Foxworth..... Executive Director Strategic Planning and Support Services
 Karen Thomas..... Area Executive Director
 Raul Moreno Area Executive Director
 Beth Dombrowa..... Director of Communications

Accountants and Advisors

Start, Garcia & Stanley, LLC.....Auditors
 Certified Public Accountants, Baytown, Texas
 Andrews Kurth, LLP..... Bond Counsel
 Hutchinson Shockey Erlye & Co. Financial Advisor

Report Preparation

Margie M. Grimes, CPAChief Financial Officer
 Renea DobbsDirector of Finance
 LeAna R. Dixon..... Controller/Treasurer



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, 2016

Executive Director/CEO




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

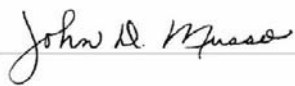
**Goose Creek Consolidated Independent
School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

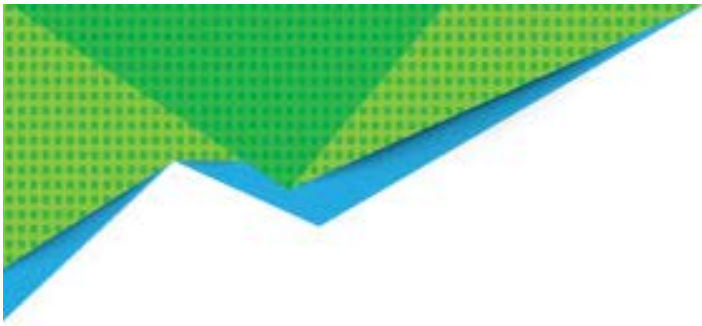
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.




Anthony N. Dragona, Ed.D., RSBA
President


John D. Musso, CAE, RSBA
Executive Director

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Financial Section

Goose Creek Consolidated Independent School District
Baytown, Texas

For the Fiscal Year Ended June 30, 2017



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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Goose Creek Consolidated Independent School District (the District), as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis, 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 10, 2017, 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 10, 2017

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017. We encourage readers to consider the information presented below in conjunction with the information included in the independent auditors' report and the District's Basic Financial Statements which follow this section.

FINANCIAL HIGHLIGHTS

The District's total assets and deferred outflows of resources exceeded liabilities at June 30, 2017 by \$131,571,292 on the government-wide financial statements. Of this amount, \$53,723,833 represents unrestricted net position, which may be used to meet the District's ongoing obligations. The District's total net position increased by \$3,969,103 for the current fiscal period.

The District's governmental funds reported combined ending fund balances of \$176,717,947 at June 30, 2017. Of this amount, \$880,030 is non-spendable inventories and prepaid items and \$71,219,288 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 \$73,232,514, or 36% of total general fund expenditures. The unassigned fund balance of \$71,219,288 (35% 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, 2017**

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 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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017, assets and deferred outflows of resources exceed liabilities by \$131.5 million which is a \$3.9 million increase from 2016.

Table I - Net Position Summary (000's)

| | Governmental Activities | |
|---------------------------------------|-------------------------|-------------------|
| | 2017 | 2016 |
| Current and other assets | \$ 203,877 | \$ 255,953 |
| Capital assets | 521,834 | 477,349 |
| Total Assets | 725,711 | 733,302 |
| Deferred Outflows of Resources | 27,665 | 32,016 |
| Current liabilities | 60,090 | 56,266 |
| Long-term liabilities | 556,576 | 577,166 |
| Total Liabilities | 616,666 | 633,432 |
| Deferred Inflows of Resources | 5,139 | 4,284 |
| Net Investment in Capital Assets | 66,756 | 64,426 |
| Restricted | 11,091 | 25,193 |
| Unrestricted | 53,724 | 37,983 |
| Total Net Position | \$ 131,571 | \$ 127,602 |

Net Investment in Capital Assets used for governmental activities (e.g., land, buildings and improvements, furniture and equipment, and construction in progress) is \$66.8 million as of June 30, 2017. 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 \$54 million at June 30, 2017.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Changes in Net Position

The Net Position of the District increased by \$3.9 million for the fiscal year ended June 30, 2017. The total revenue from taxpayers, user service fees, grants and other sources for the District was \$279.7 million, a decrease from fiscal year 2016 of \$214 thousand. Total expenses for 2017 were \$275.8 million or \$11 million lower than expenses of fiscal year 2016.

Table II - Changes in Net Position (000's)

| | Governmental Activities | |
|--------------------------------------|-------------------------|-------------------|
| | 2017 | 2016 |
| Revenues | | |
| Program Revenues: | | |
| Charges for services | \$ 7,494 | \$ 7,322 |
| Operating grants and contributions | 35,603 | 40,402 |
| General Revenues: | | |
| Property taxes | 152,338 | 146,426 |
| State and other grants | 77,044 | 79,674 |
| Other | 7,249 | 6,118 |
| Total Revenues | \$ 279,728 | \$ 279,942 |
| Expenses | | |
| Instructional | \$ 152,528 | \$ 160,601 |
| Instructional leadership | 18,131 | 18,429 |
| Student support services | 40,468 | 41,727 |
| General administration | 7,013 | 7,309 |
| Support services | 6,606 | 6,417 |
| Community services | 1,956 | 2,008 |
| Interest expense & debt service fees | 18,693 | 18,384 |
| Facilities repairs and maintenance | 29,168 | 30,921 |
| Intergovernmental charges | 1,196 | 1,128 |
| Total Expenses | \$ 275,759 | \$ 286,924 |
| Increase (decrease) in net position | 3,969 | (6,982) |
| Beginning Net Position | 127,602 | 134,584 |
| Prior Period Adjustment | - | - |
| Ending Net Position | \$ 131,571 | \$ 127,602 |

The increase in Net Position of \$3.9 million is attributed primary to excess revenues over expenses as noted above. Decrease in Net Position in 2016 was primarily due to additional reporting requirements for pension related costs associated with Governmental Accounting Standards Board (GASB), Statement No.68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 established accounting and financial reporting requirements for governments that provide their employees with pensions. The primary objective of this Statement was 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. Reporting of pension activity may fluctuate from year-to-year based on participation and actuarial assumptions.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

This was an important change that clearly depicts 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.

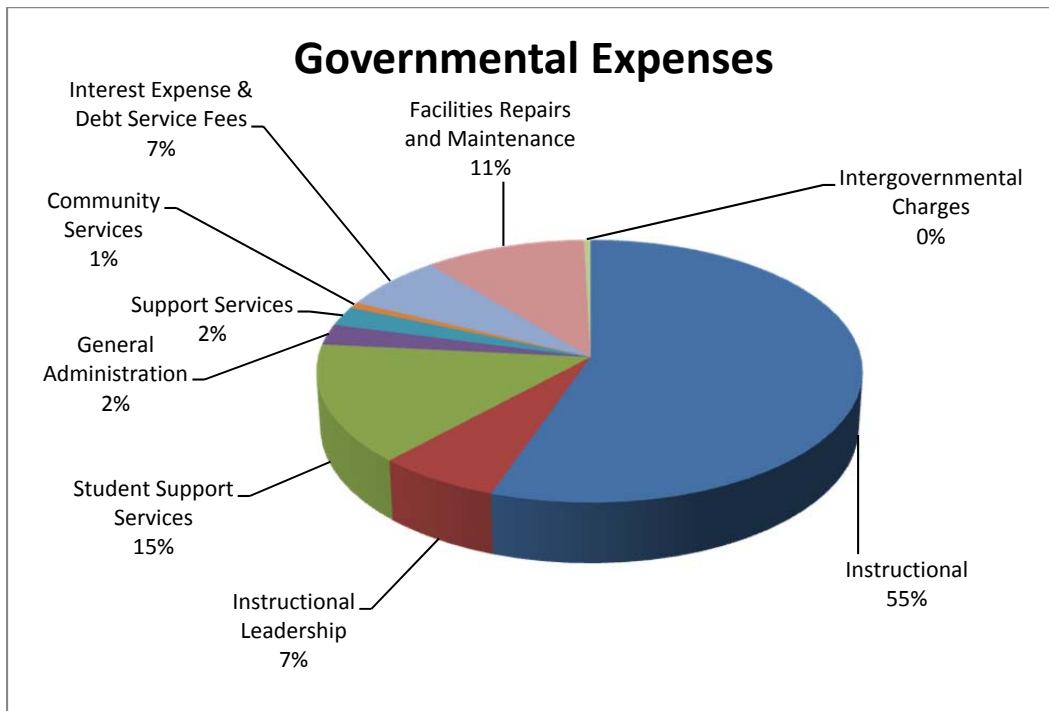
At June 30, 2017, the District reported a net pension liability of \$57.2 million for its proportionate share of TRS’s net pension liability. At June 30, 2016 and 2015, the District reported net pension liability of \$57.3 million and \$33.4 million respectively.

Governmental Activities

Total revenues for the District’s governmental activities for the fiscal year decreased by \$214 thousand or .08 percent from fiscal year 2017. Local property tax revenues increased by \$6 million and state funding, local and program revenues decreased by \$6 million. Therefore, total net revenue is approximately the same compared to the prior year. Total expenses decreased approximately \$11 million, which was related to reduced operating and pension related costs.

Approximately 60 percent of the District’s revenues came from property taxes, charges for services, and other local revenue, while 40 percent was derived from state aid and operating grants. Total governmental activities expenses per pupil totaled \$12,197 in 2017 versus \$13,111 in 2016.

The District expended 61.9 percent of total governmental expense for instructional activities. When combined with student and other support services such as transportation, counseling and nursing, 76.6 percent of the District's expenses were for direct student services.



**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017, the District's governmental funds (shown on Exhibit C-1) reported a combined ending fund balance of \$176.7 million, a decrease of \$37.8 million from the prior year, June 30, 2016.

Of the total fund balance, \$71.2 million, or approximately 35 percent, constitutes unassigned fund balance. The remainder of fund balance is non-spendable, restricted, committed or assigned for particular purposes as follows: **(000's)**

| | |
|---|--------------------------|
| Nonspendable: | |
| Inventories | \$ 534 |
| Prepaid items | 346 |
| Restricted: | |
| Grant Funds | 3,175 |
| Capital acquisitions and contractual obligation | 70,615 |
| Debt service | 28,026 |
| Restricted for other purposes | 313 |
| Committed: | |
| Committed for other purposes | 1,235 |
| Assigned: | |
| Assigned for other purposes | 1,254 |
| Unassigned: | |
| Unassigned | 71,219 |
| Total Fund Balances | <u><u>\$ 176,717</u></u> |

The General Fund is the primary fund of the District. As of June 30, 2017, unassigned fund balance of the General Fund was \$71.2 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 35 percent of total general fund expenditures for the year ended June 30, 2017, while total fund balance represents 36 percent of that same amount.

The District's general fund balance increased \$5.2 million for the year ended June 30, 2017. The increase in fund balance primarily resulted from the higher property values and tax collections. The increase is also attributable to the voter approved \$0.13 penny swap that raised the General Maintenance & Operations tax rate (M&O).

The Debt Service Fund realized revenues of \$29.8 million and expenditures of \$36.7 million for the year ended June 30, 2017. The fund balance of the debt service fund, restricted for the payment of the District's debt, decreased by \$375 thousand and totaled \$28 million as of June 30, 2017. The change in fund balance in the debt service fund is attributable to a transfer of tax revenues collected in the general fund that resulted from a voter approved \$0.13 penny swap that decreased the (debt I&S) tax rate, coupled with savings from prior year refunded bonds. Annual payments have been made to a sinking fund, reported on the balance sheet as Restricted Assets, which will be used to pay the principal on the 2005A QZAB bonds upon maturity in fiscal year 2022.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The Capital Projects Fund incurred construction-related expenditures of \$47.4 million for the year ended June 30, 2017. Projects for 2017 included the improvements to Ross S. Sterling high school and a new transportation center, technology management center and agriculture science facility are under construction. Additional projects include major improvements for facilities, including the addition of district-wide security upgrades, major mechanical, electrical and plumbing upgrades and technology improvements. The Capital Projects Fund reported other financing sources of \$3.5 million received from the General Fund for land acquisition and purchase of technology equipment for the technology management center. The Capital Projects Fund fund balance at June 30, 2017 was \$70.6 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 \$1.1 million at June 30, 2017.

General Fund Budgetary Highlights

The District adopted a balanced operating budget for fiscal year 2017. Through budget amendments during the year, the District also provided for operating transfers out of \$3.5 million to the Capital Projects Fund to finance land acquisition and the purchase of technology infrastructure and equipment for the new technology management center. The adopted budget revenues and operating transfers in for 2017 were increased \$5.3 million (from \$211.3M to \$217M) due to additional revenues received from tax code chapter 313 agreements and an increase in local tax collections which is offset by reduced state funding. In addition, the District increased its budgeted operating expenditures by \$6.8 million (from \$211.3M to \$218.1M), resulting in a deficit budget of \$1.5 million. These budget amendments were primarily for a \$2M incentive payment for all employees, encumbrance carryforwards and the previously mentioned operating transfers to the capital projects fund.

For the year ended June 30, 2017, actual revenues were lower than estimated revenues by \$587 thousand. In addition, actual expenditures fell below budgeted expenditures and other sources and uses by \$6.3 million. This resulted in a net favorable variance of \$6.3 million. This favorable variance resulted primarily from 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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the District's investment in capital assets was \$503 million, net of accumulated depreciation. The investments in capital assets include a broad range of capital assets, including land, buildings and improvements (including infrastructure), furniture and equipment and construction in progress (see Table III). This amount represents a net increase (including additions and deductions) of \$25.9 million or 5.4 percent from last year.

Table III - Capital Asset Summary (000's)

| | Governmental Activities | |
|-------------------------------|-------------------------|-------------------|
| | 2017 | 2016 |
| Land | \$ 13,808 | \$ 12,757 |
| Buildings and Improvements | 621,697 | 611,124 |
| Furniture and Equipment | 38,971 | 35,406 |
| Construction in Progress | 42,836 | 13,603 |
| Less Accumulated Depreciation | (214,074) | (195,541) |
| Total Capital Assets | \$ 503,238 | \$ 477,349 |

The most significant addition to capital assets during 2017 was for various improvements and additions to school buildings. 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, 2017, the District had long-term liabilities of \$524 million. The District also has a loan agreement (LoanSTAR Revolving Loan Program) with the State Energy Conservation Office to reduce consumption of electrical energy throughout the District. The original loan totaled \$4.9 million, the project was completed March 2013 and a balance of \$2.8 million is owed on the loan at June 30 2017.

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 | Beginning Balance | Additions | Reductions | Ending Balance |
|------------------------------------|----------------------|-------------|--------------------|-------------------|
| Bonds Payable (net) | \$ 484,650 | \$ - | \$ (16,060) | \$ 468,590 |
| Other Liabilities | 59,313 | - | (4,234) | 55,079 |
| Total Long-Term Liabilities | \$ 543,963 | \$ - | \$ (20,294) | \$ 523,669 |

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Economic Factors, Next Year's Budgets and Tax Rates

The State of Texas provided very modest increases in state funding for public education for the 2018-2019 biennium which impacted the District. Although there was not an increase in the basic allotment, the 85th Legislature created a new Texas Commission on Public School Finance to develop and make recommendations for improvements to the current public school finance system.

The District adopted a General Fund budget for 2017-2018 with appropriations of \$209.1 million compared to a \$203.9 million final adopted budget for fiscal period ended June 30, 2017, excluding the operating transfers to the capital projects fund. The District has developed a plan to achieve greater efficiencies in student-teacher ratios and other operating costs. The 2017-2018 General Fund budget included a 2% general pay increase for employees.

The Goose Creek CISD 2017-2018 budget included a maintenance and operations tax rate of \$1.17 and a debt service tax rate of \$.26189 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 repurpose Stuart-Kilgore Career Center as the Stuart Career Tech High School, 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



ENGAGE
INSPIRE
EMPOWER



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

EXHIBIT A-1

| Data Control Codes | Primary Government Governmental Activities |
|--|--|
| ASSETS | |
| 1110 Cash and Cash Equivalents | \$ 73,226,751 |
| 1120 Current Investments | 92,105,990 |
| 1220 Property Taxes Receivable (Delinquent) | 17,224,584 |
| 1230 Allowance for Uncollectible Taxes | (8,349,467) |
| 1240 Due from Other Governments | 28,394,136 |
| 1250 Accrued Interest | 272,287 |
| 1290 Other Receivables, net | 91,443 |
| 1300 Inventories | 565,200 |
| 1410 Prepayments | 345,784 |
| Capital Assets: | |
| 1510 Land | 13,808,211 |
| 1520 Buildings, Net | 432,320,774 |
| 1530 Furniture and Equipment, Net | 14,273,381 |
| 1580 Construction in Progress | 42,836,312 |
| 1800 Restricted Assets | 5,143,367 |
| 1990 Long Term Investments | 13,451,805 |
| 1000 Total Assets | 725,710,558 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| 1701 Deferred Charge for Refunding | 9,070,821 |
| 1705 Deferred Outflow Related to TRS | 18,594,758 |
| 1700 Total Deferred Outflows of Resources | 27,665,579 |
| LIABILITIES | |
| 2110 Accounts Payable | 10,037,074 |
| 2150 Payroll Deductions & Withholdings | 1,620,592 |
| 2160 Accrued Wages Payable | 20,932,087 |
| 2180 Due to Other Governments | 216,251 |
| 2200 Accrued Expenses | 2,620,037 |
| 2300 Unearned Revenue | 363,992 |
| Noncurrent Liabilities | |
| 2501 Due Within One Year | 24,300,444 |
| 2502 Due in More Than One Year | 499,351,222 |
| 2540 Net Pension Liability (District's Share) | 57,224,436 |
| 2000 Total Liabilities | 616,666,135 |
| DEFERRED INFLOWS OF RESOURCES | |
| 2605 Deferred Inflow Related to TRS | 5,138,710 |
| 2600 Total Deferred Inflows of Resources | 5,138,710 |
| NET POSITION | |
| 3200 Net Investment in Capital Assets | 66,756,227 |
| 3820 Restricted for Federal and State Programs | 3,295,242 |
| 3850 Restricted for Debt Service | 7,483,119 |
| 3890 Restricted for Other Purposes | 312,871 |
| 3900 Unrestricted | 53,723,833 |
| 3000 Total Net Position | \$ 131,571,292 |

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, 2017

EXHIBIT B-1

| Data Control Codes | 1 | Program Revenues | | 6 |
|--|-----------------------|------------------------------|---|--|
| Codes | Expenses | 3 Charges for Services | 4 Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position Primary Gov. Governmental Activities |
| Primary Government: | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| 11 Instruction | \$ 143,822,738 | \$ 1,882,396 | \$ 15,487,412 | \$ (126,452,930) |
| 12 Instructional Resources and Media Services | 3,758,406 | - | 109,807 | (3,648,599) |
| 13 Curriculum and Staff Development | 4,946,564 | - | 2,586,457 | (2,360,107) |
| 21 Instructional Leadership | 4,525,208 | - | 428,683 | (4,096,525) |
| 23 School Leadership | 13,605,663 | - | 759,120 | (12,846,543) |
| 31 Guidance, Counseling and Evaluation Services | 7,665,074 | - | 908,065 | (6,757,009) |
| 32 Social Work Services | 982,062 | - | 31,154 | (950,908) |
| 33 Health Services | 2,126,840 | - | 116,972 | (2,009,868) |
| 34 Student (Pupil) Transportation | 9,668,176 | 60,515 | 442,603 | (9,165,058) |
| 35 Food Services | 14,166,569 | 3,302,201 | 10,718,146 | (146,222) |
| 36 Extracurricular Activities | 5,859,155 | 1,365,425 | 209,120 | (4,284,610) |
| 41 General Administration | 7,012,892 | 537,021 | 306,701 | (6,169,170) |
| 51 Facilities Maintenance and Operations | 29,167,633 | 146,938 | 1,034,646 | (27,986,049) |
| 52 Security and Monitoring Services | 2,906,992 | - | 134,786 | (2,772,206) |
| 53 Data Processing Services | 3,699,319 | - | 151,731 | (3,547,588) |
| 61 Community Services | 1,955,960 | 199,667 | 1,441,923 | (314,370) |
| 72 Debt Service - Interest on Long Term Debt | 18,693,034 | - | 735,411 | (17,957,623) |
| 95 Payments to Juvenile Justice Alternative Ed. Prg. | 19,800 | - | - | (19,800) |
| 99 Other Intergovernmental Charges | 1,177,179 | - | - | (1,177,179) |
| [TP] TOTAL PRIMARY GOVERNMENT: | \$ 275,759,264 | \$ 7,494,163 | \$ 35,602,736 | (232,662,365) |

| Data Control Codes | General Revenues: | | |
|--------------------------|--|--|----------------|
| | Taxes: | | |
| MT | Property Taxes, Levied for General Purposes | | 123,672,183 |
| DT | Property Taxes, Levied for Debt Service | | 28,665,996 |
| SF | State Aid - Formula Grants | | 73,780,875 |
| GC | Grants and Contributions not Restricted | | 3,262,718 |
| IE | Investment Earnings | | 1,758,062 |
| MI | Miscellaneous Local and Intermediate Revenue | | 5,491,634 |
| TR | Total General Revenues | | 236,631,468 |
| CN | Change in Net Position | | 3,969,103 |
| NB | Net Position - Beginning | | 127,602,189 |
| NE | Net Position--Ending | | \$ 131,571,292 |

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, 2017

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects Fund |
|--|-----------------------|----------------------------|--------------------------------|
| ASSETS | | | |
| 1110 Cash and Cash Equivalents | \$ 27,726,104 | \$ 17,330,297 | \$ 26,144,946 |
| 1120 Investments - Current | 45,011,971 | 5,493,016 | 41,601,003 |
| 1220 Property Taxes - Delinquent | 14,033,693 | 3,190,891 | - |
| 1230 Allowance for Uncollectible Taxes (Credit) | (6,833,924) | (1,515,543) | - |
| 1240 Receivables from Other Governments | 22,981,849 | - | - |
| 1250 Accrued Interest | 180,093 | 19,516 | 72,678 |
| 1260 Due from Other Funds | 3,713,551 | 40,539 | 11,894,689 |
| 1290 Other Receivables | 35,733 | - | 17,763 |
| 1300 Inventories | 413,931 | - | - |
| 1410 Prepayments | 345,784 | - | - |
| 1800 Restricted Assets | - | 5,143,367 | - |
| 1900 Other Assets | 13,451,805 | - | - |
| 1000 Total Assets | <u>\$ 121,060,590</u> | <u>\$ 29,702,083</u> | <u>\$ 79,731,079</u> |
| LIABILITIES | | | |
| 2110 Accounts Payable | \$ 2,479,492 | \$ - | \$ 7,422,602 |
| 2150 Payroll Deductions and Withholdings Payable | 1,620,592 | - | - |
| 2160 Accrued Wages Payable | 18,892,736 | - | 5,254 |
| 2170 Due to Other Funds | 17,385,185 | - | - |
| 2180 Due to Other Governments | 216,251 | - | - |
| 2200 Accrued Expenditures | 30,285 | - | 1,687,948 |
| 2300 Unearned Revenues | 3,766 | - | - |
| 2000 Total Liabilities | <u>40,628,307</u> | <u>-</u> | <u>9,115,804</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 Unavailable Revenue - Property Taxes | 7,199,769 | 1,675,348 | - |
| 2600 Total Deferred Inflows of Resources | <u>7,199,769</u> | <u>1,675,348</u> | <u>-</u> |
| FUND BALANCES | | | |
| Nonspendable Fund Balance: | | | |
| 3410 Inventories | 413,931 | - | - |
| 3430 Prepaid Items | 345,784 | - | - |
| Restricted Fund Balance: | | | |
| 3450 Federal or State Funds Grant Restriction | - | - | - |
| 3470 Capital Acquisition and Contractual Obligation | - | - | 70,615,275 |
| 3480 Retirement of Long-Term Debt | - | 28,026,735 | - |
| 3490 Other Restricted Fund Balance | - | - | - |
| Committed Fund Balance: | | | |
| 3545 Other Committed Fund Balance | - | - | - |
| Assigned Fund Balance: | | | |
| 3590 Other Assigned Fund Balance | 1,253,511 | - | - |
| 3600 Unassigned Fund Balance | 71,219,288 | - | - |
| 3000 Total Fund Balances | <u>73,232,514</u> | <u>28,026,735</u> | <u>70,615,275</u> |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 121,060,590</u> | <u>\$ 29,702,083</u> | <u>\$ 79,731,079</u> |

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

| Nonmajor Governmental Funds | Total Governmental Funds |
|-----------------------------------|--------------------------------|
| \$ 3,653 | \$ 71,205,000 |
| - | 92,105,990 |
| - | 17,224,584 |
| - | (8,349,467) |
| 5,412,287 | 28,394,136 |
| - | 272,287 |
| 5,449,957 | 21,098,736 |
| 37,947 | 91,443 |
| 151,269 | 565,200 |
| - | 345,784 |
| - | 5,143,367 |
| - | 13,451,805 |
| <u>\$ 11,055,113</u> | <u>\$ 241,548,865</u> |
| | |
| \$ 103,816 | \$ 10,005,910 |
| - | 1,620,592 |
| 2,034,097 | 20,932,087 |
| 3,713,551 | 21,098,736 |
| - | 216,251 |
| - | 1,718,233 |
| 360,226 | 363,992 |
| <u>6,211,690</u> | <u>55,955,801</u> |
| | |
| - | 8,875,117 |
| <u>-</u> | <u>8,875,117</u> |
| | |
| 120,315 | 534,246 |
| - | 345,784 |
| | |
| 3,174,927 | 3,174,927 |
| - | 70,615,275 |
| - | 28,026,735 |
| 312,871 | 312,871 |
| | |
| 1,235,310 | 1,235,310 |
| - | 1,253,511 |
| - | 71,219,288 |
| <u>4,843,423</u> | <u>176,717,947</u> |
| | |
| <u>\$ 11,055,113</u> | <u>\$ 241,548,865</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, 2017

| | | |
|--|-----------|--------------------|
| Total Fund Balances - Governmental Funds | \$ | 176,717,947 |
| 1 The District uses 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. | | 1,088,783 |
| 2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of these assets is \$717,312,956 and the accumulated depreciation is \$214,074,278. The net effect is an increase to net position (See Note II. B.). | | 503,238,678 |
| 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 as liabilities in the governmental funds. The effect of these long-term liabilities is a decrease to net position (See Note II. E.). | | (523,651,666) |
| 4 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 \$57,224,436, a deferred inflow of resources related to TRS in the amount of \$5,138,710, and a deferred outflow of resources related to TRS in the amount of \$18,594,758. The effect of these pension related items is a decrease to net position (See Note III.E.). | | (43,768,388) |
| 5 Recognizing deferred revenue (property taxes) as revenue in the government-wide statements to convert from modified accrual basis of accounting to the accrual basis of accounting. The net effect is an increase to net position. | | 8,875,117 |
| 6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include eliminating interfund transactions and recognizing the bond components (deferred charge on refunding) associated with bonds. The net effect of these reclassifications and recognitions is to increase net position. | | 9,070,821 |
| 19 Net Position of Governmental Activities | \$ | 131,571,292 |

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, 2017

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects Fund |
|---|-----------------------|----------------------------|--------------------------------|
| REVENUES: | | | |
| 5700 Total Local and Intermediate Sources | \$ 130,755,538 | \$ 29,106,747 | \$ 847,307 |
| 5800 State Program Revenues | 82,527,114 | 735,411 | - |
| 5900 Federal Program Revenues | 3,368,239 | - | - |
| 5020 Total Revenues | <u>216,650,891</u> | <u>29,842,158</u> | <u>847,307</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| 0011 Instruction | 118,204,221 | - | 2,865,879 |
| 0012 Instructional Resources and Media Services | 2,082,320 | - | 1,378,515 |
| 0013 Curriculum and Instructional Staff Development | 2,061,224 | - | - |
| 0021 Instructional Leadership | 3,888,379 | - | - |
| 0023 School Leadership | 12,298,384 | - | - |
| 0031 Guidance, Counseling and Evaluation Services | 6,354,569 | - | - |
| 0032 Social Work Services | 891,129 | - | - |
| 0033 Health Services | 1,922,297 | - | - |
| 0034 Student (Pupil) Transportation | 8,830,218 | - | 1,730,780 |
| 0035 Food Services | - | - | - |
| 0036 Extracurricular Activities | 4,382,008 | - | - |
| 0041 General Administration | 6,354,047 | - | - |
| 0051 Facilities Maintenance and Operations | 26,019,681 | - | 1,012,227 |
| 0052 Security and Monitoring Services | 2,648,769 | - | 189,976 |
| 0053 Data Processing Services | 3,435,750 | - | 22,452 |
| 0061 Community Services | 147,764 | - | - |
| Debt Service: | | | |
| 0071 Principal on Long Term Debt | 589,442 | 16,060,000 | - |
| 0072 Interest on Long Term Debt | 97,547 | 20,637,271 | - |
| 0073 Bond Issuance Cost and Fees | - | 20,800 | - |
| Capital Outlay: | | | |
| 0081 Facilities Acquisition and Construction | 389,649 | - | 40,215,182 |
| Intergovernmental: | | | |
| 0095 Payments to Juvenile Justice Alternative Ed. Prg. | 19,800 | - | - |
| 0099 Other Intergovernmental Charges | 1,177,179 | - | - |
| 6030 Total Expenditures | <u>201,794,377</u> | <u>36,718,071</u> | <u>47,415,011</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>14,856,514</u> | <u>(6,875,913)</u> | <u>(46,567,704)</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| 7915 Transfers In | 299,000 | 6,500,000 | 3,501,793 |
| 8911 Transfers Out (Use) | (10,001,793) | - | (299,000) |
| 7080 Total Other Financing Sources (Uses) | <u>(9,702,793)</u> | <u>6,500,000</u> | <u>3,202,793</u> |
| 1200 Net Change in Fund Balances | 5,153,721 | (375,913) | (43,364,911) |
| 0100 Fund Balance - July 1 (Beginning) | <u>68,078,793</u> | <u>28,402,648</u> | <u>113,980,186</u> |
| 3000 Fund Balance - June 30 (Ending) | <u>\$ 73,232,514</u> | <u>\$ 28,026,735</u> | <u>\$ 70,615,275</u> |

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

| Nonmajor Governmental Funds | Total Governmental Funds |
|-----------------------------------|--------------------------------|
| \$ 6,547,757 | \$ 167,257,349 |
| 3,003,646 | 86,266,171 |
| 20,928,753 | 24,296,992 |
| <u>30,480,156</u> | <u>277,820,512</u> |
| 10,522,054 | 131,592,154 |
| 5,809 | 3,466,644 |
| 2,523,604 | 4,584,828 |
| 206,196 | 4,094,575 |
| - | 12,298,384 |
| 548,359 | 6,902,928 |
| - | 891,129 |
| - | 1,922,297 |
| - | 10,560,998 |
| 12,839,437 | 12,839,437 |
| 1,063,396 | 5,445,404 |
| - | 6,354,047 |
| 307,094 | 27,339,002 |
| - | 2,838,745 |
| - | 3,458,202 |
| 1,632,997 | 1,780,761 |
| - | 16,649,442 |
| - | 20,734,818 |
| - | 20,800 |
| - | 40,604,831 |
| - | 19,800 |
| - | 1,177,179 |
| <u>29,648,946</u> | <u>315,576,405</u> |
| <u>831,210</u> | <u>(37,755,893)</u> |
| - | 10,300,793 |
| - | (10,300,793) |
| - | - |
| <u>831,210</u> | <u>(37,755,893)</u> |
| <u>4,012,213</u> | <u>214,473,840</u> |
| <u>\$ 4,843,423</u> | <u>\$ 176,717,947</u> |

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

| | | |
|--|-----------|------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | (37,755,893) |
| | | |
| 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 loss of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position. | | 315,113 |
| | | |
| Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2017 capital outlays is to increase net position. (See Note II. B.) | | 45,089,543 |
| | | |
| The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect is to increase net position. (See Note II. E.) | | 20,311,659 |
| | | |
| Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (See Note II.B.) | | (19,167,371) |
| | | |
| 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 revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, recognizing the net effect of retirement of capital assets, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position. | | (1,548,001) |
| | | |
| Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the Teacher Retirement System of Texas for the current year are not reported in governmental funds but are reported in the government-wide financial statements. The net effect of these changes is a decrease to net position. | | (3,275,947) |
| | | |
| Change in Net Position of Governmental Activities | \$ | 3,969,103 |

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, 2017

| | Governmental Activities - |
|---------------------------|------------------------------|
| | Internal Service Fund |
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 2,021,751 |
| Total Assets | <u>2,021,751</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 31,164 |
| Accrued Expenses | <u>901,804</u> |
| Total Liabilities | <u>932,968</u> |
| NET POSITION | |
| Unrestricted Net Position | <u>1,088,783</u> |
| Total Net Position | <u><u>\$ 1,088,783</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, 2017

| | Governmental Activities - |
|---|------------------------------|
| | Internal Service Fund |
| OPERATING REVENUES: | |
| Local and Intermediate Sources | \$ 968,440 |
| Total Operating Revenues | 968,440 |
| OPERATING EXPENSES: | |
| Payroll Costs | 653,327 |
| Total Operating Expenses | 653,327 |
| Operating Income | 315,113 |
| Total Net Position - July 1 (Beginning) | 773,670 |
| Total Net Position - June 30 (Ending) | \$ 1,088,783 |

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, 2017

| | Governmental Activities - |
|---|------------------------------|
| | Internal Service Fund |
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Received from User Charges | \$ 968,440 |
| Cash Payments for Claims & Operating Expenses | (680,717) |
| Net Cash Provided by Operating Activities | <u>287,723</u> |
| Net Increase in Cash and Cash Equivalents | 287,723 |
| Cash and Cash Equivalents at Beginning of Year | <u>1,734,028</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$ 2,021,751</u></u> |
| <u>Reconciliation of Operating Income to Net Cash</u> | |
| <u>Provided by Operating Activities:</u> | |
| Operating Income: | \$ 315,113 |
| Effect of Increases and Decreases in Current Assets and Liabilities: | |
| Increase (decrease) in Accounts Payable | 31,164 |
| Increase (decrease) in Accrued Expenses | (58,554) |
| Net Cash Provided by Operating Activities | <u><u>\$ 287,723</u></u> |

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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

EXHIBIT E-1

| | Private Purpose Trust Fund | Agency Funds |
|------------------------------------|----------------------------------|-----------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 62,906 | \$ 670,872 |
| Investments - Current | 100,000 | - |
| Accrued Interest | 233 | - |
| Total Assets | 163,139 | \$ 670,872 |
| LIABILITIES | | |
| Accounts Payable | 4,700 | \$ 79,645 |
| Due to Other Governments | - | 3,409 |
| Due to Student Groups | - | 587,818 |
| Total Liabilities | 4,700 | \$ 670,872 |
| NET POSITION | | |
| Held in Trust for Private Purposes | 158,439 | |
| Total Net Position | \$ 158,439 | |

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, 2017

| | Private Purpose Trust Fund |
|---|----------------------------------|
| ADDITIONS: | |
| Local and Intermediate Sources | \$ 8,098 |
| Total Additions | <u>8,098</u> |
| DEDUCTIONS: | |
| Other Operating Costs | <u>11,700</u> |
| Total Deductions | <u>11,700</u> |
| Change in Net Position | (3,602) |
| Total Net Position - July 1 (Beginning) | <u>162,041</u> |
| Total Net Position - June 30 (Ending) | <u><u>\$ 158,439</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, 2017

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. 77, *Tax Abatement Disclosures*, is effective for periods beginning after December 15, 2015. The statement requires the District to disclose information about the nature and magnitude of tax abatements. There was no material impact on the District’s financial statement as a result of the implementation of GASB Statement No. 77. See Note III.K. for required disclosures.

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.

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.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 nonmajor 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.

2. Proprietary Fund

Propriety 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:

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 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.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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. Investments with maturities exceeding 12 months at the date of purchase are stated at fair value based on quoted market prices at year-end date. Investments with maturities of 12 months or less at the date of purchase are held at amortized cost and net asset value (NAV).

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, 2017 to finance general fund operations and voter approved debt service principal and interest payments were \$1.17 and \$.2619, respectively, per \$100 of assessed valuation for a total tax rate of \$1.4319.

Current tax collections for the year ended June 30, 2017 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 approximately 50% of outstanding property taxes receivable at June 30, 2017.

Property taxes (and payments in lieu of property taxes) collected from three major petrochemical complexes within the District for the year ended June 30, 2017 accounted for approximately 28% of the District's total combined revenues.

4. Due From (To) Other Funds

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

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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 acquisition 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 | 5-20 |
| Buses & Vehicles | 7-15 |

8. Deferred Outflows/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of net position and balance sheet as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred outflow of resources for refunding – Reported in the government-wide statement of net position, this 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.
- Deferred outflow of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be

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recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred inflow of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflow of resources for pension – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments. These amounts will be amortized over a closed five year period

9. 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.

10. 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.

11. 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.

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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.

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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. Budgetary Data

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

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

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

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.

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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, 2017, the District received approximately 30% 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.

II. Detailed Notes On All Funds

A. Deposits and Investments

A summary of the District’s cash and investments by fund at June 30, 2017 is shown below: (000’s)

| | Cash and Deposits | Investment Pools | Total Cash & Cash Equivalents | Investments | Total Cash & Investments |
|--------------------------|------------------------------|-----------------------------|--|--------------------|---|
| Governmental funds: | | | | | |
| General fund | \$ 3,546 | \$ 24,180 | \$ 27,726 | \$ 58,464 | \$ 86,190 |
| Debt service fund | - | 17,330 | 17,330 | 5,493 | 22,823 |
| Capital projects fund | - | 26,145 | 26,145 | 41,601 | 67,746 |
| Other governmental funds | <u>4</u> | <u>-</u> | <u>4</u> | <u>-</u> | <u>4</u> |
| Total governmental funds | <u>3,550</u> | <u>67,655</u> | <u>71,205</u> | <u>105,558</u> | <u>176,763</u> |
| Proprietary funds | <u>2,022</u> | <u>-</u> | <u>2,022</u> | <u>-</u> | <u>2,022</u> |
| Fiduciary funds | <u>161</u> | <u>572</u> | <u>733</u> | <u>100</u> | <u>833</u> |
| Total | <u>\$ 5,733</u> | <u>\$ 68,227</u> | <u>\$ 73,960</u> | <u>\$ 105,658</u> | <u>\$ 179,618</u> |

At June 30, 2017, the net carrying amount of the District’s cash and deposits was \$5,732,523 and the bank balance was \$9,214,007. At June 30, 2017, 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) repurchase agreements, (4) securities lending programs, (5) bankers acceptances, (6) commercial paper, (7) mutual funds, (8) guaranteed investment contracts (9) investment pools, (10) corporate bonds, and (11) fully insured or collateralized interest bearing accounts.

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The District's cash equivalents and investments at June 30, 2017 are as shown below: (000's)

| <u>Investment Type:</u> | <u>Cost</u> | <u>Fair Value **</u> | <u>Investment Maturity in Years</u> | | |
|--------------------------------------|-------------------|----------------------|-------------------------------------|--------------------|--------------------|
| | | | <u>Less Than 1 Year</u> | <u>1 - 2 Years</u> | <u>2 - 3 Years</u> |
| Cash in Bank | \$ 5,733 | \$ 5,733 | \$ - | \$ - | \$ - |
| Local Government Investment Pools: | | | | | |
| TexPool | 24,311 | 24,311 | - | - | - |
| LoneStar | 9,170 | 9,170 | - | - | - |
| TexSTAR | 7,614 | 7,614 | - | - | - |
| LOGIC | 662 | 662 | - | - | - |
| TexasTERM (daily) | - | - | - | - | - |
| TexasCLASS | 26,470 | 26,470 | - | - | - |
| Cash and Cash Equivalents - subtotal | <u>73,960</u> | <u>73,960</u> | - | - | - |
| Municipal Obligations | 1,582 | 1,582 | 1,582 | - | - |
| US Agencies | 17,449 | 17,449 | 3,997 | 13,452 | - |
| Commercial Paper | 43,527 | 43,527 | 43,527 | - | - |
| Certificate of Deposits | 100 | 100 | 100 | - | - |
| Local Government Investment Pools: | | | | | |
| TexasTERM (fixed) | 43,000 | 43,000 | 43,000 | - | - |
| Investments - subtotal | <u>\$ 105,658</u> | <u>\$ 105,658</u> | <u>\$ 92,206</u> | <u>\$ 13,452</u> | <u>\$ -</u> |
| Total Cash & Investments | <u>\$ 179,618</u> | <u>\$ 179,618</u> | <u>\$ 92,206</u> | <u>\$ 13,452</u> | <u>\$ -</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 amortized cost. Deposits and withdrawals can be made on any business day of the week. The pools have a redemption notice of one day, which may be redeemed daily. The pools may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or a national state of emergency that affects the pools liquidity. There are no limits on the number of accounts a participant can have or the number of transactions. The District has no unfunded commitments related to the pools.

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

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)

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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, 2017, the District’s portfolio included the following:

| <u>Investment Type</u> | <u>Percent of Total Portfolio</u> |
|--------------------------------------|-----------------------------------|
| FDIC Fully Insured Checking Accounts | 3% |
| Local Government Investment Pools | 62% |
| Municipal Obligations | 1% |
| US Agencies | 10% |
| Commercial Paper | 24% |
| Certificate of Deposits | 0% |

- 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, 2017, 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:

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| <u>Type of Investment</u> | <u>Maximum Allowed % of Portfolio</u> | <u>Actual % of Portfolio at June 30, 2017</u> |
|-----------------------------|---|---|
| Money Market Accounts | 100% | 0% |
| Certificates of Deposit | 40% | 0% |
| Brokered FDIC CD's | 15% | 0% |
| U.S. Government Securities | 100% | 10% |
| State and Local Obligations | 40% | 1% |
| Repurchase Agreements | 100% | 0% |
| Interest Bearing Accounts | 100% | 0% |
| Investment Pools | 100% | 64% |
| Money Market Mutual Funds | 15% | 0% |
| Commercial Paper | 40% | 25% |

- 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, 2017, the portfolio contained one investment with a stated maturity greater than one year. The dollar weighted average maturity of the total portfolio was 70 days.

As of June 30, 2017, the portfolio contained two structured/callable notes with a total fair value of \$17,441,445.

GASB Statement No. 72 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The District’s investments at June 30, 2017, categorized within the fair value hierarchy established by GAAP, were as follows: **(000’s)**

| <u>Investment Type:</u> | <u>Fair Value Measurement</u> | | | <u>Total</u> |
|-------------------------|-------------------------------|------------------|----------------|------------------|
| | <u>Level I</u> | <u>Level 2</u> | <u>Level 3</u> | |
| US Treasury | \$ 1,582 | \$ - | \$ - | \$ 1,582 |
| US Agencies | 17,449 | - | - | 17,449 |
| Commercial Paper | - | 43,527 | - | 43,527 |
| | <u>\$ 19,031</u> | <u>\$ 43,527</u> | <u>\$ -</u> | <u>\$ 62,558</u> |

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology are quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The District’s sinking funds at June 30, 2017 were invested in the following: **(000’s)**

| <u>Investment</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Maturity</u> |
|-------------------------|-----------------|-------------------|-----------------|
| U.S. Treasury Note | \$ 5,078 | \$ 5,144 | 11/15/17 |
| Total Restricted Assets | <u>\$ 5,078</u> | <u>\$ 5,144</u> | |

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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).

B. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows: **(000's)**

| | <u>Beginning</u> <u>Balances</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>Ending</u> <u>Balances</u> |
|---|-------------------------------------|------------------|------------------|------------------|----------------------------------|
| <u>Capital assets not being depreciated:</u> | | | | | |
| Land | \$ 12,757 | \$ 1,051 | \$ - | \$ - | \$ 13,808 |
| Construction in progress | 13,603 | 34,717 | - | (5,484) | 42,836 |
| Total capital assets not being depreciated | <u>47,500</u> | <u>35,768</u> | <u>-</u> | <u>(5,484)</u> | <u>56,644</u> |
| <u>Capital assets being depreciated:</u> | | | | | |
| Buildings and improvements | 611,124 | 5,303 | - | 5,270 | 621,697 |
| Furniture and equipment | 35,406 | 4,018 | (667) | 214 | 38,971 |
| Total capital assets being depreciated | <u>646,530</u> | <u>9,321</u> | <u>(667)</u> | <u>5,484</u> | <u>660,668</u> |
| - | | | | | |
| <u>Less accumulated depreciation for:</u> | | | | | |
| Buildings and improvements | (172,720) | (16,656) | - | - | (189,376) |
| Furniture and equipment | (22,821) | (2,512) | 635 | - | (24,698) |
| Total accumulated depreciation | <u>(195,541)</u> | <u>(19,168)</u> | <u>635</u> | <u>-</u> | <u>(214,074)</u> |
| Capital assets, net | <u>\$ 498,489</u> | <u>\$ 25,921</u> | <u>\$ (32)</u> | <u>\$ -</u> | <u>\$ 503,238</u> |

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

| | |
|--|------------------|
| Instruction | \$ 10,914 |
| Instructional resources and media services | 241 |
| Curriculum and instructional staff development | 302 |
| Instructional leadership | 329 |
| School leadership | 969 |
| Guidance, counseling and evaluation services | 591 |
| Social work services | 91 |
| Health services | 153 |
| Student (pupil) transportation | 682 |
| Food services | 1,155 |
| Extracurricular activities | 438 |
| General administration | 535 |
| Facilities maintenance and operations | 2,160 |
| Security and monitoring services | 207 |
| Data processing services | 262 |
| Community services | 139 |
| Total depreciation expense | <u>\$ 19,168</u> |

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C. Receivables and Unearned Revenue

Receivables as of June 30, 2017, for the District's individual major funds and nonmajor 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 | \$ 8,037 | \$ 1,977 | \$ - | \$ - | \$ 10,014 |
| Taxes - penalty & interest | 5,997 | 1,214 | - | - | 7,211 |
| Due from other governments-federal | 19 | - | - | 4,124 | 4,143 |
| Due from other governments-state | 22,367 | - | - | 1,288 | 23,655 |
| Due from other governments-other | 596 | - | - | - | 596 |
| Interest | 180 | 19 | 73 | - | 272 |
| Other receivables | 36 | - | 18 | 38 | 92 |
| Gross receivables | 37,232 | 3,210 | 91 | 5,450 | 45,983 |
| Less: allowance for uncollectibles | (6,834) | (1,515) | - | - | (8,349) |
| Net total receivables | <u>\$ 30,398</u> | <u>\$ 1,695</u> | <u>\$ 91</u> | <u>\$ 5,450</u> | <u>\$ 37,634</u> |

Unearned revenue at June 30, 2017, for the District's governmental funds is as follows: **(000's)**

| | <u>Unavailable</u> | <u>Unearned</u> |
|--|--------------------|-----------------|
| Delinquent property taxes receivable - General Fund | \$ 7,200 | - |
| Delinquent property taxes receivable - Debt Service Fund | 1,675 | - |
| Federal food commodities | - | 31 |
| Advance funding | - | 333 |
| Total deferred revenue | <u>\$ 8,875</u> | <u>\$ 364</u> |

D. Interfund Receivables, Payables and Transfers

Interfund balances in the fund financial statements at June 30, 2017 consisted of the following: **(000's)**

| <u>Fund</u> | <u>Receivable</u> | <u>Payable</u> |
|------------------------------|-------------------|------------------|
| General Fund: | | |
| Debt Service Fund | \$ - | \$ 40 |
| Capital Projects Fund | - | 11,895 |
| Nonmajor Governmental Funds | 3,714 | 5,450 |
| Total General Fund | \$ 3,714 | \$ 17,385 |
| Debt Service Fund: | | |
| General Fund | \$ 40 | - |
| Capital Projects Fund | | |
| General Fund | \$ 11,895 | - |
| Nonmajor Governmental Funds: | | |
| General Fund | \$ 5,450 | \$ 3,714 |
| Total | <u>\$ 21,099</u> | <u>\$ 21,099</u> |

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

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Interfund transfers in the fund financial statements at June 30, 2017, consisted of the following: **(000's)**

| <u>Transfers from</u> | <u>Transfers to</u> | <u>Amount</u> |
|-----------------------|-----------------------|------------------|
| General Fund | Debt Service Fund | \$ 6,500 |
| General Fund | Capital Projects Fund | 3,502 |
| Capital Projects Fund | General Fund | 299 |
| Total Transfers | | <u>\$ 10,301</u> |

The District transferred \$6.5 million from the general fund to the debt service fund to cover general obligation debt. The District transferred \$3.5 million from the general fund to the capital projects fund to separately account for expenditures on a project basis. The District transferred \$299 thousand from the capital projects fund to the general fund for reimbursement of expenditures previously accounted for in the general fund.

E. Long-Term Liabilities

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and capital appreciation bonds (CAB) with various amounts of principal maturing each year. Bonded debt as of June 30, 2017 is as follows: **(000's)**

| <u>Description</u> | <u>Interest Rate Payable</u> | <u>Maturity Date</u> | <u>Original Issue</u> | <u>Outstanding</u> |
|---|------------------------------|----------------------|-----------------------|--------------------|
| Unlimited Tax Refunding Bonds, Series 2004 | 4.000-5.000% | 02/15/18 | \$ 31,425 | \$ 7,430 |
| 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 | 19,050 |
| Unlimited Tax Refunding Bonds, Series 2011 | 2.000-5.000% | 02/15/20 | 9,890 | 5,150 |
| 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 | 85,605 |
| Unlimited Tax School Building Bonds, Series 2014A | 1.500-5.000% | 02/15/30 | 18,330 | 17,325 |
| Variable Rate Unlimited Tax School Building Bonds, Series 2014B | Variable | 02/15/35 | 30,600 | 30,600 |
| Variable Rate Unlimited Tax School Building Bonds, Series 2014B | Variable | 02/15/40 | 32,020 | 32,020 |
| 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 | 112,380 |
| Unlimited Tax Refunding Bonds, Series 2016A | 2.000-4.000% | 02/15/30 | 29,000 | 29,000 |
| Unlimited Tax Refunding Bonds, Series 2016B | 5.00% | 02/15/28 | 9,405 | 9,405 |
| | | | <u>\$ 612,235</u> | <u>\$ 468,590</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.

In August 2015, outstanding variable 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.

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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, 2017 is \$2,734,679.

Long-term liability activity for the year ended June 30, 2017 was as follows: (000's)

| Governmental Activities | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|-----------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| General Obligation - 2004 | \$ 17,300 | \$ - | \$ (9,870) | \$ 7,430 | \$ 7,430 |
| General Obligation - 2005A (QZAB) | 8,000 | - | - | 8,000 | - |
| General Obligation - 2006 | 19,050 | - | - | 19,050 | - |
| General Obligation - 2007 | 2,000 | - | (2,000) | - | - |
| General Obligation - 2007A | 325 | - | (325) | - | - |
| General Obligation - 2011 | 6,395 | - | (1,245) | 5,150 | 1,480 |
| General Obligation - 2012 | 41,160 | - | - | 41,160 | - |
| General Obligation - 2013 | 87,865 | - | (2,260) | 85,605 | 2,025 |
| General Obligation - 2014A | 17,685 | - | (360) | 17,325 | 1,000 |
| General Obligation - 2014B | 30,600 | - | - | 30,600 | - |
| General Obligation - 2014B | 32,020 | - | - | 32,020 | - |
| General Obligation - 2014C | 71,465 | - | - | 71,465 | - |
| General Obligation - 2015 | 112,380 | - | - | 112,380 | 2,875 |
| General Obligation - 2016A | 29,000 | - | - | 29,000 | 1,400 |
| General Obligation - 2016B | 9,405 | - | - | 9,405 | - |
| Total Bonds Payable | 484,650 | - | (16,060) | 468,590 | 16,210 |
| Other Liabilities: | | | | | |
| Accrued Interest | 7,702 | - | (219) | 7,483 | 7,483 |
| Premium on Issuance of Bonds | 48,287 | - | (3,443) | 44,844 | - |
| SECO-LoanSTAR Revolving Loan | 3,324 | - | (589) | 2,735 | 607 |
| Total Other Liabilities | 59,313 | - | (4,251) | 55,062 | 8,090 |
| Total Long-term Liabilities | \$ 543,963 | \$ - | \$ (20,311) | \$ 523,652 | \$ 24,300 |

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, 2017, 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 general obligation bonds 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).

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Debt service requirements at June 30, 2017 were as follows: (000's)

| Fiscal Year Ending June 30, | General Obligation | | Notes and Loans | | Total | |
|--------------------------------|--------------------|------------|-----------------|----------|------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | \$ 16,210 | \$ 19,945 | \$ 607 | \$ 80 | \$ 16,817 | \$ 20,025 |
| 2019 | 18,040 | 19,486 | 626 | 61 | 18,666 | 19,547 |
| 2020 | 18,940 | 18,904 | 645 | 42 | 19,585 | 18,946 |
| 2021 | 19,825 | 17,957 | 664 | 23 | 20,489 | 17,980 |
| 2022 | 28,765 | 16,977 | 193 | 4 | 28,958 | 16,981 |
| 2023-2027 | 119,285 | 69,447 | - | - | 119,285 | 69,447 |
| 2028-2032 | 112,615 | 40,692 | - | - | 112,615 | 40,692 |
| 2033-2037 | 84,920 | 20,877 | - | - | 84,920 | 20,877 |
| 2038-2041 | 49,990 | 4,512 | - | - | 49,990 | 4,512 |
| Total | \$ 468,590 | \$ 228,797 | \$ 2,735 | \$ 210 | \$ 471,325 | \$ 229,007 |

F. Operating Leases

The District leases certain equipment and facilities under non-cancelable operating leases. Total rental expenditures for year ended June 30, 2017 were \$1.1 million and made from the general fund. Future minimum lease payments are as follows: (000's)

| Fiscal Year Ending June 30, | Lease Payment |
|--------------------------------|------------------|
| 2018 | \$ 694 |
| 2019 | 694 |
| 2020 | 694 |
| 2021 | 289 |
| 2022 | - |
| Total | \$ 2,371 |

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, 2017, the District had no bonds outstanding that 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. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2017, 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

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property and casualty insurance to mitigate the financial burden associated with these risks. For the year ended June 30, 2017, 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, 2017, 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 Workers Compensation 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’ 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 \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2016, the Fund carried a discounted reserve of \$52 million for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2017, the Fund anticipates no additional liability to members 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, 2017 and 2016: (000’s)

| | 2017 | 2016 |
|---|-------------|-------------|
| Liability, beginning of period | \$ 960 | \$ 898 |
| Changes in the est. for current & prior period claims | 473 | 749 |
| Payments on claims | (531) | (687) |
| Liability, end of period | \$ 902 | \$ 960 |

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, 2016 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

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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 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 ended June 30, 2017, 2016, and 2015: **(000's)**

| Contribution Rates and Contribution Amounts | | | | | | |
|--|---------------|---------------|--------------|---------------|-----------------|---------------|
| Year | Member | | State | | District | |
| | Rate | Amount | Rate | Amount | Rate | Amount |
| 6/30/2017 | 0.65% | \$ 1,009 | 1.00% | \$ 609 | 0.55% | \$ 854 |
| 6/30/2016 | 0.65% | \$ 1,023 | 1.00% | \$ 633 | 0.55% | \$ 866 |
| 6/30/2015 | 0.65% | \$ 992 | 1.00% | \$ 595 | 0.55% | \$ 840 |

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, 2017, 2016, and 2015, the subsidy payments received by TRS-Care on-behalf of the District were \$704,671, \$457,238, and \$440,972, respectively. These payments are recorded as equal revenues and expenditures/expenses in the financial statements.

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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, Section 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 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; 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 2016 Comprehensive Annual Financial Report for TRS provides the following information regarding the pension plan fiduciary net position as of August 31, 2016:

| Net Pension Liability | 000's |
|---|---------------|
| Total Pension Liability | \$ 17,197,150 |
| Less: Plan Fiduciary Net Position | (134,008,637) |
| Net Pension Liability | \$ 37,788,513 |
| Net Position as percentage of Total Pension Liability | 78.00% |

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity. (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 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.

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 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and

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2015. The 84th Texas Legislature, GAA established employer contribution rates for the 2016 and 2017 pension plan fiscal years (September to August) as follows: (**000's**)

| | Contribution Rates | |
|---|--------------------|--------|
| | 2016 | 2017 |
| Member | 7.2% | 7.7% |
| Non-Employer Contributing Entity (NECE) (State) | 6.8% | 6.8% |
| Employers | 6.8% | 6.8% |
| 2017 Employer Contributions | \$ | 4,788 |
| 2017 Member Contributions | \$ | 11,818 |
| 2017 NECE On-Behalf Contributions | \$ | 7,868 |

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, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions. The total pension plan liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|-----------------------------|
| Actuarial Cost Method | Individual Entry Age Normal |
| Asset Valuation Method | Market Value |
| Actuarial Assumptions: | |
| Single Discount Rate | 8.00% |
| Long-term expected Investment Rate of Return | 8.00% |
| Municipal Bond Rate | N/A |
| Last year ending August 31 in the 2016 to 2015 projection period (100 years) | 2.115 |
| Inflation | 2.50% |
| Salary Increases Including Inflation | 3.5% to 9.5% |
| Benefit Changes During the Year | None |
| Ad hoc Post-employment Benefit Changes | None |

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The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

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, 2016 are summarized below:

| Asset Class | Target Allocation | Long-term Geometric Real Rate of Return | Expected Contribution to Long-term Portfolio Returns * |
|-------------------------------|-------------------|--|--|
| Global Equity | | | |
| U.S. | 18% | 4.6% | 1.0% |
| Non-U.S. Developed | 13% | 5.1% | 0.8% |
| Emerging Markets | 9% | 5.9% | 0.7% |
| Directional Hedge Funds | 4% | 3.2% | 0.1% |
| Private Equity | 13% | 7.0% | 1.1% |
| Stable Value | | | |
| U.S. Treasuries | 11% | 0.7% | 0.1% |
| Absolute Return | 0% | 1.8% | 0.0% |
| Stable Value Hedge Funds | 4% | 3.0% | 0.1% |
| Cash | 1% | -0.2% | 0.0% |
| Real Return | | | |
| Global Inflation-Linked Bonds | 3% | 0.9% | 0.0% |
| Real Assets | 16% | 5.1% | 1.1% |
| Energy and Natural Resources | 3% | 6.6% | 0.2% |
| Commodities | 0% | 1.2% | 0.0% |
| Risk Parity | | | |
| Risk Parity | 5% | 6.7% | 0.3% |
| Inflation Expectations | | | 2.2% |
| Alpha | | | 1.0% |
| Total | <u>100%</u> | | <u>8.7%</u> |

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

| | 1% Decrease in Discount Rate (7.0%) <u>000's</u> | Discount Rate (8.0%) <u>000's</u> | 1% Increase in Discount Rate (9.0%) <u>000's</u> |
|---|---|---|---|
| District's proportionate share of the net pension liability | \$ 88,564 | \$ 57,224 | \$ 30,642 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension liability of \$57,224,436 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

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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:

| | 000's |
|--|--------------|
| District's proportionate share of the collective net pension liability | \$ 57,224 |
| State's proportionate share that is associated with the District | 93,397 |
| Total | \$ 150,621 |

The net pension liability was measured as of August 31, 2016 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 employers to the pension plan for the period September 1, 2015 through August 31, 2016.

At August 31, 2016, the District's proportion of the collective net pension liability was .1514334%, which was a decrease of .011386% from its proportion measured as of August 31, 2015.

Changes Since the Prior Actuarial Valuation. There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the measurement period August 31, 2016, the District recognized pension expense of \$9,692,412 and revenue of \$9,692,412 for support provided by the State in the government-wide financial statements.

At June 30, 2017, 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 000's | Deferred Inflows of Resources 000's |
|--|---|--|
| Differences Between Expected and Actual Economic Experience | \$ 897 | \$ 1,709 |
| Changes in Actuarial Assumptions | 1,744 | 1,586 |
| Difference Between Projected and Actual Investment Earnings | 4,846 | - |
| Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions | 7,138 | 1,844 |
| District Contributions Paid to TRS Subsequent to the Measurement Date | 3,970 | - |
| Total | \$ 18,595 | \$ 5,139 |

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: **(000's)**

| Year Ended June 30: | Pension Expense Amount |
|---------------------|---------------------------|
| 2018 | \$ 1,585 |
| 2019 | 1,585 |
| 2020 | 4,676 |
| 2021 | 1,347 |
| 2022 | 473 |
| Thereafter | (180) |
| | \$ 9,486 |

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.

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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.

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

The Pension Plan issues separate financial statements from the District. This annual financial report and other required disclosure information can be requested in writing from the Goose Creek Consolidated Independent School District Business Office, P.O. Box 30, Baytown, Texas 77522.

F. 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 \$1,167,024 are recorded as revenues and expenditures/expenses in the financial statements.

G. 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. The operations of the Foundation are not financially significant to the overall operations of the District, and therefore are not reported in the District’s financial statements.

H. 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 \$11,900. In 2017, approximately 40% of the funding was from the state grant and 60% from the member districts. Revenues and expenditures the SSA are summarized below: **(000’s)**

| | |
|---|-----------------|
| Revenues: | |
| 5700 - Member districts | \$ 1,812 |
| 5800 - State program revenue from TEA | <u>1,127</u> |
| | <u>\$ 2,939</u> |
| Expenditures: | |
| 6100 - Payroll costs | \$ 2,250 |
| 6200 - Professional and contracted services | 649 |
| 6300 - Supplies and materials | 29 |
| 6400 - Other operating costs | 11 |
| 6600 - Capital outlay | <u>-</u> |
| | <u>\$ 2,939</u> |

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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.

I. Construction and Other Significant Commitments

At June 30, 2017, the District had commitments under construction contracts totaling approximately \$34.8 million.

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, 2017, 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: **(000's)**

Encumbrances Included in the Following Fund Balance:

| Fund | Restricted | Committed | Assigned | Total |
|-----------------------------|------------------|-------------|-----------------|------------------|
| General | \$ - | \$ - | \$ 1,254 | \$ 1,254 |
| Capital Projects Fund | 52,493 | - | - | 52,493 |
| Nonmajor Governmental Funds | 48 | - | - | 48 |
| Total | <u>\$ 52,541</u> | <u>\$ -</u> | <u>\$ 1,254</u> | <u>\$ 53,795</u> |

J. 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.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

K. Limited Assessed Value Agreements (Tax Abatements)

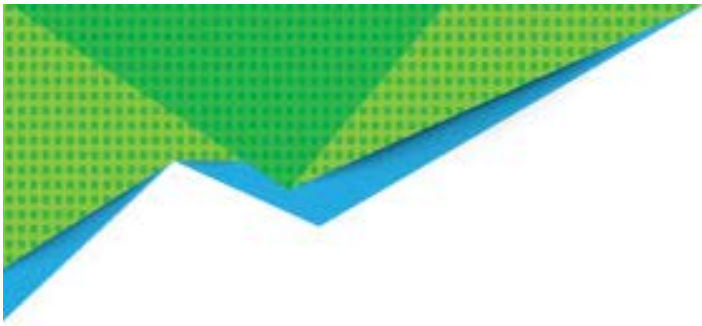
Tax Code Chapter 313 allows public school districts to offer businesses a 10-year limitation on property value for a portion of the property tax in exchange for investment and the creation of jobs meeting certain requirements. The District has entered into Limited Assessed Value Agreements (commonly referred to as “Chapter 313 Agreement”) with ExxonMobil Corporation, Borusan Mannesmann Pipe US, Inc., and Chevron Phillips Chemical Company, LP as an incentive for the entity to add taxable property within the District and create manufacturing jobs. Under the provisions of Chapter 313, the District offers a minimum value limitation of \$30 million. When property is valued, the District forgoes collection of maintenance & operation tax revenue; however, limited tax revenue is offset by an increase in state funding through the FSP funding formula. In lieu of tax payment, the District has received approximately \$3.7 million from the entities during the current fiscal year. These payments are reported as local revenues in the fund financial statements.

L. Subsequent Events

In August 2017, outstanding variable bonds totaling \$30,600,000 were remarketed to a term rate (1.18%) for a period of two years through August 14, 2019. Thereafter, the bonds will bear interest in a mode and at a rate determined by the remarketing agent (Hilltop Securities Inc.) 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) 8% 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.

In preparing the financial statements, the District has evaluated subsequent events through November 10, 2017, the date the financials were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION



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GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

EXHIBIT F-1

| Data Control Codes | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) | |
|--|---|----------------|-----------------------------|---|--------------|
| | Original | Final | | | |
| REVENUES: | | | | | |
| 5700 | Total Local and Intermediate Sources | \$ 122,692,378 | \$ 130,668,551 | \$ 130,755,538 | \$ 86,987 |
| 5800 | State Program Revenues | 84,877,622 | 82,694,142 | 82,527,114 | (167,028) |
| 5900 | Federal Program Revenues | 3,790,000 | 3,287,611 | 3,368,239 | 80,628 |
| 5020 | Total Revenues | 211,360,000 | 216,650,304 | 216,650,891 | 587 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 117,495,852 | 118,964,089 | 118,204,221 | 759,868 |
| 0012 | Instructional Resources and Media Services | 2,327,727 | 2,196,872 | 2,082,320 | 114,552 |
| 0013 | Curriculum and Instructional Staff Development | 2,750,986 | 2,548,697 | 2,061,224 | 487,473 |
| 0021 | Instructional Leadership | 4,515,825 | 4,152,987 | 3,888,379 | 264,608 |
| 0023 | School Leadership | 12,663,073 | 12,465,470 | 12,298,384 | 167,086 |
| 0031 | Guidance, Counseling and Evaluation Services | 7,360,798 | 6,595,541 | 6,354,569 | 240,972 |
| 0032 | Social Work Services | 965,085 | 935,928 | 891,129 | 44,799 |
| 0033 | Health Services | 2,173,787 | 1,969,445 | 1,922,297 | 47,148 |
| 0034 | Student (Pupil) Transportation | 7,672,258 | 9,462,099 | 8,830,218 | 631,881 |
| 0036 | Extracurricular Activities | 3,061,545 | 4,754,751 | 4,382,008 | 372,743 |
| 0041 | General Administration | 7,255,185 | 7,007,291 | 6,354,047 | 653,244 |
| 0051 | Facilities Maintenance and Operations | 27,229,115 | 27,644,994 | 26,019,681 | 1,625,313 |
| 0052 | Security and Monitoring Services | 2,370,835 | 2,719,428 | 2,648,769 | 70,659 |
| 0053 | Data Processing Services | 3,565,448 | 3,578,254 | 3,435,750 | 142,504 |
| 0061 | Community Services | 144,151 | 361,653 | 147,764 | 213,889 |
| Debt Service: | | | | | |
| 0071 | Principal on Long Term Debt | 589,442 | 589,442 | 589,442 | - |
| 0072 | Interest on Long Term Debt | 97,547 | 97,547 | 97,547 | - |
| Capital Outlay: | | | | | |
| 0081 | Facilities Acquisition and Construction | 529,248 | 804,317 | 389,649 | 414,668 |
| Intergovernmental: | | | | | |
| 0095 | Payments to Juvenile Justice Alternative Ed. Prg. | 24,000 | 24,000 | 19,800 | 4,200 |
| 0097 | Payments to Tax Increment Fund | - | 44,423 | - | 44,423 |
| 0099 | Other Intergovernmental Charges | 1,068,108 | 1,188,408 | 1,177,179 | 11,229 |
| 6030 | Total Expenditures | 203,860,015 | 208,105,636 | 201,794,377 | 6,311,259 |
| 1100 | Excess of Revenues Over Expenditures | 7,499,985 | 8,544,668 | 14,856,514 | 6,311,846 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| 7915 | Transfers In | - | 299,000 | 299,000 | - |
| 8911 | Transfers Out (Use) | (7,500,000) | (10,001,793) | (10,001,793) | - |
| 7080 | Total Other Financing Sources (Uses) | (7,500,000) | (9,702,793) | (9,702,793) | - |
| 1200 | Net Change in Fund Balances | (15) | (1,158,125) | 5,153,721 | 6,311,846 |
| 0100 | Fund Balance - July 1 (Beginning) | 68,078,793 | 68,078,793 | 68,078,793 | - |
| 3000 | Fund Balance - June 30 (Ending) | \$ 68,078,778 | \$ 66,920,668 | \$ 73,232,514 | \$ 6,311,846 |

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, 2017

EXHIBIT F-2

| | 2017 | 2016 | 2015 |
|---|-----------------------|-----------------------|-----------------------|
| District's Proportion of the Net Pension Liability (Asset) | 0.1514334% | 0.1628193% | 0.1251806% |
| District's Proportionate Share of Net Pension Liability (Asset) | \$ 57,224,436 | \$ 57,554,455 | \$ 33,437,470 |
| State's Proportionate Share of the Net Pension Liability (Asset) associated with the District | 93,397,291 | 88,737,898 | 72,161,422 |
| Total | <u>\$ 150,621,727</u> | <u>\$ 146,292,353</u> | <u>\$ 105,598,892</u> |
| District's Covered-Employee Payroll | \$ 157,691,029 | \$ 153,343,217 | \$ 145,568,629 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 36.30% | 37.50% | 22.98% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.00% | 78.43% | 83.25% |

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only three years of data are presented this reporting period. "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 2017

EXHIBIT F-3

| | 2017 | 2016 | 2015 |
|---|----------------|----------------|----------------|
| Contractually Required Contribution | \$ 4,787,636 | \$ 4,801,707 | \$ 4,585,032 |
| Contribution in Relation to the Contractually Required Contribution | (4,787,636) | (4,801,707) | (4,585,032) |
| Contribution Deficiency (Excess) | \$ -0- | \$ -0- | \$ -0- |
| District's Covered-Employee Payroll | \$ 155,227,934 | \$ 157,440,569 | \$ 152,683,020 |
| Contributions as a Percentage of Covered-Employee Payroll | 3.08% | 3.05% | 3.00% |

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 for the respective fiscal years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "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, 2017**

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 during the year ending June 30, 2017.

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 (principals 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, 2016. 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 annual financial and compliance 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 canceled or 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 to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.



COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES



ENGAGE
INSPIRE
EMPOWER



Nonmajor 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, I, A, Improving Basic Programs** – Provide supplemental educational opportunities to help economically disadvantaged children master state academic standards.
- 212 **ESEA, Title I, Part C, Migrant**– Develop programs to meet the special educational needs of children of migratory agricultural workers.
- 224 **IDEA, Part B, Formula** – Provide instructional personnel, supplies, equipment and related services to students with disabilities.
- 225 **IDEA, 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, II, A Training and Recruiting**– 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 **Title III, A English Lang. Acquisition** – To improve the education of limited English proficient students.
- 289 **Other Federal Special Revenue Funds** – (Summer LEP Program) Providing funding for summer program for students with limited English proficiency.
- 315 **SSA - IDEA-Part B, Discretionary**– To supplement the level of state and local funds for students with disabilities. This program serves several member districts including Goose Creek CISD.
- 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.
- 340 **SSA - IDEA C, Deaf Early Intervention** – Provide funding for early intervention programs for infants and toddlers who are deaf.

Nonmajor Governmental Funds

Special Revenue Funds

- 397** **Advanced Placement Incentives** – Reward campuses for performance on the Advanced Placement and International Baccalaureate Examinations.
- 410** **Instructional Materials Allotment** – To account for funds awarded to school districts under the textbook allotment.
- 429** **Other State Special Revenue Funds** – (Ready to Read License Plates) 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 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** **Other Local Special Revenue Funds** – Locally funded special revenue funds not specified above.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

| 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 |
|----------------------------|--|--|---------------------------------|-----------------------------------|
| ASSETS | | | | |
| 1110 | Cash and Cash Equivalents | \$ - | \$ - | \$ - |
| 1240 | Receivables from Other Governments | 1,757,922 | 90,810 | 1,331,916 |
| 1260 | Due from Other Funds | - | - | - |
| 1290 | Other Receivables | - | - | - |
| 1300 | Inventories | - | - | - |
| 1000 | Total Assets | <u>\$ 1,757,922</u> | <u>\$ 90,810</u> | <u>\$ 1,331,916</u> |
| LIABILITIES | | | | |
| 2110 | Accounts Payable | \$ 5,557 | \$ 821 | \$ 877 |
| 2160 | Accrued Wages Payable | 515,575 | 9,768 | 408,894 |
| 2170 | Due to Other Funds | 1,236,790 | 80,221 | 922,145 |
| 2300 | Unearned Revenues | - | - | - |
| 2000 | Total Liabilities | <u>1,757,922</u> | <u>90,810</u> | <u>1,331,916</u> |
| FUND BALANCES | | | | |
| 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 | Total Fund Balances | <u>-</u> | <u>-</u> | <u>-</u> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ 1,757,922</u> | <u>\$ 90,810</u> | <u>\$ 1,331,916</u> |

| 240 Child Nutrition Program | 244 Career and Technical - Basic Grant | 255 ESEA II,A Training and Recruiting | 263 Title III, A English Lang. Acquisition | 289 Other Federal Special Revenue Funds | 315 SSA IDEA, Part B Discretionary | 316 SSA IDEA, Part B Deaf | 340 SSA - IDEA C Deaf - Early Intervention |
|--------------------------------------|---|--|---|--|---|------------------------------------|---|
| \$ 3,653 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 225,373 | 70,084 | 313,082 | 125,925 | - | 62,289 | - | 798 |
| 3,548,643 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 151,269 | - | - | - | - | - | - | - |
| <u>\$ 3,928,938</u> | <u>\$ 70,084</u> | <u>\$ 313,082</u> | <u>\$ 125,925</u> | <u>\$ -</u> | <u>\$ 62,289</u> | <u>\$ -</u> | <u>\$ 798</u> |
| \$ 15,116 | \$ - | \$ 1,575 | \$ 13,730 | \$ - | \$ 128 | \$ - | \$ - |
| 587,626 | 6,140 | 52,845 | 47,523 | - | 20,037 | - | - |
| - | 63,944 | 258,662 | 64,672 | - | 42,124 | - | 798 |
| 30,954 | - | - | - | - | - | - | - |
| <u>633,696</u> | <u>70,084</u> | <u>313,082</u> | <u>125,925</u> | <u>-</u> | <u>62,289</u> | <u>-</u> | <u>798</u> |
| 120,315 | - | - | - | - | - | - | - |
| 3,174,927 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>3,295,242</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 3,928,938</u> | <u>\$ 70,084</u> | <u>\$ 313,082</u> | <u>\$ 125,925</u> | <u>\$ -</u> | <u>\$ 62,289</u> | <u>\$ -</u> | <u>\$ 798</u> |

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

| Data Control Codes | 397 Advanced Placement Incentives | 410 Instructional Materials Allotment | 429 Other State Special Revenue Funds | 435 SSA Regional Day School - Deaf |
|----------------------------|--|--|--|---|
| ASSETS | | | | |
| 1110 | Cash and Cash Equivalents | \$ - | \$ - | \$ - |
| 1240 | Receivables from Other Governments | - | 133,894 | 1,288,241 |
| 1260 | Due from Other Funds | 39,591 | 260,828 | - |
| 1290 | Other Receivables | - | - | - |
| 1300 | Inventories | - | - | - |
| 1000 | Total Assets | <u>\$ 39,591</u> | <u>\$ 260,828</u> | <u>\$ 133,894</u> <u>\$ 1,288,241</u> |
| LIABILITIES | | | | |
| 2110 | Accounts Payable | \$ - | \$ 4,280 | \$ - |
| 2160 | Accrued Wages Payable | - | - | 49,175 |
| 2170 | Due to Other Funds | - | - | 77,642 |
| 2300 | Unearned Revenues | 39,591 | 256,548 | 1,205 |
| 2000 | Total Liabilities | <u>39,591</u> | <u>260,828</u> | <u>128,022</u> <u>1,288,241</u> |
| FUND BALANCES | | | | |
| Nonspendable Fund Balance: | | | | |
| 3410 | Inventories | - | - | - |
| Restricted Fund Balance: | | | | |
| 3450 | Federal or State Funds Grant Restriction | - | - | - |
| 3490 | Other Restricted Fund Balance | - | - | 5,872 |
| Committed Fund Balance: | | | | |
| 3545 | Other Committed Fund Balance | - | - | - |
| 3000 | Total Fund Balances | <u>-</u> | <u>-</u> | <u>5,872</u> <u>-</u> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ 39,591</u> | <u>\$ 260,828</u> | <u>\$ 133,894</u> <u>\$ 1,288,241</u> |

| 461 Campus Activity Funds | 499 Other Local Special Revenue Funds | Total Nonmajor Governmental Funds |
|------------------------------------|--|--|
| \$ - | \$ - | \$ 3,653 |
| - | - | 5,412,287 |
| 1,274,934 | 325,961 | 5,449,957 |
| 2,556 | 35,391 | 37,947 |
| - | - | 151,269 |
| <u>\$ 1,277,490</u> | <u>\$ 361,352</u> | <u>\$ 11,055,113</u> |
| | | |
| \$ 42,180 | \$ 19,196 | \$ 103,816 |
| - | 3,229 | 2,034,097 |
| - | - | 3,713,551 |
| - | 31,928 | 360,226 |
| <u>42,180</u> | <u>54,353</u> | <u>6,211,690</u> |
| | | |
| - | - | 120,315 |
| - | - | 3,174,927 |
| - | 306,999 | 312,871 |
| 1,235,310 | - | 1,235,310 |
| <u>1,235,310</u> | <u>306,999</u> | <u>4,843,423</u> |
| | | |
| <u>\$ 1,277,490</u> | <u>\$ 361,352</u> | <u>\$ 11,055,113</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, 2017

| 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 |
|---|--|--|---------------------------------|-----------------------------------|
| REVENUES: | | | | |
| 5700 Total Local and Intermediate Sources | \$ - | \$ - | \$ - | \$ - |
| 5800 State Program Revenues | - | - | - | - |
| 5900 Federal Program Revenues | 4,938,675 | 276,491 | 3,595,072 | 36,899 |
| 5020 Total Revenues | 4,938,675 | 276,491 | 3,595,072 | 36,899 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 Instruction | 2,004,545 | 105,655 | 3,184,534 | 36,899 |
| 0012 Instructional Resources and Media Services | - | - | - | - |
| 0013 Curriculum and Instructional Staff Development | 1,496,066 | 25 | 61,001 | - |
| 0021 Instructional Leadership | 3,421 | 169,772 | 33,003 | - |
| 0031 Guidance, Counseling and Evaluation Services | - | - | 316,534 | - |
| 0035 Food Services | - | - | - | - |
| 0036 Extracurricular Activities | - | - | - | - |
| 0051 Facilities Maintenance and Operations | - | - | - | - |
| 0061 Community Services | 1,434,643 | 1,039 | - | - |
| 6030 Total Expenditures | 4,938,675 | 276,491 | 3,595,072 | 36,899 |
| 1200 Net Change in Fund Balance | - | - | - | - |
| 0100 Fund Balance - July 1 (Beginning) | - | - | - | - |
| 3000 Fund Balance - June 30 (Ending) | \$ - | \$ - | \$ - | \$ - |

| 240 Child Nutrition Program | 244 Career and Technical - Basic Grant | 255 ESEA II,A Training and Recruiting | 263 Title III, A English Lang. Acquisition | 289 Other Federal Special Revenue Funds | 315 SSA IDEA, Part B Discretionary | 316 SSA IDEA, Part B Deaf | 340 SSA - IDEA C Deaf - Early Intervention |
|--------------------------------------|---|--|---|--|---|------------------------------------|---|
| \$ 3,301,960 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 320,610 | - | - | - | - | - | - | - |
| 10,405,660 | 218,063 | 781,443 | 460,703 | 25,627 | 182,710 | 2,845 | 4,565 |
| 14,028,230 | 218,063 | 781,443 | 460,703 | 25,627 | 182,710 | 2,845 | 4,565 |
| - | 102,168 | - | 435,261 | 25,627 | 177,292 | 1,350 | 4,565 |
| - | - | - | - | - | - | - | - |
| - | 106,391 | 781,443 | 25,442 | - | 949 | 1,495 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 4,469 | - | - |
| 12,839,437 | - | - | - | - | - | - | - |
| - | 9,504 | - | - | - | - | - | - |
| 307,094 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 13,146,531 | 218,063 | 781,443 | 460,703 | 25,627 | 182,710 | 2,845 | 9,130 |
| 881,699 | - | - | - | - | - | - | - |
| 2,413,543 | - | - | - | - | - | - | - |
| \$ 3,295,242 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

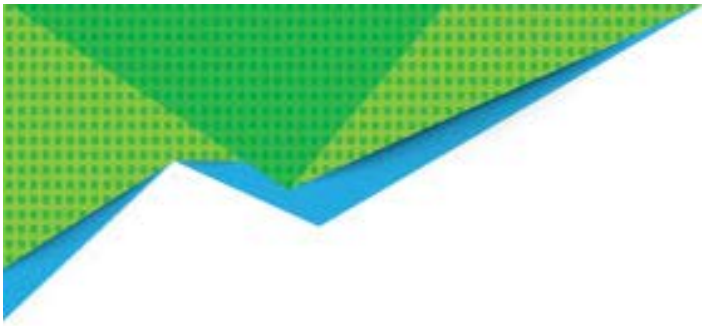
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

| Data Control Codes | 397 Advanced Placement Incentives | 410 Instructional Materials Allotment | 429 Other State Special Revenue Funds | 435 SSA Regional Day School - Deaf |
|---|--|--|--|---|
| REVENUES: | | | | |
| 5700 Total Local and Intermediate Sources | \$ - | \$ - | \$ - | \$ 1,812,080 |
| 5800 State Program Revenues | 1,674 | 1,167,024 | 387,114 | 1,127,224 |
| 5900 Federal Program Revenues | - | - | - | - |
| 5020 Total Revenues | <u>1,674</u> | <u>1,167,024</u> | <u>387,114</u> | <u>2,939,304</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 Instruction | - | 1,167,024 | 382,614 | 2,709,885 |
| 0012 Instructional Resources and Media Services | - | - | - | - |
| 0013 Curriculum and Instructional Staff Development | 1,674 | - | 4,500 | 2,199 |
| 0021 Instructional Leadership | - | - | - | - |
| 0031 Guidance, Counseling and Evaluation Services | - | - | - | 227,220 |
| 0035 Food Services | - | - | - | - |
| 0036 Extracurricular Activities | - | - | - | - |
| 0051 Facilities Maintenance and Operations | - | - | - | - |
| 0061 Community Services | - | - | - | - |
| 6030 Total Expenditures | <u>1,674</u> | <u>1,167,024</u> | <u>387,114</u> | <u>2,939,304</u> |
| 1200 Net Change in Fund Balance | - | - | - | - |
| 0100 Fund Balance - July 1 (Beginning) | - | - | 5,872 | - |
| 3000 Fund Balance - June 30 (Ending) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,872</u> | <u>\$ -</u> |

| 461 Campus Activity Funds | 499 Other Local Special Revenue Funds | Total Nonmajor Governmental Funds |
|------------------------------------|--|--|
| \$ 977,277 | \$ 456,440 | \$ 6,547,757 |
| - | - | 3,003,646 |
| - | - | 20,928,753 |
| 977,277 | 456,440 | 30,480,156 |
| - | 184,635 | 10,522,054 |
| - | 5,809 | 5,809 |
| - | 42,419 | 2,523,604 |
| - | - | 206,196 |
| - | 136 | 548,359 |
| - | - | 12,839,437 |
| 1,045,892 | 8,000 | 1,063,396 |
| - | - | 307,094 |
| - | 197,315 | 1,632,997 |
| 1,045,892 | 438,314 | 29,648,946 |
| (68,615) | 18,126 | 831,210 |
| 1,303,925 | 288,873 | 4,012,213 |
| \$ 1,235,310 | \$ 306,999 | \$ 4,843,423 |

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2017

| | BALANCE JULY 1 2016 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30 2017 |
|---------------------------------|---------------------------|-------------------|-------------------|----------------------------|
| STUDENT ACTIVITY ACCOUNT | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 666,721 | \$ 303,189 | \$ 299,038 | \$ 670,872 |
| Other Receivables | 3,515 | - | 3,515 | - |
| Total Assets | <u>\$ 670,236</u> | <u>\$ 303,189</u> | <u>\$ 302,553</u> | <u>\$ 670,872</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 57,541 | \$ 252,286 | \$ 230,182 | \$ 79,645 |
| Due to Other Governments | - | 3,409 | - | 3,409 |
| Due to Student Groups | 612,695 | 299,674 | 324,551 | 587,818 |
| Total Liabilities | <u>\$ 670,236</u> | <u>\$ 555,369</u> | <u>\$ 554,733</u> | <u>\$ 670,872</u> |
| TOTAL AGENCY FUNDS | | | | |
| Assets: | | | | |
| Cash and Temporary Investments | \$ 666,721 | \$ 303,189 | \$ 299,038 | \$ 670,872 |
| Other Receivables | 3,515 | - | 3,515 | - |
| Total Assets | <u>\$ 670,236</u> | <u>\$ 303,189</u> | <u>\$ 302,553</u> | <u>\$ 670,872</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 57,541 | \$ 252,286 | \$ 230,182 | \$ 79,645 |
| Due to Other Governments | - | 3,409 | - | 3,409 |
| Due to Student Groups | 612,695 | 299,674 | 324,551 | 587,818 |
| Total Liabilities | <u>\$ 670,236</u> | <u>\$ 555,369</u> | <u>\$ 554,733</u> | <u>\$ 670,872</u> |



COMPLIANCE SCHEDULES



GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2017

| Last 10 Years | (1) | (2) | (3) |
|--------------------------------|-------------|--------------|--|
| | Tax Rates | | Assessed/Appraised Value for School Tax Purposes |
| | Maintenance | Debt Service | |
| 2008 and prior years | Various | Various | \$ 8,532,304,585 |
| 2009 | 1.040000 | 0.242100 | 8,813,382,486 |
| 2010 | 1.040000 | 0.242100 | 8,363,261,562 |
| 2011 | 1.040000 | 0.262100 | 7,379,255,424 |
| 2012 | 1.040000 | 0.292100 | 7,754,582,202 |
| 2013 | 1.040000 | 0.292100 | 8,323,350,976 |
| 2014 | 1.040000 | 0.346800 | 8,369,102,532 |
| 2015 | 1.040000 | 0.391900 | 8,993,777,455 |
| 2016 | 1.040000 | 0.391900 | 9,739,822,333 |
| 2017 (School year under audit) | 1.170000 | 0.261900 | 10,402,373,251 |
| 1000 TOTALS | | | |

| (10) Beginning Balance 7/1/2016 | (20) Current Year's Total Levy | (31) Maintenance Collections | (32) Debt Service Collections | (40) Entire Year's Adjustments | (50) Ending Balance 6/30/2017 |
|--|---|------------------------------------|-------------------------------------|---|--|
| \$ 2,743,224 | \$ - | \$ 149,711 | \$ 45,831 | \$ (265,414) | \$ 2,282,268 |
| 322,395 | - | 25,333 | 6,134 | (19,346) | 271,582 |
| 444,687 | - | 33,715 | 7,849 | (18,316) | 384,807 |
| 438,022 | - | 60,286 | 15,195 | 5,618 | 368,159 |
| 514,633 | - | 94,272 | 26,480 | 33,415 | 427,296 |
| 549,917 | - | 124,109 | 34,862 | 38,297 | 429,243 |
| 718,240 | - | 177,844 | 59,302 | 24,193 | 505,287 |
| 1,373,686 | - | 480,031 | 180,884 | 52,995 | 765,766 |
| 2,855,038 | - | 1,123,786 | 423,462 | (151,261) | 1,156,529 |
| - | 148,950,543 | 119,824,485 | 27,664,588 | 1,961,386 | 3,422,856 |
| <u>\$ 9,959,842</u> | <u>\$ 148,950,543</u> | <u>\$ 122,093,572</u> | <u>\$ 28,464,587</u> | <u>\$ 1,661,567</u> | <u>\$ 10,013,793</u> |

See Note II.C. on page 57 for reconciliation to Exhibit C.

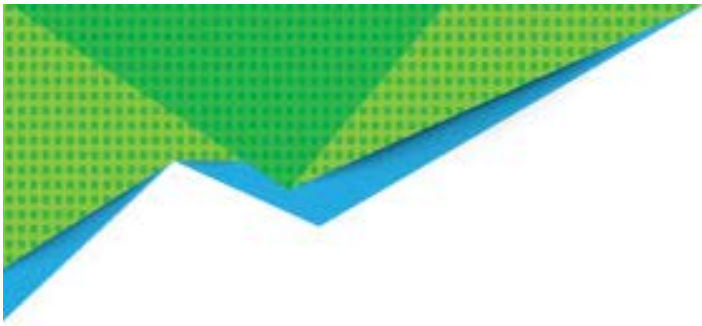
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2017

| Data Control Codes | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|--|------------------|--------------|-----------------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| 5700 Total Local and Intermediate Sources | \$ 3,313,166 | \$ 3,280,346 | \$ 3,301,960 | \$ 21,614 |
| 5800 State Program Revenues | 342,634 | 384,634 | 320,610 | (64,024) |
| 5900 Federal Program Revenues | 10,761,388 | 10,400,388 | 10,405,660 | 5,272 |
| 5020 Total Revenues | 14,417,188 | 14,065,368 | 14,028,230 | (37,138) |
| EXPENDITURES: | | | | |
| 0035 Food Services | 14,107,188 | 14,138,368 | 12,839,437 | 1,298,931 |
| 0051 Facilities Maintenance and Operations | 310,000 | 330,000 | 307,094 | 22,906 |
| 6030 Total Expenditures | 14,417,188 | 14,468,368 | 13,146,531 | 1,321,837 |
| 1200 Net Change in Fund Balances | - | (403,000) | 881,699 | 1,284,699 |
| 0100 Fund Balance - July 1 (Beginning) | 2,413,543 | 2,413,543 | 2,413,543 | - |
| 3000 Fund Balance - June 30 (Ending) | \$ 2,413,543 | \$ 2,010,543 | \$ 3,295,242 | \$ 1,284,699 |

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, 2017

| Data Control Codes | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) | |
|--|---|---------------|--------------------------------|--|------------|
| | Original | Final | | | |
| REVENUES: | | | | | |
| 5700 | Total Local and Intermediate Sources | \$ 29,101,323 | \$ 29,004,300 | \$ 29,106,747 | \$ 102,447 |
| 5800 | State Program Revenues | 521,405 | 522,566 | 735,411 | 212,845 |
| 5020 | Total Revenues | 29,622,728 | 29,526,866 | 29,842,158 | 315,292 |
| EXPENDITURES: | | | | | |
| Debt Service: | | | | | |
| 0071 | Principal on Long Term Debt | 16,060,000 | 16,060,000 | 16,060,000 | - |
| 0072 | Interest on Long Term Debt | 20,637,080 | 20,637,080 | 20,637,271 | (191) |
| 0073 | Bond Issuance Cost and Fees | 50,000 | 50,000 | 20,800 | 29,200 |
| 6030 | Total Expenditures | 36,747,080 | 36,747,080 | 36,718,071 | 29,009 |
| 1100 | Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,124,352) | (7,220,214) | (6,875,913) | 344,301 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| 7915 | Transfers In | 7,500,000 | 6,500,000 | 6,500,000 | - |
| 1200 | Net Change in Fund Balances | 375,648 | (720,214) | (375,913) | 344,301 |
| 0100 | Fund Balance - July 1 (Beginning) | 68,078,793 | 28,402,648 | 28,402,648 | - |
| 3000 | Fund Balance - June 30 (Ending) | \$ 68,454,441 | \$ 27,682,434 | \$ 28,026,735 | \$ 344,301 |

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Statistical Section

Goose Creek Consolidated Independent School District
Baytown, Texas

For the Fiscal Year Ended June 30, 2017



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**Statistical Section
(Unaudited)**

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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 | 98 |

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..... | 106 |
|------------------------------|------------|

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

| | |
|----------------------------|------------|
| Debt Capacity | 111 |
|----------------------------|------------|

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 | 116 |
|---|------------|

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 | 119 |
|------------------------------------|------------|

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)

| | 8/31/2008 | 8/31/2009 | 8/31/2010 | 8/31/2011 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | |
| Net Investment in Capital Assets | \$ 86,323,324 | \$ 79,955,505 | \$ 74,454,021 | \$ 68,207,444 |
| Restricted for Federal and State Programs | 2,429,343 | 2,287,044 | 1,656,564 | 1,444,526 |
| Restricted for Debt Service | 11,177,265 | 12,061,453 | 11,376,054 | 13,144,470 |
| Restricted for Capital Projects | - | - | - | - |
| Restricted for Campus Activities | 695,259 | 979,820 | 1,084,451 | 1,146,958 |
| Restricted for Other Purposes | - | - | 3,143,215 | 501,859 |
| Unrestricted | <u>57,952,738</u> | <u>63,298,628</u> | <u>63,357,137</u> | <u>83,004,421</u> |
| Total Net Position | <u>\$ 158,577,929</u> | <u>\$ 158,582,450</u> | <u>\$ 155,071,442</u> | <u>\$ 167,449,678</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 position 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 "Items Previously Reported as Assets and Liabilities." The prior years were not restated.

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

| 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 54,765,228 | 57,426,229 | 54,510,728 | 70,555,510 | 64,425,981 | 66,756,227 |
| 992,903 | 2,109,291 | 2,529,688 | 2,162,573 | 2,413,543 | 3,295,242 |
| 27,097,448 | 30,150,299 | 32,368,394 | 18,333,121 | 22,484,262 | 7,483,119 |
| - | - | - | - | - | - |
| 1,108,169 | 1,107,233 | 1,150,186 | - | - | - |
| 281,288 | 398,194 | 357,182 | 407,300 | 294,745 | 312,871 |
| 103,527,996 | 113,537,142 | 97,572,434 | 43,125,756 | 37,983,658 | 53,723,833 |
| <u>\$ 187,773,032</u> | <u>\$ 204,728,388</u> | <u>\$ 188,488,612</u> | <u>\$ 134,584,260</u> | <u>\$ 127,602,189</u> | <u>\$ 131,571,292</u> |

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

| | 8/31/2007 | 8/31/2008 | 8/31/2009 | 8/31/2010 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental Activities Expenses: | | | | |
| Instruction | \$ 95,065,297 | \$ 110,121,461 | \$ 113,590,565 | \$ 120,182,389 |
| Facilities Acquisition and Construction | 5,100,836 | 6,171,671 | 729,185 | - |
| Instructional Resources and Media Services | 2,268,931 | 2,508,398 | 2,548,650 | 2,803,948 |
| Curriculum and Staff Development | 2,503,966 | 2,819,730 | 2,558,346 | 2,863,752 |
| Instructional Leadership | 2,834,236 | 3,276,102 | 4,858,913 | 3,473,690 |
| School Leadership | 8,743,692 | 10,576,520 | 11,221,000 | 11,809,372 |
| Guidance, Counseling and Evaluation Services | 5,000,160 | 6,322,310 | 6,694,847 | 7,066,868 |
| Social Work Services | 1,624,792 | 1,518,986 | 1,294,189 | 1,237,309 |
| Health Services | 1,306,277 | 1,565,918 | 1,618,504 | 1,734,571 |
| Student (Pupil) Transportation | 4,989,255 | 6,119,006 | 5,774,167 | 6,773,261 |
| Food Services | 9,444,275 | 10,429,483 | 10,828,376 | 11,419,538 |
| Cocurricular/Extracurricular Activities | 3,500,807 | 3,802,916 | 4,714,827 | 5,272,188 |
| General Administration | 5,876,011 | 6,723,930 | 5,887,902 | 6,312,786 |
| Facilities Maintenance and Operations | 23,058,584 | 26,892,771 | 27,100,297 | 28,022,912 |
| Security and Monitoring Services | 1,138,839 | 1,347,928 | 1,358,817 | 1,548,343 |
| Data Processing Services | 1,856,997 | 2,135,838 | 2,114,207 | 2,212,660 |
| Community Services | 1,311,456 | 1,324,037 | 1,402,576 | 1,513,932 |
| Debt Service | 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 | 5,087 | 22,340 | 8,779 | 4,506 |
| Intergovernmental - County Appraisal Districts | - | - | 1,037,957 | 1,006,628 |
| Total Governmental Activities Expenses | \$ 191,313,144 | \$ 221,462,817 | \$ 220,262,740 | \$ 230,811,542 |
| Governmental Activities Program Revenues: | | | | |
| Charges for Services: | | | | |
| Instruction | \$ 906,608 | \$ 1,321,782 | \$ 1,390,298 | \$ 1,475,167 |
| Instructional Leadership | 59,935 | 40,810 | 88,132 | 45,105 |
| School Leadership | - | - | - | - |
| Guidance, Counseling and Evaluation Services | 135,169 | 40,810 | 44,066 | 90,209 |
| Student (Pupil) Transportation | 91,247 | - | 63,177 | 152,160 |
| Food Services | 3,129,619 | 3,361,950 | 3,302,714 | 3,432,050 |
| Extracurricular Activities | 235,932 | 205,216 | 226,140 | 250,113 |
| General Administration | 209,299 | 225,552 | 211,979 | 211,042 |
| Facilities Maintenance & Operations | 858,658 | 396,873 | 428,278 | 547,142 |
| Data Processing Services | 73,255 | - | - | - |
| Community Services | - | 162,964 | 185,123 | 199,870 |
| Operating Grants and Contributions | 27,076,734 | 28,981,161 | 31,496,481 | 38,527,389 |
| Total Governmental Activities Program Revenues | 32,776,456 | 34,737,118 | 37,436,388 | 44,930,247 |
| Total Governmental Activities Net Expenses | \$ (158,536,688) | \$ (186,725,699) | \$ (182,826,352) | \$ (185,881,295) |
| Governmental Activities General Revenues and Other | | | | |
| Changes in Net Position: | | | | |
| Property Taxes - General | 115,373,738 | 88,985,560 | 97,749,888 | 90,820,085 |
| Property Taxes - Debt Service | 22,753,694 | 26,920,116 | 22,706,494 | 21,111,355 |
| State Aid - Formula Grants | 24,559,511 | 50,013,133 | 51,200,913 | 62,822,847 |
| Grants and Contributions not Restricted | 607,548 | 726,072 | 1,542,580 | 1,530,490 |
| Investment Earnings | 12,583,388 | 8,763,643 | 3,642,065 | 1,124,782 |
| Miscellaneous | 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 | - |
| Total Governmental Activities General Revenues and Other | 157,882,802 | 175,875,133 | 181,230,273 | 172,379,287 |
| Changes in Net Position | \$ 180,485,801 | \$ 180,655,636 | \$ 182,830,873 | \$ 182,370,287 |
| Changes in Net Position | \$ 21,949,113 | \$ (6,070,063) | \$ 4,521 | \$ (3,511,008) |

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 "Items Previously Reported as Assets and Liabilities." The prior years were not restated.

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

| | 8/31/2011 | 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ | 119,150,241 | \$ 113,969,625 | \$ 108,830,667 | \$ 137,194,199 | \$ 146,482,874 | \$ 153,640,513 | \$ 143,822,738 |
| | - | - | - | - | - | - | - |
| | 2,330,545 | 2,813,407 | 2,077,529 | 2,594,886 | 4,305,920 | 2,711,103 | 3,758,406 |
| | 2,441,088 | 2,611,455 | 2,948,114 | 4,296,540 | 4,040,100 | 4,249,755 | 4,946,564 |
| | 3,380,904 | 3,453,276 | 2,970,345 | 4,232,550 | 4,508,429 | 4,779,241 | 4,525,208 |
| | 11,366,458 | 11,069,528 | 9,638,123 | 11,792,544 | 12,972,451 | 13,650,137 | 13,605,663 |
| | 6,882,313 | 6,772,661 | 6,168,985 | 7,413,935 | 7,736,919 | 7,974,714 | 7,665,074 |
| | 1,083,403 | 1,085,807 | 1,018,330 | 1,152,551 | 1,214,386 | 1,102,776 | 982,062 |
| | 1,708,388 | 1,689,956 | 1,622,268 | 1,789,031 | 2,004,534 | 2,248,895 | 2,126,840 |
| | 6,785,717 | 7,007,457 | 6,798,741 | 8,308,026 | 8,664,920 | 9,520,883 | 9,668,176 |
| | 12,868,101 | 12,805,743 | 12,376,722 | 13,932,718 | 14,715,361 | 15,096,755 | 14,166,569 |
| | 4,940,612 | 4,841,872 | 4,609,787 | 5,402,249 | 5,794,149 | 5,783,256 | 5,859,155 |
| | 6,970,645 | 6,841,895 | 6,296,471 | 7,836,681 | 7,415,202 | 7,308,580 | 7,012,892 |
| | 23,814,240 | 25,260,819 | 21,265,038 | 27,644,908 | 27,131,409 | 30,921,425 | 29,167,633 |
| | 1,543,394 | 1,571,309 | 1,559,954 | 1,867,076 | 2,348,123 | 2,668,878 | 2,906,992 |
| | 2,115,301 | 2,032,208 | 2,391,926 | 2,891,222 | 3,602,750 | 3,747,837 | 3,699,319 |
| | 1,740,979 | 1,630,601 | 1,424,758 | 1,728,511 | 1,662,075 | 2,007,581 | 1,955,960 |
| | 15,078,247 | 13,821,849 | 11,225,510 | 17,628,569 | 19,978,227 | 18,384,347 | 18,693,034 |
| | 166,708 | 375,000 | - | - | - | - | - |
| | 13,355 | 900 | 6,100 | 20,971 | 7,528 | 6,600 | 19,800 |
| | - | - | - | - | 1,091,967 | 1,120,967 | 1,177,179 |
| \$ | <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> | <u>\$ 286,924,243</u> | <u>\$ 275,759,264</u> |
| | | | | | | | |
| \$ | 1,566,228 | \$ 1,261,531 | \$ 1,262,537 | \$ 1,808,958 | \$ 2,058,574 | \$ 1,965,567 | \$ 1,882,396 |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 120,707 | - | 113,601 | 147,520 | 47,186 | 47,626 | 60,515 |
| | 3,094,851 | 3,129,428 | 3,299,688 | 3,741,231 | 3,403,503 | 3,335,508 | 3,302,201 |
| | 1,515,241 | 1,219,805 | 1,141,668 | 1,165,856 | 1,410,947 | 1,390,419 | 1,365,425 |
| | - | 269,824 | - | - | - | 275,776 | 537,021 |
| | 52,801 | 59,583 | 81,953 | 67,438 | 94,523 | 124,902 | 146,938 |
| | - | - | - | - | - | - | - |
| | - | 158,544 | 140,539 | 139,860 | 166,856 | 182,582 | 199,667 |
| | 39,740,211 | 33,772,035 | 27,454,602 | 32,638,215 | 31,230,262 | 40,401,604 | 35,602,736 |
| | 46,090,039 | 39,870,750 | 33,494,588 | 39,709,078 | 38,411,851 | 47,723,984 | 43,096,899 |
| \$ | <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> | <u>\$ (239,200,259)</u> | <u>\$ (232,662,365)</u> |
| | | | | | | | |
| | 80,662,393 | 89,812,714 | 92,571,600 | 93,949,545 | 100,441,834 | 106,173,143 | 123,672,183 |
| | 20,365,552 | 24,873,945 | 25,705,442 | 31,287,719 | 37,621,770 | 40,252,582 | 28,665,996 |
| | 82,076,154 | 74,130,858 | 59,089,766 | 64,305,653 | 69,113,395 | 76,258,708 | 73,780,875 |
| | 2,365,003 | 3,566,205 | 3,677,262 | 3,555,919 | 4,292,813 | 3,415,760 | 3,262,718 |
| | 815,806 | 918,457 | 938,809 | 1,301,363 | 1,038,267 | 1,267,399 | 1,758,062 |
| | 4,383,928 | 6,805,793 | 6,853,634 | 7,378,114 | 9,309,412 | 4,850,596 | 5,491,634 |
| | - | - | - | - | - | - | - |
| \$ | <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>\$ 232,218,188</u> | <u>\$ 236,631,468</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> | <u>\$ (6,982,071)</u> | <u>\$ 3,969,103</u> |

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

| | 8/31/2008 | 8/31/2009 | 8/31/2010 | 8/31/2011 |
|---|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | |
| Nonspendable | \$ 492,590 | \$ 432,498 | \$ 458,669 | \$ 391,744 |
| Restricted | - | - | - | - |
| Committed | 11,500,000 | 11,500,000 | 5,500,000 | 10,500,000 |
| Assigned | 2,381,982 | 8,932,480 | 21,511,356 | 543,799 |
| Unassigned | 54,509,908 | 43,742,066 | 33,075,340 | 65,990,802 |
| Total General Fund | <u>\$ 68,884,480</u> | <u>\$ 64,607,044</u> | <u>\$ 60,545,365</u> | <u>\$ 77,426,345</u> |
| All Other Governmental Funds: | | | | |
| Debt Service Fund: | | | | |
| Restricted | \$ 11,177,265 | \$ 12,061,453 | \$ 11,416,815 | \$ 13,209,898 |
| Total Debt Service Fund | <u>\$ 11,177,265</u> | <u>\$ 12,061,453</u> | <u>\$ 11,416,815</u> | <u>\$ 13,209,898</u> |
| Capital Projects Funds | | | | |
| Nonspendable | \$ 895,778 | \$ 154,534 | \$ - | \$ - |
| Assigned | - | 10,012,500 | - | - |
| Restricted | 58,774,409 | 23,131,293 | 22,051,196 | 14,741,785 |
| Total Capital Projects Funds | <u>\$ 59,670,187</u> | <u>\$ 33,298,327</u> | <u>\$ 22,051,196</u> | <u>\$ 14,741,785</u> |
| Special Revenue Funds | | | | |
| Nonspendable | \$ - | \$ - | \$ 277,123 | \$ 217,458 |
| Restricted | 2,429,343 | 5,287,044 | 4,522,656 | 1,728,927 |
| Committed | 695,259 | 979,820 | 1,084,451 | 1,146,958 |
| Total Special Revenue Funds | <u>\$ 3,124,602</u> | <u>\$ 6,266,864</u> | <u>\$ 5,884,230</u> | <u>\$ 3,093,343</u> |
| Total All Other Governmental Funds | <u>\$ 73,972,054</u> | <u>\$ 51,626,644</u> | <u>\$ 39,352,241</u> | <u>\$ 31,045,026</u> |

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

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

This statement was updated August 31, 2011 in accordance with Fund Balance classifications per GASB 54, accordingly, fiscal years 2002-2010 were restated. 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)

| 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| \$ 1,392,732 | \$ 2,061,963 | \$ 587,024 | \$ 698,063 | \$ 745,634 | \$ 759,715 |
| - | 25,046,886 | 3,502,210 | - | - | - |
| 18,500,000 | 17,500,000 | 10,000,000 | - | - | - |
| 2,901,274 | 1,734,203 | 1,994,788 | 591,981 | 1,097,833 | 1,253,511 |
| 69,703,521 | 54,547,312 | 73,145,012 | 68,243,589 | 66,235,326 | 71,219,288 |
| <u>\$ 92,497,527</u> | <u>\$ 100,890,364</u> | <u>\$ 89,229,034</u> | <u>\$ 69,533,633</u> | <u>\$ 68,078,793</u> | <u>\$ 73,232,514</u> |
| | | | | | |
| \$ 26,142,292 | \$ 33,552,203 | \$ 36,676,310 | \$ 25,042,613 | \$ 28,402,648 | \$ 28,026,735 |
| <u>\$ 26,142,292</u> | <u>\$ 33,552,203</u> | <u>\$ 36,676,310</u> | <u>\$ 25,042,613</u> | <u>\$ 28,402,648</u> | <u>\$ 28,026,735</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 1,329,057 | 789,191 | 121,116,538 | 156,042,156 | 113,980,186 | 70,615,275 |
| <u>\$ 1,329,057</u> | <u>\$ 789,191</u> | <u>\$ 121,116,538</u> | <u>\$ 156,042,156</u> | <u>\$ 113,980,186</u> | <u>\$ 70,615,275</u> |
| | | | | | |
| \$ 157,811 | \$ 134,708 | \$ 156,470 | \$ 108,150 | \$ 127,412 | \$ 120,315 |
| 1,116,380 | 2,372,777 | 2,730,400 | 2,569,873 | 2,580,876 | 3,487,798 |
| 1,108,169 | 1,107,233 | 1,150,186 | 1,264,448 | 1,303,925 | 1,235,310 |
| <u>\$ 2,382,360</u> | <u>\$ 3,614,718</u> | <u>\$ 4,037,056</u> | <u>\$ 3,942,471</u> | <u>\$ 4,012,213</u> | <u>\$ 4,843,423</u> |
| | | | | | |
| \$ 29,853,709 | \$ 37,956,112 | \$ 161,829,904 | \$ 185,027,240 | \$ 146,395,047 | \$ 103,485,433 |

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

| | 8/31/2008 | 8/31/2009 | 8/31/2010 | 8/31/2011 |
|--|-----------------|-----------------|-----------------|---------------|
| Revenues: | | | | |
| Local: | | | | |
| Property Tax | \$ 116,446,720 | \$ 119,096,988 | \$ 110,808,234 | \$ 99,857,358 |
| Other | 21,212,536 | 16,197,017 | 14,359,890 | 17,670,089 |
| Total Local Revenue | 137,659,256 | 135,294,005 | 125,168,124 | 117,527,447 |
| State Revenue | 61,005,773 | 62,807,640 | 72,920,041 | 91,014,162 |
| Federal Revenue | 18,685,490 | 21,426,639 | 29,960,685 | 30,699,593 |
| Total Revenues | 217,350,519 | 219,528,284 | 228,048,850 | 239,241,202 |
| Expenditures By Function: | | | | |
| Current: | | | | |
| Instruction | 97,216,978 | 104,544,789 | 110,973,691 | 111,679,795 |
| Instructional Resources and Media Services | 2,209,757 | 2,364,191 | 2,556,079 | 2,231,061 |
| Curriculum and Instructional Staff Development | 2,587,087 | 2,428,312 | 2,694,606 | 2,275,454 |
| Instructional Leadership | 2,897,931 | 3,199,037 | 3,196,572 | 3,151,501 |
| School Leadership | 9,191,572 | 10,352,578 | 10,705,244 | 10,595,214 |
| Guidance, Counseling and Evaluation Services | 5,593,492 | 6,227,209 | 6,557,904 | 6,415,330 |
| Social Work Services | 1,457,020 | 1,248,678 | 1,167,778 | 1,009,891 |
| Health Service | 1,354,761 | 1,493,244 | 1,571,776 | 1,592,469 |
| Student (Pupil) Transportation | 5,482,629 | 5,562,601 | 6,137,460 | 8,084,940 |
| Food Services | 10,429,483 | 10,895,279 | 11,419,538 | 12,016,360 |
| Extracurricular Activities | 3,485,232 | 4,577,368 | 4,887,617 | 4,613,791 |
| General Administration | 5,841,823 | 5,498,949 | 5,736,959 | 5,642,376 |
| Facilities Maintenance And Operations | 26,195,723 | 25,219,413 | 26,017,983 | 23,417,411 |
| Security and Monitoring Services | 1,269,871 | 1,290,214 | 1,504,718 | 1,461,973 |
| Data Processing Services | 2,164,273 | 2,766,856 | 2,030,098 | 1,971,772 |
| Community Services | 1,322,881 | 1,402,126 | 1,513,263 | 1,622,849 |
| Debt Service: | | | | |
| Principal on Long Term Debt | 6,398,541 | 6,470,797 | 6,735,662 | 10,860,000 |
| Interest on Long Term Debt | 19,651,105 | 18,448,585 | 18,588,211 | 14,760,242 |
| Bond Issuance Cost and Fees | 258,025 | 33,249 | 1,240,971 | 12,910 |
| Capital Outlay: | | | | |
| Facilities Acquisition and Construction | 82,591,545 | 29,544,538 | 17,869,692 | 3,846,136 |
| Intergovernmental Charges | 217,940 | 1,370,740 | 1,329,089 | 1,112,230 |
| Total Expenditures | 287,817,669 | 244,938,753 | 244,434,911 | 228,373,705 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (70,467,150) | (25,410,469) | (16,386,061) | 10,867,497 |
| Other Financing Sources (Uses): | | | | |
| Refunding Bonds Issued | 13,290,000 | - | - | - |
| Bonds Issued | - | - | - | - |
| Sale of Real and Personal Property | 547,377 | 37,623 | 15,500 | - |
| Non-Current Loans | - | - | - | - |
| Transfers In | 6,455,360 | 6,362,027 | 5,529,349 | 10,269,988 |
| Premium or Discount on Issuance of Bonds | 648,615 | - | - | - |
| Prepaid Interest | 6,567 | - | - | - |
| Transfers Out (Use) | (9,198,516) | (7,612,027) | (4,758,911) | (10,112,682) |
| Payment to Bond Refunding Escrow Agent (Use) | (13,750,746) | - | - | - |
| Other Uses | (1,703,315) | - | (735,959) | (2,451,038) |
| Total Other Financing Sources (Uses) | (3,704,658) | (1,212,377) | 49,979 | (2,293,732) |
| Net Change in Fund Balances | \$ (74,171,808) | \$ (26,622,846) | \$ (16,336,082) | \$ 8,573,765 |
| Debt Service as a percentage of NonCapital Expenditures | 12.69% | 11.72% | 11.78% | 11.60% |

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)

| 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|----------------|----------------|----------------|----------------|-----------------|-----------------|
| \$ 106,266,574 | \$ 114,706,106 | \$ 123,006,818 | \$ 133,803,251 | \$ 142,544,573 | \$ 147,489,073 |
| 17,101,032 | 18,293,134 | 19,108,486 | 20,333,155 | 17,675,079 | 19,768,276 |
| 123,367,606 | 132,999,240 | 142,115,304 | 154,136,406 | 160,219,652 | 167,257,349 |
| 84,549,679 | 65,969,293 | 76,391,792 | 79,160,034 | 90,299,300 | 86,266,171 |
| 26,632,075 | 22,467,139 | 23,580,989 | 25,081,973 | 24,748,407 | 24,296,992 |
| 234,549,360 | 221,435,672 | 242,088,085 | 258,378,413 | 275,267,359 | 277,820,512 |
| 105,967,515 | 102,460,626 | 131,164,077 | 141,222,837 | 142,779,895 | 131,592,154 |
| 2,739,130 | 1,922,736 | 2,412,944 | 4,114,301 | 2,375,646 | 3,466,644 |
| 2,429,209 | 2,789,299 | 4,102,219 | 3,836,072 | 3,847,533 | 4,584,828 |
| 3,212,282 | 2,770,048 | 3,993,372 | 4,268,999 | 4,270,775 | 4,094,575 |
| 10,297,017 | 8,983,891 | 11,008,078 | 12,163,737 | 12,114,531 | 12,298,384 |
| 6,300,016 | 5,771,214 | 6,932,300 | 7,239,852 | 7,048,686 | 6,902,928 |
| 1,010,032 | 942,938 | 1,069,701 | 1,123,828 | 976,721 | 891,129 |
| 1,572,019 | 1,525,246 | 1,669,595 | 1,881,367 | 2,002,578 | 1,922,297 |
| 7,653,234 | 6,377,599 | 10,320,773 | 8,082,145 | 8,543,303 | 10,560,998 |
| 12,107,858 | 11,704,183 | 13,370,315 | 13,902,498 | 14,023,821 | 12,839,437 |
| 4,518,068 | 4,351,107 | 5,125,215 | 5,404,440 | 5,253,861 | 5,445,404 |
| 5,480,258 | 5,074,978 | 6,405,129 | 6,969,760 | 6,387,027 | 6,354,047 |
| 23,622,317 | 19,420,592 | 26,419,960 | 25,238,828 | 28,689,270 | 27,339,002 |
| 1,465,129 | 1,865,486 | 2,037,951 | 3,316,921 | 3,198,927 | 2,838,745 |
| 1,890,386 | 2,299,008 | 3,868,137 | 3,914,647 | 3,430,639 | 3,458,202 |
| 1,516,806 | 1,330,376 | 1,614,760 | 1,559,644 | 1,793,980 | 1,780,761 |
| 9,610,000 | 9,285,000 | 13,565,674 | 31,135,243 | 16,477,085 | 16,649,442 |
| 14,639,327 | 9,721,741 | 16,457,775 | 18,168,763 | 21,492,047 | 20,734,818 |
| 579,449 | 13,800 | 1,413,276 | 1,624,437 | 1,045,042 | 20,800 |
| 7,244,987 | 6,178,975 | 57,026,501 | 43,737,083 | 29,583,038 | 40,604,831 |
| 1,326,393 | 866,838 | 1,030,002 | 1,099,495 | 1,127,567 | 1,196,979 |
| 225,181,432 | 205,655,681 | 321,007,754 | 340,004,897 | 316,461,972 | 315,576,405 |
| 9,367,928 | 15,779,991 | (78,919,669) | (81,626,484) | (41,194,613) | (37,755,893) |
| 51,050,000 | - | - | 108,640,000 | 70,425,000 | - |
| - | - | 172,050,000 | 75,330,000 | - | - |
| - | - | 324,990 | 2,089,548 | - | - |
| 4,141,875 | 715,249 | - | - | - | - |
| 13,383,442 | 1,643,436 | 14,700,962 | 15,807,512 | 2,871,476 | 10,300,793 |
| 9,699,676 | - | 14,453,556 | 23,892,571 | 7,945,753 | - |
| 120,746 | - | 303,585 | 405,618 | 137,752 | - |
| (13,365,712) | (1,643,436) | (10,700,962) | (15,807,512) | (2,121,476) | (10,300,793) |
| (60,518,090) | - | - | (125,229,318) | (77,992,733) | - |
| - | - | - | - | (158,192) | - |
| 4,511,937 | 715,249 | 191,132,131 | 85,128,419 | 1,107,580 | - |
| \$ 13,879,865 | \$ 16,495,240 | \$ 112,212,462 | \$ 3,501,935 | \$ (40,087,033) | \$ (37,755,893) |
| 11.22% | 9.56% | 11.67% | 16.91% | 13.56% | 13.82% |

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

| Taxing Entity | 8/31/2008 | 8/31/2009 | 8/31/2010 | 8/31/2011 |
|---|-------------------|-------------------|-------------------|-------------------|
| Baytown, City of | \$ 0.78703 | \$ 0.78703 | \$ 0.78703 | \$ 0.78703 |
| Cedar Bayou Park UD | 0.10000 | 0.10000 | 0.10000 | 0.10000 |
| Chambers County | 0.49679 | 0.49679 | 0.49679 | 0.49679 |
| Chambers County ID #1 | 0.42000 | 0.60000 | 0.62000 | 0.62000 |
| Chambers County MUD #1 | 0.80500 | 0.80500 | 0.80500 | 0.94000 |
| Goose Creek CISD | 1.28213 | 1.28213 | 1.30213 | 1.30213 |
| Harris County WCID #1 | 0.25000 | 0.25000 | 0.25000 | 0.25000 |
| Harris County FWSD #1A | 0.50000 | 0.50000 | 0.55000 | 0.55000 |
| Harris County FWSD #27 | 0.62000 | 0.62000 | 0.67500 | 0.67500 |
| Harris County | 0.38923 | 0.39224 | 0.38805 | 0.38805 |
| Harris County Hospital District | 0.19216 | 0.19216 | 0.19216 | 0.19216 |
| Harris County Department of Education | 0.00605 | 0.00605 | 0.00658 | 0.00658 |
| Harris County Flood Control District | 0.03086 | 0.02922 | 0.02923 | 0.02923 |
| Harris County Port of Houston Authority | 0.01773 | 0.01636 | 0.20540 | 0.20540 |
| Lake MUD | 0.67000 | 0.67000 | 0.67000 | 0.67000 |
| Lee College District | 0.20588 | 0.22120 | 0.25200 | 0.25200 |
| Spring Meadows MUD | 1.23000 | 1.23000 | 1.21000 | 1.21000 |
| | <u>\$ 8.00286</u> | <u>\$ 8.19818</u> | <u>\$ 8.53937</u> | <u>\$ 8.67437</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)

| <u>8/31/2012</u> | <u>6/30/2013</u> | <u>6/30/2014</u> | <u>6/30/2015</u> | <u>6/30/2016</u> | <u>6/30/2017</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 0.82203 | \$ 0.82203 | \$ 0.82203 | \$ 0.82203 | \$ 0.82203 | \$ 0.82203 |
| 0.10000 | 0.10000 | 0.10000 | 0.09600 | 0.09270 | 0.08822 |
| 0.49679 | 0.49679 | 0.53269 | 0.55269 | 0.55269 | 0.54255 |
| 0.60000 | 0.60000 | 0.60000 | 0.60000 | 0.66000 | 0.66000 |
| 0.98000 | 0.98000 | 0.89000 | 0.79000 | 0.79000 | 0.79000 |
| 1.33213 | 1.33213 | 1.38679 | 1.43189 | 1.43189 | 1.43189 |
| 0.25000 | 0.23000 | 0.22000 | 0.22000 | 0.22000 | 0.22000 |
| 0.55000 | 0.55000 | 0.55000 | 0.55000 | 0.55000 | 0.45700 |
| 0.67500 | 0.73500 | 0.73500 | 0.70500 | 0.66500 | 0.59700 |
| 0.39117 | 0.40021 | 0.41455 | 0.41731 | 0.41923 | 0.41656 |
| 0.19216 | 0.18216 | 0.17000 | 0.17000 | 0.17000 | 0.17179 |
| 0.00658 | 0.00662 | 0.00636 | 0.00600 | 0.00542 | 0.00520 |
| 0.02809 | 0.02809 | 0.02827 | 0.02736 | 0.27330 | 0.02829 |
| 0.18560 | 0.01952 | 0.01716 | 0.01531 | 0.01342 | 0.01334 |
| 0.67000 | 0.70000 | 0.70000 | 0.68000 | 0.62000 | 0.55000 |
| 0.25200 | 0.24100 | 0.26070 | 0.25020 | 0.25020 | 0.24530 |
| 1.21000 | 1.21000 | 1.21000 | 1.13000 | 1.02000 | 0.92000 |
| <u>\$ 8.74155</u> | <u>\$ 8.63355</u> | <u>\$ 8.64355</u> | <u>\$ 8.46379</u> | <u>\$ 8.55588</u> | <u>\$ 7.95917</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 | | | | |
| 8/31/2008 | 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 | 8,993,777,401 | 1.4319 | 79% |
| 6/30/2016 | 9,398,031,461 | 2,413,454,435 | 11,811,485,896 | 2,068,208,368 | 9,743,277,528 | 1.4319 | 82% |
| 6/30/2017 | 10,097,648,370 | 2,290,088,002 | 12,387,736,372 | 2,030,760,157 | 10,356,976,215 | 1.4319 | 84% |

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

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

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

| Taxpayer | Type Of Property | 6/31/2017 | | Percent of Total Value | 8/31/2008 | | Percent of Total Value |
|---|--|--|------|------------------------------|--|------|------------------------------|
| | | Tax Year 2016 Assessed Value (1) | Rank | | Tax Year 2007 Assessed Value (1) | Rank | |
| ExxonMobil | Oil Refining, Storage, & Chemical Plant | \$ 2,337,327,769 | 1 | 22.57% | \$ 2,069,936,119 | 1 | 23.09% |
| Covestro, LLC (formerly Bayer, Inc.) | Chemical Plant | 1,108,568,302 | 2 | 10.70% | 1,382,463,700 | 2 | 15.42% |
| Chevron Phillips Chemical | Petro Chemical Plant | 962,842,754 | 3 | 9.30% | 481,528,305 | 3 | 5.37% |
| Wal-Mart Stores, Inc. | Retail | 287,101,283 | 4 | 2.77% | 233,860,260 | 4 | 2.61% |
| NRG Texas Power LLC | Generation, Electric Power | 124,720,664 | 5 | 1.20% | - | - | - |
| Borusan Mannesmann Pipe U.S. | Manufacturing | 110,403,179 | 6 | 1.07% | - | - | - |
| Baytown Energy Center LP | Oil & Gas Production | 95,888,022 | 7 | 0.93% | 165,223,490 | 5 | 1.84% |
| Air Products | Hydrogen Production | 93,360,910 | 8 | 0.90% | 66,676,610 | 8 | 0.74% |
| Center Point Energy | Electric Utility | 81,924,876 | 9 | 0.79% | - | - | - |
| Home Depot | Retail | 62,363,482 | 10 | 0.60% | 66,817,970 | 7 | 0.75% |
| First Chemical Texas LLP | Chemical Plant | - | - | - | 70,916,860 | 6 | 0.79% |
| Lanxess | Chemical Plant | - | - | - | 66,651,700 | 9 | 0.74% |
| Saw Pipes Ltd. - US Branch | Manufacturing | - | - | - | 66,069,060 | 10 | 0.74% |
| Totals | | <u>5,264,501,241</u> | | 50.83% | <u>4,670,144,074</u> | | 52.10% |
| Total Assessed Value Goose Creek CISD (1) | | <u>\$ 10,356,976,215</u> | | | <u>\$ 8,963,873,007</u> | | |

Source of Information: District Tax Office

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.

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

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

| Tax Roll and Levy Year | Year Ended | Adjusted Tax Levy for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | | Total Collections to Date | |
|------------------------------|---------------|---|---|----------------------------------|---------------------------------------|---------------------------|---|
| | | | Amount | Percentage of Net Tax Levy | Collections in Subsequent Years | Amount | Percent of Total Tax Collections to Net Tax Levy |
| 2007 | 8/31/2008 | 116,706,041 | 114,312,947 | 97.95% | 2,553,991 | 116,866,938 | 100.14% |
| 2008 | 8/31/2009 | 119,588,025 | 117,154,457 | 97.97% | 2,161,987 | 119,316,444 | 99.77% |
| 2009 | 8/31/2010 | 111,630,204 | 109,346,635 | 97.95% | 1,898,871 | 111,245,506 | 99.66% |
| 2010 | 8/31/2011 | 102,304,814 | 100,196,865 | 97.94% | 1,739,792 | 101,936,657 | 99.64% |
| 2011 | 8/31/2012 | 108,289,335 | 106,266,574 | 98.13% | 1,595,464 | 107,862,038 | 99.61% |
| 2012 | 6/30/2013 | 117,287,931 | 114,706,106 | 97.80% | 2,152,582 | 116,858,688 | 99.63% |
| 2013 | 6/30/2014 | 125,608,672 | 123,006,818 | 97.93% | 2,096,567 | 125,103,385 | 99.60% |
| 2014 | 6/30/2015 | 136,574,880 | 133,803,251 | 97.97% | 2,005,863 | 135,809,114 | 99.44% |
| 2015 | 6/30/2016 | 145,399,611 | 142,544,573 | 98.04% | 1,698,509 | 144,243,082 | 99.20% |
| 2016 | 6/30/2017 | 150,911,929 | 147,489,073 | 97.73% | - | 147,489,073 | 97.73% |

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) |
|------------|-----------------------------|----------------|---------------|--------------------------|--|---------------------|----------------------|---|
| 8/31/2008 | 357,856,459 | - | - | \$ 357,856,459 | 3.99% | 3,685 | 19,034 | 18.97% |
| 8/31/2009 | 351,385,662 | - | - | \$ 351,385,662 | 3.87% | 3,582 | 18,425 | 21.02% |
| 8/31/2010 | 344,650,000 | - | - | \$ 344,650,000 | 3.91% | 3,479 | 17,845 | 16.10% |
| 8/31/2011 | 333,790,000 | - | - | \$ 333,790,000 | 4.20% | 3,339 | 16,907 | 15.19% |
| 8/31/2012 | 321,710,000 | - | 4,141,875 | \$ 325,851,875 | 4.15% | 3,231 | 16,294 | 14.56% |
| 6/30/2013 | 312,425,000 | - | 4,857,124 | \$ 317,282,124 | 3.77% | 3,119 | 15,743 | 14.10% |
| 6/30/2014 | 471,315,000 | - | 4,451,450 | \$ 475,766,450 | 5.64% | 4,635 | 23,040 | 20.77% |
| 6/30/2015 | 560,934,790 | - | 3,896,210 | \$ 564,831,000 | 6.28% | 5,455 | 26,352 | 24.33% |
| 6/30/2016 | 540,638,875 | - | 3,324,125 | \$ 543,963,000 | 5.58% | 5,207 | 24,856 | 23.11% |
| 6/30/2017 | 520,916,987 | - | 2,751,915 | \$ 523,668,902 | 5.06% | 4,969 | 23,580 | 21.94% |

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

Fiscal year 2013 was comprised of only 10 months.

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

| | 8/31/2008 | 8/31/2009 | 8/31/2010 | 8/31/2011 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Limit | \$ 896,387,301 | \$ 907,407,192 | \$ 881,958,416 | \$ 795,196,273 |
| Total Net Debt Applicable to Limit | <u>346,679,194</u> | <u>339,324,209</u> | <u>333,233,185</u> | <u>320,580,102</u> |
| Legal Debt Margin | <u>\$ 549,708,107</u> | <u>\$ 568,082,983</u> | <u>\$ 548,725,231</u> | <u>\$ 474,616,171</u> |
| Total Net Debt Applicable to the limit as a percentage of debt limit | 38.68% | 37.39% | 37.78% | 40.31% |

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)

| 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 785,520,596 | \$ 841,805,785 | \$ 844,065,937 | \$ 899,377,740 | \$ 974,327,753 | \$ 1,035,697,622 |
| <u>295,567,708</u> | <u>292,433,191</u> | <u>434,638,690</u> | <u>535,892,177</u> | <u>569,041,523</u> | <u>492,890,252</u> |
| <u>\$ 489,952,888</u> | <u>\$ 549,372,594</u> | <u>\$ 409,427,247</u> | <u>\$ 363,485,563</u> | <u>\$ 405,286,230</u> | <u>\$ 542,807,370</u> |
| 37.63% | 34.74% | 51.49% | 59.58% | 58.40% | 47.59% |

Legal Debt Margin Calculation for 2017

| | |
|--|------------------------------|
| Assessed/Taxable Value 2017 | \$ 10,356,976,215 |
| Debt Limit Percent of Assessed Value | <u>10%</u> |
| Amount of Debt Applicable to Debt Limit | 1,035,697,622 |
| | |
| Total Bonded Debt | \$ 520,916,987 |
| Less Amounts Available for Retirement of Bonds | <u>(28,026,735)</u> |
| | |
| Amount of Debt Applicable to Debt Limit | <u>492,890,252</u> |
| | |
| Legal Debt Margin | <u><u>\$ 542,807,370</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) |
|------------|--|--|--|---|--|
| 8/31/2008 | 357,856,459 | 11,177,265 | 346,679,194 | 3.11% | 18,439 |
| 8/31/2009 | 351,385,662 | 12,061,453 | 339,324,209 | 2.98% | 17,793 |
| 8/31/2010 | 344,650,000 | 11,416,815 | 333,233,185 | 3.06% | 17,253 |
| 8/31/2011 | 333,790,000 | 13,209,898 | 320,580,102 | 3.16% | 16,237 |
| 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 | 2.59% | 13,837 |
| 6/30/2014 | 471,315,000 | 36,676,310 | 434,638,690 | 4.09% | 21,048 |
| 6/30/2015 | 560,934,790 | 25,042,613 | 535,892,177 | 4.73% | 25,002 |
| 6/30/2016 | 540,638,875 | 28,402,648 | 512,236,227 | 4.34% | 23,406 |
| 6/30/2017 | 520,916,987 | 28,026,735 | 492,890,252 | 3.98% | 22,194 |

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, 2017

(Unaudited)

| Governmental Unit | Debt Outstanding | As of | Percentage Overlapping (1) | Estimated Overlapping Debt |
|---------------------------------------|---------------------|-----------|-------------------------------|---------------------------------------|
| Baytown, City of | \$ 187,590,000 | 6/30/2017 | 100.00% | \$ 187,590,000 |
| Chambers County * | 52,115,000 | 6/30/2017 | 26.10% | \$ 13,602,015 |
| Chambers County ID #1 | 57,825,000 | 6/30/2017 | 96.93% | \$ 56,049,773 |
| Chambers County ID #2 | 6,485,000 | 6/30/2017 | 100.00% | \$ 6,485,000 |
| Chambers County MUD #1 | 12,505,000 | 6/30/2017 | 100.00% | \$ 12,505,000 |
| Harris County * | 2,303,812,874 | 6/30/2017 | 1.66% | \$ 38,243,294 |
| Harris County Department of Education | 6,780,000 | 6/30/2017 | 1.66% | \$ 112,548 |
| Harris County Flood Control District | 83,075,000 | 6/30/2017 | 1.66% | \$ 1,379,045 |
| Harris County FWSD #27 | 905,000 | 6/30/2017 | 100.00% | \$ 905,000 |
| Harris County FWSD #1-A | 180,000 | 6/30/2017 | 100.00% | \$ 180,000 |
| Harris County MUD #459 | 3,600,000 | 6/30/2017 | 100.00% | \$ 3,600,000 |
| Harris County WCID #1 | 9,270,000 | 6/30/2017 | 100.00% | \$ 9,270,000 |
| Harris County Hosp Dist | 61,595,000 | 6/30/2017 | 1.66% | \$ 1,022,477 |
| Lake MUD | 18,665,000 | 6/30/2017 | 100.00% | \$ 18,665,000 |
| Lee College District | 45,935,000 | 6/30/2017 | 100.00% | \$ 45,935,000 |
| Port of Houston Authority | 657,994,397 | 6/30/2017 | 1.66% | \$ 10,922,707 |
| Spring Meadows MUD | 16,050,000 | 6/30/2017 | 100.00% | \$ 16,050,000 |
| | | | | Total Overlapping Debt |
| | | | | 422,516,858 |
| | | | | Goose Creek CISD Direct Debt |
| | | | | 520,916,987 |
| | | | | Total Direct and Overlapping Net Debt |
| | | | | <u>\$ 943,433,845</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 | | |
| 8/31/2008 | 97,120 | 1,886,824,864 | 19,428 | 5.20% | 6.00% | 5.30% | 6.10% | 65.74% | 18,801 |
| 8/31/2009 | 98,091 | 1,671,629,784 | 17,042 | 8.20% | 9.90% | 8.00% | 9.60% | 65.76% | 19,071 |
| 8/31/2010 | 99,072 | 2,140,549,632 | 21,606 | 8.60% | 9.20% | 8.30% | 9.50% | 76.63% | 19,314 |
| 8/31/2011 | 99,958 | 2,197,765,553 | 21,987 | 8.50% | 9.40% | 8.20% | 9.00% | 70.71% | 19,743 |
| 8/31/2012 | 100,843 | 2,238,008,699 | 22,193 | 7.00% | 8.40% | 7.00% | 8.10% | 72.08% | 19,998 |
| 6/30/2013 | 101,736 | 2,249,902,011 | 22,115 | 6.80% | 7.50% | 6.90% | 7.60% | 73.47% | 20,154 |
| 6/30/2014 | 102,638 | 2,290,158,438 | 22,313 | 5.40% | 7.10% | 5.10% | 6.10% | 72.70% | 20,650 |
| 6/30/2015 | 103,547 | 2,322,001,488 | 22,425 | 4.80% | 5.50% | 4.40% | 5.30% | 71.76% | 21,434 |
| 6/30/2016 | 104,465 | 2,354,287,294 | 22,537 | 5.50% | 6.30% | 4.50% | 4.90% | 73.18% | 21,885 |
| 6/30/2017 | 105,390 | 2,387,022,011 | 22,649 | 5.30% | 6.90% | 4.60% | 4.40% | 71.46% | 22,208 |

(1) Based on U.S. Census Data through 2013; increased 5% for each year thereafter

(2) Based on 2010 U.S. Census Bureau/American Community Survey annual data; estimated annual growth estimates based on 0.886%

(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 | 2017 | | | 2008 | | |
|--|---------------|------|--------------------------------------|---------------|------|--------------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Exxon Mobil-Baytown Complex | 3,700 | 1 | 8.04% | 1,800 | 2 | 13.96% |
| Goose Creek Consolidated ISD | 3,012 | 2 | 6.55% | 2,614 | 1 | 7.65% |
| Houston Methodist San Jacinto Hospital | 1,630 | 3 | 3.54% | 1,357 | 3 | 4.13% |
| Covestro | 1,009 | 4 | 2.19% | 1,050 | 5 | 3.37% |
| Chevron Chemical/Cedar Bayou Plant | 970 | 5 | 2.11% | 585 | 9 | 2.09% |
| Lee College | 750 | 6 | 1.63% | - | - | 0.00% |
| Wal-Mart Distribution | 600 | 7 | 1.30% | 875 | 6 | 2.82% |
| JSW Steel | 450 | 8 | 0.98% | - | - | 0.00% |
| Home Depot Distribution Center | 325 | 9 | 0.71% | - | - | 0.00% |
| Exel Logistics | 200 | 10 | 0.43% | - | - | 0.00% |
| Baytown Mobil-Baytown Chemical | - | - | 0.00% | 1,132 | 4 | 2.24% |
| Exxon Mobil/BTEC - East & West | - | - | - | 850 | 7 | - |
| City of Baytown | - | - | - | 707 | 8 | - |
| Exxon Mobil Chemical - Baytown Olefins | - | - | - | 292 | 10 | - |
| | <u>12,646</u> | | <u>27.49%</u> | <u>11,262</u> | | <u>36.26%</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 EIGHT FISCAL YEARS

| Full-Time Equivalent | 8/31/2010 | 8/31/2011 | 8/31/2012 | 6/30/2013 | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>Professional Staff</i> | | | | | | | | |
| Substitute Teacher | 6 | 6 | 2 | 4 | 5 | 8 | 3 | 4 |
| Teachers | 1,432 | 1,441 | 1,330 | 1,350 | 1,433 | 1,471 | 1,486 | 1,457 |
| Subtotal | <u>1,438</u> | <u>1,447</u> | <u>1,332</u> | <u>1,354</u> | <u>1,438</u> | <u>1,479</u> | <u>1,489</u> | <u>1,461</u> |
| <i>Support Staff</i> | | | | | | | | |
| Athletic Trainers | 2 | - | 2 | 3 | 3 | 3 | 4 | 5 |
| Counselors | 44 | 39 | 39 | 38 | 37 | 45 | 47 | 47 |
| Department Heads | - | - | - | - | - | 29 | 28 | 28 |
| Educational Diagnostician | 18 | 17 | 17 | 17 | 13 | - | - | - |
| Librarians | 24 | 20 | 18 | 19 | 20 | 21 | 23 | 18 |
| School Nurses | 24 | 24 | 24 | 24 | 24 | 25 | 27 | 26 |
| Social Worker | - | - | - | - | 4 | 4 | 4 | 4 |
| Speech Thrpst/Speech-Lang Pathologists | - | 18 | 18 | 14 | 13 | - | 1 | 1 |
| Work-Based Learning Site Coordinator | - | - | - | 0 | 0 | - | - | - |
| Teacher Facilitators | 3 | 18 | 1 | 1 | 3 | 1 | 1 | 1 |
| Other Campus Professional Personnel | - | - | 62 | 57 | 57 | 23 | 28 | 27 |
| Subtotal | <u>114</u> | <u>136</u> | <u>182</u> | <u>173</u> | <u>174</u> | <u>151</u> | <u>163</u> | <u>156</u> |
| <i>Administrative Staff</i> | | | | | | | | |
| Assistant Principal | 48 | 44 | 43 | 46 | 48 | 41 | 48 | 50 |
| District Instructional Program or Executive Director | - | - | 1 | 1 | 4 | 4 | 2 | 2 |
| Principal | 23 | 23 | 22 | 22 | 25 | 27 | 27 | 27 |
| Athletic Director | 3 | - | - | - | - | - | - | - |
| Registrar | 3 | 2 | 1 | - | - | - | - | - |
| Subtotal | <u>77</u> | <u>69</u> | <u>67</u> | <u>69</u> | <u>77</u> | <u>72</u> | <u>77</u> | <u>79</u> |
| Educational Aides | 195 | 200 | 202 | 211 | 213 | 233 | 253 | 266 |
| Total Professional Staff | <u>1,824</u> | <u>1,852</u> | <u>1,782</u> | <u>1,807</u> | <u>1,903</u> | <u>1,935</u> | <u>1,981</u> | <u>1,962</u> |
| Auxiliary Staff | 902 | 925 | 863 | 851 | 862 | 941 | 1,002 | 989 |
| Total Personnel (FTE's) | <u>2,920</u> | <u>2,977</u> | <u>2,847</u> | <u>2,868</u> | <u>2,978</u> | <u>3,109</u> | <u>3,236</u> | <u>2,950</u> |

Source: Texas Education Agency and OnData Suite

Eight 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) |
|------------|----------------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------|------------------------------|
| 8/31/2008 | 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 | 1,438 | 14.32 |
| 8/31/2011 | 195,410,475 | 19,743 | 9,898 | 224,380,639 | 11,365 | 1,447 | 14.42 |
| 8/31/2012 | 191,326,920 | 19,998 | 9,567 | 219,655,368 | 10,984 | 1,332 | 15.99 |
| 6/30/2013 | 179,876,893 | 20,154 | 8,925 | 203,229,368 | 10,084 | 1,354 | 15.90 |
| 6/30/2014 | 227,329,646 | 20,154 | 11,280 | 257,727,167 | 12,788 | 1,438 | 15.32 |
| 6/30/2015 | 242,275,086 | 21,434 | 11,303 | 275,677,324 | 12,862 | 1,479 | 15.43 |
| 6/30/2016 | 242,081,546 | 21,885 | 11,062 | 286,924,243 | 13,111 | 1,489 | 15.70 |
| 6/30/2017 | 233,102,602 | 22,208 | 10,496 | 275,759,264 | 12,417 | 1,461 | 16.15 |

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 position) 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 |
|---------------|---|--|--|---------------------------------------|
| 8/31/2008 | 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 |
| 6/30/2016 | 9.50 | 58,801 | 55,240 | 52,090 |
| 6/30/2017 | 9.80 | 57,656 | 55,558 | 47,283 |

Source: Forecast5 Analytics and 2016-17 TASB Teacher Compensation in Texas Public Schools

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
INSTRUCTIONAL BUILDING DATA
JUNE 30, 2017
(Unaudited)

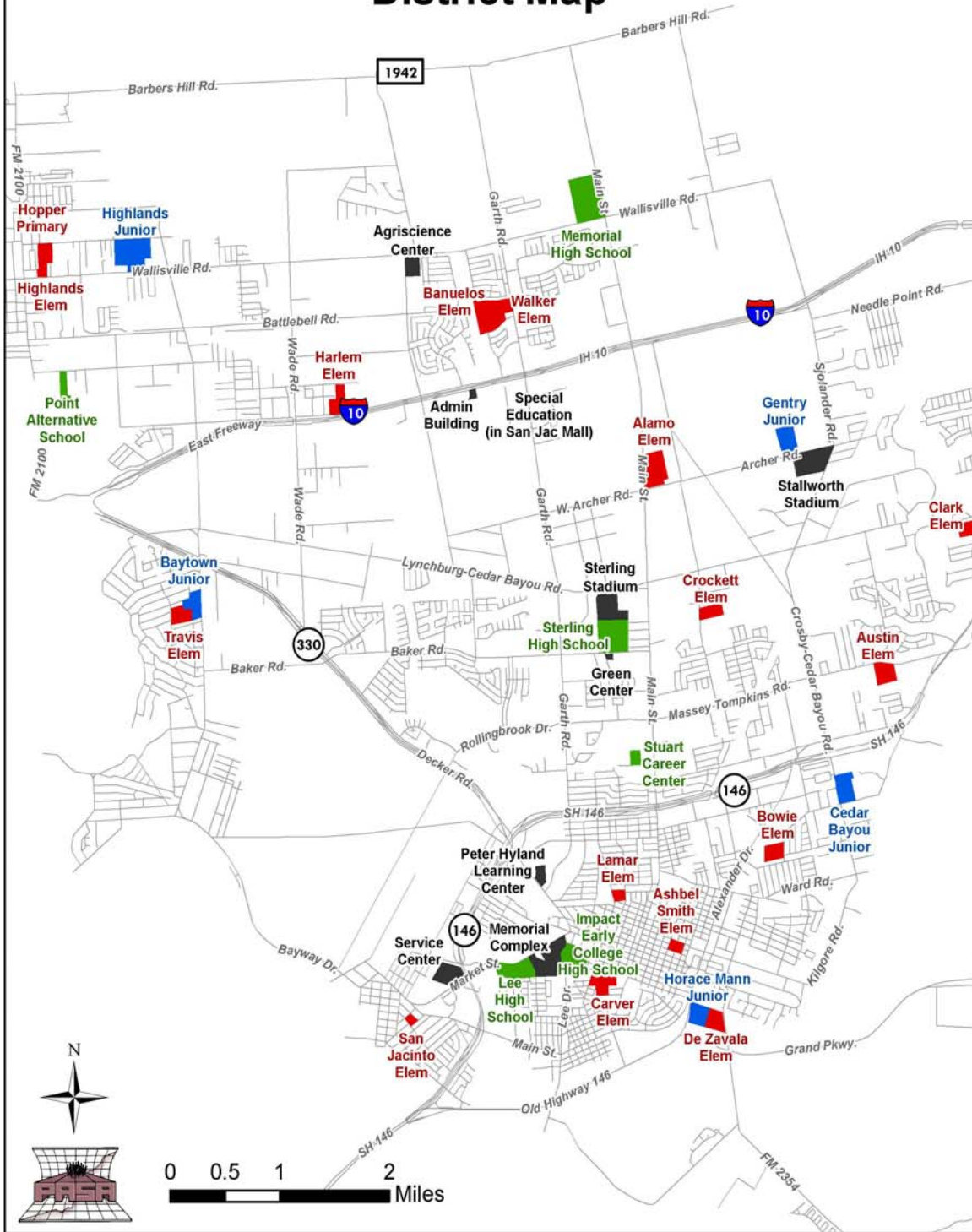
| Instructional Facility | Year of Construction | Square Feet | Instructional Capacity | Final 16-17 Enrollment | Final 15-16 Enrollment |
|-----------------------------------|----------------------|-------------|------------------------|------------------------|------------------------|
| <u>High Schools:</u> | | | | | |
| Robert E. Lee | 1930 | 403,637 | 2,319 | 1,518 | 1,452 |
| Ross S. Sterling | 1966 | 475,557 | 2,408 | 2,251 | 2,271 |
| Goose Creek Memorial High School | 2008 | 364,238 | 1,800 | 2,053 | 1,996 |
| Impact Early College | 2015 | 51,139 | 418 | 356 | 373 |
| Peter Hyland Center | 2010 | 50,765 | (1) | 71 | 95 |
| Point Alternative Learning Center | 2003 | 9,375 | (1) | 47 | 57 |
| Stuart Career Center | 1973 | 34,066 | (1) | (1) | (1) |
| High Point and JJAEP High School | n/a | n/a | (1) | 2 | 13 |
| <u>Junior Highs:</u> | | | | | |
| Baytown Junior High | 1982 | 153,687 | 975 | 954 | 974 |
| Cedar Bayou Junior High | 2002 | 182,281 | 1,100 | 1,067 | 1,029 |
| Gentry Junior High | 1980 | 153,675 | 1,125 | 1,079 | 1,031 |
| Highlands Junior High | 2008 | 192,344 | 1,225 | 1,120 | 1,138 |
| Horace Mann Junior High | 1994 | 151,839 | 1,225 | 980 | 1,059 |
| Point Alternative Learning Center | 2003 | 9,375 | (1) | 39 | 37 |
| High Point and JJAEP High School | n/a | n/a | (1) | 17 | 5 |
| <u>Elementaries:</u> | | | | | |
| Alamo Elementary | 1980 | 96,129 | 850 | 809 | 809 |
| Ashbel Smith Elementary | 1994 | 65,677 | 924 | 747 | 770 |
| Austin Elementary | 1994 | 100,908 | 814 | 763 | 733 |
| Banuelos Elementary | 2014 | 96,129 | 850 | 874 | 774 |
| Bowie Elementary | 2008 | 97,892 | 880 | 828 | 811 |
| Carver Elementary | 2002 | 94,515 | 836 | 759 | 742 |
| Clark Elementary | 2014 | 96,129 | 850 | 672 | 669 |
| Crockett Elementary | 1981 | 66,170 | 638 | 719 | 703 |
| DeZavala Elementary | 1992 | 94,953 | 924 | 860 | 843 |
| Harlem Elementary | 1992 | 94,953 | 814 | 695 | 748 |
| Highlands Elementary | 1992 | 94,953 | 814 | 776 | 728 |
| Hopper Primary | 1980 | 58,778 | 462 | 509 | 492 |
| Lamar Elementary | 1994 | 98,362 | 858 | 723 | 788 |
| San Jacinto Elementary | 1982 | 78,335 | 528 | 519 | 505 |
| Travis Elementary | 2002 | 94,515 | 880 | 861 | 851 |
| Victoria Walker Elementary | 2007 | 100,727 | 924 | 863 | 874 |
| Total | | | 25,441 | 23,531 | 23,370 |

Source: District records, GCCISD May 2017 and 2017 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

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



**GOOSE CREEK CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

SINGLE AUDIT REPORTS

FOR THE YEAR ENDED JUNE 30, 2017

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**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2017**

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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, 2017, 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 10, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 10, 2017



Start, Garcia & Stanley, LLC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 the Uniform Guidance

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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 10, 2017, 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 the Uniform Guidance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Start, Garcia & Stanley
Start, Garcia & Stanley, LLC

Baytown, Texas
November 10, 2017

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiencies identified? 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 deficiencies identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? yes X no

Major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|------------------------------------|
| 84.010A | Title I Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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, 2017**

II. FINANCIAL STATEMENT FINDINGS

None Noted.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Noted.

IV. STATUS OF PRIOR YEAR FINDINGS

2016-1 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: The District made necessary budget amendments during the year and reports no excess expenditures over appropriations for the year ended June 30, 2017. (See Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund in the Comprehensive Annual Financial Report for the Year Ended June 30, 2017)

2016-2 Special Education Cluster (CFDA #84.027 and #84.173)

Recommendation: The District should factor in payroll accrual liabilities when requesting reimbursement through the Texas Education Agency's (TEA) Expenditure Reporting (ER) system.

Action Taken: The District's excess reimbursement request, which included a portion of the payroll accrual liability, was expended shortly after year end.

Anticipated Completion Date: Completed July 2016. Payroll accruals are factored in the District's reimbursement request (and removed as necessary) when requests are submitted through TEA's ER system. A reconciliation of accrued payroll is documented in the District's records.

V. CORRECTIVE ACTION PLAN

None Noted.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

| (1) | (2) | (3) | (4) |
|---|---------------------------|--|-------------------------|
| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
| U.S. DEPARTMENT OF DEFENSE | | | |
| <u>Passed Through State Department of Education</u> | | | |
| Reserve Officer Training Corp (ROTC) | 12.000 | TX070135/TX070170 | \$ 155,756 |
| Total Passed Through State Department of Education | | | \$ 155,756 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | \$ 155,756 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <u>Passed Through State Department of Education</u> | | | |
| *ESEA, Title I, Part A - Improving Basic Programs | 84.010A | 16610101101911 | \$ 1,038,352 |
| *ESEA, Title I, Part A - Improving Basic Programs | 84.010A | 17610101101911 | 3,939,530 |
| *Title I, 1003 (a) Priority & Focus School Program | 84.010A | 17610112101911000 | 32,005 |
| *Title I, 1003 (a) Priority & Focus School Program | 84.010A | 16610112101911000 | 9,187 |
| Total CFDA Number 84.010A | | | 5,019,074 |
| Total Title I, Part A Cluster | | | 2,587 |
| ESEA, Title I, Part C - Migratory Children | 84.011A | 16615001101911 | 273,904 |
| ESEA, Title I, Part C - Migratory Children | 84.011A | 17615001101911 | 276,491 |
| Total CFDA Number 84.011A | | | 3,595,072 |
| *IDEA - Part B, Formula | 84.027A | 176600011019116600 | 5,204 |
| *SSA - IDEA - Part B, Discretionary | 84.027A | 166600111019116673 | 177,506 |
| *SSA - IDEA - Part B, Discretionary | 84.027A | 17660011101911 | 2,913 |
| *SSA - IDEA - Part B, Deaf | 84.027A | 166600011019116601 | 3,780,695 |
| Total CFDA Number 84.027A | | | 627 |
| *IDEA - Part B, Preschool | 84.173A | 166610011019116610 | 36,287 |
| *IDEA - Part B, Preschool | 84.173A | 176610011019116610 | 36,914 |
| Total CFDA Number 84.173A | | | 3,817,609 |
| Total Special Education Cluster (IDEA) | | | 1,802 |
| Career and Technical - Basic Grant | 84.048A | 16420006101911 | 221,300 |
| Career and Technical - Basic Grant | 84.048A | 17420006101911 | 223,102 |
| Total CFDA Number 84.048A | | | 4,565 |
| SSA - IDEA, Part C - Early Intervention (Deaf) | 84.181A | 179311011019113911 | 8,478 |
| Title III, Part A - English Language Acquisition | 84.365A | 16671001101911 | 458,225 |
| Title III, Part A - English Language Acquisition | 84.365A | 17671001101911 | 466,703 |
| Total CFDA Number 84.365A | | | 14,010 |
| ESEA, Title II, Part A, Teacher/Principal Training | 84.367A | 16694501101911 | 781,433 |
| ESEA, Title II, Part A, Teacher/Principal Training | 84.367A | 17694501101911 | 795,443 |
| Total CFDA Number 84.367A | | | 25,627 |
| Summer School LEP | 84.369A | 69551602 | 10,628,614 |
| Total Passed Through State Department of Education | | | \$ 10,628,614 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | \$ 10,628,614 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| <u>Passed Through Texas Dept of Human Services</u> | | | |
| Medicaid Administrative Claiming Program - MAC | 93.778 | 101911 | \$ 21,216 |
| Total Passed Through Texas Dept of Human Services | | | \$ 21,216 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | \$ 21,216 |

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

| (1) | (2) | (3) | (4) |
|---|---------------------------|--|-----------------------------|
| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <u>Passed Through the State Department of Agriculture</u> | | | |
| *School Breakfast Program | 10.553 | 00521 | \$ 2,658,811 |
| *National School Lunch Program - Cash Assistance | 10.555 | 00521 | 6,567,048 |
| *National School Lunch Prog - Non-Cash Assistance | 10.555 | 00521 | 873,779 |
| Total CFDA Number 10.555 | | | <u>7,440,827</u> |
| *Summer Feeding Program - Cash Assistance | 10.559 | 00521 | 269,990 |
| Total Child Nutrition Cluster | | | <u>10,369,628</u> |
| Child & Adult Care Food Program - Cash Assistance | 10.558 | 00521 | 36,032 |
| Total Passed Through the State Department of Agriculture | | | <u>\$ 10,405,660</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>\$ 10,405,660</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u><u>\$ 21,211,246</u></u> |

*Clustered Programs

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017 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 9) | \$ | 21,211,246 |
| Plus: E-Rate reimbursements | | 311,343 |
| Plus: School Health and Related Services (SHARS) | | <u>2,774,403</u> |
| Total Federal Program Revenues (per Exhibit C-3 of the CAFR) | \$ | <u>24,296,992</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 2017

| | | |
|------|---|----------|
| SF2 | Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end? | No |
| SF4 | Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole? | Yes |
| SF5 | Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? | No |
| SF6 | Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? | No |
| SF7 | Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? | Yes |
| SF8 | Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship? | Yes |
| SF10 | Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end. | 0 |
| SF11 | Net Pension Assets (1920) at fiscal year-end. | 0 |
| SF12 | Net Pension Liabilities (2540) at fiscal year-end. | 57224436 |
| SF13 | Pension Expense (6147) at fiscal year-end. | 3275947 |