

JOURDANTON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
AUGUST 31, 2017

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2017

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CERTIFICATE OF BOARD

Jourdanton Independent School District
Name of School District

Atascosa
County

007902
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2017 at a meeting of the Board of Trustees of such school district on the ____ of _____, 2017.

Signature of Board Secretary

Signature of Board President

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

COLEMAN, HORTON & COMPANY, LLP
Certified Public Accountants

400 E. NOPAL ST.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

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 Jourdanton Independent School District, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise Jourdanton Independent School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jourdanton Independent School District, as of August 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, and schedule of District contributions on pages 7-13 and 48-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jourdanton Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Texas Education Agency requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as J-1 through J-3. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the Jourdanton Independent School 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 Jourdanton Independent School District's internal control over financial reporting and compliance.

Coleman, Horton + Company, LLP

Uvalde, Texas
November 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The annual financial report of Jourdanton Independent School District (the District) is presented in six sections, management's discussion and analysis (this part), basic financial statements, required supplementary information, combining and other statements, required TEA supplementary information, and federal section. This section of the District's annual financial report presents our discussion and analysis of the financial performance during the year ending August 31, 2017. Please read it in conjunction with the District's financial section, which follows.

Overview of the Basic Financial Statements

The basic financial statements include two kinds of statements that present different views of the District:

- * The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.

- * The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - * The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

 - * *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 statements are followed by a section of *required TEA supplementary information* that further explains and supports the information in the 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. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Highlights

- * The District's combined net position was \$12,792,862 at August 31, 2017, a decrease of \$951,189 from day to day operations.

- * For the year, the District's revenues were \$16,994,345 as reflected below:

		<u>Governmental Activities</u>		
		<u>Current</u>	<u>Prior</u>	
		<u>Year</u>	<u>Year</u>	<u>Change</u>
a)	Taxes	\$10,285,115	\$10,461,875	\$ (176,760)
b)	State Aid	4,141,673	6,014,021	(1,872,348)
c)	Federal Aid	1,586,283	1,705,899	(119,616)
d)	Investment Earnings	112,685	57,642	55,043
e)	Other	<u>868,589</u>	<u>798,245</u>	<u>70,344</u>
	Total	<u>\$16,994,345</u>	<u>\$19,037,682</u>	<u>\$ (2,043,337)</u>

* During the year, the District's expenses were \$17,945,534 as reflected below:

		Governmental Activities		
		<u>Current</u> <u>Year</u>	<u>Prior</u> <u>Year</u>	<u>Change</u>
a)	Instruction and instructional related	\$ 9,422,446	\$ 9,873,826	\$ (451,380)
b)	Instructional leadership/school leadership	1,080,689	1,017,259	63,430
c)	Guidance, social work, health, transportation	990,017	1,018,980	(28,963)
d)	Food services	1,149,310	1,204,297	(54,987)
e)	Extracurricular activities	1,006,499	1,010,956	(4,457)
f)	General administration	643,471	750,326	(106,855)
g)	Plant maintenance and security	1,624,137	1,790,449	(166,312)
h)	Data processing services	234,210	380,287	(146,077)
i)	Community services	4,004	4,699	(695)
j)	Debt services	1,191,470	776,718	414,752
k)	Capital Outlay	249,678	-	249,678
l)	Payments to fiscal agent/member districts - shared service	141,226	145,911	(4,685)
m)	Intergovernmental charges	<u>208,377</u>	<u>176,503</u>	<u>31,874</u>
	Total Expenses	<u>\$17,945,534</u>	<u>\$18,150,211</u>	<u>\$ (204,677)</u>

* The general fund reported a fund balance for the year of \$3,710,768, a decrease of \$917,040 from the prior year.

* The capital projects fund reported a fund balance for the year of \$13,780,118, a decrease of \$4,047,504 from the prior year.

* The District's combined net position was \$12,792,862 at August 31, as reflected below:

	<u>Governmental Activities</u>		
	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>
Assets:			
Current and other assets	\$24,385,717	\$27,137,701	\$ (2,751,984)
Capital and non-current assets	<u>47,590,706</u>	<u>24,414,252</u>	<u>23,176,454</u>
Total Assets	<u>\$71,976,423</u>	<u>\$51,551,953</u>	<u>\$20,424,470</u>
Deferred Outflows	<u>\$ 1,376,778</u>	<u>\$ 1,638,673</u>	<u>\$ (261,895)</u>
Liabilities:			
Current liabilities	\$ 5,972,282	\$ 3,822,446	\$ 2,149,836
Long term liabilities	<u>54,331,105</u>	<u>35,364,361</u>	<u>18,966,744</u>
Total Liabilities	<u>\$60,303,387</u>	<u>\$39,186,807</u>	<u>\$21,116,580</u>
Deferred Inflows	<u>\$ 256,952</u>	<u>\$ 259,768</u>	<u>\$ (2,816)</u>
Net position:			
Net investment in capital assets	\$10,365,212	\$10,229,521	\$ 135,691
Restricted	60,359	62,143	(1,784)
Unrestricted	<u>2,367,291</u>	<u>3,452,387</u>	<u>(1,085,096)</u>
Total Net Position	<u>\$12,792,862</u>	<u>\$13,744,051</u>	<u>\$ (951,189)</u>

* Property tax rates increased .2062¢/\$100 from the previous year. The taxable value decreased during the past year by \$115,987,200. The tax levy increased by \$186,457 over the prior year.

* State aid decreased for the year by \$1,737,330.

* Federal aid decreased for the year by \$119,616.

* The general fund transferred \$120,000 to supplement the Child Nutrition Program, \$19,411 to the Debt Service Fund and \$16,643 to the Special Revenue Fund.

Capital Assets and Debt Administration

Capital Assets

Capital assets for the District at the end of the fiscal year August 31, 2017 amounted to \$47,590,706. It is the District's policy to charge off as a current expenditure any purchases less than \$5,000. The total capital assets recorded were land and its improvements, buildings, equipment and vehicles as reflected below:

District's Capital Assets

	Governmental Activities		
	Current Year	Prior Year	Change
Land	\$ 1,181,420	\$ 1,181,420	\$ -
Buildings and improvements	38,138,087	18,418,471	19,719,616
Equipment	2,836,253	2,874,947	(38,694)
Library books and media	120,525	120,525	-
Construction in progress	<u>12,981,795</u>	<u>8,785,811</u>	<u>4,195,984</u>
Totals at historical cost	55,258,080	31,381,174	23,876,906
Total accumulated depreciation	<u>(7,667,374)</u>	<u>(6,966,922)</u>	<u>(700,452)</u>
Net capital assets	<u>\$47,590,706</u>	<u>\$24,414,252</u>	<u>\$23,176,454</u>

Long-term Liabilities

The District's long-term liabilities includes bonds payable, maintenance tax notes, time warrants, and loans payable in the amount of \$51,005,611.

District's Long Term Liabilities

	Governmental Activities		
	Current Year	Prior Year	Change
Bonds payable	\$41,280,000	\$22,305,000	\$18,975,000
Net issuance premiums/discounts	<u>4,459,100</u>	<u>3,885,678</u>	<u>573,422</u>
Total Bonds Payable	45,739,100	26,190,678	19,548,422
Maintenance tax notes	5,092,000	5,593,000	(501,000)
Time warrants notes	-	-	-
Loans payable	<u>174,511</u>	<u>228,675</u>	<u>(54,164)</u>
Total Debt	<u>\$51,005,611</u>	<u>\$32,012,353</u>	<u>\$18,993,258</u>

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget several times. With these adjustments, actual expenditures were below final budget amounts. The District exceeded its budget in instruction resources and media services, school leadership, guidance, counseling and evaluation services, health services, facilities maintenance and operations and data processing services. Additionally, resources available were \$478,523 above the final budgeted amount.

- * Local revenue sources were \$5,875 less than expected.
- * State funding was more than budgeted amounts by \$359,998.
- * Federal revenue was more than budgeted amounts by \$124,399.

Contacting the District's Financial Management

This financial report is designed for 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. If you have questions about this report or need additional financial information, contact the District's Business Services department.

BASIC FINANCIAL STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2017

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 22,536,947
1220 Property Taxes Receivable (Delinquent)	1,108,961
1230 Allowance for Uncollectible Taxes	(166,344)
1240 Due from Other Governments	756,111
1290 Other Receivables, net	118,797
1300 Inventories	31,245
Capital Assets:	
1510 Land	1,181,420
1520 Buildings, Net	32,560,243
1530 Furniture and Equipment, Net	863,556
1560 Library Books and Media, Net	3,692
1580 Construction in Progress	12,981,795
1000 Total Assets	71,976,423
DEFERRED OUTFLOWS OF RESOURCES	
1705 Deferred Outflow Related to TRS	1,376,778
1700 Total Deferred Outflows of Resources	1,376,778
LIABILITIES	
2110 Accounts Payable	3,680,789
2140 Interest Payable	123,502
2150 Payroll Deductions & Withholdings	97,161
2160 Accrued Wages Payable	602,715
2180 Due to Other Governments	1,395,397
2200 Accrued Expenses	29,722
2300 Unearned Revenue	42,996
Noncurrent Liabilities	
2501 Due Within One Year	1,193,188
2502 Due in More Than One Year	49,812,424
2540 Net Pension Liability (District's Share)	3,325,493
2000 Total Liabilities	60,303,387
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS	256,952
2600 Total Deferred Inflows of Resources	256,952
NET POSITION	
3200 Net Investment in Capital Assets	10,365,212
3820 Restricted for Federal and State Programs	22,057
3850 Restricted for Debt Service	7,057
3890 Restricted for Other Purposes	31,245
3900 Unrestricted	2,367,291
3000 Total Net Position	\$ 12,792,862

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 9,300,582	\$ 12,020	\$ 852,044	\$ (8,436,518)
12 Instructional Resources and Media Services	99,848	-	4,092	(95,756)
13 Curriculum and Staff Development	22,016	40,050	-	18,034
21 Instructional Leadership	97,655	-	7,370	(90,285)
23 School Leadership	983,034	-	44,753	(938,281)
31 Guidance, Counseling and Evaluation Services	342,223	-	14,117	(328,106)
33 Health Services	110,008	-	35,186	(74,822)
34 Student (Pupil) Transportation	537,786	5,581	50,465	(481,740)
35 Food Services	1,149,310	244,606	713,834	(190,870)
36 Extracurricular Activities	1,006,499	291,753	22,975	(691,771)
41 General Administration	643,471	-	22,337	(621,134)
51 Facilities Maintenance and Operations	1,565,831	29,337	53,013	(1,483,481)
52 Security and Monitoring Services	58,306	-	856	(57,450)
53 Data Processing Services	234,210	22,323	9,089	(202,798)
61 Community Services	4,004	-	2,903	(1,101)
72 Debt Service - Interest on Long Term Debt	962,220	-	-	(962,220)
73 Debt Service - Bond Issuance Cost and Fees	229,250	-	-	(229,250)
81 Capital Outlay	249,678	-	-	(249,678)
93 Payments related to Shared Services Arrangements	135,401	64,817	-	(70,584)
95 Payments to Juvenile Justice Alternative Ed. Prg.	5,825	-	-	(5,825)
99 Other Intergovernmental Charges	208,377	-	-	(208,377)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 17,945,534</u>	<u>\$ 710,487</u>	<u>\$ 1,833,034</u>	<u>(15,402,013)</u>

Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		8,746,933
DT	Property Taxes, Levied for Debt Service		1,538,182
SF	State Aid - Formula Grants		3,305,860
GC	Grants and Contributions not Restricted		589,062
IE	Investment Earnings		112,685
MI	Miscellaneous Local and Intermediate Revenue		158,102
TR	Total General Revenues		<u>14,450,824</u>
CN	Change in Net Position		(951,189)
NB	Net Position - Beginning		<u>13,744,051</u>
NE	Net Position--Ending		<u>\$ 12,792,862</u>

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2017

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 5,008,094	\$ 17,349,416	\$ 179,437	\$ 22,536,947
1220 Property Taxes - Delinquent	1,057,167	-	51,794	1,108,961
1230 Allowance for Uncollectible Taxes (Credit)	(158,575)	-	(7,769)	(166,344)
1240 Receivables from Other Governments	661,034	-	95,077	756,111
1290 Other Receivables	118,572	-	225	118,797
1300 Inventories	16,667	-	14,578	31,245
1000 Total Assets	<u>\$ 6,702,959</u>	<u>\$ 17,349,416</u>	<u>\$ 333,342</u>	<u>\$ 24,385,717</u>
LIABILITIES				
2110 Accounts Payable	\$ 57,844	\$ 3,569,298	\$ 53,647	\$ 3,680,789
2150 Payroll Deductions and Withholdings Payable	97,161	-	-	97,161
2160 Accrued Wages Payable	538,820	-	63,895	602,715
2180 Due to Other Governments	1,395,397	-	-	1,395,397
2200 Accrued Expenditures	26,014	-	3,708	29,722
2300 Unearned Revenues	21,500	-	21,496	42,996
2000 Total Liabilities	<u>2,136,736</u>	<u>3,569,298</u>	<u>142,746</u>	<u>5,848,780</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	855,515	-	39,277	894,792
2600 Total Deferred Inflows of Resources	<u>855,515</u>	<u>-</u>	<u>39,277</u>	<u>894,792</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	16,667	-	14,578	31,245
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	22,057	22,057
3470 Capital Acquisition and Contractual Obligation	-	13,780,118	-	13,780,118
3480 Retirement of Long-Term Debt	-	-	7,057	7,057
Committed Fund Balance:				
3510 Construction	59,689	-	-	59,689
3545 Other Committed Fund Balance	-	-	83,624	83,624
3600 Unassigned Fund Balance	3,634,352	-	24,003	3,658,355
3000 Total Fund Balances	<u>3,710,708</u>	<u>13,780,118</u>	<u>151,319</u>	<u>17,642,145</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 6,702,959</u>	<u>\$ 17,349,416</u>	<u>\$ 333,342</u>	<u>\$ 24,385,717</u>

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2017

Total Fund Balances - Governmental Funds	\$ 17,642,145
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$31,381,174 and the accumulated depreciation was (\$6,966,922). In addition, long-term liabilities, including bonds payable of (\$22,305,000) and loans payable of (\$5,821,675), are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position.	(3,712,423)
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2017 capital outlays of \$23,915,600 and debt principal payments of \$1,070,163 is to increase net position.	24,985,763
3 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 (\$3,325,493), a Deferred Resource Inflow related to TRS in the amount of (\$256,952), and a Deferred Resource Outflow related to TRS in the amount of \$1,376,778. The net effect is to decrease Net Position.	(2,205,667)
4 The 2017 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(739,146)
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue of \$894,792 from property taxes as revenue, reclassifying the proceeds of bond sales of (\$19,490,000) as an increase in bonds payable, recording the unamortized net premium/discount on bonds of (\$4,459,100) and recognizing the liabilities associated with maturing long-term debt and interest of (\$123,502). The net effect of these reclassifications and recognitions is to decrease net position.	(23,177,810)
19 Net Position of Governmental Activities	\$ 12,792,862

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT C-3

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,048,270	\$ 102,794	\$ 2,048,007	\$ 11,199,071
5800 State Program Revenues	3,945,465	-	66,443	4,011,908
5900 Federal Program Revenues	455,831	-	1,130,452	1,586,283
5020 Total Revenues	<u>13,449,566</u>	<u>102,794</u>	<u>3,244,902</u>	<u>16,797,262</u>
EXPENDITURES:				
Current:				
0011 Instruction	8,130,062	-	554,317	8,684,379
0012 Instructional Resources and Media Services	91,568	-	-	91,568
0013 Curriculum and Instructional Staff Development	22,016	-	-	22,016
0021 Instructional Leadership	94,328	-	-	94,328
0023 School Leadership	912,796	-	-	912,796
0031 Guidance, Counseling and Evaluation Services	317,366	-	-	317,366
0033 Health Services	69,879	-	31,675	101,554
0034 Student (Pupil) Transportation	396,057	-	-	396,057
0035 Food Services	19,471	-	1,075,653	1,095,124
0036 Extracurricular Activities	806,377	-	179,958	986,335
0041 General Administration	599,479	-	-	599,479
0051 Facilities Maintenance and Operations	1,479,157	-	-	1,479,157
0052 Security and Monitoring Services	57,981	-	-	57,981
0053 Data Processing Services	222,404	-	-	222,404
0061 Community Services	2,903	-	-	2,903
Debt Service:				
0071 Principal on Long Term Debt	555,163	-	515,000	1,070,163
0072 Interest on Long Term Debt	83,735	-	1,009,750	1,093,485
0073 Bond Issuance Cost and Fees	-	228,750	500	229,250
Capital Outlay:				
0081 Facilities Acquisition and Construction	207	24,154,932	-	24,155,139
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	135,401	-	-	135,401
0095 Payments to Juvenile Justice Alternative Ed. Prg.	5,825	-	-	5,825
0099 Other Intergovernmental Charges	208,377	-	-	208,377
6030 Total Expenditures	<u>14,210,552</u>	<u>24,383,682</u>	<u>3,366,853</u>	<u>41,961,087</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(760,986)</u>	<u>(24,280,888)</u>	<u>(121,951)</u>	<u>(25,163,825)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	19,490,000	-	19,490,000
7915 Transfers In	-	-	156,054	156,054
7916 Premium or Discount on Issuance of Bonds	-	743,384	-	743,384
8911 Transfers Out (Use)	(156,054)	-	-	(156,054)
7080 Total Other Financing Sources (Uses)	<u>(156,054)</u>	<u>20,233,384</u>	<u>156,054</u>	<u>20,233,384</u>
1200 Net Change in Fund Balances	(917,040)	(4,047,504)	34,103	(4,930,441)
0100 Fund Balance - September 1 (Beginning)	<u>4,627,748</u>	<u>17,827,622</u>	<u>117,216</u>	<u>22,572,586</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 3,710,708</u>	<u>\$ 13,780,118</u>	<u>\$ 151,319</u>	<u>\$ 17,642,145</u>

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

JOURDANTON 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 AUGUST 31, 2017

Total Net Change in Fund Balances - Governmental Funds	\$	(4,930,441)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2017 capital outlays of \$23,915,600 and debt principal payments of \$1,070,163 is to increase net position.		24,985,763
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.		(739,146)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue of \$67,318 from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales of (\$19,490,000) and net premium/discount on issuance of bonds of (\$743,384), recognizing current year amortization of bond premium of \$169,962 and recognizing the change in liabilities associated with maturing long-term debt and interest of (\$38,697). The net effect of these reclassifications and recognitions is to decrease net position.		(20,034,801)
Current year changes due to GASB 68 resulted in a decrease in the net pension liability of \$26,515, a decrease in the deferred resource inflows related to TRS of \$2,816, and a decrease in the deferred resource outflows related to TRS in the amount of (\$261,895). The impact of these items is to decrease net position.		(232,564)
Change in Net Position of Governmental Activities	<u>\$</u>	<u>(951,189)</u>

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2017

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 3,352	\$ 78,080
Total Assets	<u>3,352</u>	<u>\$ 78,080</u>
LIABILITIES		
Due to Student Groups	-	\$ 78,080
Total Liabilities	<u>-</u>	<u>\$ 78,080</u>
NET POSITION		
Restricted for Other Purposes	<u>3,352</u>	
Total Net Position	<u>\$ 3,352</u>	

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2017

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 37,222
Total Additions	<u>37,222</u>
DEDUCTIONS:	
Payroll Costs	38,602
Total Deductions	<u>38,602</u>
Change in Net Position	(1,380)
Total Net Position - September 1 (Beginning)	<u>4,732</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 3,352</u></u>

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

JOURDANTON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Jourdanton Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *GASB Statement No. 76* and it complies with the requirements of the appropriate version of Texas Education Agency’s *Financial Accountability System Resource Guide* (the “Resource Guide”) and the requirements of contracts and grants of agencies from which it receives funds.

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.

As of August 31, 2017, Jourdanton Independent School District retrospectively/prospectively applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board of Trustees (the “Board”) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, “The Financial Reporting Entity.” There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Jourdanton Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by property taxes, State foundation funds, grants, and other intergovernmental revenues.

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

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

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

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

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

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

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

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

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

Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrued basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

Agency Funds utilize the accrual basis of accounting but do not have a measurable focus as they report only assets and liabilities.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

1. **The General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Capital Projects Fund** - The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Fiduciary Funds:

2. **Agency Funds** - The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Funds is the student activity fund.
3. **Private Purpose Trust Fund** - This fund is one in which the District holds assets in trust for others in an investment program managed by the District. The District's Private Purpose Trust Funds is its After School Care Fund.

E. FUND BALANCE POLICY

Jourdanton Independent School District reports fund balance for governmental funds in classifications based primarily on the extent to which the district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The **nonspendable** classification represents assets that will be consumed or "must be maintained in tact" and therefore will never convert to cash, such as inventories of supplies and endowments. Provisions of laws, contracts, and grants specify how fund resources can be used in the **restricted** classification. The nature of these two classifications precludes a need for a policy from the Board of Trustees. However, the Board has adopted fund balance policies for the three unrestricted classifications – committed, assigned, and unassigned.

From time to time, the Board of Trustees may commit fund balances by a majority vote in a scheduled meeting. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of nonspendable and restricted fund balances since that practice would commit funds that the district does not have. Commitments may be for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions and other purposes determined by the Board.

The Board of Trustees may delegate authority to specified persons or groups to make assignments of certain fund balances by a majority vote in a scheduled meeting. The Board may modify or rescind its delegation of authority by the same action. The authority to make assignments shall be in effect until modified or rescinded by the Board by majority vote in a scheduled meeting.

When the District incurs expenditures that can be made from either restricted or unrestricted balances, the expenditures should be charged to restricted balances. When the District incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged to committed, assigned then unassigned.

By a majority vote in a scheduled meeting the Board of Trustees may commit fund balances and it may modify or rescind commitments. The Board may also delegate authority to persons or parties to assign fund balances in specific circumstances or funds.

Nonspendable

Inventories in the general fund	\$ 16,667
Inventories in the food service fund	<u>14,578</u>
Total nonspendable	<u>31,245</u>

Restricted

Capital acquisition	13,780,118
Federal and State fund grant restriction	22,057
Retirement of long-term debt	<u>7,057</u>
Total restricted	<u>13,809,232</u>

Committed

Construction	59,689
Campus Activity Fund	<u>83,624</u>
Total committed	<u>143,313</u>

Unassigned

3,658,355

Total Fund Balances

\$17,642,145

F. OTHER ACCOUNTING POLICIES

1. Although food service commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and unearned revenue when received. When requisitioned, inventory and unearned revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include fuel inventories for the transportation department and are recorded at cost.
2. The District records purchases of supplies as expenditures.
3. The District records its investments in certificates of deposit and state sponsored money market accounts at fair value.
4. Unearned revenue accounted for on the balance sheet of the general fund and special revenue funds relates to excess funds received from the Texas Education Agency over earned amounts.
5. The District provides risk management obligations by carrying commercial insurance policies. Property and general liability insurance is obtained from a licensed insurer. Risk of loss is not retained by the District.

6. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of deferred charges for pension contributions made after the measurement date of August 31, 2016 and during the District's current reporting period, differences between the expected and actual economic experience in the pension plan and changes in actuarial assumptions.
7. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government wide statement of net position. In the government wide financial statements, the District reports the deferred inflows for pension for the District's proportionate share of the deferred inflow for the difference between the projected and actual investment earnings in the pension plan.
8. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
9. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide data base for policy development and funding plans.
10. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt issuance costs, are expensed as incurred.

In the fund financial statements, governmental fund types recognized debt issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government.
12. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Vehicles	5-10
Office equipment	3-10
Computer equipment	5
Library books and media	5

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an “appropriated budget” for the General Fund, Food Service Fund, and the Debt Service Fund, which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other reports is in Exhibit J-2 and J-3.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.
3. Prior to September 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 fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. 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. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

<u>August 31, 2017</u>	
<u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 36,635
Nonappropriated Budget Funds	<u>107,627</u>
All Special Revenue Funds	<u>\$ 144,262</u>

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As noted in Exhibit G-1, the General Fund over-expended 6 Functions by \$44,750.

As noted in Exhibit J-2, the Child Nutrition Program over-expended Function 35 \$29,349.

As noted in Exhibit J-3, the Debt Service Fund over-expended Function 74 \$500.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The pledge of approved securities is waived only to the extent of the depository’s bond or the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. Since the District complies with this law, it has no custodial credit risk for deposits.

At August 31, 2017 the District had deposits of \$3,922,696 not covered by FDIC insurance, but fully collateralized by either the depository or the depository’s agent in the District’s name.

As of August 31, 2017, Jourdanton Independent School District had the following accounts included in cash and cash equivalents.

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>					<u>Credit Rating</u>
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
Lonestar Investment Pool	\$ 1,462,724	\$ 1,462,724	\$ -	\$ -	\$ -	AAAm
Money Market Accounts	\$16,852,909	\$16,852,909	\$ -	\$ -	\$ -	N/A
Bank Certificate of Deposit	\$ 122,536	\$ 122,536	\$ -	\$ -	\$ -	N/A

There were several times during the year in which the District was exposed to custodial risk due to deposits exceeding both the FDIC insurance and pledged securities by the depository bank. The cause of the under-pledging of securities was the result of the District transferring money from its investment accounts to cover its normal check or payroll runs. The under pledged amounts normally did not exceed one day as the bank was able to pledge the required securities to make up the deficiency.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

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

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Jourdanon Independent School District is in substantial compliance with the requirements of the Act and with local policies.

Additional polices and contractual provisions governing deposits and investments for Jourdanon Independent School District are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to bank certificates of deposit and State sponsored investment pools.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investment is in secured bank certificates of deposit and State sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

The investment pools used by the District are 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. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investment.

The District's investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of stable net asset value of \$1. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

Lone Star Investment Pool (the Pool): The Pool's liquidity fund operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District's position in the Pool is the same as the value of the Pool's shares and does not include any unrealized gains and losses.

The Pool is governed by an eleven member board of trustees (Board) made up of active participants in the Pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for monitoring performance of the Pool. Financial information for the Pool can be obtained by writing to Post Office Box 400, Austin, Texas 78767-0400 or by calling 1-800-758-3927.

The Jourdanton Independent School District has no investments measured at the Net Asset Value (NAV) per Share (or its equivalent).

B. PROPERTY TAXES

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

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances, primarily for payroll clearing purposes, at August 31, 2017 consisted of the following amounts:

Due to Non-Major Governmental Funds From:

General Fund	\$ _____ -
Total Due to Non-Major Governmental Funds From Other Funds	\$ _____ -

Transfers to Non-Major Governmental Funds From:

General Fund	<u>\$ 156,054</u>
Total Transfers to Non-Major Governmental Funds From Other Funds	<u>\$ 156,054</u>

Transfers were used to supplement the District’s Child Nutrition Program.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2017 were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$ 1,057,167	\$ 661,034	\$ -	\$ 118,572	\$ 1,836,773
Nonmajor Governmental Funds	<u>51,794</u>	<u>95,077</u>	<u>-</u>	<u>225</u>	<u>147,096</u>
Total - Governmental Activities	<u>\$ 1,108,961</u>	<u>\$ 756,111</u>	<u>\$ -</u>	<u>\$ 118,797</u>	<u>\$ 1,983,869</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 166,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,344</u>

Payables at August 31, 2017 were as follows:

	<u>Accounts Payable</u>	<u>Salaries and Benefits</u>	<u>Due To Other Funds</u>	<u>Due To Other Governments</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 57,844	\$ 635,981	\$ -	\$ 1,395,397	\$ 2,089,222
Capital Projects Fund	3,569,298	-	-	-	3,569,298
Nonmajor Gov. Funds	<u>53,647</u>	<u>63,895</u>	<u>-</u>	<u>-</u>	<u>117,542</u>
Total - Gov. Activities	<u>\$ 3,680,789</u>	<u>\$ 699,876</u>	<u>\$ -</u>	<u>\$ 1,395,397</u>	<u>\$ 5,776,062</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended August 31, 2017 was as follows:

	<u>Primary Government</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	
Governmental activities:				
Land	\$ 1,181,420	\$ -	\$ -	\$ 1,181,420
Buildings and improvements	18,418,471	19,719,616	-	38,138,087
Equipment	2,874,947	-	(38,694)	2,836,253
Library books and media	120,525	-	-	120,525
Construction in progress	<u>8,785,811</u>	<u>4,195,984</u>	<u>-</u>	<u>12,981,795</u>
Total at historical cost	<u>31,381,174</u>	<u>23,915,600</u>	<u>(38,694)</u>	<u>55,258,080</u>
Less accumulated depreciation				
Buildings and improvements	(5,018,756)	(559,088)	-	(5,577,844)
Equipment	(1,831,333)	(180,058)	38,694	(1,972,697)
Library books and media	<u>(116,833)</u>	<u>-</u>	<u>-</u>	<u>(116,833)</u>
Total accumulated depreciation	<u>(6,966,922)</u>	<u>(739,146)</u>	<u>38,694</u>	<u>(7,667,374)</u>
Governmental activities capital assets, net	<u>\$24,414,252</u>	<u>\$23,176,454</u>	<u>\$ -</u>	<u>\$47,590,706</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 379,866
Instructional Resources & Media Services	6,331
School Leadership	44,837
Guidance, Counseling & Evaluation Services	16,789
Health Services	5,042
Student Transportation	127,459
Food Services	35,757
Extracurricular Activities	6,700
General Administration	31,454
Plant Maintenance and Operations	76,764
Data Processing Services	<u>8,147</u>
Total Depreciation Expense	<u>\$ 739,146</u>

G. BONDS PAYABLE

Bond indebtedness of the District is reflected in the Statement of Net Position, and current requirements for principles and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonds payable for the year ended August 31, 2017 is as follows:

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 9/1/2016	Issued	Retired/ Refunded	Amounts Outstanding 8/31/2017	Amounts Due Within One Year
Unlimited Tax School Building Bonds, Series 2016	2041	2.00%-5.00 %	\$22,305,000	\$ 1,009,750	\$22,305,000	\$ -	\$ 515,000	\$21,790,000	\$ 555,000
Unlimited Tax School Building Bonds, Series 2017	2047	1.66% 5.00%	19,490,000	-	-	19,490,000	-	19,490,000	75,000
Totals				<u>\$ 1,009,750</u>	<u>\$22,305,000</u>	<u>\$19,490,000</u>	<u>\$ 515,000</u>	<u>\$41,280,000</u>	<u>\$ 630,000</u>

Debt Service requirements for general obligation bonds and refund bonds are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2018	\$ 630,000	\$ 2,056,347	\$ 2,686,347
2019	925,000	1,755,466	2,680,466
2020	955,000	1,725,391	2,680,391
2021	985,000	1,696,996	2,681,996
2022	1,010,000	1,664,600	2,674,600
2023-2027	5,765,000	7,606,625	13,371,625
2028-2032	7,175,000	6,153,200	13,328,200
2033-2037	8,985,000	4,320,875	13,305,875
2038-2042	9,720,000	2,028,400	11,748,400
2043-2047	<u>5,130,000</u>	<u>529,400</u>	<u>5,659,400</u>
Total	<u>\$41,280,000</u>	<u>\$29,537,300</u>	<u>\$70,817,300</u>

H. DEBT PAYABLE

On February 24, 2011, the District issued Maintenance Tax Notes in the amount of \$4,926,000 for the purpose of providing funds to pay maintenance improvements as authorized by Texas Education Code, Section 45.108. The Board of Trustees elected to designate the Note as a “Qualified School Construction Bond” under sections 54A and 54F of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such Note if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on February 15, 2012 and end on February 15, 2026. The interest rate on the Note is 6.75% with a federally subsidized amount of 5.45% for a net interest cost of 1.30% to the District.

On April 8, 2014, the District issued Maintenance Tax Notes in the amount of \$2,300,000 for the purpose of providing funds to pay for repairs and renovations as authorized by Texas Education Code, Section 45.108. The Board of Trustees elected to designate the Note as a “Qualified Zone Academy Bond” under section 54E of the Internal Revenue Code of 1986. Under these sections the District is able to obtain a “Federal Subsidy” or cash subsidy for the amount of interest which would have been payable under such Note if such interest were determined at the applicable credit rate determined under Section 54A(d)(4)(c) of the Internal Revenue Code. Annual principal and interest payments are scheduled to begin on December 15, 2014 and end on December 15, 2027. The interest rate on the Note is 4.95% with a federally subsidized amount of 4.24% for a net interest cost of 0.71% to the District.

Notes payable of the District are reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the General Fund.

A summary of changes in debt payable for the year ended August 31, 2017 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts Outstanding 9/1/16	Issued	Retired	Amounts Outstanding 8/31/17	Due Within One Year
Maintenance Tax Notes Series 2011	1.30%	\$ 4,926,000	\$ 62,650	\$ 3,738,000	\$ -	\$ 352,000	\$ 3,386,000	\$ 357,000
Maintenance Tax Notes Series 2013	0.71%	2,300,000	13,171	1,855,000	-	149,000	1,706,000	150,000
Loan Payable-Buses	3.378%	<u>281,634</u>	<u>7,914</u>	<u>228,675</u>	<u>-</u>	<u>54,163</u>	<u>174,511</u>	<u>56,188</u>
TOTAL		<u>\$ 7,507,634</u>	<u>\$ 83,735</u>	<u>\$ 5,821,675</u>	<u>\$ -</u>	<u>\$ 555,163</u>	<u>\$ 5,266,511</u>	<u>\$ 563,188</u>

Long-term debt service requirements are as follows:

Year Ended August 31,	Total Requirements		
	Principal	Interest	Total
2018	\$ 563,188	\$ 62,020	\$ 625,208
2019	571,086	54,415	625,501
2020	578,237	46,486	624,723
2021	524,000	38,809	562,809
2022	530,000	32,900	562,900
2023-2027	2,339,000	73,337	2,412,337
2028	<u>161,000</u>	<u>1,144</u>	<u>162,144</u>
Total	<u>\$ 5,266,511</u>	<u>\$ 309,111</u>	<u>\$ 5,575,622</u>

I. CHANGES IN LONG-TERM LIABILITIES

Following is a summary of changes in long-term liabilities for the year ended August 31, 2017:

	<u>Amount Outstanding 9/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amount Outstanding 8/31/17</u>	<u>Due Within One Year</u>
Bonds Payable	\$22,305,000	\$19,490,000	\$ 515,000	\$41,280,000	\$ 630,000
Net Issuance Premiums/ Discounts	<u>3,885,678</u>	<u>743,384</u>	<u>169,962</u>	<u>4,459,100</u>	<u>-</u>
Total Bonds Payable	26,190,678	20,233,384	684,962	45,739,100	630,000
Notes Payable	<u>5,821,675</u>	<u>-</u>	<u>555,163</u>	<u>5,266,511</u>	<u>563,188</u>
	<u>\$32,012,353</u>	<u>\$20,233,384</u>	<u>\$ 1,240,125</u>	<u>\$51,005,611</u>	<u>\$ 1,193,188</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2017.

J. COMMITMENTS UNDER LEASES

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of August 31, 2017, as follows:

Year Ended <u>August 31</u>	
2018	\$ 87,505
2019	<u>69,275</u>
Total Minimum Rentals	<u>\$ 156,780</u>
Rental Expenditures for Fiscal Year 2017	<u>\$ 87,505</u>

K. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

The State of Texas has created a minimum personal leave program consisting of five days per year leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas public schools.

Each district’s local Board of Education is required to establish a leave plan. Local school districts may provide additional leave beyond the state minimum. Jourdanton Independent School District provides an additional five days per year leave above the state granted five days per year. Personal leave is not vested, therefore, upon resignation, termination or nonrenewal of contract, accumulated personal leave is not paid.

L. HEALTH CARE COVERAGE

During the period ended August 31, 2017, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$298 per pay period per employee and dependents based on employee coverage selection to the plan. All premiums were paid to a self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable annually and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross/Blue Shield TRS ActiveCare are available and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

M. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. The Jourdanton Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple- employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retire 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 option group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Website, 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, 204, 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. The Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2017-2015.

Contribution Rates and Contribution Amounts						
	<u>Active Member</u>		<u>State</u>		<u>School District</u>	
<u>Year</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
2017	.65%	\$ 64,967	1.0%	\$ 99,949	.55%	\$ 54,972
2016	.65%	\$ 63,973	1.0%	\$ 98,295	.55%	\$ 54,130
2015	.65%	\$ 62,736	1.0%	\$ 96,517	.55%	\$ 53,084

N. DEFINED BENEFIT PENSION PLAN

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

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

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

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>2016</u>	<u>2017</u>
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Jourdanton ISD 2017 Employer Contributions	\$	291,312
Jourdanton ISD 2017 Member Contributions		769,610
Jourdanton ISD 2017 NECE On-Behalf Contributions		520,313

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

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

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

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

- * When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- * 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 liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.0%
Long-term expected Investment Rate of Return	8.0%
Inflation	2.5%
Salary Increases Including Inflation	3.5% to 9.5%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily 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 liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contributions 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	100%		8.7%

* 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%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
Jourdanton ISD’s proportionate share of the net pension liability:	<u>\$ 5,146,743</u>	<u>\$ 3,325,493</u>	<u>\$ 1,780,705</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2017, Jourdanton Independent School District reported a liability of \$3,325,493 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to Jourdanton Independent School District. The amount recognized by Jourdanton Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Jourdanton Independent School District were as follows:

District’s proportionate share of the collective net pension liability	\$ 3,325,493
State’s proportionate share that is associated with the District	<u>6,176,031</u>
Total	<u>\$ 9,501,524</u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 thru August 31, 2016.

At August 31, 2016, the employer’s proportion of the collective net pension liability was .000088003% which was a decrease of .000006824% 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 liability during the measurement period.

For the year ended August 31, 2017, Jourdanton Independent School District recognized pension expense of \$640,925 and revenue of \$640,925 for support provided by the State in the Government Wide Statement of Activities.

At August 31, 2017, Jourdanton Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 52,143	\$ 99,297
Changes in actuarial assumptions	101,355	92,178
Differences between projected and actual investment earnings	281,596	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	650,372	65,477
Contributions paid to TRS subsequent to the measurement date	<u>291,312</u>	<u>-</u>
Total	<u>\$ 1,376,778</u>	<u>\$ 256,952</u>

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

<u>Year Ended August 31</u>	<u>Pension Expense Amount</u>
2017	\$ 147,401
2018	147,401
2019	327,016
2020	133,601
2021	78,067
Thereafter	(4,973)

O. MEDICARE PART D - ON BEHALF PAYMENTS

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was 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 drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of Jourdanton Independent School District for fiscal years 2015, 2016, and 2017 were \$42,687, \$40,199, and \$32,375.

P. LITIGATION

The District is occasionally involved in litigation in the general course of business. Attorneys for the District indicate there is no pending litigation at August 31, 2017.

Q. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 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 provision has been recorded in the accompanying combined financial statements for such contingencies.

The District is in the process of facility renovations as of August 31, 2017. Related costs to be provided for in the 2017-2018 year are \$12,065,785.

R. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides alternative campuses to member districts. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided by TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in its Special Revenue Fund and Fund 459 “Special Education Unit” and will be accounted for using Model 3 in the SSA section of the Resource Guide. Contributions to the SSA are summarized below:

<u>Member Districts</u>	<u>Special Education Unit</u>
Charlotte Independent School District	\$ 5,825
Devine Independent School District	5,825
Dilley Independent School District	5,825
Jourdanton Independent School District	5,825
Lytle Independent School District	5,825
McMullen County	5,825
Natalia Independent School District	5,825
Pearsall Independent School District	5,825
Pleasanton Independent School District	5,825
Poteet Independent School District	5,825
Somerset Independent School District	5,825
Portions Relieved from/(added to) Deferred Revenue	<u>742</u>
Totals	<u>\$ 64,817</u>

S. UNEARNED REVENUE

Unearned revenue at year end consisted of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Funds</u>	<u>Total</u>
State Revenue	\$ -	\$ -	\$ 3,660	\$ 3,660
Federal Revenue	-	-	17,836	17,836
Local Revenue	<u>21,500</u>	<u>-</u>	<u>-</u>	<u>21,500</u>
Total Unearned Revenue	<u>\$ 21,500</u>	<u>\$ -</u>	<u>\$ 21,496</u>	<u>\$ 42,996</u>

T. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2017, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 660,692	\$ -	\$ 342	\$ 661,034
Other Funds	<u>1,188</u>	<u>93,889</u>	<u>-</u>	<u>95,077</u>
Total	<u>\$ 661,880</u>	<u>\$ 93,889</u>	<u>\$ 342</u>	<u>\$ 756,111</u>

U. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Property Taxes	\$ 8,718,892	\$ -	\$ 1,498,905	\$10,217,797
Penalties, Interest and Other				
Tax-related Income	136,247	-	13,987	150,234
Investment Income	9,807	102,794	83	112,684
Rent	29,337	-	-	29,337
Foundation, Gifts and Bequests	-	-	7,868	7,868
Insurance Recovery	-	-	-	-
Food Sales	-	-	244,606	244,606
Extracurricular Student Activities	73,532	-	-	73,532
Enterprising Revenue	-	-	215,217	215,217
Shared Service	-	-	64,817	64,817
Other	<u>80,456</u>	<u>-</u>	<u>2,523</u>	<u>82,979</u>
Total	<u>\$ 9,048,271</u>	<u>\$ 102,794</u>	<u>\$ 2,048,006</u>	<u>\$11,199,071</u>

V. GENERAL FUND FEDERAL SOURCES REVENUE

<u>Program or Source</u>	<u>CFDA Number</u>	<u>Amount</u>
School Health and Related Services (SHARS) Program	N/A	\$ 306,701
Medicaid Administrative Claiming Program (MAC)	N/A	<u>149,131</u>
Total		<u>\$ 455,832</u>

W. RELATED PARTY TRANSACTIONS

During the year the District received printing services and office supplies from R B Printing in the amount of \$2,665. R B Printing is owned by a trustee of the District. There was a related party payable to R B Printing of \$46 as of August 31, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-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	\$ 8,954,613	\$ 9,054,145	\$ 9,048,270	\$ (5,875)
5800	State Program Revenues	3,908,315	3,585,467	3,945,465	359,998
5900	Federal Program Revenues	-	331,432	455,831	124,399
5020	Total Revenues	12,862,928	12,971,043	13,449,566	478,523
EXPENDITURES:					
Current:					
0011	Instruction	7,815,966	8,316,736	8,130,062	186,674
0012	Instructional Resources and Media Services	97,895	90,995	91,568	(573)
0013	Curriculum and Instructional Staff Development	29,700	25,400	22,016	3,384
0021	Instructional Leadership	92,868	96,368	94,328	2,040
0023	School Leadership	929,585	907,585	912,796	(5,211)
0031	Guidance, Counseling and Evaluation Services	320,720	314,720	317,366	(2,646)
0033	Health Services	71,816	69,816	69,879	(63)
0034	Student (Pupil) Transportation	437,824	402,824	396,057	6,767
0035	Food Services	21,936	19,536	19,471	65
0036	Extracurricular Activities	765,113	810,576	806,377	4,199
0041	General Administration	572,794	607,983	599,479	8,504
0051	Facilities Maintenance and Operations	1,417,079	1,462,079	1,479,157	(17,078)
0052	Security and Monitoring Services	58,000	58,200	57,981	219
0053	Data Processing Services	200,464	203,225	222,404	(19,179)
0061	Community Services	678	2,978	2,903	75
Debt Service:					
0071	Principal on Long Term Debt	555,163	555,163	555,163	-
0072	Interest on Long Term Debt	83,533	83,736	83,735	1
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	208	207	1
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	351,401	135,401	135,401	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	6,000	6,000	5,825	175
0099	Other Intergovernmental Charges	228,265	208,377	208,377	-
6030	Total Expenditures	14,056,800	14,377,906	14,210,552	167,354
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,193,872)	(1,406,863)	(760,986)	645,877
OTHER FINANCING SOURCES (USES):					
8911	Transfers Out (Use)	(214,724)	(165,793)	(156,054)	9,739
1200	Net Change in Fund Balances	(1,408,596)	(1,572,655)	(917,040)	655,615
0100	Fund Balance - September 1 (Beginning)	4,627,748	4,627,748	4,627,748	-
3000	Fund Balance - August 31 (Ending)	\$ 3,219,152	\$ 3,055,093	\$ 3,710,708	\$ 655,615

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2017

EXHIBIT G-2

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.000088003%	0.000094827%	0.000060084%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 3,325,493	\$ 3,352,008	\$ 1,604,926
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	6,176,031	5,928,650	5,233,836
Total	<u>\$ 9,501,524</u>	<u>\$ 9,280,658</u>	<u>\$ 6,838,762</u>
District's Covered-Employee Payroll	\$ 9,829,458	\$ 9,651,681	\$ 9,632,422
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	33.83%	34.73%	16.67%
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."

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2017

EXHIBIT G-3

	2017	2016	2015
Contractually Required Contribution	\$ 291,312	\$ 279,607	\$ 268,708
Contribution in Relation to the Contractually Required Contribution	(291,312)	(279,607)	(268,708)
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered-Employee Payroll	\$ 9,994,924	\$ 9,829,458	\$ 9,651,681
Contributions as a Percentage of Covered-Employee Payroll	2.91%	2.84%	2.78%

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."

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2017

Changes of 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 in the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

COMBINING AND OTHER STATEMENTS

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	294 SSA Head Start	
ASSETS					
1110	Cash and Cash Equivalents	\$ (30,972)	\$ 86,710	\$ (16,782)	\$ 14,787
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	51,444	25,664	16,782	-
1290	Other Receivables	-	225	-	-
1300	Inventories	-	14,578	-	-
1000	Total Assets	<u>\$ 20,472</u>	<u>\$ 127,177</u>	<u>\$ -</u>	<u>\$ 14,787</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 45,904	\$ -	\$ -
2160	Accrued Wages Payable	18,683	26,308	-	13,470
2200	Accrued Expenditures	1,789	494	-	1,317
2300	Unearned Revenues	-	17,836	-	-
2000	Total Liabilities	<u>20,472</u>	<u>90,542</u>	<u>-</u>	<u>14,787</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	14,578	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	22,057	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>36,635</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 20,472</u>	<u>\$ 127,177</u>	<u>\$ -</u>	<u>\$ 14,787</u>

331 SSA - Career & Technical - Basic Grant	410 State Textbook Fund	429 Read to Succeed Lic. Program	459 Special Education Unit	461 Campus Activity Funds	483 Virginia Steinle Fund	484 Billy & Alberta Mueller Fund	485 Paul Gansky Fund
\$ -	\$ 5,872	\$ -	\$ 9,090	\$ 84,420	\$ 20,163	\$ 3,190	\$ 650
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,187	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 7,059</u>	<u>\$ -</u>	<u>\$ 9,090</u>	<u>\$ 84,420</u>	<u>\$ 20,163</u>	<u>\$ 3,190</u>	<u>\$ 650</u>
\$ -	\$ 6,947	\$ -	\$ -	\$ 796	\$ -	\$ -	\$ -
-	-	-	5,434	-	-	-	-
-	-	-	108	-	-	-	-
-	112	-	3,548	-	-	-	-
<u>-</u>	<u>7,059</u>	<u>-</u>	<u>9,090</u>	<u>796</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	83,624	-	-	-
-	-	-	-	-	20,163	3,190	650
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,624</u>	<u>20,163</u>	<u>3,190</u>	<u>650</u>
<u>\$ -</u>	<u>\$ 7,059</u>	<u>\$ -</u>	<u>\$ 9,090</u>	<u>\$ 84,420</u>	<u>\$ 20,163</u>	<u>\$ 3,190</u>	<u>\$ 650</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2017

Data Control Codes	Total Nonmajor Special Revenue Funds	516 Debt Service Fund	Total Nonmajor Governmental Funds	
ASSETS				
1110	Cash and Cash Equivalents	\$ 177,128	\$ 2,309	\$ 179,437
1220	Property Taxes - Delinquent	-	51,794	51,794
1230	Allowance for Uncollectible Taxes (Credit)	-	(7,769)	(7,769)
1240	Receivables from Other Governments	95,077	-	95,077
1290	Other Receivables	225	-	225
1300	Inventories	14,578	-	14,578
1000	Total Assets	<u>\$ 287,008</u>	<u>\$ 46,334</u>	<u>\$ 333,342</u>
LIABILITIES				
2110	Accounts Payable	\$ 53,647	\$ -	\$ 53,647
2160	Accrued Wages Payable	63,895	-	63,895
2200	Accrued Expenditures	3,708	-	3,708
2300	Unearned Revenues	21,496	-	21,496
2000	Total Liabilities	<u>142,746</u>	<u>-</u>	<u>142,746</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	39,277	39,277
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>39,277</u>	<u>39,277</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	14,578	-	14,578
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	22,057	-	22,057
3480	Retirement of Long-Term Debt	-	7,057	7,057
Committed Fund Balance:				
3545	Other Committed Fund Balance	83,624	-	83,624
3600	Unassigned Fund Balance	24,003	-	24,003
3000	Total Fund Balances	<u>144,262</u>	<u>7,057</u>	<u>151,319</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 287,008</u>	<u>\$ 46,334</u>	<u>\$ 333,342</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	255 ESEA II,A Training and Recruiting	294 SSA Head Start
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ 244,676	\$ -	\$ -
5800 State Program Revenues	-	4,677	-	-
5900 Federal Program Revenues	242,069	689,686	66,326	130,000
5020 Total Revenues	242,069	939,039	66,326	130,000
EXPENDITURES:				
Current:				
0011 Instruction	210,394	-	66,326	146,643
0033 Health Services	31,675	-	-	-
0035 Food Services	-	1,075,653	-	-
0036 Extracurricular Activities	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	242,069	1,075,653	66,326	146,643
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(136,614)	-	(16,643)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	120,000	-	16,643
1200 Net Change in Fund Balance	-	(16,614)	-	-
0100 Fund Balance - September 1 (Beginning)	-	53,249	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 36,635	\$ -	\$ -

331 SSA - Career & Technical - Basic Grant	410 State Textbook Fund	429 Read to Succeed Lic. Program	459 Special Education Unit	461 Campus Activity Funds	483 Virginia Steinle Fund	484 Billy & Alberta Mueller Fund	485 Paul Gansky Fund
\$ -	\$ -	\$ -	\$ 64,817	\$ 222,958	\$ 10	\$ 2,000	\$ 650
-	50,887	10,879	-	-	-	-	-
2,371	-	-	-	-	-	-	-
2,371	50,887	10,879	64,817	222,958	10	2,000	650
2,371	50,887	10,879	64,817	-	-	2,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	179,958	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,371	50,887	10,879	64,817	179,958	-	2,000	-
-	-	-	-	43,000	10	-	650
-	-	-	-	-	-	-	-
-	-	-	-	43,000	10	-	650
-	-	-	-	40,624	20,153	3,190	-
\$ -	\$ -	\$ -	\$ -	\$ 83,624	\$ 20,163	\$ 3,190	\$ 650

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2017

Data Control Codes	Total Nonmajor Special Revenue Funds	516 Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 535,111	\$ 1,512,896	\$ 2,048,007
5800 State Program Revenues	66,443	-	66,443
5900 Federal Program Revenues	1,130,452	-	1,130,452
5020 Total Revenues	1,732,006	1,512,896	3,244,902
EXPENDITURES:			
Current:			
0011 Instruction	554,317	-	554,317
0033 Health Services	31,675	-	31,675
0035 Food Services	1,075,653	-	1,075,653
0036 Extracurricular Activities	179,958	-	179,958
Debt Service:			
0071 Principal on Long Term Debt	-	515,000	515,000
0072 Interest on Long Term Debt	-	1,009,750	1,009,750
0073 Bond Issuance Cost and Fees	-	500	500
6030 Total Expenditures	1,841,603	1,525,250	3,366,853
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,597)	(12,354)	(121,951)
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	136,643	19,411	156,054
1200 Net Change in Fund Balance	27,046	7,057	34,103
0100 Fund Balance - September 1 (Beginning)	117,216	-	117,216
3000 Fund Balance - August 31 (Ending)	\$ 144,262	\$ 7,057	\$ 151,319

JOURDANTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2017

	BALANCE SEPTEMBER 1 2016	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2017
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 88,115	\$ 189,997	\$ 200,032	\$ 78,080
Liabilities:				
Accounts Payable	\$ 478	\$ 97,321	\$ 97,799	\$ -
Due to Student Groups	87,637	189,997	199,554	78,080
Total Liabilities	\$ 88,115	\$ 287,318	\$ 297,353	\$ 78,080
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 88,115	\$ 189,997	\$ 200,032	\$ 78,080
Liabilities:				
Accounts Payable	\$ 478	\$ 97,321	\$ 97,799	\$ -
Due to Student Groups	87,637	189,997	199,554	78,080
Total Liabilities	\$ 88,115	\$ 287,318	\$ 297,353	\$ 78,080

T.E.A. REQUIRED SCHEDULES

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2017

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2008 and prior years	Various	Various	\$ Various
2009	1.170000	0.000000	410,324,964
2010	1.170000	0.000000	437,900,121
2011	1.170000	0.000000	453,741,129
2012	1.170000	0.000000	453,384,530
2013	1.221000	0.000000	529,953,569
2014	1.046000	0.000000	748,026,482
2015	1.170000	0.000000	804,674,701
2016	1.170000	0.000000	864,535,812
2017 (School year under audit)	1.170000	0.206200	748,548,612
1000 TOTALS			

(10) Beginning Balance 9/1/2016	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2017
\$ 309,227	\$ -	\$ 15,958	\$ -	\$ (32,606)	\$ 260,663
37,117	-	3,221	-	(2,545)	31,351
36,343	-	2,724	-	(1,962)	31,657
35,240	-	3,083	-	(2,332)	29,825
40,831	-	4,312	-	(2,296)	34,223
53,649	-	5,638	-	(652)	47,359
112,555	-	10,096	-	(25,718)	76,741
98,209	-	16,866	-	(1,479)	79,864
310,530	-	127,457	-	(11,474)	171,599
-	10,301,526	8,529,537	1,498,905	72,595	345,679
<u>\$ 1,033,701</u>	<u>\$ 10,301,526</u>	<u>\$ 8,718,892</u>	<u>\$ 1,498,905</u>	<u>\$ (8,469)</u>	<u>\$ 1,108,961</u>

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 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	\$ 291,449	\$ 235,450	\$ 244,676	\$ 9,226
5800 State Program Revenues	4,000	4,677	4,677	-
5900 Federal Program Revenues	676,275	666,296	689,686	23,390
5020 Total Revenues	971,724	906,424	939,039	32,615
EXPENDITURES:				
0035 Food Services	1,131,749	1,046,304	1,075,653	(29,349)
0051 Facilities Maintenance and Operations	120	120	-	120
6030 Total Expenditures	1,131,869	1,046,424	1,075,653	(29,229)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(160,145)	(140,000)	(136,614)	3,386
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	160,145	120,000	120,000	-
1200 Net Change in Fund Balances	-	(20,000)	(16,614)	3,386
0100 Fund Balance - September 1 (Beginning)	53,249	53,249	53,249	-
3000 Fund Balance - August 31 (Ending)	\$ 53,249	\$ 33,249	\$ 36,635	\$ 3,386

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 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	\$ 1,524,750	\$ 1,524,750	\$ 1,512,896	\$ (11,854)
5020	Total Revenues	1,524,750	1,524,750	1,512,896	(11,854)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	515,000	515,000	515,000	-
0072	Interest on Long Term Debt	1,009,750	1,009,750	1,009,750	-
0073	Bond Issuance Cost and Fees	-	-	500	(500)
6030	Total Expenditures	1,524,750	1,524,750	1,525,250	(500)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(12,354)	(12,354)
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	19,411	19,411
1200	Net Change in Fund Balances	-	-	7,057	7,057
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 7,057	\$ 7,057

FEDERAL SECTION

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

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jourdanton Independent School District, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the Jourdanton Independent School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jourdanton Independent School 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 Jourdanton Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jourdanton Independent School 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 Jourdanton Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Coleman, Horton & Company, LLP

Uvalde, Texas
November 30, 2017

COLEMAN, HORTON & COMPANY, LLP
Certified Public Accountants

400 E. NOPAL ST.
UVALDE, TEXAS 78801-5305

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

To the Board of Trustees of
Jourdanton Independent School District
200 Zanderson
Jourdanton, Texas 78026

Report on Compliance for Each Major Federal Program

We have audited the Jourdanton Independent School District's 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 Jourdanton Independent School District's major federal programs for the year ended August 31, 2017. Jourdanton Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Jourdanton Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Jourdanton Independent School 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 Jourdanton Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Jourdanton Independent School 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 August 31, 2017.

Report on Internal Control over Compliance

Management of the Jourdanton Independent School 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 Jourdanton Independent School 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 Jourdanton Independent School District's internal control over compliance.

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

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

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

Coleman, Horton & Company, LLP

Uvalde, Texas
November 30, 2017

JOURDANTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2017

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Control deficiency(ies) identified? Yes No

Control deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

Control deficiency(ies) identified? Yes No

Control deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 200.56 of the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA #10.553	School Breakfast Program
CFDA #10.555	National School Lunch Program - Cash Assistance
CFDA #10.555	National School Lunch Program - Non-cash Assistance

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

Auditee qualified as low-risk auditee? Y Yes No

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2017

B. Financial Statements

----- None Noted -----

C. Federal Award Findings and Questioned Costs

----- None Noted -----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2017

----- None Noted -----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2017

----- None Noted -----

JOURDANTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 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 EDUCATION			
<u>Passed Through Region XX Service Center</u>			
SSA - Career and Technical - Basic Grant	84.048	17-420006007902	\$ 2,371
Total Passed Through Region XX Service Center			\$ 2,371
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	17-610101007902	\$ 216,313
*ESEA, Title I, Part D - Subpart 2	84.010A	17-610103007902	25,756
Total CFDA Number 84.010A			242,069
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	17-694501007902	66,326
Total Passed Through State Department of Education			\$ 308,395
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 310,766
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through BCFS Education Services</u>			
SSA - Head Start	93.600	N/A	\$ 130,000
Total Passed Through BCFS Education Services			\$ 130,000
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778		\$ 149,131
Total Passed Through Texas Dept of Human Services			\$ 149,131
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 279,131
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401701	\$ 241,352
*National School Lunch Program - Cash Assistance	10.555	71301701	388,172
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	60,162
Total CFDA Number 10.555			448,334
Total Child Nutrition Cluster			689,686
Total Passed Through the State Department of Agriculture			\$ 689,686
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 689,686
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,279,583

*Clustered Programs

**Schedule does not include federal revenue reported in the General Fund consisting of SHARS of \$306,701.

JOURDANTON INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System 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.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases 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 General 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 unearned revenues until earned.

- The period performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, Part 3, Uniform Guidance Compliance Supplement.
- CFDA numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.

SCHOOLS FIRST QUESTIONNAIRE

Jourdanton Independent School District

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.	\$3,325,493
SF13	Pension Expense (6147) at fiscal year-end.	