

EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

EAST CHAMBERS ISD FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$23,389,029 at August 31, 2014.
- During the year, the District's revenues were \$3,181,401 more than expenses.
- The general fund reported a fund balance this year of \$2,623,400, all of which is for unrestricted use by the District.
- The District received the highest rating (Superior Achievement) in the State's Financial Integrity Rating System of Texas once again.

The District's combined net position was \$23,389,029 at August 31, 2014. (See Table I)

Table I
East Chambers Independent School District
Net Position

	August 31, 2014	August 31, 2013
Current and Other Assets	\$ 5,219,385	\$ 5,355,260
Capital Assets	26,482,598	23,445,517
Total Assets	<u>31,701,983</u>	<u>28,800,777</u>
Long-term Liabilities	7,657,829	8,167,110
Other Liabilities	655,125	426,040
Total Liabilities	<u>8,312,954</u>	<u>8,593,150</u>
Net Assets:		
Invested in Capital Assets Net of Related Debt	18,791,427	15,245,065
Restricted	1,584,054	1,791,329
Unrestricted	<u>3,013,548</u>	<u>3,171,233</u>
Total Net Position	<u><u>\$ 23,389,029</u></u>	<u><u>\$ 20,207,627</u></u>

Approximately \$18.8 million of the District's net position represent investments in capital assets net of related debt. Restricted net position includes assets restricted for debt service, construction and federal and state programs.

Changes in net position. The District's total revenues were \$16.4 million. A significant portion, 69 percent, of the District's revenue comes from federal and state aid, 17 percent comes from property taxes, while only 2 percent relates to charges for services and 13 percent to investment and other miscellaneous revenue.

Total Cost of all programs and services was \$13.2 million; of this amount 6.8 million of these costs relate to functions for instruction.

Net position of the District's governmental activities for the current year increased \$3.18 million (see Table II on page 7 of this report). This is an indication that the government's overall financial position has improved.

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Key elements of the governmental activities of the District are reflected in the following table.

**Table II
East Chambers Independent School District
Changes in Net Position**

	August 31, 2014	August 31, 2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 313,213	\$ 313,069
Operating Grants and Contributions	1,615,019	1,476,602
General Revenues:		
Property Taxes	2,743,944	2,774,518
State Aid - Formula Grants		
Grants and Contributions - Not Restricted to		
Specific Functions	9,649,624	7,337,109
Investment Earnings	7,998	11,068
Miscellaneous	2,077,097	658,534
Total Revenues	<u>16,406,895</u>	<u>12,570,900</u>
Expenses:		
Instruction	6,819,130	6,179,509
Instructional Resources and Media Services	283,162	269,183
Curriculum/Instructional Development	34,429	24,626
Instructional Leadership	187,450	176,511
School Leadership	536,530	489,931
Guidance and Counseling Services	371,918	366,744
Health Services	93,068	91,738
Student (Pupil) Transportation	472,961	479,260
Food Services	757,683	773,977
Cocurricular/Extracurricular Activities	757,217	701,659
General Administration	493,759	484,228
Plant Maintenance and Operations	1,949,529	1,631,905
Security and Monitoring Services	36,828	29,540
Data Processing Services	92,161	80,771
Community Services	22,335	-
Debt Services - Interest on Long-Term Debt	287,363	302,079
Payments to Fiscal Agent/Member Districts of SSA		
	29,971	44,643
Total Expenses	<u>13,225,494</u>	<u>12,126,304</u>
Increase in Net Position	3,181,401	444,596
Net Position - September 1 (Beginning)	20,207,628	19,438,002
Prior Period Adjustment	-	325,029
Net Position - September 1 (Restated)	<u>20,207,628</u>	<u>19,763,031</u>
Net Position - August 31 (Ending)	<u>\$ 23,389,029</u>	<u>\$ 20,207,627</u>

EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

- Property tax rates were set at \$1.04005 per \$100 valuation for maintenance and operations and \$0.18 for debt service. The rate for 2014 is set at \$1.04005 for maintenance and operations and \$0.18 for principal and interest on debts.
- The District continues to pay down the \$7.385 million of general obligation bonds.

Table III presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all governmental activities this year was \$13.2 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$2.7 million.
- Some of the cost was paid by those who directly benefited from the programs \$313,213, or by grants and contributions \$1.6 million.

Table III
Net Cost of Selected District Functions

	Total Cost of Services		Net Cost of Services	
	2013	2013	2014	2013
Instruction	\$ 6,819,130	\$ 6,179,509	\$ 5,952,771	\$ 5,395,143
School Administration	493,759	484,228	480,428	473,010
School Leadership	536,530	489,931	511,954	469,419
Plant Maintenance & Operations	1,949,529	1,631,905	1,920,548	1,612,427
Cocurricular/Extracurricular Activities	757,217	701,659	698,769	641,037
Food Service	757,683	773,977	50,021	(10,207)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District continues its commitment to approach fiscal matters in a conservative manner. Student population increases continue at a consistent and predictable rate with total enrollment reaching 1410 students this year. This is slightly more than was projected last year. The District continues to invest in the physical plant. Currently, the District has completed a project with FEMA and Chambers County to construct a safe shelter in the event of a hurricane. It also serves as a new cafeteria for grades 5-12 as a secondary use. FEMA has granted \$2.4 million to the project Chambers County \$600,000.00 and the district the remaining \$700,000.00. Plans for the upcoming year are to repurpose the old cafeteria into a band hall. Construction of an agriculture barn for students to keep their animals on site has begun and will be completed by the end of the year. The District continues to maintain a healthy fund balance while not incurring new debt for projects in the near future. If growth continues, the District will need to explore options to construct a new classrooms building to house 4th and 5th grades. Currently, the Board and Superintendent are weighing financing options for expansion and upgrades at the elementary school.

EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets. At August 31, 2014 the District had \$26.5 million (net of depreciation) invested in a broad range of capital assets, including land, buildings, furniture and equipment used for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase (including additions and deductions) of \$3,037,081 million over last year.

East Chambers Independent School District Capital Assets Governmental Activities

	August 31, 2014	August 31, 2013
Land	\$ 461,954	\$ 461,954
Construction in Progress	3,527,477	2,467,224
Buildings and Improvements	31,601,977	29,095,678
Equipment	1,790,936	1,505,472
Vehicles	1,829,537	1,728,999
Totals at Historical Cost	<u>39,211,881</u>	<u>35,259,327</u>
Less Accumulated Depreciation:		
Buildings and Improvements	(9,905,003)	(9,184,697)
Equipment	(1,467,667)	(1,366,362)
Vehicles	(1,356,613)	(1,262,751)
Total Accumulated Depreciation	<u>(12,729,283)</u>	<u>(11,813,810)</u>
Net Capital Assets	<u>\$26,482,598</u>	<u>\$ 23,445,517</u>

Long-Term Debt. At year-end, the District had \$7.385 million in bonds and notes outstanding. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

East Chambers Independent School District Outstanding Debt

	August 31, 2014	August 31, 2013
Governmental activities:		
Current Interest Bonds	\$ 7,385,000	\$ 7,825,000
Add: Premium on Bonds	239,486	257,907
Capital Leases Payable	-	65,860
Compensated absences	33,343	33,342
Total	<u>\$ 7,657,829</u>	<u>\$ 8,182,109</u>

EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

- Appraised values continue to increase at a very modest rate; however, with very few options to expand the budget, the District continues to review staffing patterns, special projects, and revenue and expenditure projections. Staff positions that were cut when the state cut funding have now been restored and the District is operating pre-cut levels. Fiscal year 2014-2015 has seen a complete restoration of pre-recession staffing patterns.
- General operating fund spending per student increased slightly in the 2014-2015 school year. The District is cautiously optimistic that this trend will continue for the next two years.
- The District's 2014-2015 membership is expected to be around 1,420 with refined ADA of 1,320. This continues the trend of the last decade of slight year over year enrollment growth and helps provide financial stability.

These indicators were taken into account when adopting the general fund budget for 2014-2015. The District believes it will be able to continue to add positions, and with enrollment growth, maintain the restored positions in the 2014-2015 budget. The District gave a 3% raise to employees and considers it likely that it will be able to continue to give modest raises during the next two year cycle.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Services Department, 1955 State Hwy. 124 Winnie, Texas 77665.

Comparison of Revenue to Budget
As of: August

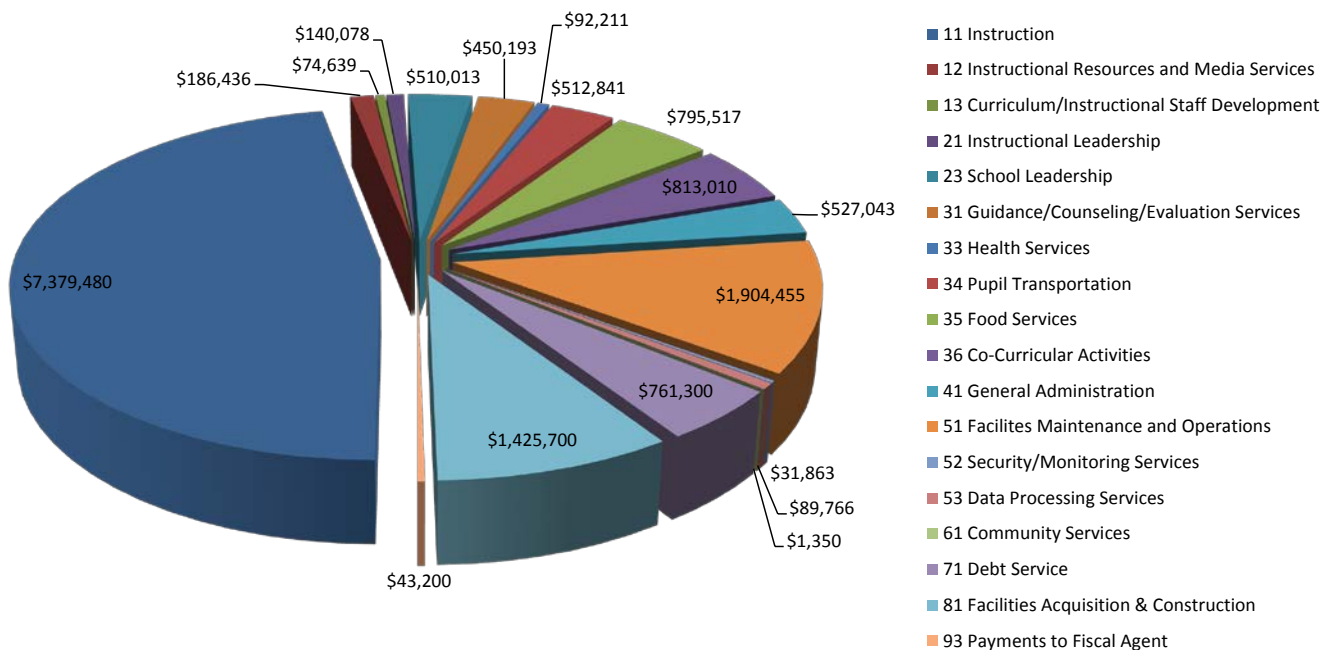
	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
null					
863 / 5 - PAYROLL CLEARING FUND	.00	-21.23	-338.14	-338.14	.00%
	.00	-21.23	-338.14	-338.14	.00%
General Operating Funds					
199 / 5 - GENERAL FUND	11,445,850.00	-328,557.34	-12,278,095.86	-832,245.86	107.27%
199 / 5 - 7000	.00	-367,946.00	-367,946.00	-367,946.00	.00%
Total General Operating Funds	11,445,850.00	-696,503.34	-12,278,095.86	-832,245.86	107.27%
7000	.00	-367,946.00	-367,946.00	-367,946.00	.00%
Special Revenue Funds					
211 / 5 - TITLE I ESEA PART A	161,394.00	.00	-161,394.00	.00	100.00%
224 / 5 - IDEA PART B, FORMULA	247,676.00	-20,987.76	-238,806.93	8,869.07	96.42%
225 / 5 - IDEA PART B, PRESCHOOL	9,445.00	.00	-9,445.00	.00	100.00%
240 / 5 - NAT BREAKFAST & LUNCH PROGRAM	761,068.00	-27,828.41	-804,179.51	-43,111.51	105.66%
255 / 5 - PRINCIPAL/TEACHER TRAINING	45,138.00	.00	-45,138.00	.00	100.00%
263 / 5 - TITLE III / ENGLISH LANG INSTR	37,224.00	-20,978.48	-37,224.00	.00	100.00%
289 / 5 - FEDERAL SPECIAL REVENUE FUND	.00	.00	-3,320.00	-3,320.00	.00%
331 / 5 - SHARED SERVICES ARRANGEMENT	21,186.00	.00	-21,186.00	.00	100.00%
410 / 5 - STATE INSTRUCTIONAL MATERIALS	428,477.71	-129,866.55	-216,348.36	212,129.35	50.49%
Total Special Revenue Funds	1,711,608.71	-199,661.20	-1,537,041.80	174,566.91	89.80%
Interest and Sinking Funds					
599 / 5 - DEBT SERVICE FUND	826,009.00	-95.30	-865,137.04	-39,128.04	104.74%
Total Interest & Sinking	826,009.00	-95.30	-865,137.04	-39,128.04	104.74%
Construction Funds					
616 / 5 - PSF CAPITAL IMPROVEMENT FUND	.00	-26.61	-579,400.34	-579,400.34	.00%
Total Construction	.00	-26.61	-579,400.34	-579,400.34	.00%
Grand Total Revenues 5000	13,983,467.71	-528,361.68	-15,260,013.18	-1,276,545.47	109.13%
7000	.00	-367,946.00	-367,946.00	-367,946.00	.00%

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
General Operating Funds						
199 / 5 - GENERAL FUND	-11,965,737.00	.00	12,425,944.86	2,051,883.96	460,207.86	103.85%
Total General Operating Funds	-11,965,737.00	.00	12,425,944.86	2,051,883.96	460,207.86	103.85%
Special Revenue Funds						
211 / 5 - TITLE I ESEA PART A	-161,394.00	.00	161,394.00	-3,877.83	.00	100.00%
224 / 5 - IDEA PART B, FORMULA	-247,676.00	.00	238,806.93	-.00	-8,869.07	96.42%
225 / 5 - IDEA PART B, PRESCHOOL	-9,445.00	.00	9,445.00	-1,152.19	.00	100.00%
240 / 5 - NAT BREAKFAST & LUNCH PROGRAM	-795,517.00	.00	790,898.99	122,750.92	-4,618.01	99.42%
255 / 5 - PRINCIPAL/TEACHER TRAINING	-45,138.00	.00	45,138.00	-3,566.38	.00	100.00%
263 / 5 - TITLE III / ENGLISH LANG INSTR	-37,224.00	.00	37,224.00	17,326.44	.00	100.00%
289 / 5 - FEDERAL SPECIAL REVENUE FUND	.00	.00	3,320.00	3,320.00	3,320.00	.00%
331 / 5 - SHARED SERVICES ARRANGEMENT	-21,186.00	.00	21,186.00	.00	.00	100.00%
410 / 5 - STATE INSTRUCTIONAL MATERIALS	-428,477.71	.00	216,348.36	215,583.36	-212,129.35	50.49%
Total Special Revenue Funds	-1,746,057.71	.00	1,523,761.28	350,384.32	-222,296.43	87.27%
Interest and Sinking						
599 / 5 - DEBT SERVICE FUND	-726,600.00	.00	726,600.00	138,900.00	.00	100.00%
Total Interest & Sinking	-726,600.00	.00	726,600.00	138,900.00	.00	100.00%
Construction						
616 / 5 - PSF CAPITAL IMPROVEMENT FUND	-1,300,700.00	.00	1,312,197.14	210,142.27	11,497.14	100.88%
Total Construction	-1,300,700.00	.00	1,312,197.14	210,142.27	11,497.14	100.88%
Grand Total Expenditures 6000	-15,739,094.71	.00	15,988,503.28	2,751,310.55	249,408.57	101.58%
8000	.00	.00	.00	.00	.00	.00%

East Chambers ISD 2014-2015 Key Financial Factors

Function	Description	Appropriations
11	Instruction	\$7,379,480
12	Instructional Resources and Media Services	\$186,436
13	Curriculum/Instructional Staff Development	\$74,639
21	Instructional Leadership	\$140,078
23	School Leadership	\$510,013
31	Guidance/Counseling/Evaluation Services	\$450,193
33	Health Services	\$92,211
34	Pupil Transportation	\$512,841
35	Food Services	\$795,517
36	Co-Curricular Activities	\$813,010
41	General Administration	\$527,043
51	Facilities Maintenance and Operations	\$1,904,455
52	Security/Monitoring Services	\$31,863
53	Data Processing Services	\$89,766
61	Community Services	\$1,350
71	Debt Service	\$761,300
81	Facilities Acquisition & Construction	\$1,425,700
93	Payments to Fiscal Agent	\$43,200
Total Budget:		<u>\$15,739,095</u>

2014-2015 Budget by Function Code



2014-2015 Budget

