

GOMEZ & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To The Board of Directors of
Gulf Coast Trades Center, Inc.
New Waverly, Texas

We have audited the financial statements of Gulf Coast Trades Center, Inc. (GCTC, Inc.) as of and for the year ended August 31, 2013, and have issued our report thereon dated January 13, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules for individual charter school are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Houston, TX
January 13, 2014

GULF COAST TRADES CENTER, INC.
THE RAVEN SCHOOL

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2013

(With Comparative Totals for the Year Ended 2012)

ASSETS	2013	2012
Current Assets:		
Cash	\$ 894,392	\$ 1,347,392
Grants Receivable	185,858	65,024
Due from Gulf Coast	8,793	14,414
Total Current Assets	1,089,043	1,426,830
Property & Equipment		
Building Improvements	840,458	840,458
Equipment & Furniture	113,945	113,945
	954,403	954,403
Less Accumulated Depreciation	(408,011)	(370,906)
	546,393	583,497
Total Assets	\$ 1,635,436	\$ 2,010,327
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 15,891	\$ 4,735
Accrued Liabilities	56,941	247,236
Due to TEA	193,985	
Total Liabilities	266,817	251,971
Net Assets:		
Unrestricted	1,368,619	1,758,356
Total Net Assets	1,368,619	1,758,356
Total Liabilities and Net Assets	\$ 1,635,436	\$ 2,010,327

See accompanying notes to financial statements.

GULF COAST TRADES CENTER, INC
THE RAVEN SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2013
(With Comparative Totals for the Year Ended 2012)

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
REVENUES				
Local Support:				
5740 Other Revenues from Local Services	\$ 2,874	\$	\$ 2,874	\$ 20,699
Total Local Support	2,874	.	2,874	20,699
State Program Revenues:				
5810 Foundation School Program Act Revenues		1,147,921	1,147,921	1,349,605
5820 State Program Revenues Distributed by Texas Education Agency		15,795	15,795	1,346
Total State Program Revenues		1,163,716	1,163,716	1,350,951
Federal Program Revenues:				
5910 Federal Revenues Distributed Through Government Entities Other Than State or Federal Agencies		6,639	6,639	8,603
5920 Federal Revenues Distributed by Texas Education Agency		696,778	696,778	726,321
Total Federal Program Revenues		703,416	703,416	734,923
Net Assets Released from Restrictions:				
Restrictions Satisfied by Payments	1,867,133	(1,867,133)		
Total Revenues	1,870,006		1,870,006	2,106,574
EXPENSES				
11 Instruction	1,561,411		1,561,411	1,643,868
12 Instructional Resources and Media Services	2,255		2,255	2,208
21 Instructional Leadership	440		440	340
23 School Leadership	184,888		184,888	173,579
31 Guidance, Counseling, and Evaluation Services	111,202		111,202	135,060
36 Cocurricular/Extracurricular Activities	1,954		1,954	341
41 General Administration	52,276		52,276	35,864
51 Plant Maintenance and Operations	340,192		340,192	353,854
53 Data Processing Services	5,125		5,125	5,650
Total Expenses	2,259,743		2,259,743	2,350,763
Change in Net Assets	(389,737)		(389,737)	(244,189)
Net Assets, Beginning of Year	1,758,356		1,758,356	2,002,545
Net Assets, End of Year	\$ 1,368,619	\$	\$ 1,368,619	\$ 1,758,356

See accompanying notes to financial statements.

GULF COAST TRADES CENTER, INC.
THE RAVEN SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2013
(With Comparative Totals for the Year Ended 2012)

	2013	2012
Cash Flows from Operating Activities		
Change in Net Assets	\$ (389,737)	\$ (244,189)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	37,104	37,104
(Increase) Decrease in Grants Receivable	(120,834)	347,150
(Increase) Decrease in Due from Gulf Coast	5,621	(14,414)
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(179,139)	156,239
Increase (Decrease) in Due to State	193,985	
Total adjustments	(63,263)	526,079
Net Cash Provided (Used) by Operating Activities	(453,000)	281,890
NET INCREASE (DECREASE) IN CASH	(453,000)	281,890
CASH AT BEGINNING OF YEAR	1,347,392	1,065,502
CASH AT END OF YEAR	\$ 894,392	\$ 1,347,392

See accompanying notes to financial statements.

GULF COAST TRADES CENTER, INC.
THE RAVEN SCHOOL

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2013

EXPENSES

6100 Payroll Costs	\$ 1,395,786
6200 Professional and Contracted Services	703,675
6300 Supplies and Materials	85,853
6400 Other Operating Costs	<u>74,430</u>
Total Expenses	<u>\$ 2,259,743</u>

See accompanying notes to financial statements.

GULF COAST TRADES CENTER, INC.
THE RAVEN SCHOOL

SCHEDULE OF CAPITAL ASSETS

FOR THE YEAR ENDED AUGUST 31, 2013

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$	\$ 894,392	\$
1520 Building and Improvements	74,626	123,166	642,666
1539 Equipment and Furniture		113,945	
Total Property and Equipment	<u>\$ 74,626</u>	<u>\$ 1,131,504</u>	<u>\$ 642,666</u>

See accompanying notes to financial statements.

GULF COAST TRADES CENTER, INC.
THE RAVEN SCHOOL

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2013

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Local Support:				
5740 Other Revenues from Local Sources	\$ 25,000	\$ 25,000	\$ 2,874	\$ 22,126
Total Local Support	25,000	25,000	2,874	22,126
State Program Revenues:				
5810 Foundation School Program Act Revenues	1,643,388	1,627,593	1,147,921	479,672
5820 State Program Revenues Distributed by Texas Education Agency	<u> </u>	<u>15,795</u>	<u>15,795</u>	<u> </u>
Total State Program Revenues	1,643,388	1,643,388	1,163,716	479,672
Federal Program Revenues:				
5910 Federal Revenues Distributed Through Government Entities Other Than State or Federal Agencies	<u> </u>	<u>6,639</u>	<u>6,639</u>	<u> </u>
5920 Federal Revenues Distributed by Texas Education Agency	<u> </u>	<u>743,714</u>	<u>696,778</u>	<u>46,936</u>
Total Federal Program Revenues	<u> </u>	<u>750,353</u>	<u>703,416</u>	<u>46,937</u>
Total Revenues	<u>1,668,388</u>	<u>2,418,741</u>	<u>1,870,006</u>	<u>548,735</u>
EXPENSES				
11 Instruction	950,000	1,659,089	1,561,411	97,678
12 Instructional Resources and Media Services	3,500	3,500	2,255	1,245
21 Instructional Leadership	1,200	1,200	440	760
23 School Leadership	189,883	189,883	184,888	4,995
31 Guidance, Counseling, and Evaluation Services	93,600	134,864	111,202	23,662
36 Cocurricular/Extracurricular Activities	2,000	2,000	1,954	46
41 General Administration	63,080	63,080	52,276	10,804
51 Plant Maintenance and Operations	350,000	350,000	340,192	9,808
53 Data Processing Services	<u>15,125</u>	<u>15,125</u>	<u>5,125</u>	<u>10,000</u>
Total Expenses	<u>1,668,388</u>	<u>2,418,741</u>	<u>2,259,743</u>	<u>158,998</u>
Change in Net Assets			(389,737)	(389,737)
Net Assets, Beginning of Year	<u>1,758,356</u>	<u>1,758,356</u>	<u>1,758,356</u>	<u> </u>
Net Assets, End of Year	<u>\$ 1,758,356</u>	<u>\$ 1,758,356</u>	<u>\$ 1,368,619</u>	<u>\$ (389,737)</u>

See accompanying notes to financial statements.